HF
HAREL FRERES

annual report

Dear Shareholder,

The Board of directors is pleased to present the Annual Report of Harel Frères Limited for the year ended December 31, 2008, the contents of which are listed on next page.

This report was approved by the Board of directors on May 20, 2009.

Jean Hugues Maigrot
Chairperson

Cyril Mayer
Managing Director

contents

administration

contents

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Registered office
Level 1, Harel Mallac Building
18 Edith Cavell Street, P.O. Box 317
Port-Louis – Republic of Mauritius
Telephone : (230) 208 0808
Telefax : (230) 211 1836
e-mail : harelfreres@harelfreres.com

Secretary
H F Administrative Services Ltd
18 Edith Cavell Street, P.O. Box 317
Port-Louis – Republic of Mauritius
Telephone: (230) 208 0808
Telefax : (230) 211 1836
e-mail : harelfreres@harelfreres.com

Auditors
BDO De Chazal Du Mée
(Chartered Accountants)

Bankers
The Mauritius Commercial Bank Limited
The State Bank of Mauritius Limited
Barclays Bank, PLC

Sugar estates
Belle Vue - Mauricia S.E.
Mapou – Republic of Mauritius
Telephone : (230) 266 1531 – (230) 266 8485
Telefax : (230) 266 1985
e-mail : bellevue@harelfreres.com

Sucrivoire
01 BP 1289 Abidjan 01 – Côte d'Ivoire
Telephone : (225) 21 75 75 75
Telefax : (225) 21 25 45 65
e-mail : CONQUET@sifca.ci

Power plant
Compagnie Thermique de Belle Vue Limitée
Belle Vue - Mauricia
Mapou – Republic of Mauritius
Telephone : (230) 266 1226
Telefax : (230) 266 8013
e-mail : ctbv@ctbv.net

CTBV Management Co Ltd
18 Edith Cavell Street
Port-Louis – Republic of Mauritius
Telephone : (230) 208 0808
Telefax : (230) 211 1836
e-mail : ctbvm@ctbv.net

Commercial & alcohol production
Grays Inc. Ltd
Beau Plan, Pamplemousses
Republic of Mauritius
Telephone : (230) 209 3000
Telefax : (230) 243 3664
e-mail : grays@grays.mu

Grays Refinery Ltd
Beau Plan, Pamplemousses
Republic of Mauritius
Telephone : (230) 243 3735
Telefax : (230) 243 3733
e-mail : graysrefinery@harelfreres.com

Property management
Sagiterre Ltée
4th Floor, Ken Lee Building
Edith Cavell Street,
Port-Louis – Republic of Mauritius
Telephone : (230) 211 0971
Telefax : (230) 211 0484
e-mail : sagiterre@sagiterre.com

Stone crushing and block making
Produits Basaltiques du Nord Ltée (PROBAN)
Royal Road, Fond du Sac
Republic of Mauritius
Telephone : (230) 266 1355
Telefax : (230) 266 9045
e-mail : proban@intnet.mu

group structure

harel frères limited

Sugar*

MILLING

Belle Vue Milling Co. Ltd 63.29%

Beau Plan Milling Co. Ltd 63.29% ***

COTE D'IVOIRE

Ivoirel Limitée 100.00% **

Sucrivoire S.A. 25.50%

Property management

Sagiterre Ltée 100.00%

Other interests

ADMINISTRATION

Mauricia Limitée 100.00%

HF Administrative Services Ltd 100.00%

FINANCIAL SERVICES

Cie d'Investissements et de Gestion de Portefeuilles Ltée 40.00% ***

CULTURAL

Fondation Nemours Harel 50.00%

N.B.: Percentages indicated above are in respect of effective holding.

* The growing activities of the sugar segment are now owned directly by Harel Frères Limited.

** Holding entity

*** Dormant company.

Subsidiaries

Associates

contents

HF investments ltd - 100.00%

Energy

POWER GENERATION

Société HBM 79.11% **

Compagnie Thermique de Belle Vue Limitée 40.35%

MANAGEMENT AND SERVICES

CTBV Management Co Ltd 22.15%

Coal Terminal (Management) Co Ltd 12.21%

Commercial & alcohol production

BOTTLING AND DISTRIBUTION

Grays & Co. Ltd 100.00% **

Grays Inc. Ltd 74.00%

Ile de Soleil Ltée 100.00%

East Indies Company Ltd 18.50%

Les Chais de l'isle de France Limitée 50.00%

Les Domaines de Mauricia Limitée 50.00%

Cosmebelle (Maurice) Limitée 50.00%

Anytime Investment Ltd 24.50%

New Fabulous Investment Ltd 24.50%

New Goodwill Co Ltd 33.33%

Rum Distributors Ltd 33.33%

DISTILLERY

Grays Refinery Ltd 66.67%

Distillerie de Bois Rouge Ltd 33.33% **

Société de Distillation de St Antoine et Bois Rouge 33.33% * * *

Construction

Société Proban 55.56% **

Produits Basaltiques du Nord Ltée 30.00%

Rehm Grinaker Construction Co Ltd 35.49%

Other interests

FINANCIAL SERVICES

Intendance Holding Ltd 26.80% **

LEISURE

Sugarworld Ltd 30.70%

TRADING

Alcohol and Molasses Export ltd 30.81%

PROPERTY

Horus Ltée 50.00%

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financial highlights (Group)

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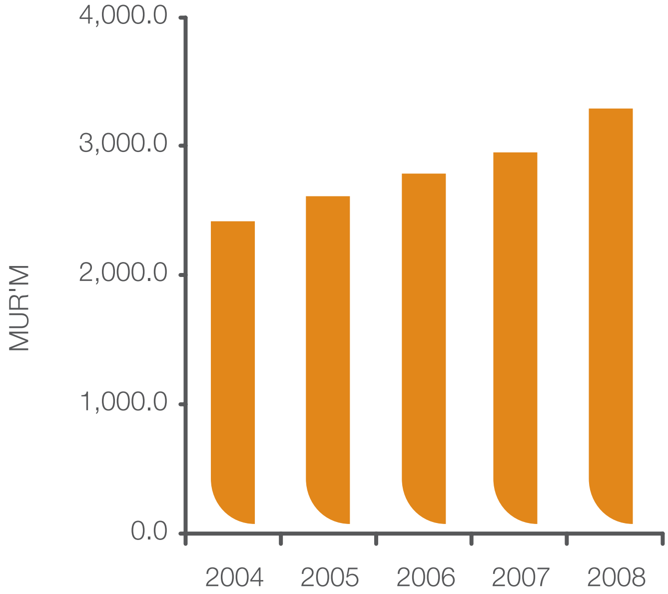
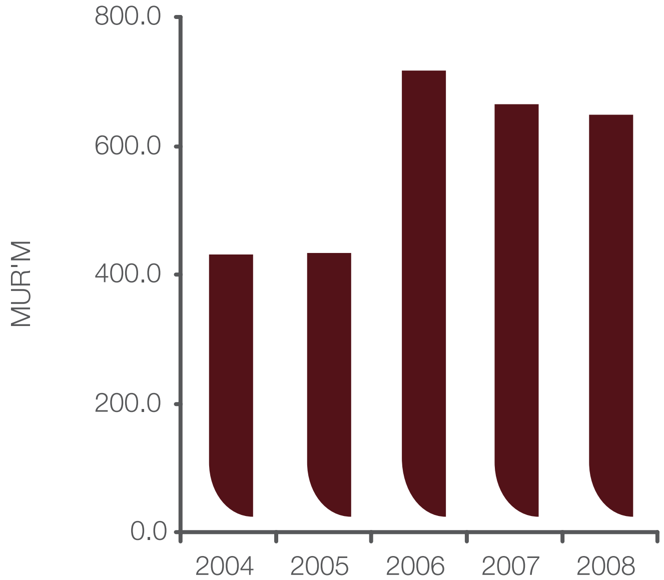


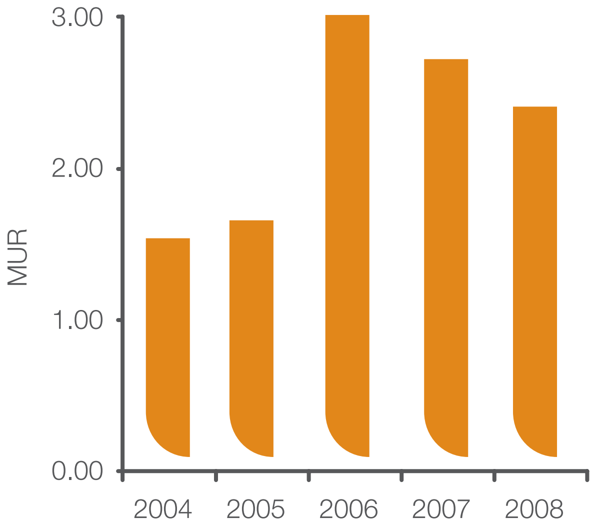
TURNOVER

	MUR' M
2004	2,402.9
2005	2,599.6
2006	2,768.5
2007	2,948.0
2008	3,289.2



PROFIT AFTER TAXATION

	MUR' M
2004	424.2
2005	426.0
2006	704.5
2007	663.3
2008	646.6



EARNINGS PER SHARE

	MUR
2004	1.50*
2005	1.63*
2006	2.99
2007	2.71
2008	2.39

* : Adjusted for share split of 1 into 10 and bonus issue of 1 for every 3 split shares.

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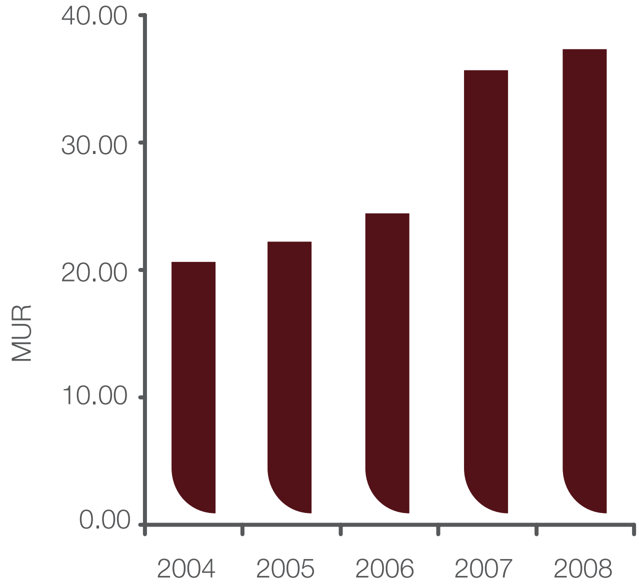
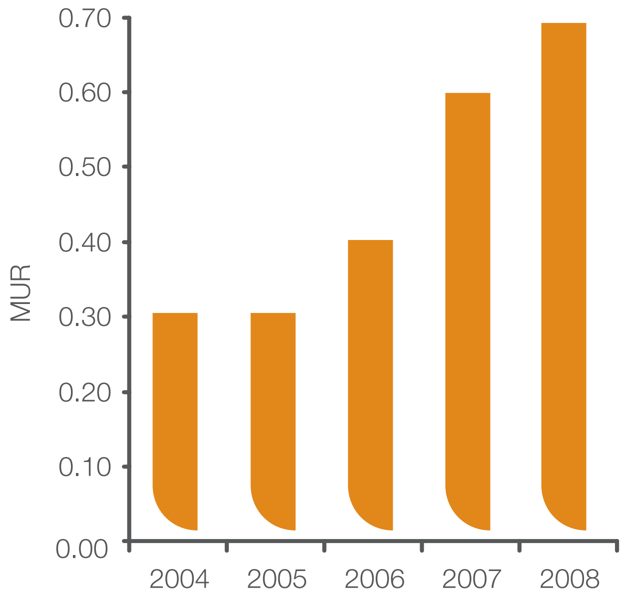


NET ASSETS PER SHARE

	MUR
2004	20.71 *
2005	22.25 *
2006	24.45
2007	35.70
2008	37.50



DIVIDEND PER SHARE

	MUR
2004	0.30 *
2005	0.30 *
2006	0.40
2007	0.60
2008	0.70

* : Adjusted for share split of 1 into 10 and bonus issue of 1 for every 3 split shares.

share analysis

• Distribution of shareholders at December 31, 2008

Range of shareholding

	SHAREHOLDERS		SHARES HELD	
	Number	%	Number	%
1 – 500	230	29.79	36,359	0.02
501 – 1,000	77	9.97	67,839	0.04
1,001 – 5,000	159	20.60	417,865	0.24
5,001 – 10,000	50	6.48	372,209	0.21
10,001 – 50,000	121	15.67	2,703,457	1.56
50,001 – 100,000	36	4.66	2,706,334	1.56
100,001 – 250,000	32	4.15	4,677,706	2.69
250,001 – 500,000	21	2.72	7,186,898	4.13
500,000 – 1,000,000	21	2.72	15,109,097	8.69
Over 1,000,000	25	3.24	140,556,236	80.86
	772	100.00	173,834,000	100.00

Shareholders spread

To the best knowledge of the directors, the spread of shareholders at December 31, 2008 was as follows :

	SHAREHOLDERS		SHARES HELD	
	Number	%	Number	%
Individuals	633	82.00	37,352,036	21.49
Insurance & assurance companies	16	2.07	2,372,541	1.36
Pension & provident funds	26	3.37	5,357,322	3.08
Investment & trust companies	13	1.68	1,487,532	0.86
Other corporate bodies	84	10.88	127,264,569	73.21
	772	100.00	173,834,000	100.00

contents
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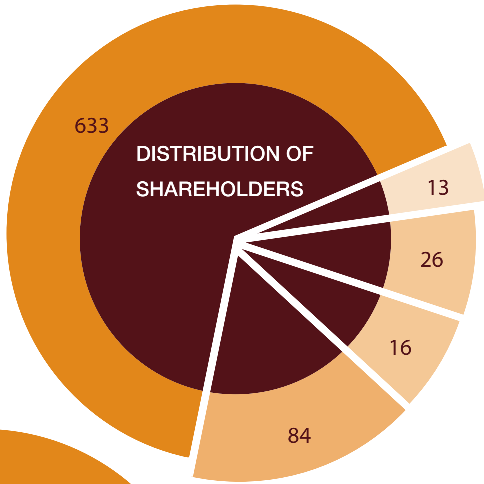
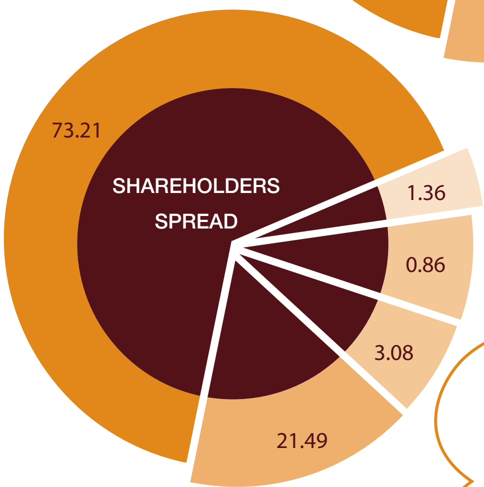
• Distribution of shareholders at December 31, 2008 (cont'd)

Distribution of shareholders

	NUMBER
Individuals	633
Insurance & assurance companies	16
Pension & provident funds	26
Investment & trust companies	13
Other corporate bodies	84
	772





Shareholders spread

	%
Individuals	21.49
Insurance & assurance companies	1.36
Pension & provident funds	3.08
Investment & trust companies	0.86
Other corporate bodies	73.21
	100.00

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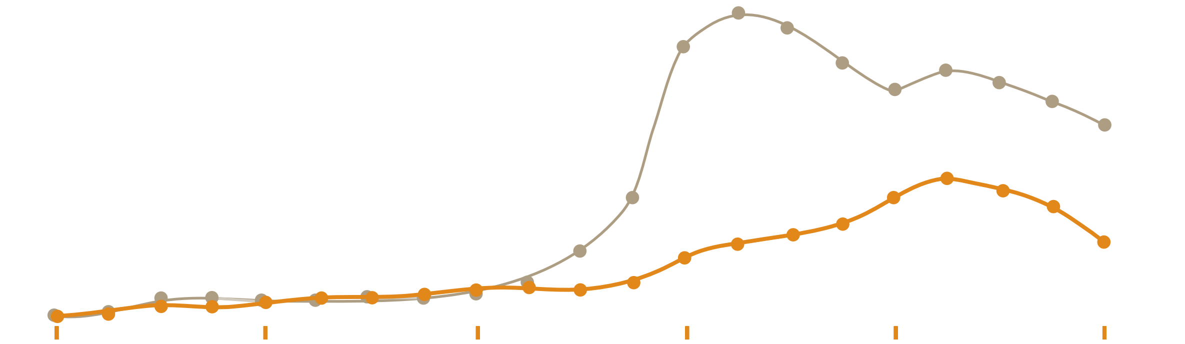
• Stock Exchange performance

Relative quarterly movement of semdex and harel frères share price



	2004	2005	2006	2007	2008
SEMDEX (Points)					
- Year End Closing	710.77	804.03	1,204.46	1,852.21	1,182.74
SHARE PRICE (MUR)					
- Year End Closing Price	4.43 *	5.18 *	22.00	18.50	14.90
- High	4.95 *	5.18 *	30.50 *	26.00	25.00
- Low	3.64 *	4.43 *	4.73 *	17.60	14.50

Note: At May 20, 2009, the Harel Freres share price was MUR 17.70.

	2004	2005	2006	2007	2008
YIELDS **					
- Earnings Yield %	33.98%	31.80%	13.52%	14.65%	16.04%
- Dividend Yield %	6.78%	5.80%	1.82%	3.24%	4.70%
Price Earnings Ratio	2.94 **	3.14 **	7.36	6.83	6.23

* : Adjusted for share split of 1 into 10 and bonus issue of 1 for every 3 split shares.

** : Historical data per published figures (not adjusted for restatement of figures and share split of 1 into 10 and bonus issue of 1 for every 3 split shares).

• Main Exchange Rates to the Rupee

Consolidated Average Indicative Selling Rates of Commercial Banks
(Source: Bank of Mauritius on http://bom.intnet.mu)

Currency	December 31, 2007	December 31, 2008
Euro	42.7446	45.8855
US dollar	29.0499	32.4463
GB pound	57.9717	47.0363
SA rand	4.3357	3.5258

• Calendar

Financial year-end		December 31
Publication of audited condensed financial statements		Late March
Annual report issued		Mid June
Annual meeting of shareholders		Late June
Dividend	- declaration	Late November
	- payment	Late December

contents
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-

group value added statement

Year ended December 31, 2008

		2008	2007	
		MUR'M	MUR'M	
Turnover		**3,289.2**	2,948.0	
Losses in fair value		**(17.7)**	(9.4)	
Exceptional items		**-**	35.5	
Other income		**177.2**	195.4	
		3,448.7	3,169.5	
Less: paid to suppliers		**(1,505.0)**	(1,252.3)	
TOTAL VALUE ADDED		**1,943.7**	1,917.2	
WEALTH DISTRIBUTED				
To employees for salaries,wages and other benefits	21%	**402.7**	375.5	20%
To Government				
Taxes		**100.5**	113.0	
Custom and Excise Duties		**349.9**	330.5	
	23%	**450.4**	443.5	23%
To providers of capital				
Dividends to:				
Shareholders of Harel Frères Limited		**121.7**	104.3	
Outside shareholders of subsidiaries		**167.9**	127.5	
Banks and other lenders		**97.2**	116.3	
	20%	**386.8**	348.1	18%
Retained for the group's business				
Depreciation		**231.1**	213.8	
Amortisation charge		**57.1**	65.8	
Retained profits		**415.6**	470.5	
	36%	**703.8**	750.1	39%
TOTAL DISTRIBUTED AND RETAINED		**1,943.7**	1,917.2	

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group value added statement (cont'd)

	2008	2007
To employees for salaries,wages and other benefits	21%	20%
To Government	23%	23%
To providers of capital	20%	18%
Retained for the group's business	36%	39%
	100%	100%

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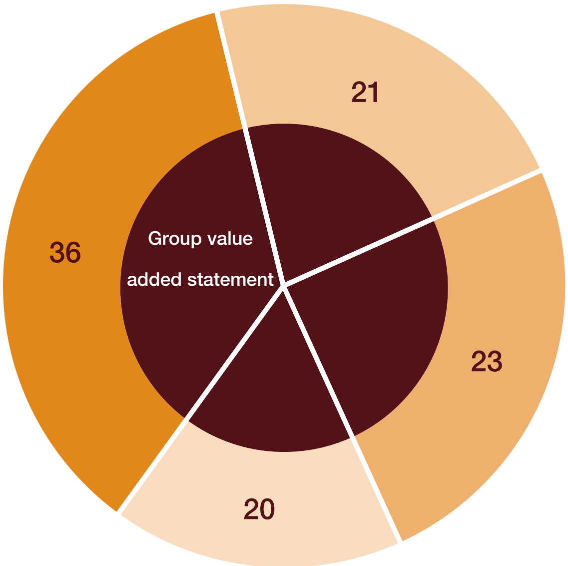
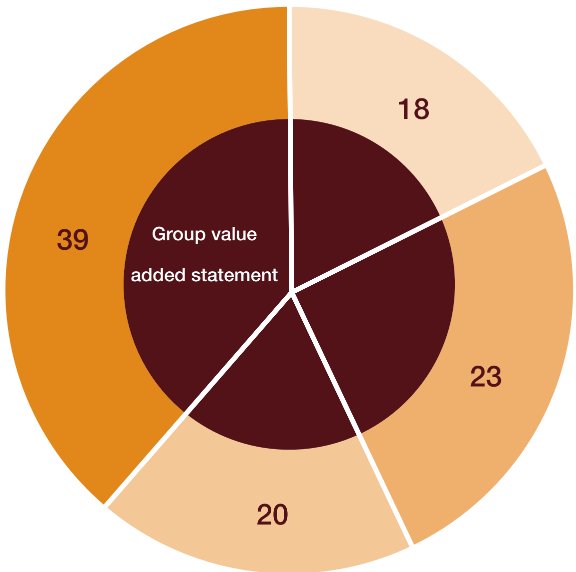
2008





2007

board of directors

The company's constitution provides that the Chairperson and other directors hold office for a period of one year. Consequently, a new Board is elected every year by ordinary resolution at the company's Annual Meeting.

• The following directors held office at December 31, 2008 :

Directors		Alternate directors
Jean Hugues Maigrot (Chairperson)	*Independent nonexecutive*	Jocelyn de Chasteauneuf / Jacques de Navacelle * / **
Jocelyn de Chasteauneuf	*Independent nonexecutive*	Jean Hugues Maigrot *
		Jean Hugues Maigrot / Jacques de Navacelle **
Jean Desmarais	*Nonexecutive*	Philippe Harel / Guillaume Raffray *
Maurice de Marassé Enouf	*Nonexecutive*	Dominique de Froberville **
Jean de Fondaumière	*Nonexecutive*	Dominique de Froberville * / **
Jean Pierre Hardy	*Nonexecutive*	Dominique de Froberville * / **
Alexis Harel	*Executive*	Joël Harel / Alain Vallet *
Henri Harel	*Executive*	Patrick Guimbeau / Alexis Harel *
		Alain Vallet / Alexis Harel **
Joseph Marc Harel	*Nonexecutive*	Philippe Harel / Christophe Harel *
Cyril Mayer (Managing Director)	*Executive*	Jean Hugues Maigrot * / **
Jacques de Navacelle	*Independent nonexecutive*	Jean Hugues Maigrot * / ***
Guillaume Raffray	*Nonexecutive*	Hubert Raffray / Christophe Harel *
Alain Vallet	*Executive*	Alexis Harel / Henri Harel * / **

* Up to June 27, 2008.
** As from September 10, 2008.
*** As from November 26, 2008.

contents
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Jean Hugues Maigrot *(72 years old)*
Notary Public
Independent nonexecutive Chairperson – First appointed to the Board 2003

Jean Hugues Maigrot was appointed Notary Public in 1971 and has been in practice ever since. He is legal adviser to a number of listed and large private companies and chairs the Corporate Governance Committee of Harel Frères.

Directorship of listed companies :
- Mon Trésor and Mon Désert Ltd

Jocelyn de Chasteauneuf *(71)*
Independent nonexecutive director – First appointed to the Board 2003

Having joined the Mauritius Commercial Bank Ltd (MCB) in 1955, Jocelyn de Chasteauneuf trained as a banker at Lloyds Bank (London) in 1960-61 and 1971. He was appointed on the management team of MCB in 1972 and Assistant General Manager in 1986. He retired from the bank in 1995. He is the Chairperson of the Audit Committee of Harel Frères.

Directorship of listed companies :
- *Fincorp Investment Ltd*

Jean Desmarais *(70)*
Diploma in Mechanical & Electrical Engineering (South Africa)
Certificate of the Institute of Financial Management (London)
Nonexecutive director – First appointed to the Board 2004

Having started his career at Blyth Brothers & Co Ltd (Blyth) in 1961, Jean Desmarais was recruited the very next year to work as expatriate Shift Engineer during the setting up of a sugar factory on the African continent. He again joined Blyth on his return to Mauritius in 1964 and, for the next eleven years, headed the sales function of the company's engineering department. Having been promoted in 1975 to the Board of Management of IBL (of which Blyth then formed part), he served on the Board of various institutions such as the Mauritius Chamber of Commerce and Industry and the Central Water Authority. He retired from IBL in 1995 and has since been self-employed.

Maurice de Marassé Enouf *(63)*
Member of the Association of Chartered Certified Accountants (UK)
Member of the Mauritius Institute of Professional Accountants
Nonexecutive director – First appointed to the Board 2007

Having started his career at De Chazal Du Mée in 1963 and briefly worked for the Rogers group, Maurice Enouf joined Flacq United Estates Ltd as Group Internal Audit Manager in 1973.
He was appointed Group Accountant for Medine S.E. in 1983 and, soon after, was promoted Chief Accountant and Finance Manager of the WEAL Group until his retirement in 2001. He is at the moment self-employed.

Directorships of listed companies :
- Innodis Ltd
- Mauritus Oil Refineries Ltd

board profile (cont'd)

contents
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Jean de Fondaumière *(55)*
Chartered Accountant (Scotland)
Nonexecutive director – First appointed to the Board 2002

After serving in managerial positions in Australia, Jean de Fondaumière served as Group Chief Executive Officer of the Swan Group (Swan Insurance Co Ltd and The Anglo-Mauritius Assurance Society Limited) from 1997 until December 31, 2006. He acted as Chairperson of the Stock Exchange of Mauritius Ltd from 2002 to December 2006. He is a director of a number of companies involved in various economic activities such as tourism, finance, agriculture and commerce in Mauritius and the region. He is a member of the Corporate Governance Committee of the company.

Directorships of listed companies :
- Naïade Resorts Limited

Jean Pierre Hardy *(51)*
Maîtrise de Gestion (France)
Nonexecutive director – First appointed to the Board 1988 and reappointed in 2007

After having completed his studies, Jean Pierre Hardy worked in Europe and Reunion until 1987, when he returned to Mauritius to run a sworn broker's office. He is self-employed and has since launched a number of business ventures in textiles, information technology and finance. Besides being involved in several NGO's and associations engaged in the social, educational and environmental fields, he is active in promoting the concept of *Maurice île durable*. He was a director of Harel Frères Limited and of a number of subsidiaries between 1988 and 2003. He is currently a member of the Audit Committee of the company.

Alexis Harel *(46)*
BSc (Bus. Admin) (USA)
Executive director – First appointed to the Board 1999

Having started a career in auditing with De Chazal Du Mée (Chartered Accountants), Alexis Harel then occupied managerial positions in the industrial and IT sectors before joining Grays as Commercial Executive in 1992. He is a member of Harel Frères' Management Committee.

Directorships of listed companies :
- Naïade Resorts Limited
- United Docks Ltd

contents
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Henri Harel *(48)*
ACIS (South Africa)
Executive director – First appointed to the Board 1996

Henri Harel first worked in South Africa as an auditor with De Ravel, Boulle, Saad & Wyman (Chartered Accountants). He then occupied the post of Internal Auditor with Toyota S.A. Manufacturing and that of Financial Accountant at Amalgamated Beverage Industries Ltd (Coca-Cola). Upon his return to Mauritius in 1991, he worked for Société de Gérance de Mon Loisir as financial controller until 1996, when he joined Harel Frères Limited in a similar capacity. He is at present the group's Chief Finance Officer and a Management Committee member. He was, for the last two years, Chairperson of the Sugar Industry Pension Fund and of its Finance and Investment Committee.

Directorship of listed companies :
- Swan Insurance Co Ltd

Joseph Marc Harel *(69)*
Nonexecutive director – First appointed to the Board 1991 and reappointed in 2006

Joseph Marc Harel worked between 1959 and 1962 in the audit and accounting departments of De Chazal Du Mée (Chartered Accountants) and as Assistant General Manager of Compagnie Sucrière de Mon Songe Ltée from 1962 to 1965. He then moved to South Africa where he acquired and managed a sugar cane farm. In 1983 he moved to France and ran a wine farm in the Bordeaux region up to 2007. He has since moved back to Mauritius where he is active in property development.

Cyril Mayer *(57)*
BCom, Chartered Accountant (South Africa)
Managing Director – First appointed to the Board 1992

Cyril Mayer joined the group as a management executive in 1988. He served as Executive Chairperson from 1992 to 2003, when he stepped down and was appointed Group Managing Director. As such, he has overall responsibility for group activities and heads the Management Committee. He has served on most of the sugar sector institutions, the Mauritius Employers Federation and the Joint Economic Council. He is also a Board member of the Mauritius Sugar Authority and of the newly incorporated Mauritius Institute of Directors.

Directorships of listed companies :
- Mon Trésor and Mon Désert Ltd (Nonexecutive chairperson)
- Swan Insurance Co Ltd (Nonexecutive chairperson)
- United Docks Ltd

Jacques de Navacelle *(62)*
Maîtrise en Philosophie (France)
Diplôme de l'Institut de Commerce International (Paris)
Independent nonexecutive director – First appointed to the Board 2005

In 1971, Jacques de Navacelle started a banking career in Paris and, in 1978, joined Barclays Bank with whom he worked for the next twenty years, occupying various managerial positions with increasing responsibilities within the bank in Europe. In 1998, he was appointed Managing Director of Barclays Bank PLC, Mauritius. For a year prior to his retirement from Barclays at the end of 2004, he assumed overall responsibility for the bank's activities in the Indian Ocean region. He is at present the Managing Director of Mauritius Union Assurance Co Ltd, a company listed on the Stock Exchange. He served as Chairperson of the Mauritius Bankers Association in 2004 and as President of the Joint Economic Council from March 2006 to March 2008. He is currently the Chairman of Transparency Mauritius. He is a member of the Audit and Corporate Governance Committees of the company.

Directorship of listed companies :
- Mon Trésor and Mon Désert Ltd
- The United Basalt Products Ltd

Guillaume Raffray *(51)*
Nonexecutive director – First appointed to the Board 2002

Guillaume Raffray started his career in France in 1979, working for Société Loiret & Haentjens and was promoted manager of its international sugar trading department. Upon his return to Mauritius in 1988 he headed Sugarex Ltd, a company trading in soft commodities, until 1992 when he was appointed Managing Director of Total Mauritius Ltd. He resigned his post in 2000 and has since been a director of a number of companies active in financial services, manufacturing and agriculture.
He was first appointed alternate director of Harel Frères in 1998.

Alain Vallet *(54)*
Advanced Certificate in Business Studies (London)
Executive director – First appointed to the Board 1992

Alain Vallet joined the group in 1979 as marketing executive for wine and spirits. He actively participated in the re-engineering of the Grays cluster in the early eighties and was appointed Chief Executive Officer in 1989 and a Grays director in 1993. He is a member of Harel Frères' Management Committee. He has served on a number of private sector institutions, such as The Mauritius Chamber of Commerce and Industry, the Association of Mauritian Manufacturers and the Mauritius Employers' Federation.

Directorships of listed companies :
- Compagnie des Magasins Populaires Ltée
- United Docks Ltd

contents
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Louis Denis Koenig *(42)*
Maîtrise es Sciences Economiques (Economie d'Entreprise)
Diplôme d'Etudes Supérieures Spécialisées (Finance) – (France)
Management and Administrative Executive

Louis Denis Koenig worked as a Statistician at The Anglo-Mauritius Assurance Society Limited before joining the group in 1990 as Assistant Secretary. He is at present a member of the company's Management Committee. He held a Dealers Representative licence from the Financial Services Commission and has acted in such capacity for Cavell Securities Ltd, from 1992 up to October 2006. He was also a director of The Stock Exchange of Mauritius Ltd and of The Central Depositary & Settlement Co Ltd and a member of the Index Management Committee (SEM 7) of the Stock Exchange until October 2006.

contents
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Proposed appointments

Antoine Louis Harel and Charles Edouard Piat will be proposed for election at the forthcoming Annual Meeting in replacement of Jean Desmarais and Guillaume Raffray who will not stand for re-election. Summaries of their *curriculum vitae* are included hereunder.

Antoine Louis Harel *(52)*
BA (Hons) in Accounting and Computing (UK)
Chartered Accountant (England and Wales)

Having served articles with Ernst & Young, London, and qualified as a Chartered Accountant in 1986, Antoine Louis Harel returned to Mauritius in 1987 and joined Harel Mallac & Co Ltd at managerial level.
After having headed different divisions within the group, he was appointed CEO in 1998, a position he occupied until 2005, when he became the company's Chaiperson. Mr Harel is a past President of the Mauritius Chamber of Commerce and Industry and sits on a number of private sector institutions.

Directorships of listed companies :
- Automatic Systems Ltd
- Compagnie des Magasins Populaires Ltée
- Harel Mallac & Co Ltd
- The Mauritius Chemical and Fertilizer Industry Ltd

Charles Edouard Piat *(57)*

After his military service in the French navy, Charles Edouard Piat remained in France and worked in the insurance industry from 1973 to 1980. Thereafter, having returned to Mauritius, he founded in 1982 a ship model factory, Historic Marine Ltd, of which he currently is the Chief Executive. He has presided the Registered Trade Mark Holders and Retailers Association and was a director of Harel Frères Limited between 2002 and 2006.

management

contents

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Head office :

Management Committee
Cyril Mayer
Alexis Harel
Henri Harel
Louis Denis Koenig *
Alain Vallet

* Also serves as Secretary to the Committee

Profiles of Management Committee members are set out on pages 16 to 19.

Accounts	
Steeve Lareine	Group Accountant

Sugar estates :

Mauritius	
Denis Pilot	General Manager
Reynolds Laguette	Factory Manager
Côte d'Ivoire	
Jean-Claude Conquet	General Manager

Power plant :

CTBV Management Co Ltd	Manager
Geoffroy Mattlinger	Plant Manager

Commercial and alcohol production :

Bottling and distribution	
Alain Vallet	Chief Executive Office
Alexis Harel	Commercial Executive
Distillery	
Patrice Gourel de St Pern	Plant Manager

Property management :

Bernard Desvaux de Marigny	Manager

Stonecrushing and block making :

The United Basalt Products Limited	Manager

Profiles of Managers are set out on page 21.

contents
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Jean-Claude Conquet *(60 years old)*
Engineer (France)

Jean-Claude Conquet started his career as a Reseach and Developement Engineer in France in 1973. He then moved to Côte d'Ivoire in 1979 where he joined the SIFCA Group. He has held several managerial positions within the group, mainly in the coffee and rice processing and distribution sectors. He was appointed General Manager of Sucrivoire in 2005.

Bernard Desvaux de Marigny *(52)*
Member of the Mauritius Institute of Surveyors (MMIS)

After qualifying as a Land Surveyor in 1981 and being in practice until 1987, Bernard Desvaux de Marigny set up the partnership of "Desmarais-Desvaux, Arpenteurs" which he co-managed until 2001, when he joined the group as General Manager of Sagiterre Ltée.

Patrice Gourel de St Pern *(50)*
Certificate in Management Development (RASITC)

After working at the St Antoine distillery between 1979 and 1981, Patrice Gourel de St Pern joined the group in 1981 as Shift Supervisor at Grays Refinery Ltd. He was appointed Assistant Plant Manager in 1988 and Plant Manager in 1995. He is a member of the International Institute of Risk and Safety Managers and of the Association of Health and Safety Managers.

Reynolds Laguette *(56)*
Member of the Institute of Engineering and Technology (UK), MBA (England)

Reynolds Laguette joined the group in 1974 as Instrumentation Engineer at the Belle Vue sugar factory. He was appointed as Factory Assistant in 1983, Plant and Operations Manager in 1993, Deputy Factory Manager in 2004 and Factory Manager in 2006. He is a member of the Société de Technologie Agricole et Sucrière de Maurice and of the International Society of Sugar Cane Technologists.

Steeve Lareine *(44)*
Fellow of the Association of Chartered Certified Accountants (UK)

Steeve Lareine has been a Fellow of the Association of Chartered Certified Accountants since 2004 and a member of the Mauritius Institute of Professional Accountants. He started his work career with De Chazal du Mée & Co, Chartered Accountants, in the Auditing and, subsequently, in the Consulting Department. Before joining the group, he was in employment as Divisional Accountant at Rey & Lenferna Ltd. Steeve Lareine is also the Finance Manager of Compagnie Thermique de Belle Vue Limitée.

Geoffroy Mattlinger *(41)*
Engineer (France)

Geoffroy Mattlinger started his career as a Technical Manager in a sugar terminal in Dunkerque, France. In 1996, he joined a paper factory and was appointed Factory Manager until he left in 2006 to join Séchilienne-SIDEC. In November 2006, he was seconded for duty to CTBV Management Co Ltd where he now serves as Plant Manager of the Belle Vue power station.

Denis Pilot *(58)*
BSc (Agronomy) USA

Denis Pilot started work, upon his return to Mauritius in 1975, as Agronomist at Mon Désert – Alma. He joined the group in 1988 as Estate Manager of Beau Plan and, in 1992, was appointed General Manager of the Belle Vue and Beau Plan sugar estates. He is a member of the International Society of Sugar Cane Technologists and a member of this society's council for Mauritius. He is also a director of the Sugar Insurance Fund Board and the Vice-Chairman of the Mount and Beau Plan Planters' Funds. He is a past President of the Mauritius Chamber of Agriculture and of the Société de Technologie Agricole et Sucrière de Maurice.

chairperson's statement

Dear Shareholder,

In 2008, economic prospects worldwide significantly deteriorated as the US sub-prime mortgage crisis which erupted in 2007 gradually disclosed more pernicious impacts on both financial markets and the real economy. Financial market conditions have remained extremely difficult and remedial policy measures have failed to restore certainty as global output and trade plummeted towards the end of the year.

Across both advanced and emerging economies, the financial crisis caused asset values to shrink, decreasing wealth and compressing demand. This slump in global demand has led to a collapse in commodity prices, thereby affecting directly a number of developing economies. World growth is expected to drop to 0.5 percent in 2009 against 3.4 percent in 2008, and 5.2 percent in 2007.

The Mauritian economy grew by 5.3% in 2008, down from 5.4% in 2007 and an initial forecast of 5.8% at the beginning of the year. There was no marked strong performance by any of the sectors and the growth rate for 2009 is estimated at 2.5% as Government launched a MUR 10.4 Billion Additional Stimulus Package to contain depressed activities and boost policy initiatives up to and including 2010.

In 2008, investment increased by 3.2% only compared to 8.6% in 2007 and net exports of goods and services registered a deficit representing 14.7% of GDP at market prices as opposed to a deficit of only 10.3% in 2007. The inflation rate maintained its upward trend to reach 9.7% on the back of the 2008 first semester hikes in international prices of food and energy. Albeit the lower economic performance, unemployment rate continued to decline, reaching 7.8% in 2008 against 8.5% in 2007.

In 2008, the currency market was characterized by a high degree of volatility. The US dollar which had been depreciating at the beginning of the year, slowly strengthened during the second half of the year. The pound and the rand also showed signs of weaknesses while the euro remained relatively strong.

In this challenging economic environment, the group fared rather well, as more amply explained by the Managing Director in his ensuing review of operations. Indeed, all its segments, except for sugar (which suffered from the effects of ongoing price cuts) performed as well as or better than in the previous year.

Group revenue for the year under review amounted to MUR 3.3 Billion, up 11.6% on last year. Owing to lesser land disposals during 2008, group profits before finance costs dropped to MUR 776.1 M, down 8.7% on last year, but profits before exceptional items improved marginally to MUR 747.1 M, on account of reduced net foreign exchange losses and finance costs, as well as improved performance on the part of associates. There were no profits of an exceptional nature in 2008.

Earnings per share for 2008 amounted to MUR 2.39, compared to MUR 2.71 for the previous year. Nevertheless, the Board, having regard to the low gearing of the group and the strong operational cash flows of most segments, decided to increase dividends by MUR 0.10 to MUR 0.70 per share.

As for the company, results before exceptional items showed a marked improvement, mainly as a result of the restructuring plan which was completed in January 2008 with the amalgamation of The Beau Plan S.E. Co. Ltd, whose profits are now reflected in the accounts of Harel Frères Limited.

2009 will be a difficult year to read for the group. Although we have been blessed with favourable climatic conditions thus far and should enjoy an above average crop, our sugar operations remain a concern in the face of a further and final cut of Euro 114 per tonne in the sugar price in October 2009. To date however, other group segments are performing satisfactorily despite a deteriorating economic environment.

There were again no meaningful developments during the year concerning the Court actions instituted in 2003 by a member of the company's holding entity against its fellow members or by the company itself against some

chairperson's statement (cont'd)

of its directors, or in the case lodged by certain directors against colleagues. The first case should be heard in March 2010 while in the last two cases, hearings started in May 2009. In the former one, after discussions on procedural matters, the case was postponed and in the latter, after hearing arguments on points of law, the Judge reserved his ruling.

This year, two directors, namely Messrs Jean Desmarais and Guillaume Raffray will not stand for re-election. In the name of their colleagues and in my own, I would like to thank them for their contribution to the Board's work and to wish them all the success they deserve for the future. New appointments will be proposed to the shareholders at the forthcoming Annual Meeting.

Finally my heartfelt appreciation goes to management and employees for their relentless commitment and assiduous work which produced this year's excellent results, given the difficult conditions prevailing. I therefore invite you to join me in expressing to every one of them our sincere gratitude together with our continuous support in the face of the challenging times ahead.

Jean Hugues Maigrot
Chairperson

May 20, 2009

Managing director's review of operations

sugar

contents + -

The international front

One of the most important developments affecting the Mauritius sugar industry during the year under review has been the application of a 9.7% cut in the ACP guaranteed price under the Sugar Protocol in October 2008 in line with the provisions of the current EU Sugar Regime. With this new cut, the ACP guaranteed price has now undergone a total cumulative decrease of 14.3% on the initial price of Euro 523.70 per tonne for raw sugar. This will worsen in October 2009 when a final price cut of 25.3 % will apply after the termination of the Sugar Protocol. With this dramatic outcome of the sugar reform, the sugar industry has remained fully alive to the developments unfolding on the international front in two particular areas: the WTO negotiations and the new arrangements under the Economic Partnership Agreements between the EU and ACP countries.

After failing to reach an agreement at WTO in Geneva in July 2008, efforts were pursued by the WTO with a view to narrowing the persisting divergences between the main protagonists of the Doha Development Agenda negotiations and to creating appropriate conditions to enable their early conclusion. In this context, a meeting of the major trading blocs was held in Washington, during which the parties firmly reiterated their political will to overcome the outstanding hurdles and to reach an acceptable compromise before end 2008. It was however acknowledged that appropriate technical solutions would have to be found on the main sensitive issues which had led to the failure of the July 2008 Geneva discussions. These are namely agriculture on the issue of Special Safeguard Mechanism to afford adequate protection to the poorer farmers in the developing countries, cotton and industrial products on the sectoral treatment of tariff reduction.

Given that all efforts had remained vain till the end of 2008, discussions were postponed to the following year. One of the major consequences of the stalemate for our sugar exports to the EU is a standstill on tariff cuts, which is so far providing us with an undetermined protection against third country sugar exports. The disadvantage however is that the proposals which had been agreed in July 2008 in Geneva, some of which were quite favourable in terms of the protection of our sugar market access to the EU, have not been secured and could well be revisited and challenged in the future negotiations, taking into consideration the change in trade environment resulting from the global economic crisis.

Regarding the future Economic Partnership Agreements between the ACP and EU, technical discussions were pursued with the EU Commission concerning the modalities for the implementation of the new market access arrangement for sugar, including mainly allocation of the safeguard ceiling to the different ACP regions, management of import

Managing director's review of operations (cont'd)

sugar (cont'd)

licenses, establishment of an efficient alert system to monitor delivery of import licenses and to give early warning to the risk of triggering the safeguard.

Regarding the allocation of the safeguard ceiling between the different ACP regions, the priority for Mauritius has been primarily to determine a regional ceiling which would satisfy all the producers of the ESA region and subsequently to reach an agreement with other regions regarding the safeguard ceiling which would satisfy each of them. After protracted discussions at commercial and political level, parties have been able to reach an agreement on the regional allocation of the safeguard ceiling, giving the ESA region a ceiling of 653,850 tonnes wse out of an all-ACP ceiling of 1,600,000 tonnes wse.

The group's sugar interests

In Mauritius, Harel Frères owns some 3,766 hectares of cane land in the factory area of Belle Vue, situated in the North of the island, 80% of which is fully mechanised and 56% is under irrigation. The area harvested by the company in 2008 represented 3,347 hectares, compared to 3,289 last year. The balance of the harvested area in 2008 consisted of 9,381 hectares belonging to some large planters and 5,893 small planters, virtually all of whom cultivate plots of less than 10 hectares in size. It must be noted that out of the 9,381 hectares, 3,349 are situated in the Mon Loisir factory area. The estimated insurable sugar for the group amounts to 47,011 tonnes of sugar, an increase of 4.8% on last year. This increase is mainly due to the tonnage of canes received from Mon Loisir.

The group also holds an effective 63% stake in Belle Vue Milling Co Ltd, which owns one of the most modern sugar mills in the country and which, according to the Multi Annual Adaptation Strategy, will be one of the four remaining mills in the country. The mill is at the moment the largest producer of specialty sugars in Mauritius and imports its energy needs from the adjacent power plant of Compagnie Thermique de Belle Vue (CTBV), its sister company.

In Côte d'Ivoire, the Harel Frères group, through its wholly owned offshore subsidiary, Ivoirel Ltée, owns 25.5% of Sucrivoire S.A., which is one of the two sugar groups operating in Côte d'Ivoire. The other shareholders are SIFCA, an Ivorian group (51.5%) and the State of Côte d'Ivoire (23%). The company is managed jointly by SIFCA and Harel Frères Limited.

In 2004, owing to the pervasive political instability prevailing in this country and the resulting poor performance of Sucrivoire, the directors deemed it prudent to fully provide against this investment. However, as more amply described below, the company's financial situation has significantly improved since. Consequently, the directors have decided to conservatively value this investment at MUR 12.9 M, which is equivalent to our share of cumulative operational profits as from 2004.

Managing director's review of operations (cont'd)

sugar (cont'd)

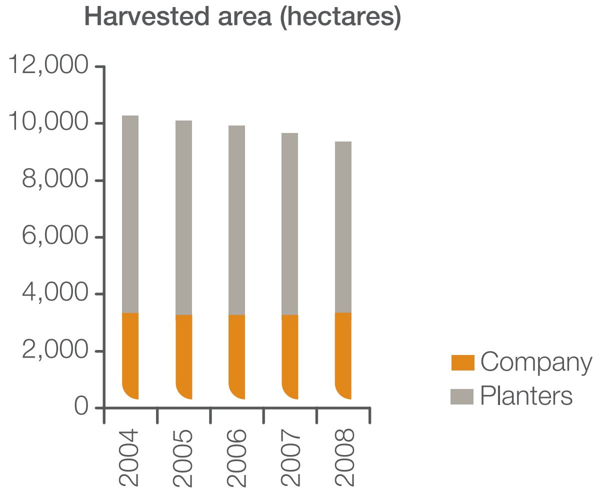
The 2008 crop

The 2008 crop was an average one for the Belle Vue factory area, with a sugar production of 85,125 tonnes @ 98.5% Pol. Climatic conditions were generally favourable for the island and particularly for our region with an excess rainfall of 24% above normal recorded over the year. However, after a normal start in January and February, cane growth was affected by a dry spell in April.

Conditions were particularly unfavourable for sucrose accumulation, with flood conditions occurring in March and September together with above normal rainfall in May and June. Such conditions were however beneficial to cane growth.

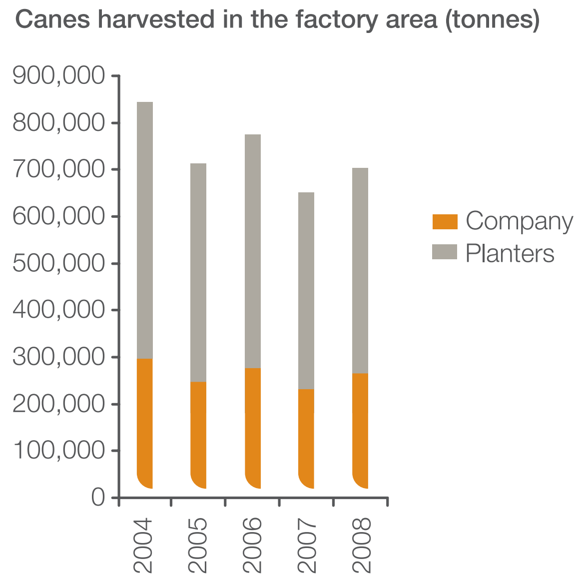
Harvest area (hectares)

	Company	Planters	Total
2004	3,355	6,925	10,280
2005	3,292	6,801	10,093
2006	3,284	6,655	9,939
2007	3,289	6,386	9,675
2008	3,347	6,032	9,379



Canes harvested in the factory area (tonnes)

	Company	Planters	Total
2004	291,039	552,680	843,719
2005	243,584	467,614	711,198
2006	273,690	497,591	771,281
2007	227,718	420,309	648,027
2008	261,547	439,165	700,712



It is of concern to note that the area harvested in 2008 in the Belle Vue factory area decreased by another 296 hectares when compared to that of the previous year. On a more positive note, there were fewer criminal fires in our cane fields due to the humid conditions which prevailed during most of the crop.

Harel Frères cane lands produced some 261,547 tonnes of cane, a 14% increase on last year. Mean yields recorded were much higher with 77.2 tonnes cane per hectare and 7.79 tonnes sugar per hectare, compared to 69.2 and 7.26 respectively last year.

contents + -

Managing director's review of operations (cont'd)

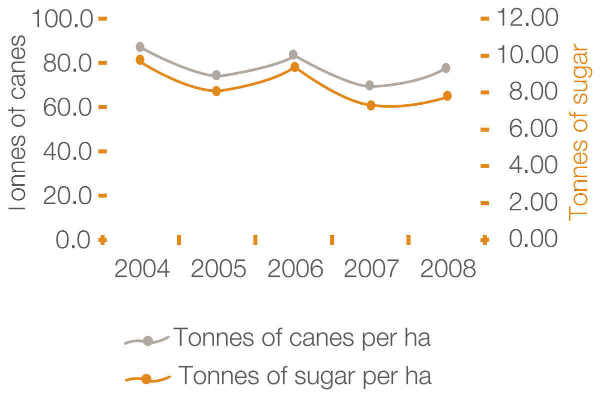
sugar (cont'd)

contents

Yields per hectare

	Tonnes of canes per ha	Tonnes of sugar per ha
2004	86.8	9.76
2005	74.0	8.07
2006	83.3	9.28
2007	69.2	7.26
2008	77.2	7.79

Yields per hectare



In 2008, 437,554 tonnes of cane were transported by our vehicles, including 197,180 tonnes from our different platforms and 68,602 from Mon Loisir. 214,486 tonnes of cane, representing 76% of the company's cane production, were mechanically harvested, of which some 27,000 tonnes were outsourced to independent harvesting companies in order to speed up the crop. The installation of fire extinguishers on harvesters and the regular cleaning of equipments paid out, with no fire problems recorded in 2008.

In 2008, our New Farming System was applied to the planting of cane on some 360 hectares. Germination was much better than last year. Some 125 hectares were also harvested with GPS guidance and yields recorded were very encouraging.

As for the mill, it crushed a record 872,907 tonnes of cane, including 172,195 tonnes received from the Mon Loisir factory area, at a rate of 316.8 TCH. This crushing rate was 4.6% higher than that of last year and the crop period extended over 138 days.

The poor quality of the cane supply had a negative effect on the processing of cane juice by the mill and also affected sugar recovery which was substantially lower than last year, reaching only 9.75% compared to 10.33%. This sugar recovery rate is among the lowest recorded in the last 20 years. Sugar production was 85,125 tonnes @ 98.5 Pol compared to 72,901 in 2007 and 83,505 in 2006.

Reduced Mill Extraction and Reduced Overall Recovery were both slightly under last year's, with 97.61% and 85.65% respectively. Fibre % Cane was slightly higher with 18.93, compared to 18.70 last year, due to the higher extraneous matter content in the cane supply.

Production of specialty sugars increased by 3% to 43,216 tonnes from last year but is still below the figure of 45,094 tonnes reached in 2006. At the Sugar Syndicate's request, the mill also produced 2,852 tonnes of refined white sugar which was exported in lined containers so as to test the logistics of such exports to Europe. Excluding refined white sugar, specialty sugars represented 51 % of the 2008 overall sugar production. The quality of the 12 different types of sugars produced was excellent as usual and to the satisfaction of buyers. The mill also supplied 1,173 tonnes of cane juice, equivalent to 151 tonnes of sugar, to a distillery belonging to a planter of the factory area, for the production of "rhum agricole".

Sugar accruing to the group amounted to 38,817 tonnes, an increase of 4,233 tonnes on last year's figures, and represented 82.57% of insurable sugar.

contents
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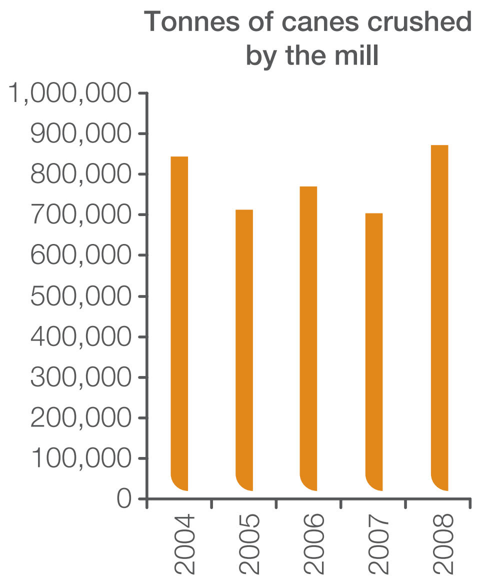
Tonnes of canes crushed by the mill

2004	843,719
2005	711,198
2006	771,281
2007	706,027 *
2008	872,907 **

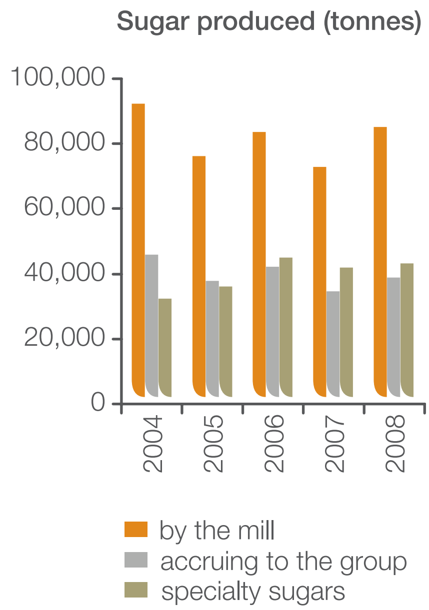
*: Includes 58,176 tonnes from the Mon Loisir factory area.
**: Includes 172,218 tonnes from the Mon Loisir factory area.



Sugar produced (tonnes)

	By the mill	Accruing to the group	Specialty sugars
2004	92,354	45,838	31,867
2005	76,323	37,779	36,481
2006	83,505	42,131	45,094
2007	72,901*	34,585	41,922
2008	85,125**	38,817	43,216

*: Includes 6,037 tonnes for the Mon Loisir factory area
**: Includes 16,670 tonnes for the Mon Loisir factory area



Personnel

The Multi Annual Adaptation Strategy (MAAS) was implemented in January 2008 for staff members and by June 2008, 12 had retired under the Voluntary Retirement Scheme (VRS 2). During the course of the year, another 6 staff members ceased employment (4 under normal retirement and 2 of their own volition). None were replaced.

contents
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Thus, at December 31, 2008, other than the 66 remaining staff members, 297 workers were employed on a permanent basis in the group's sugar activities, of whom 107 in the fields, 126 in the factory and 64 in the transport department. In addition, job contractors and seasonal workers are hired on a temporary basis as and when needed during both crop and intercrop seasons.

During the year, MUR 2.2 M was spent on employee training. 205 persons attended 40 different courses which ranged from IT or human resources to CEMIS ERP system, engineering or agriculture. Some 122 ex-employees who retired under the VRS 2 also received training in various fields ranging from basic vegetable production and gardening to domestic pipe work and electrical installation, and also from welding to carpentry, thus facilitating their employability in other sectors. The cost of these courses, some MUR 546,000, has been partly funded by the EU.

Occurrence of accidents in the workplace decreased substantially from 119 in 2007 to 88 in 2008, with a marked improvement in nearly every department, apart from one field section which had a slight increase of 6 injuries.

Capital expenditure

Overall capital expenditure for 2008 amounted to MUR 78.9 M. Some MUR 37 M was spent on transport and agricultural machinery, and MUR 22.5 M for the improvement of the irrigation network, a treatment plant for cane sets and the CEMIS ERP system. MUR 19.4 M went to the improvement of equipment for refined and specialty sugars, mill automation and a cane weighbridge.

Closure of the Mon Loisir sugar mill

As previously reported, the Minister of Agro Industry, on March 31, 2008, approved the closure of the Mon Loisir mill provided, inter alia, that 300,000 tonnes of canes from that factory area be allocated to our Belle Vue mill.

Although BVM had requested 375,000 tonnes of canes, it understood the rationale behind the Minister's decision and accepted this decision. FUEL, on its part, did not accept the Minister's decision and is contesting it in Court.

Notwithstanding the above, BVM initiated discussions with FUEL in November 2008 for the negotiation of a commercial agreement pertaining to the Mon Loisir canes. These were unsuccessful as no agreement could be reached on cane tonnage on the one hand and on the other FUEL expressed its intention to pursue its Court action against the Minister.

FUEL has since announced that the Mon Loisir mill will be repaired and should be operational by the end of July 2009, in time for the start of the crop.

Results

Revenue amounted to some MUR 844.5 M in 2008, on par with last year's. While overall revenue in 2008 was boosted by the better crop and, on the milling side, by additional sugar accruing from the Mon Loisir canes, this was virtually negated by the MUR 1,200 per tonne drop in the sugar price and by a MUR 17.7 M loss in the change of fair value of the standing crop. Furthermore, there was no exceptional revenue this year as opposed to the previous year when our Ivorian associate, Sucrivoire, contributed MUR 11.6 M, by way of reversal of impairment on receivables.

Operating costs also went up substantially during the year, in line with the surge in input costs and owing to a higher depreciation charge in 2008, arising from the recently undertaken asset revaluation.

The segment thus showed results of MUR 78.5 M after tax (2007: MUR 112.1 M).

Contribution of milling operations to overall segmental results remained low, at MUR 8.9 M (2007 MUR 10.1 M), mainly due to the cut in the sugar price and to heavy financial charges resulting from a high indebtedness.

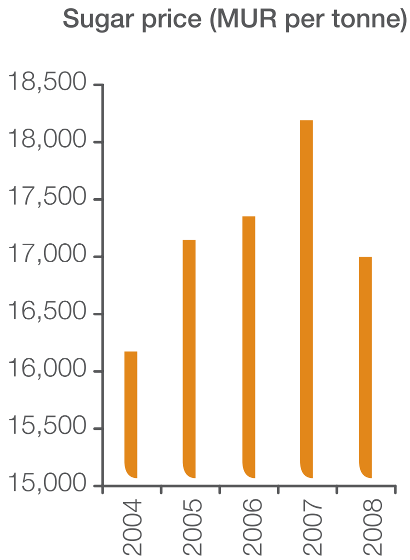
Managing director's review of operations (cont'd)

sugar (cont'd)

The gradual and regular shrinkage of the Belle Vue factoty area remains a major concern in the medium term for our milling operations.

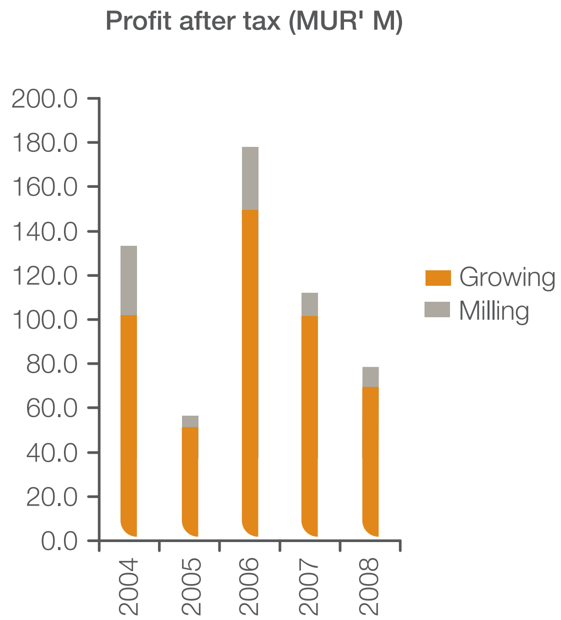
Sugar price (MUR per tonne)

2004	16,175
2005	17,150
2006	17,350
2007	18,200
2008	17,000



Profit after tax (MUR' M)

	Growing	Milling	Total
2004	101.7	31.9	133.6
2005	51.5	5.0	56.5
2006	150.0	28.1	178.1
2007	102.0	10.1	112.1
2008	69.6	8.9	78.5



Crop prospects for 2009

Cane growth had a very good start with adequate rainfall, high temperatures and several thunderstorms from January to April. The cumulative rainfall for the period October to April represents almost 100% of the normal. Thus a good crop can be expected in 2009 if conditions for sucrose accumulation are favourable. For budgetary purposes, a harvest of 725,000 tonnes of canes is forecasted for the Belle Vue factory area, with an estimated sugar production of 80,000 tonnes.

Côte d'Ivoire

POLITICAL SITUATION

Not much change has taken place in Côte d'Ivoire over the past year, with the northern part of the country still under rebel forces control while the socio-political situation is stable throughout the territory. Elections which were to take place in 2009 have again been postponed and a date has yet to be set.

OPERATIONS

Over the past few years, the bulk of investments were made at field level, whether in irrigation, agricultural or transport equipment, with the objective of boosting sugar production to 90,000 tonnes. This objective is expected to be reached during the 2008 – 2009 crop which is still in progress at the time of writing and which is forecast at exactly that tonnage, compared to 81,471 tonnes for the previous year. About 1,840 hectares, representing 16.8 % of the area under cane, are currently being replanted. Henceforth most financial resources will be devoted to factory rehabilitation, the declared objective being to increase mill efficiency by 15% over the next 3 - 5 years.

COMMERCIAL

Despite the continuing (although limited) occurrence of fraudulent sugar imports through the north of the country, sales also improved in 2008, with 74,459 tonnes of sugar being sold on the local market (compared to 68,283 tonnes last year) and 5,273 tonnes being exported to the EU under the country's 2008 quota allocation. Overall turnover amounted to FCFA 27.8 Billion (Euro 42.38 M), compared to FCFA 24.8 Billion (Euro 37.81 M) for the previous year.

The ban on sugar imports into Côte d'Ivoire having been officially renewed until 2010, there have been no sizeable sugar imports into the country through the port of Abidjan or the southern borders.

FINANCIAL

As previously mentioned, Sucrivoire had recorded an exceptional profit of FCFA 9.6 Billion (Euro 14.64 M) in 2006, being compensation receivable from the State for prejudice suffered during the political events of the last few years. A FCFA 4.0 Billion (Euro 6.10 M) debt to the State was annulled in the same year.

In 2007, Government bonds of FCFA 2.8 Billion (Euro 4.27 M) were issued in favour of Sucrivoire. These were discounted for a net of FCFA 2.58 Billion (Euro 3.93 M). The balance, which had been recognized by the State as debt, but with no fixed repayment terms, was converted during 2008 into Government bonds with a face value of approximately FCFA 2.409 Billion (Euro 3.673 M) and sold at a discount.

RESULTS

Sucrivoire S.A. posted an operating profit before exceptional items of FCFA 0.82 Billion (Euro 1.25 M) for the year, compared to FCFA 1.24 Billion (Euro 1.89 M) in 2007.

The company initiated a voluntary retirement scheme during the year of which 180 employees availed themselves, at a cost of FCFA 729 M (Euro 1.11 M), leaving the company in a break even situation for the year.

contents
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Managing director's review of operations (cont'd)

energy

The group, through its subsidiary Société HBM, has a 40.3% effective interest in Compagnie Thermique de Belle Vue Limitée (CTBV). The latter owns a 70 MW bagasse / coal fired power plant situated in Belle Vue. It is adjacent to the sugar mill which supplies it with bagasse in exchange for energy requirements. Other shareholders are our strategic partner Séchilienne-SIDEC (27%), the Sugar Investment Trust (14%) and the State Investment Corporation (8%).

CTBV has signed a long-term contract with the Central Electricity Board (CEB). Under these terms, it supplies electrical power to the grid throughout the year.

Management

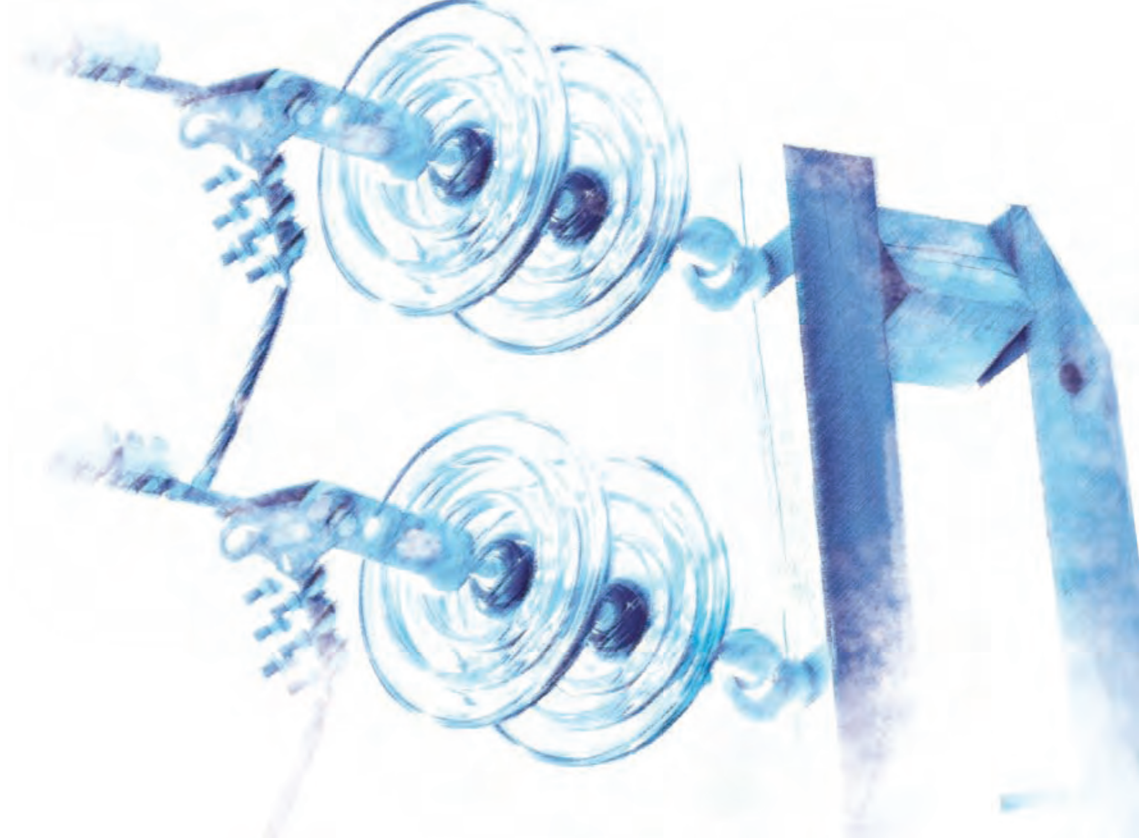
The day-to-day operation of CTBV is entrusted to CTBV Management Co Ltd (CTBVM), which employs around 45 staff, including one expatriate. CTBVM is controlled by Séchilienne-SIDEC, which holds a 67% interest. The other main shareholder is Société HBM, with a 28% holding. Overall management of CTBV is jointly assumed by Séchilienne-SIDEC and Harel Frères Limited. The former is responsible for technical support, with a view to optimising plant efficiency, both in terms of operation and energy production, while Harel Frères Limited has an administrative responsibility.

With regard to the handling and stocking of coal, a separate entity, Coal Terminal (Management) Co Ltd (CTMC), in which CTBV holds a 30.26% interest, runs these operations from the company's depot, situated in the port area. Coal is jointly imported by CTBV and other energy producers and stocked at the depot, from where it is dispatched to users.

Performance and operations

The power plant performed satisfactorily during the year, with an availability level of 96.1% which is well above minimum contractual obligations. Energy exported to the grid amounted to 349.2 GWh as compared to 324.9 GWh in 2007. Owing to a better crop in 2008 and additional canes from the Mon Loisir factory area, energy produced from bagasse increased by 24% over last year to reach 108.2 GWh. Bagasse consumption increased accordingly to 321,365 tonnes as compared to 257,704 tonnes in 2007.

The company met its supply commitments to the CEB for the contractual year ended June 2008 and, in addition, generated some 11.0 GWh at a reduced tariff, over and above the minimum take. CTBV is confident of fulfilling its contractual obligations of 325 GWh for the year ending June 2009. In fact, with a capacity of approximately 450 GWh and given current availability levels, the plant is in a position to supply an extra 125 GWh yearly to the CEB, at a reduced price.



Managing director's review of operations (cont'd)

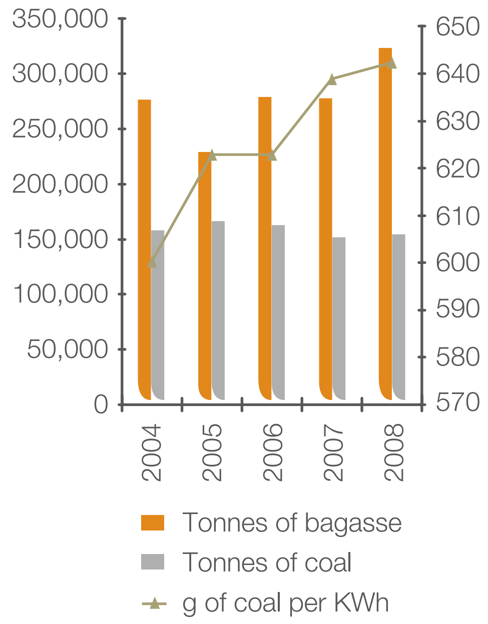
energy (cont'd)

During the year under review, the plant burnt 154,674 tonnes of coal, representing a consumption of 642 g per KWh. At December 31, 2008, CTBV had 31,914 tonnes of coal in storage, which represents about 58 production days during intercrop.

Consumption

	tonnes of bagasse	tonnes of coal	g of coal per KWh
2004	255,740	155,809	600
2005	230,863	166,294	623
2006	262,145	165,145	623
2007	257,504	151,863	639
2008	321,365	154,674	642

Consumption



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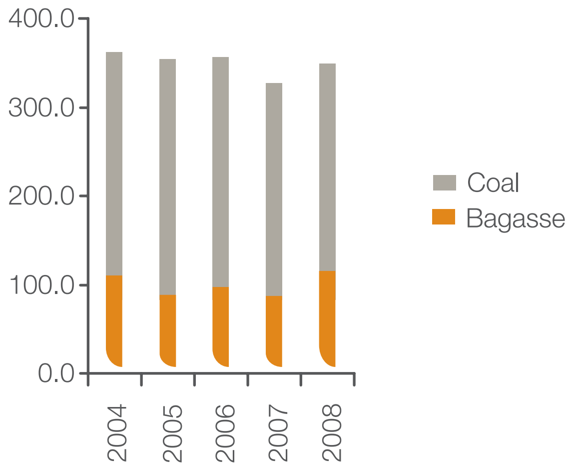
Energy produced (GWh)

	Bagasse	Coal	Total
2004	106.0	260.0	366.0
2005	89.0	267.0	356.0
2006	99.5	258.5	358.0
2007	87.2	237.7	324.9
2008	108.2	241.0	349.2

Energy produced (GWh)



During the annual shutdown, our main undertaking consisted in the carrying out of exhaustive preventive maintenance. The main operation involved the replacement of parts on the grates and the carrying out of refractory concrete works on the front side of the boilers. Furthermore, settings on protection relays on both units were modified and old generator protection systems were replaced by new ones.

Upon restarting one of the units after the annual shutdown, blades of the turbine rotor were ripped off, damaging the rotor. All necessary measures were taken to reduce downtime to a minimum. A spare rotor, available from a power plant operated by Séchilienne-Sidec in Guadeloupe, was air freighted to Mauritius and used as replacement. This unscheduled and abnormal outage lasted 25 days. A loss-adjuster has been appointed and the ascertainment of the insurance claim is still ongoing.

Health and safety issues have always been at the heart of our concerns and we are glad to report that work-related accidents were stable in 2008, at 0.30% of overall work days.

Financial

The energy segment posted a profit after tax of MUR 312.4 M for the year under review, compared to MUR 251.8 M in 2007. These good results are mainly attributable to a favourable bagasse / coal mix and a reasonable off-take level. Owing to the depreciation of the Mauritian rupee against the euro, the repayment of our foreign loans gave rise to an exchange loss of MUR 72.4 M which was, however, mitigated by exchange gains arising from our foreign currency deposits. Net exchange losses incurred during the year amounted to MUR 64.6 M.

As regards taxation, the company is for the first time, since commencement of operations, liable for income tax and the income tax charge for 2008 is estimated at MUR 73.7 M. This tax liability status has arisen earlier than initially planned due to the repeal, in the Finance Act 2004, of the 60% exemption on profits arising from the sale of energy generated from bagasse. The "change in law" clause included in the Power Purchase Agreement with CEB will be invoked.

Overall borrowings of CTBV, of which 68.9% is denominated in euro, amounted to MUR 886.1 M at December 31, 2008, compared to MUR 1,100.2 M last year. The gearing ratio, which stood at 41.4%, is well within the contractual limit of 80% and the Debt Service Reserve Account, amounting to MUR 170.6 M, has been funded in accordance with loan covenants.

Managing director's review of operations (cont'd)

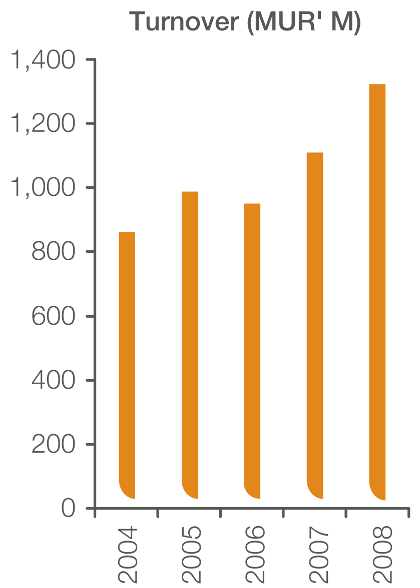
energy (cont'd)

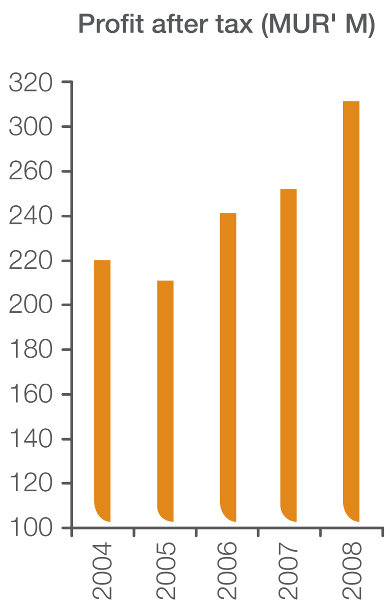
Turnover (MUR' M)

2004	863
2005	998
2006	956
2007	1,109
2008	1,335

Profit after tax (MUR' M)

2004	220
2005	212
2006	246
2007	252
2008	312





Other

As previously reported, an agreement was concluded in late 2007 between Government (GOM) and MSPA on certain key aspects of the MAAS. Concerning energy, the agreement provided that GOM and MSPA will appoint a mutually acceptable expert of international repute whose Terms of Reference will be to:

(a) determine whether the balance of risks between the CEB and the Independent Power Producers (IPP's) is in accordance with international norms;

(b) give its assessment of a fair return commensurate with the risks taken by each party;

(c) carry out the above exercise after analysing all aspects of the Power Purchase Agreements (PPA's), the power generation process of IPP's and their competitiveness when compared to local and international power producers of a similar nature; and

(d) make any appropriate recommendations.

The consultant has been identified and his appointment is imminent.

Managing director's review of operations (cont'd)

commercial & alcohol production

contents

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Structure

Our main commercial and alcohol production activities are regrouped under Grays & Co Ltd.

Grays & Co Ltd holds a 74% stake in Grays Inc. Ltd, its operating arm, as well as office and industrial space and other assets which it leases to the latter. In addition, it is the majority shareholder of Grays Refinery Ltd Ltd (whose activities are more fully described below) and holds a 33.3% share in New Goodwill & Co Ltd and related companies, which are involved in the production, bottling and distribution of local rum and compounded spirits.

It is also a 50% partner in a number of joint ventures, namely "Les Chais de L'Isle de France Limitée", "Les Domaines de Mauricia Limitée", and "Cosmebelle (Mauritius) Limited".

Commercial

In line with the Grays regional strategy, two new entities, namely East Indies SARL and East Indies Seychelles, were incorporated during the year in Madagascar and Seychelles respectively in order to develop and market the Grays brands there. It is too early to report any progress thereon.

The core business of Grays Inc. Ltd remains the production, marketing and distribution of wine and spirits. In addition, the portfolio includes a comprehensive range of international brands in the fields of hygiene & cosmetics, household and fast moving consumer goods.

PERFORMANCE

The commercial environment was quite unstable during the year, due to repeated changes in consumer prices as a result of the revision of Customs duties and fluctuations in prices of imported goods. While the turnover of Grays Inc. increased by 7.9%, profitability did not follow suit, owing mainly to distribution costs and payroll increases.

Wine and spirits

Within Grays' core activity, growth came mostly from locally produced spirits while sales of imported products to the leisure industry recorded a marked decline in the last quarter. With the change in demand pattern, our product mix is being revised in order to meet the requirements of our customers in a new challenging market environment

Local production

Our production facilities operated at stretched capacity for most of the year in order to cope with both local and export demand. Additional equipments have already been commissioned and should greatly improve output and cost efficiency.

Managing director's review of operations (cont'd)

commercial & alcohol production (cont'd)

Personal care, hygiene and cosmetics
Cosmetics and para-pharmaceutical products have shown healthy growth as prices were cut following Customs duty reductions.

Household and consumer goods
The market reacted very favourably to the 30% drop in snack shelf prices consecutive to a reduction in Custom duties which boosted sales proportionately. On the other hand, Kraft Foods has given us notice of termination of a long established distribution agreement of their confectionary portfolio since the second quarter.

"20/ Vin" outlets (VSV)
These "boutique" type retail outlets have performed satisfactorily with an increase in turnover of 10% over last year's figures. The personalised advice, service and vast choice offered are sought after by an emerging class of wine connoisseurs.

Exports
Our exports of branded spirits, mainly to South Africa, were very satisfactory although prospects for 2009 are being hampered by the economic slowdown. Considerable efforts are being made to increase exports which are viewed as the main growth opportunity in the medium to long term.

Exports of bulk spirits were below expectations but prospects for 2009 are good.

HUMAN RESOURCES
The main emphasis for 2008 was the development of a performance management system with a special focus on talent management. The objective is to implement measures that will motivate performing employees and develop their skills and competencies in a healthy work environment.

Managing director's review of operations (cont'd)

commercial & alcohol production (cont'd)

contents

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Production of alcohol

Grays & Co. Ltd holds a two third stake in Grays Refinery Ltd, a company which owns and runs a distillery.

Production amounted to 3.5 million litres of alcohol at 100% volume over a distillation period of 150 days which spread over both crop and intercrop periods, which more or less equalled 2007. However production efficiency was negatively affected by an inadequate cooling water supply during fermentation, resulting in a lower plant efficiency rate of 79.4% compared to 83.4% in 2007. The average yield of 216.65 litres per tonne of molasses is 5% lower than last year. Corrective measures are being taken to improve the overall process, including the acquisition of state of the art thermo compression equipment, which will enable important energy savings.

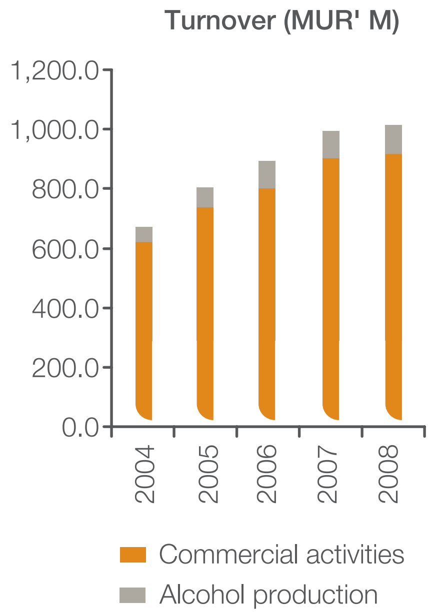
Vinasse, the residue from distillation, contains fertilising agents and is spread in the group's sugarcane fields. Due to the difficulty of access to the fields during the inter crop season, the distillation period is limited to 6 months. A project is under consideration to optimise the benefits which can be derived from this byproduct, which ultimately will allow a longer distillation campaign.

Results

Both the commercial and the alcohol production activities of the Grays cluster underperformed in 2008, posting after tax profits of MUR 51 M and MUR 23.4 M respectively, compared to MUR 66.1 M and MUR 29.1 M in the previous year, mainly on account of increases in payroll and distribution costs.

Turnover (MUR' M)

	Commercial activities	Alcohol production	Total
2004	622.7	51.9	674.6
2005	734.7	71.0	805.7
2006	800.5	90.7	891.2
2007	902.9	90.1	993.0
2008	918.8	94.2	1,013.0



Managing director's review of operations (cont'd)

commercial & alcohol production (cont'd)

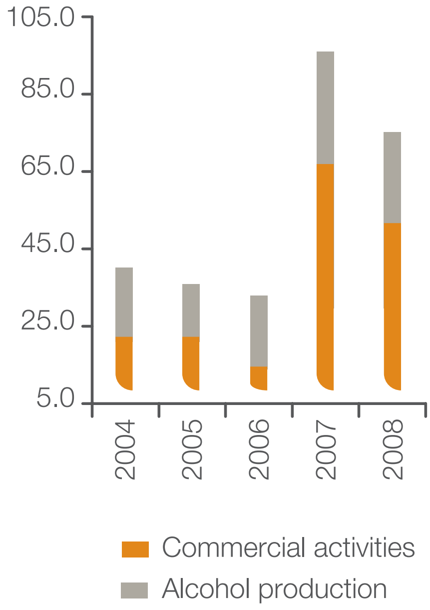
As for New Goodwill & Co Ltd, it recorded a growth in turnover of 4.5% for the year. The group's share of after tax profits increased by MUR 8.8 M to MUR 16.2 M.

The Commercial and Alcohol Production segment thus closed the year with after tax profits of MUR 90.6 M (2007: MUR 102.6 M).

Profit after tax (MUR' M)

	Commercial activities	Alcohol production	Total
2004	21.6	18.0	38.5
2005	21.4	14.0	35.1
2006	8.6	23.5	32.1
2007	66.1	29.1	95.2
2008	51.0	23.4	74.4

Profit after tax (MUR' M)



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Managing director's review of operations (cont'd)

other interests

contents
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Property management

Property management is a group activity which is carried out by Sagiterre Ltée, a wholly owned subsidiary providing services to the group as well as to external clients.

On account of sluggish demand for property brought about by the deepening economic crisis, the group has curtailed its property development programme and has not initiated any significant new projects in the current year.

Regarding existing developments undertaken by Sagiterre on behalf of the group, the one of *Les Vieux Banians,* an upmarket development at Balaclava, consisting of 5.6 hectares and initiated in 2007, has been successfully completed with nearly all plots sold and transferred to clients. Interest for our *Bois Mangues morcellement*, which was rather weak, picked up during the year. Infrastructural works have been completed on a new *morcellement* at Solitude consisting of 21 plots for which the *morcellement* permit is expected in 2009 and sales prospects are good. Otherwise, 139 plots of a net extent of 11.2 hectares in aggregate were transferred during the year on four different *morcellement sites* belonging to the group.

Proceeds of land sales of MUR 51.8 M (2007: MUR 266.5 M) were received during the course of the year and a profit of MUR 15.2 M was recognized thereon (2007: MUR 65 M).

The group has also completed construction of the "Beau Plan Business Park" project, an executive office complex of about 6,000 m^2, on the site of the ex Beau Plan sugar factory, adjacent to l'*Aventure du Sucre* museum. The buildings have been handed over in April 2009 and marketing has started.

The services of Sagiterre have also been retained for various projects for non group clients, some of which were completed in 2008. The coming year 2009 will prove to be a difficult one due to reduced real estate activity in the country.

Sagiterre was affected by the economic slowdown and received a reduced fee and commission income of MUR 15.2 M, posting after tax profits of MUR 1.7 M (2007: MUR 7 M).

Construction

The group's interests in the construction industry are vested in two companies, namely Produits Basaltiques du Nord Ltée (PROBAN), in which the group effectively holds a 29.2% interest, and Rehm Grinaker Construction Co Ltd (RGC) in which it holds a 35.5% stake.

Managing director's review of operations (cont'd)

other interests (cont'd)

PROBAN, which was incorporated in 1990 to further our policy of field derocking, is involved in the manufacturing and sale of building materials, consisting mainly of hollow concrete blocks, aggregates and rock sand. Management of operations is entrusted to The United Basalt Products Ltd.

2008 was a good year for PROBAN, with turnover increasing by 36.9% to MUR 124 M, while profit after tax increased by MUR 15.7 M to reach MUR 24.4 M.

As for RGC, it is one of the leading multi-disciplinary construction companies in Mauritius. It is managed by Grinaker-LTA South Africa under the terms of a management contract.

As anticipated in the 2007 Annual Report, RGC once again benefited from the buoyancy of the construction sector and recorded very good results. Although turnover for 2008 was 5.2% down to MUR 2.1 Billion for the year, profit after tax increased by 112.5.% over last year to MUR 189 M. However, prospects for 2009 are not as good, given the current downturn in the economy.

Financial services

The group owns 26.8% of Intendance Holding Limited, the holding company of the Swan group which, in turn, mainly comprises Swan Insurance Co Ltd and The Anglo-Mauritius Assurance Society Limited.

In 2008, the Swan group delivered strong operational results despite the highly competitive market environment. Group profit after tax increased by MUR 63 M to MUR 143 M mainly as a result of a 50% increase in the underwriting surplus in its short term operations and a 10% increase in gross premiums in the long term business.

Leisure

The group owns 30.7% of Sugarworld Limited, a company which operates L'*Aventure du Sucre*, a museum and entertainment complex, situated in the former Beau Plan sugar factory buildings.

The company fared well in 2008, increasing turnover by 10% to MUR 54 M and profit before tax by 43% to MUR 13.1 M. The share of profit attributable to the group is MUR 3.6 M.

Managing director's review of operations (cont'd)

other interests (cont'd)

contents

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These results were achieved mainly through improved merchandising at the "*Village Boutique*" and a better turnout at the "*Fangourin*" restaurant.

Prompted by such encouraging results and a strong cash flow, the company is planning to further upgrade its hospitality facilities.

However, the 2009 performance is likely to be adversely affected by the expected drop in tourist arrivals.

Commodity trading

The group owns a 30.8% interest in Alcohol and Molasses Export Ltd, a company whose main activity is to trade in molasses.

The group's share of after tax profits for the year amounted to MUR 8.8 M compared to MUR 2.7 M for 2007.

Cyril Mayer
Managing Director

May 20, 2009

corporate governance report

contents

Statement of compliance

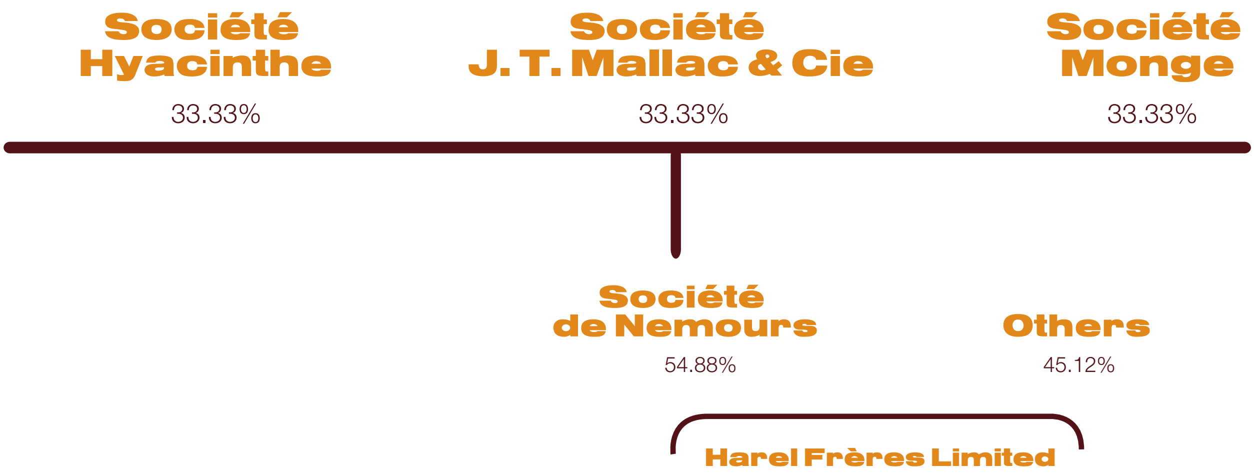
The Report on Corporate Governance for Mauritius, which was published in 2003, provides that companies listed on the official list of the Stock Exchange of Mauritius, amongst others, shall comply with the provisions of the Code of Corporate Governance (the Code).

The Board of Harel Frères Limited recognizes that the Code is seen as best practice and this report gives detail of how the principles of the Code have been applied within the group.

The Board considers that the group has complied in all material respects with the provisions set out in the Code for the reporting year ended December 31, 2008.

Holding structure

The holding structure of the company is set out hereunder :



Common directors

A number of directors are, as at December 31, 2008, common to the company and the above-mentioned holding entities, as follows:

	HOLDING ENTITIES			
Directors	Société de Nemours	Société Hyacinthe	Société J.T. Mallac	Société Monge
Maurice de M. Enouf	✗			
Jean de Fondaumière	✗			
Jean Pierre Hardy	✗		✗	
Alexis Harel	✗	✗		
Henri Harel	✗	✗		
Joseph Marc Harel	✗			✗
Guillaume Raffray	✗*			✗
Alain Vallet	✗	✗		
Alternate director				
Dominique de Froberville	✗*	✗		

*: Alternate director

Substantial shareholders

Other than the entities shown in the above holding structure, the following shareholders were directly or indirectly beneficially interested in 5% or more of Harel Frères' share capital at April 30, 2009.

	DIRECT	INDIRECT
Compagnie Sucrière de Mon Songe Ltée	-	11.39%
Armelle Mallac Sim	0.58%	6.05%
Moulin Cassé Ltée	-	12.46%
Pershing LLC (foreign investor)	7.42%	-

Except for Pershing LLC (which has no indirect interest) and Ms Armelle Mallac Sim (who has other indirect interests), the two other substantial shareholders hold their indirect interest in Harel Frères Limited through one of the members of the controlling shareholder, Société de Nemours.

To date, no other entity or individual has reported an interest of 5% or more in the share capital of the company.

contents
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Shareholders agreement

To the knowledge of the company, there is no shareholder agreement between its direct shareholders. However, the company is aware of the existence of a *Protocole d'Accord* between the three members of its controlling shareholder, which governs amongst these members the allocation of seats on the Harel Frères Board.

According to the provisions of the said *Protocole d'Accord,* nine of the thirteen seats on the Harel Frères Board are filled by the controlling shareholder, upon recommendation of the latter's members.

Constitution

The company's Constitution is in conformity with the provisions of the Companies Act 2001 and those of the Listing Rules of The Stock Exchange of Mauritius.

Its salient features are :
– the company has wide objects and powers,
– there are no ownership restrictions or pre-emptive rights attached to the shares,
– the company may acquire and own its shares,
– shareholders may cast their votes by post,
– the Board consists of between three and thirteen directors elected every year, and
– the chairperson has a casting vote.

Board of directors

A unitary Board of thirteen directors is appointed in terms of the Constitution, amongst whom are presently six nonexecutive, four executive and three independent nonexecutive directors including the Chairperson. The directors hold office for a one-year period but are eligible for reappointment.

The roles of the Chairperson and Managing Director are separate and each has clearly defined responsibilities. The Chairperson's main role is to lead and manage the work of the Board and to ensure that it operates effectively. The Managing Director is responsible for the day to day management of the Group, leading the executive directors, recommending strategy to the Board and making and implementing operational decisions.

The names and profiles of the Board members as well as the directorships held by them in listed companies appear on pages 14 to 18. There was no change in the Board's composition during the year under review.

The directors' interests in the company's securities as at December 31, 2008 pursuant to the Listing Rules are as follows :

	ORDINARY SHARES							
	DIRECT				INDIRECT			
	SHARES	%	USUFRUCT	%	SHARES	%	USUFRUCT	%
DIRECTORS								
Jocelyn de Chasteauneuf	-	-	-	-	-	-	-	-
Jean Desmarais	-	-	-	-	486,080	0.28%	554,380	0.32%
Maurice de M. Enouf	-	-	-	-	-	-	-	-
Jean de Fondaumière	-	-	-	-	-	-	-	-
Jean-Pierre Hardy	1,333	0.00%	-	-	-	-	-	-
Alexis Harel	133	0.00%	-	-	133	0.00%	-	-
Henri Harel	720	0.00%	-	-	1,751,786	1.01%	-	-
Joseph Marc Harel	117,379	0.07%	-	-	-	-	1,176,520	0.68%
J. Hugues Maigrot	-	-	-	-	-	-	-	-
Cyril Mayer	-	-	-	-	1,298,532	0.75%	809,250	0.47%
Jacques de Navacelle	-	-	-	-	-	-	-	-
Guillaume Raffray	-	-	-	-	-	-	-	-
Alain Vallet	133	0.00%	-	-	-	-	-	-
ALTERNATE DIRECTOR								
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Total	119,698	0.07%	-	-	3,536,797	2.03%	2,540,150	1.46%
Total issued shares	173,834,000							

None of the directors hold any interest in subsidiaries.

The directors abide by the principles enunciated in the Model Code on Securities Transactions by Directors, as shown in Appendix 6 of the Mauritius Stock Exchange Listing Rules. During the year under review, no company securities were transacted by the directors.

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corporate governance report (cont'd)

The Board as a whole is ultimately responsible and accountable for the affairs and overall performance of the group. It must ensure that proper systems and controls are in place to protect the group's assets and its good reputation. Having regard to recommendations made by management, the Board makes strategic choices and identifies key risk areas, monitors and evaluates the implementation of policies and business plans and approves the company's capital expenditure, investments and operating budgets.

Other specific responsibilities are delegated to Board Committees, notably the Audit and Corporate Governance Committees, which operate within clearly defined terms of reference, reporting regularly to the Board. Information on these Committees is given below.

Senior group executives below Board level are invited, when appropriate, to attend Board meetings and make presentations on the strategies and projects of their business units. Outside consultants are also invited to attend Board meetings when necessary. Supporting papers for Board and Board committees are usually distributed one week in advance of each meeting.

The Board met six times during the year and the individual attendance by directors is detailed on page 48. These meetings included a special full day meeting which was devoted to group strategy. In addition, the Board was invited to visit some of the on-going projects or major undertakings of the group and to meet with senior management.

contents
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Group company secretary

Directors have direct access to the advice and services of the secretary, who is responsible for ensuring that Board procedures are followed. He also ensures that newly appointed directors are made aware, within one month of their appointment, of their fiduciary duties and responsibilities and prepares an induction programme, tailored to their individual requirements, in order for them to be immediately familiar with group's operations, business environment and senior management.

Board Committees

- **Audit Committee**

Current members :

Jocelyn de Chasteauneuf	*Chairperson*
Jean Pierre Hardy	*Member*
Jacques de Navacelle	*Member*

The three members of the Audit Committee are nonexecutive directors while the Chairperson and one of the members are also independent directors.

The Committee operates under a formally appointed charter modelled closely on the Code provisions. It is primarily responsible for maintaining an appropriate relationship with the group's external auditors, reviewing internal financial controls and the audit process. Its main objective is to provide the directors with additional assurance regarding the quality and reliability of the financial information used by them and to assist them in properly discharging their duties. The Committee reviews the objectivity and independence of the external auditors and also considers the scope of their work and fees paid for audit and non audit work. External and internal auditors have unrestricted access to the Committee.

The Audit Committee met four times and has satisfied its responsibilities for the year, in compliance with its terms of reference. Individual attendance by directors is set out on page 48.

Having regard to the fact that 26% of Grays Inc.Ltd is owned by a strategic partner and to the complexity of its activities, a separate Audit Committee has been set up for that company. This committee is under the chairmanship of Mr George Schooling, a representative of the strategic partner, with, for the year under review, Mr Vincent Rogers and, since December last, Mr Maurice de Marassé Enouf representing Harel Frères, as members, and reports to the Board of Grays Inc. Ltd. The minutes of its proceedings are circulated to Harel Frères' Audit Committee and Board. The Grays Inc.Ltd Audit Committee met four times during the year.

- **Corporate Governance Committee**

Current members :

Jean Hugues Maigrot	*Chairperson*
Jean de Fondaumière	*Member*
Jacques de Navacelle	*Member*
(Cyril Mayer)	*(In attendance)*

The three members of this Committee are nonexecutive directors, and it is chaired by the company's Chairperson, who is an independent director. One other member is also an independent director.

The Committee's functions are threefold :

– In its role as Remuneration Committee, its terms of reference include *inter alia* the development of the group's general policy on executive and senior management remuneration as well as the determination of both specific remuneration packages and performance measurement criteria for executive directors. It also makes recommendations concerning the level of directors' fees.

– In its role as Nomination Committee, it regularly reviews Board structure, size and composition and makes recommendations to the Board on Board appointments.

– The Committee has the further responsibility of implementing the Code of Corporate Governance for Mauritius throughout the group and of ensuring that the reporting requirements on corporate governance are made in accordance with the principles enunciated in such code.

The Corporate Governance Committee met four times during the year and the attendance of individual directors at these meetings is detailed in the table set out on page 48.

Upon the recommendation of the Corporate Governance Committee, the Directors and Officers Liability insurance policy was renewed during the year.

Further to the Board evaluation exercise that had been carried out in 2006 and having regard to changes in the composition of the Board since, a new assessment of the collective functioning of the Board was carried out at the end of 2008. The results were reviewed by the Board and confirmed that, generally, the Board functioned well, with a satisfactory and effective contribution from directors. Areas which the Board felt could be improved were identified and will be addressed. It has also been decided that the scope if the next such exercise would be enlarged so as to include individual evaluations of directors.

Board and Committee attendance

Directors are expected to attend all Board meetings (or make themselves represented) and all Board Committee meetings of which they are a member, unless prevented to do so by exceptional circumstances.

contents
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corporate governance report (cont'd)

Board meeting dates are generally set well in advance to enable directors to manage their other commitments.
The attendance of directors at Board and Committee meetings is set out below :

	Board	Corporate Governance	Audit
No. of meetings	**6**	**4**	**4**
Directors			
Jocelyn de Chasteauneuf	6/6	-	4/4
Jean Desmarais	5/6	-	-
Maurice de M. Enouf	6/6	-	-
Jean de Fondaumière	4/6	4/4	-
Jean Pierre Hardy	6/6	-	3/4
Alexis Harel	6/6	-	-
Henri Harel	6/6	-	-
Joseph Marc Harel	4/6	-	-
Jean Hugues Maigrot	6/6	4/4	-
Cyril Mayer	6/6	4/4	-
Jacques de Navacelle	5/6	4/4	3/4
Guillaume Raffray	6/6	-	-
Alain Vallet	6/6	-	-

Internal controls

The Board has overall responsibility for the system of internal control. A sound system of internal control is designed to manage the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal controls put in place by management to respond to the above includes:

• Maintaining proper accounting records to ensure effective operation of the group's business and compliance;

• Implementing the strategies and policies adopted by the Board, and for managing all of the group's activities, including the operation of the internal control system.

The Board has also established key processes for monitoring the system of internal control as follows:

– The Board has established a detailed organisation structure, including the delegation of appropriate responsibilities from the Board to the Board Committees, the Group Managing Director, members of the Senior Management, and to the heads of operating units;

– The effectiveness of internal controls is continually assessed by the Board by considering the recommendations of the Audit Committee, reports of the internal auditors, feedback from management and the external auditors;

– A proper Enterprise Resource Planning system is in place to provide financial and operational performance data for management accounting purposes.

contents
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– Review of the accounting information takes place on a regular basis at Audit Committee and Board level and remedial action is taken promptly, where necessary;

– A Code of Ethics has been adopted since July 2005 and is regularly monitored by an Ethics Committee to govern the staff's conduct, which sets the standards of integrity and professionalism for the group's operation.

– Management has put in place appropriate operational and compliance controls at all operating units.

Internal audit

Mission and scope of work

The mission of the internal audit is to provide independent, objective assurance services designed to add value and improve the company's operations.

The scope of the internal audit function is to assist the Board of directors and management to maintain and improve the process by which risks are identified and managed and to help the Board to discharge its responsibilities to maintain and strengthen the internal control framework.

The internal audit function is performed by Messrs Ernst & Young, Public Accountants.

Reporting

The internal auditors have a direct reporting line to the Audit Committee and maintain an open and constructive communication with executive management. They also have direct access to the chairpersons of the Committees and of the Board. This reporting structure allows the internal auditors to remain independent and report all items of significance to the Board and the Audit Committee.

Internal audit coverage

The internal audit plan, which is approved by the Audit Committee, is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited.

The internal auditor performed four audit visits for the group during the financial year 2008. The visits were performed according to the audit plan which was submitted to the Audit Committee in March 2008. Proposed recommendations in respect of issues identified were discussed with management and the final internal audit reports were submitted to the Audit Committee.

The audit team focused on the risks areas identified as significant during a risk self assessment exercise which was undertaken in October 2005. The risks identified are regrouped under the following headings:

– Environment and Strategy Risks

These arise when there are environmental forces that could either put a company out of business or significantly change the fundamentals that drive its overall objectives and strategies.

The assessment of the environment and strategy risks also included :

• *Regulatory risks :*
Changes in regulations and actions by the local regulators can result in increased competitive pressures and significantly affect a company's ability to efficiently conduct business.

contents + -

- *Industry risks :*

  The industry may lose its attractiveness due to changes in :
  - key factors for competitive success within the industry, including significant opportunities and threats;
  - capabilities of existing and potential competitors; and
  - group's strengths and weaknesses relative to present and future competitors.

- *Operational risks :*

  Operational risks are risks of loss resulting from inadequate or failed internal processes and procedures, human error or system failure. They also include legal risk.

– Human resources risks

The personnel responsible for managing and controlling the organisation or a business process may not possess the requisite knowledge, skills and experience needed to ensure that critical business objectives are achieved and significant business risks are reduced to an acceptable level.

– Financial risks

These may be defined as the risk that cash flows and financial assets are not managed cost-effectively to :
- maximize cash availability;
- reduce uncertainty of currency, interest rate, credit and other financial assets; and
- move cash funds quickly and without loss of value to wherever they are needed most.

– Information technology risks

The information technologies used in the group's businesses may not be operating as intended, thereby compromising the integrity and reliability of data and information and exposing significant assets to potential loss or misuse, or exposing the group's ability to sustain the operation of critical processes.

Dividend policy

No formal dividend policy has been determined by the Board.

However, having regard, *inter alia*, to group performance, capital expenditure and debt servicing requirements, investment needs as well as the uncertainties facing the group, the Board attempts to distribute a yearly dividend which, under normal circumstances, should remain sustainable in the medium to long-term.

Remuneration policy

All directors receive a Board remuneration consisting of a fixed fee, as well as an additional fee for each Board meeting attended by them. The Chairperson is remunerated in a similar manner, but at higher rates. Changes therein are submitted to the Annual Meeting for approval.

In addition, directors who are Board Committee members receive attendance fees for such meetings, while chairpersons are again remunerated at a higher rate. Committee fees are approved by the Board.

As regards executive directors, the remuneration policy aims to:
– align executive remuneration with the group's business objectives and shareholder value,
– attract, retain and motivate high calibre employees capable of achieving the group's objectives,
– motivate executives to achieve ambitious performance levels, and
– recognize both corporate and individual performance.

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The overall remuneration of executive directors comprises a base salary, pension and other benefits and a non-pensionable annual performance bonus, in addition to the Board remuneration described above. The proportion of variable pay to fixed pay is significant and aims at better aligning interests of these directors with those of the group and providing an added incentive to respond to the challenges facing the group.

The Corporate Governance Committee has retained outside consultants to provide independent market information and advice relating to executive remuneration.

Remuneration of directors

contents
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Directors' remuneration for the year ended December 31, 2008 is set out below.

	Remuneration from the company	Remuneration from subsidiaries	Remuneration from companies on which director serves as representative of the company
	MUR '000	MUR '000	MUR '000
Directors			
Jocelyn de Chasteauneuf	324	-	-
Jean Desmarais	194	-	-
Maurice de Marassé Enouf	204	121	-
Jean de Fondaumière	264	-	-
Jean Pierre Hardy	264	60	-
Alexis Harel	204	3,533	85
Henri Harel	4,435	-	250
Joseph Marc Harel	184	-	-
Jean Hugues Maigrot	600	-	-
Cyril Mayer	12,405	-	402
Jacques de Navacelle	334	-	-
Guillaume Raffray	204	-	-
Alain Vallet	204	4,791	102

Annual shareholders and investors meetings

All directors are invited and encouraged to attend the Annual Meeting and be available to answer shareholders' questions. In 2008, 8 directors out of 13 attended the meeting, while in 2007 they were 10 out of 12. It has been the practice for some years to allow for postal vote of shareholders at the Annual Meeting. Immediately after the Annual Meeting, the main institutional investors and investment managers are invited to attend a presentation of the Annual Report and to put questions to management. This exercise has taken place for a number of years and is well attended and welcomed by the investing community.

corporate governance report (cont'd)

Share information

Information relating to the share distribution and its Stock Exchange performance is set out on pages 8 to 10. Dates of important events are also noted.

Donations

The aggregate amounts of political and other donations made during the year are shown on page 59.

Related party transactions

Related party transactions are disclosed in aggregate in Note 36 to the Financial Statements.

However, during the year, there were no material transactions between the company or any of its subsidiaries or associates and a director, chief executive, controlling shareholder or companies owned or controlled by a director, chief executive or controlling shareholder.

Management agreements

The main management agreements with third parties are disclosed in Note 36 to the Financial Statements.

Share option plan

The group has no share option plan.

Corporate social responsibility

The policies and practices of the group regarding social responsibility as well as ethics, health, safety and environmental issues are detailed on pages 53 to 55.

HF Administrative Services Ltd
Secretary

May 20, 2009

corporate social responsibility (csr) report

The Harel Frères group is among the largest in the country and recognises the importance of good governance and CSR in developing any successful business. The sustainability of such a large group is closely linked to the welfare of its employees, its stakeholders and the Mauritian population at large. Accordingly, the directors recognise that, while they are ultimately answerable to shareholders, it is in the company's long-term economic interest to conduct itself as a responsible corporate citizen in order to move forward towards a better society and future growth.

CSR Fund

As previously reported, the Board formally decided in 2008 to devote 1% of group after tax profits to CSR and to establish an appropriately structured fund to be headed by a CSR Officer answerable to a CSR Committee.

A CSR Officer, Mr Vincent de Marassé Enouf, and a Committee consisting of:

• Louis Denis Koenig (Management and Administrative Executive)	Chairperson
• Eddy Appassamy (Assistant Personal Manager)	member
• Daniel Capiron (Public Relation Officer)	member
• Virginie Duvivier (Accountant)	member
• Antoine Grenouille (social worker)	member

were thus appointed by the Board and took office in September 2008.

Upon recommendation of the Committee, the Board decided to focus on specific areas as follows:
1. Education
2. Poverty Alleviation and Health
3. Environmental issues
4. National Heritage.

Besides a number of financial contributions, the following main actions have been undertaken by the Committee:

Education

ZEP

We continued our unconditional support to Hurryparsad Ramnarain Government School, which is located in Terre Rouge and forms part of the "*Zone d'Education Prioritaire*" project in partnership with the Ministry of Education. This long lasting partnership with the school teaching staff, the students and other stakeholders has proved to be successful and encouraging for the group and the students, as the CPE results for this year showed some improvements. The CSR Committee has also elaborated a plan of action for the students and teachers in order to motivate them to achieve better results.

Lizié dan la main

We gave our support to *"Lizié dan la Main"*, which is one of the longest social partnerships that the group has with an NGO, for the construction of new facilities of the visually impaired citizens. One of our group companies has been working in close collaboration with this NGO for the last 20 years and recognises the outstanding work that this NGO has done for the visually impaired persons.

APEA

The group encouraged the *"Mo pas depense brit"* project together with the *"Association pour la Protection des Emprunteurs Abusés" (APEA)* and the council of religion. This project aims at informing the Mauritian population of the dangers of over-indebtedness and recommends ways and means of better managing their revenue in a context marked by the financial crisis.

Poverty Alleviation and Health Care

APEIM

The group contributed to the construction of a socio medical complex, sheltered workshop and an administrative building. *APEIM* will now be able to accommodate more disabled children, thus giving them appropriate care and education.

Friends in Hope

Friends in Hope is an association which helps mentally disabled people and has now planned to set up a rehabilitation and activity centre for mental health sufferers in the north of the island. The group has decided to encourage this project, which will certainly be of assistance to our employees as well as the inhabitants of the neighbouring villages of Belle Vue, Bean Plan and Pamplemousses.

Drug Addiction Rehabilitation - Centre de Solidarité, Centre D'Accueil de Terre Rouge and Centre Idrice Goomany.

These centres offer rehabilitation and reintegration facilities to drug and alcohol addicts and contribute the self-development of these persons.

Environment

Mauritius Wildlife Foundation

The group renewed its support to the *Mauritius Wildlife Foundation*, an internationally renowned NGO involved in the conservation of animals and endangered species, and contributed to the reforestation of Rodrigues Island and the breeding programme of tortoise in Mauritius.

The staff also participated in an education tour of l'Ile aux Aigrettes and could appreciate the work conducted on the island by the *Mauritius Wildlife Foundation.*

In the same way, our staff and employees are also encouraged to participate in their companies' events and to act as responsible and engaged citizens. We believe that such encouragement can only help our country to move forward.

Ethics

The group renewed its commitment to its Model Code of Conduct towards ethical standards based on our core values: Honesty and Integrity, Responsibility, Quality and Performance, Commitment, Teamwork, and Creativity and Innovation. The Ethics Committee continued the monitoring of compliance with the legal and regulatory framework in which the group operates.

Health and Safety

Health and Safety officers employed throughout the group ensure that the legal framework is complied with and contribute to the well being of all our employees. New legislation regarding Health and Safety promulgated in 2005 and enforced in 2007 has created a new regulatory framework. Both in-house and outsourced training, awareness talks and programmes are organized on a regular basis in order to enhance the Health and Safety culture in the group and to inform our employees of its importance in their workplace, but also in their homes and environment.

Risk assessment and audits of the workplaces are often carried out and weakness areas are identified and dealt with accordingly. The recommendations from these risk assessment reports help in the improvement of our daily operations and contribute to reducing any possibility of having hazards at the workplaces. These efforts to implement the recommendations of the risk assessment surveys have contributed to decreasing considerably the number of accidents over the last few years.

Environment

As our group's operations are mainly of an agricultural or industrial nature, the directors' prime concern is to achieve its business objectives in a socially responsible manner. The strict adherence to environmental norms and the adoption of processes which are compliant with the local environment regulations are essential for future growth. All effluents from our subsidiary companies are disposed of in an ecological manner. Gaseous emissions are limited by the use of low sulphur coal, while bagasse, which is a renewable and green source of energy, is sulphur free. Regular stack sampling and ambient air monitoring are undertaken and results forwarded to the appropriate authorities. The results have showed that the levels of heavy metals are well below the maximum limit allowed by international organisations and the norms prevailing in the European Union.

The above policies and practices demonstrate the group's commitment to sustainable development and its aspiration to protect its employees, the public at large, the environment, its assets and not least, its reputation.

Louis Denis Koenig
Chairperson, CSR Committee

statement of directors' responsibilities in respect of financial statements

contents
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Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the company. In preparing those financial statements, the directors are required to :

– select suitable accounting policies and then apply them consistently;
– make judgements and estimates that are reasonable and prudent;
– state whether International Financing Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the financial statements; and
– prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The directors report that adequate accounting records and an effective system of internal controls and risk management have been maintained.

Signed on behalf of the Board of directors

Jean Hugues Maigrot
Chairperson

Cyril Mayer
Managing Director

May 20, 2009

certificate by company secretary

(pursuant to Section 166(d) of the Companies Act 2001)

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required under the Companies Act 2001.

HF Administrative Services Ltd
Secretary

May 20, 2009

contents

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(pursuant to Section 221 of the Companies Act 2001 and the Securities Act 2005)

Directors

Names

The names of the directors of the company at December 31, 2008 are given on page 14 of this report. In addition, a list of directors of subsidiary companies at the same date appears on page 132.

Service contracts

Four executive directors, namely Messrs Cyril Mayer, Alexis Harel, Henri Harel and Alain Vallet have at present service contracts without expiry dates with group companies. Other than for the above-mentioned executive directors, none of the directors proposed for re-election at the forthcoming Annual Meeting of shareholders have service contracts with the company.

Remuneration & benefits :

	THE COMPANY		SUBSIDIARIES	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Emoluments paid by the company and its susidiaries to :				
– Directors of Harel Frères Limited				
• Executive				
full-time	**16.9**	14.9	**-**	-
part-time	**0.4**	0.4	**8.3**	6.3
• Nonexecutive	**2.6**	2.8	**-**	-
	19.9	18.1	**8.3**	6.3

– Directors of subsidiary companies:

	2008	2007
	MUR' M	MUR' M
• 4 Executive *(6 in 2007)*		
full-time	**15.5**	16.1
part-time	**-**	-
• 21 Nonexecutive *(22 in 2007)*	**3.9**	1.9
	19.2	18.0

Contracts of significance

During the year under review, there were no contracts of significance to which Harel Frères Limited, or one of its subsidiaries, was a party and in which a director of Harel Frères Limited was materially interested, either directly or indirectly.

contents
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Auditors' remuneration

	THE GROUP 2008 MUR' M	THE GROUP 2007 MUR' M	THE COMPANY 2008 MUR' M	THE COMPANY 2007 MUR' M
Audit fees paid to :				
- BDO De Chazal du Mée	**1.9**	1.8	**0.4**	0.3
- Other firms	**-**	-	**-**	-
Fees paid for other services provided by :				
- BDO De Chazal du Mée	**0.1**	0.1	**0.1**	0.1
- Other firms	**-**	-	**-**	-

Donations

Donations made during the year were as follows :

	THE GROUP 2008 MUR'M	THE GROUP 2007 MUR'M	THE COMPANY 2008 MUR'M	THE COMPANY 2007 MUR'M
Political	**-**	0.2	**-**	0.1
Charitable	**3.0**	0.8	**2.5**	0.6

Number of recipients : 22 (2007 : 21)

Senior officers' interests

The company's senior officers' interests in the company as declared under the Securities Act 2005 as at December 31, 2008 were as follows:

	ORDINARY SHARES							
	DIRECT				INDIRECT			
	BENEFICIAL	%	NON-BENEFICIAL	%	BENEFICIAL	%	NON-BENEFICIAL	%
NAMES								
Jean Desmarais	-	-	-	-	1,040,460	0.60%	-	-
Dominique de Froberville	-	-	-	-	-	-	266	0.00%
Jean-Pierre Hardy	1,333	0.00%	-	-	-	-	-	-
Alexis Harel	133	0.00%	-	-	133	0.00%	-	-
Henri Harel	720	0.00%	-	-	721,875	0.42%	4,437,051	2.55%
Joseph Marc Harel	117,379	0.07%	-	-	1,176,520	0.68%	-	-
Cyril Mayer	-	-	-	-	964,146	0.55%	-	-
Denis Pilot	1,000	0.00%	-	-	-	-	-	-
Alain Vallet	133	0.00%	-	-	-	-	-	-

The company's senior officers have not declared any interest in the subsidiaries.

contents + -

independent auditors' report to the members

This report is made solely to the members of Harel Frères Limited (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Harel Frères Limited and its subsidiaries (the "Group") and the Company's separate financial statements on pages 62 to 131 which comprise the balance sheets at December 31, 2008, the income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

independent auditors' report to the members (cont'd)

contents

Opinion

In our opinion, the financial statements on pages 62 to 131 give a true and fair view of the financial position of the Group and of the Company at December 31, 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

BDO DE CHAZAL DU MEE
Chartered Accountants

Port Louis,
Mauritius.
March 25, 2009

balance sheets

December 31, 2008

	Notes	THE GROUP 2008 MUR'M	THE GROUP 2007 MUR'M	THE COMPANY 2008 MUR'M	THE COMPANY 2007 MUR'M
ASSETS					
Non-current assets					
Property, plant and equipment	4	**6,247.4**	6,335.1	**3,862.9**	530.0
Investment properties	5	**180.8**	7.8	**214.1**	39.0
Intangible assets	6	**195.6**	190.9	**3.8**	-
Investment in subsidiaries	7	**-**	-	**2,123.7**	3,273.3
Investment in associates	8	**399.8**	380.6	**1.3**	1.4
Investment in financial assets	9	**202.6**	205.9	**33.3**	32.6
Non-current receivables	10	**6.5**	9.4	**6.8**	35.7
Bearer biological assets	11	**178.4**	158.5	**178.4**	23.1
Land development expenditure	12	**56.4**	54.1	**56.3**	38.8
Deferred VRS costs	13	**54.7**	68.3	**37.9**	16.6
Deferred tax assets	14	**1.2**	1.3	**-**	-
		7,523.4	7,411.9	**6,518.5**	3,990.5
Current assets					
Inventories	15	**522.7**	436.4	**-**	-
Consumable biological assets	16	**111.9**	129.6	**111.9**	14.5
Trade and other receivables	17	**886.7**	918.5	**982.2**	484.7
Cash and cash equivalents	31	**892.5**	744.5	**121.7**	12.5
		2,413.8	2,229.0	**1,215.8**	511.7
Non-current assets classified as held for sale	18	**27.9**	49.8	**27.9**	14.7
Total assets		**9,965.1**	9,690.7	**7,762.2**	4,516.9
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	19	**173.8**	173.8	**173.8**	173.8
Revaluation and other reserves	20	**4,220.3**	4,212.0	**5,352.1**	2,691.9
Retained earnings		**2,116.6**	1,821.0	**1,727.5**	1,050.3
Equityholders' interest		**6,510.7**	6,206.8	**7,253.4**	3,916.0
Minority interest		**892.1**	808.4	**-**	-
Total equity		**7,402.8**	7,015.2	**7,253.4**	3,916.0
Non-current liabilities					
Borrowings	21	**695.2**	954.6	**102.4**	39.7
Deferred tax liabilities	14	**270.0**	278.3	**11.5**	2.5
Retirement benefit obligations	22	**183.0**	182.4	**81.2**	7.7
		1,148.2	1,415.3	**195.1**	49.9
Current liabilities					
Trade and other payables	23	**727.3**	649.6	**242.7**	444.1
Current tax liabilities	24	**111.5**	49.4	**6.3**	1.6
Borrowings	21	**574.6**	540.1	**64.0**	96.4
		1,413.4	1,239.1	**313.0**	542.1
Liabilities directly associated with non-current assets classified as held for sale	18(b)	**0.7**	21.1	**0.7**	8.9
Total liabilities		**2,562.3**	2,675.5	**508.8**	600.9
Total equity and liabilities		**9,965.1**	9,690.7	**7,762.2**	4,516.9

The financial statements have been approved for issue by the Board of Directors on March 25, 2009

M.E. Cyril MAYER)
Henri HAREL) Directors

The notes on pages 70 to 131 form an integral part of these financial statements.
Auditors' report on pages 60 and 61.

income statements

Year ended December 31, 2008

	Notes	THE GROUP		THE COMPANY	
		2008	2007	**2008**	2007
		MUR'M	MUR'M	**MUR'M**	MUR'M
Turnover	1 (q)	**3,289.2**	2,948.0	**461.2**	69.2
Compensation from the Sugar Insurance Fund Board		**29.1**	50.0	**5.5**	0.1
Losses arising from changes in fair value of consumable biological assets	16	**(17.7)**	(9.4)	**(17.7)**	(1.0)
		3,300.6	2,988.6	**449.0**	68.3
Cost of sales		**(2,321.1)**	(1,939.1)	**(353.1)**	(43.1)
Gross profit		**979.5**	1,049.5	**95.9**	25.2
Other income	25	**177.2**	195.4	**306.0**	140.4
Administrative expenses		**(168.6)**	(181.1)	**(55.4)**	(13.4)
Distribution costs		**(87.1)**	(82.2)	**-**	-
Other expenses		**(134.9)**	(142.3)	**(64.6)**	(13.6)
Profit before finance costs	26	**766.1**	839.3	**281.9**	138.6
Finance costs	27	**(144.8)**	(203.1)	**(2.6)**	(7.1)
Share of results of associates	8	**125.8**	104.6	**-**	-
Profit before exceptional items		**747.1**	740.8	**279.3**	131.5
Exceptional items	28	**-**	35.5	**-**	1,216.0
Profit before taxation		**747.1**	776.3	**279.3**	1,347.5
Taxation	24	**(100.5)**	(113.0)	**(5.5)**	(2.3)
Profit for the year		**646.6**	663.3	**273.8**	1,345.2
Attributable to:					
Equityholders of the company		**415.6**	470.5	**273.8**	1,345.2
Minority interest		**231.0**	192.8	**-**	-
		646.6	663.3	**273.8**	1,345.2
Earnings per share (MUR)	29	**2.39**	2.71	**1.58**	7.74

The notes on pages 70 to 131 form an integral part of these financial statements.
Auditors' report on pages 60 and 61.

contents
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statements of changes in equity

Year ended December 31, 2008

contents

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THE GROUP	Notes	Attributable to equityholders of the company					
		Stated Capital	Revaluation and Other Reserves	Retained Earnings	Total	Minority Interest	Total Equity
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Balance at January 1, 2008		173.8	4,212.0	1,821.0	6,206.8	808.4	7,015.2
Revaluation adjustment of land and buildings		-	22.2	-	22.2	-	22.2
Decrease in fair value of available-for-sale financial assets	9	-	(3.3)	-	(3.3)	-	(3.3)
Release of deferred tax on excess depreciation over historical cost depreciation		-	3.4	-	3.4	1.3	4.7
Transfer to retained earnings on disposal of land		-	(1.7)	1.7	-	-	-
Release to income statement on repayment of foreign currency loans		-	30.0	-	30.0	44.3	74.3
Exchange differences on translation of foreign currency loans		-	(16.3)	-	(16.3)	(23.9)	(40.2)
Increased stake in subsidiary		-	-	-	-	-	-
Movements on reserves		-	(26.0)	-	(26.0)	(1.1)	(27.1)
Net income recognised directly in equity		-	8.3	1.7	10.0	20.6	30.6
Profit for the year		-	-	415.6	415.6	231.0	646.6
Dividends	30	-	-	(121.7)	(121.7)	(167.9)	(289.6)
Balance at December 31, 2008		173.8	4,220.3	2,116.6	6,510.7	892.1	7,402.8

The notes on pages 70 to 131 form an integral part of these financial statements.
Auditors' report on pages 60 and 61.

Year ended December 31, 2008

THE GROUP	Notes	Stated Capital	Revaluation and Other Reserves	Retained Earnings	Total	Minority Interest	Total Equity
		Attributable to equityholders of the company					
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Balance at January 1, 2007		173.8	2,632.0	1,444.3	4,250.1	686.5	4,936.6
Surplus on revaluation of land and buildings		-	1,563.8	-	1,563.8	-	1,563.8
Decrease in fair value of available-for-sale financial assets	9	-	(9.3)	-	(9.3)	-	(9.3)
Release on disposal of available-for-sale financial assets		-	(1.5)	(0.7)	(2.2)	-	(2.2)
Deferred tax on revalued assets		-	(14.5)	-	(14.5)	-	(14.5)
Release of deferred tax on excess depreciation over historical cost depreciation		-	0.8	-	0.8	0.7	1.5
Transfer to retained earnings on disposal of land		-	(11.2)	11.2	-	-	-
Release to income statement on repayment of foreign currency loans		-	32.0	-	32.0	47.4	79.4
Exchange differences on translation of foreign currency loans		-	16.0	-	16.0	23.7	39.7
Increased stake in subsidiary		-	-	-	-	(14.7)	(14.7)
Movements on reserves		-	3.9	-	3.9	(0.5)	3.4
Net income recognised directly in equity		-	1,580.0	10.5	1,590.5	56.6	1,647.1
Profit for the year		-	-	470.5	470.5	192.8	663.3
Dividends	30	-	-	(104.3)	(104.3)	(127.5)	(231.8)
Balance at December 31, 2007		173.8	4,212.0	1,821.0	6,206.8	808.4	7,015.2

The notes on pages 70 to 131 form an integral part of these financial statements.
Auditors' report on pages 60 and 61.

contents
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Year ended December 31, 2008

THE COMPANY

	Note	Stated Capital	Revaluation and Other Reserves	Amalgamation Reserve	Retained Earnings	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Balance at January 1, 2008		173.8	2,662.0	29.9	1,050.3	3,916.0
Revaluation adjustment of land and buildings		-	22.2	-	-	22.2
Adjustment arising on amalgamation		-	(827.2)	3,388.8	525.1	3,086.7
Increase in fair value of available-for-sale financial assets		-	82.0	-	-	82.0
Transfer to retained earnings on disposal of land		-	(1.7)	-	1.7	-
Release of deferred tax on excess depreciation over historical cost depreciation		-	2.3	-	-	2.3
Release on disposal of available-for-sale financial assets		-	(6.2)	-	(1.7)	(7.9)
Net (expense)/income recognised directly in equity		-	(728.6)	3,388.8	525.1	3,185.3
Profit for the year		-	-	-	273.8	273.8
Dividends	30	-	-	-	(121.7)	(121.7)
Balance at December 31, 2008		173.8	1,933.4	3,418.7	1,727.5	7,253.4

The notes on pages 70 to 131 form an integral part of these financial statements.
Auditors' report on pages 60 and 61.

contents
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Year ended December 31, 2008

THE COMPANY

	Note	Stated Capital	Revaluation and Other Reserves	Amalgamation Reserve	Retained Earnings	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Balance at January 1, 2007		173.8	1,515.1	-	1,128.1	2,817.0
Surplus on revaluation of land and buildings		-	255.7	-	-	255.7
Adjustment arising on amalgamation			(31.9)	29.9	3.0	1.0
Transfer to retained earnings on disposal of land		-	(2.0)	-	2.0	-
Increase in fair value of available-for-sale financial assets		-	398.2	-	-	398.2
Deferred tax on revalued assets		-	(1.9)	-	-	(1.9)
Release of deferred tax on excess depreciation over historical cost depreciation		-	0.1	-	-	0.1
Release on disposal of available-for-sale financial assets		-	(687.3)	-	(107.7)	(795.0)
Net (expense)/income recognised directly in equity		-	(69.1)	29.9	(102.7)	(141.9)
Profit for the year		-	-	-	1,345.2	1,345.2
Transfer of profit on sale of investments to subsidiary		-	1,216.0	-	(1,216.0)	-
Dividends	30	-	-	-	(104.3)	(104.3)
Balance at December 31, 2007		173.8	2,662.0	29.9	1,050.3	3,916.0

The notes on pages 70 to 131 form an integral part of these financial statements.
Auditors' report on pages 60 and 61.

cash flow statements

Year ended December 31, 2008

	Notes	THE GROUP		THE COMPANY	
		2008	2007	**2008**	2007
		MUR'M	MUR'M	**MUR'M**	MUR'M
Operating activities					
Profit before taxation		**747.1**	776.3	**279.3**	1,347.5
Adjustments for :					
Depreciation	4,5	**231.1**	213.8	**27.1**	7.4
Profit on sale of property, plant and equipment/non current assets classified as held for sale		**(12.0)**	(69.9)	**(15.5)**	(24.9)
Profit on sale of available-for-sale financial assets		**-**	(1.8)	**(9.8)**	(1,216.0)
Retirement benefit obligations		**4.0**	12.0	**(4.3)**	1.4
Amortisation of bearer biological assets	11	**41.3**	41.4	**41.3**	6.0
Amortisation of intangible assets	6	**8.0**	9.6	**1.2**	-
Amortisation of VRS costs		**7.8**	14.8	**5.4**	0.8
Exchange differences		**79.7**	79.4	**-**	-
Investment income		**(57.7)**	(45.4)	**(274.7)**	(102.9)
Interest expense	27	**97.2**	116.3	**8.7**	7.1
Share of results of associates		**(125.8)**	(104.6)	**-**	-
Changes in working capital:					
- inventories		**(86.3)**	(29.0)	**-**	-
- consumable biological assets	16	**17.7**	9.4	**17.7**	1.0
- trade and other receivables		**31.8**	(135.0)	**425.4**	(35.0)
- trade and other payables		**110.1**	(1.1)	**(302.1)**	66.5
		1,094.0	886.2	**199.7**	58.9
VRS costs paid		**(32.4)**	(173.6)	**(29.8)**	(39.9)
Interest paid		**(97.2)**	(116.3)	**(8.7)**	(0.9)
Income tax paid		**(40.7)**	(48.2)	**(9.4)**	(1.0)
Net cash from/(used in) operating activities		**923.7**	548.1	**151.8**	17.1

The notes on pages 70 to 131 form an integral part of these financial statements.
Auditors' report on pages 60 and 61.

cash flow statements (cont'd)

Year ended December 31, 2008

	Notes	THE GROUP 2008	THE GROUP 2007	THE COMPANY 2008	THE COMPANY 2007
Investing activities		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Purchase of property, plant and equipment/investment properties	4,5	**(298.4)**	(175.8)	**(192.7)**	(6.6)
Intangible assets acquired	6	**(12.7)**	(0.8)	**(5.0)**	-
Replantation costs	11	**(61.2)**	(57.5)	**(61.2)**	(8.9)
Purchase of held-to-maturity investments		**-**	-	**-**	-
Land development expenditure/ non-current assets classified as held for sale		**(15.9)**	(67.2)	**(15.9)**	(8.3)
Acquisition of minority		**-**	(15.2)	**-**	-
Purchase of investment in					
- subsidiaries	40	**(2.1)**	-	**(10.0)**	(27.9)
- associates		**(4.2)**	-	**-**	-
Proceeds on sale of property, plant and equipment/non-current assets classified as held for sale		**51.8**	223.4	**51.8**	71.6
Proceeds on sale of investment in					
- associates		**-**	1.9	**-**	-
- financial assets		**-**	5.2	**10.0**	1.0
Non-current receivables		**2.9**	-	**(0.2)**	-
Interest received		**50.0**	84.7	**86.3**	4.4
Dividend received		**7.7**	41.3	**188.4**	92.3
Net cash (used in)/from investing activities		**(282.1)**	40.0	**51.5**	117.6
Financing activities					
Proceeds from long term borrowings		**78.0**	98.8	**78.0**	-
Repayment of loans and debentures		**(406.1)**	(511.6)	**(44.9)**	(115.5)
Advance received from Sugar Reform Trust		**40.9**	96.6	**36.8**	22.1
Dividends paid to shareholders of Harel Frères Limited	30	**(121.7)**	(104.3)	**(121.7)**	(104.3)
Dividends paid to outside shareholders of subsidiaries		**(114.0)**	(109.6)	**-**	-
Net cash used in financing activities		**(522.9)**	(530.1)	**(51.8)**	(197.7)
Increase/(decrease) in cash and cash equivalents		**118.7**	58.0	**151.5**	(63.0)
Movement in cash and cash equivalents					
At January 1,		**519.9**	461.9	**(62.2)**	0.8
Consolidation/ amalgamation adjustment		**0.3**	-	**(1.8)**	-
Increase/(decrease)		**118.7**	58.0	**151.5**	(63.0)
At December 31,	31	**638.9**	519.9	**87.5**	(62.2)

The notes on pages 70 to 131 form an integral part of these financial statements.
Auditors' report on pages 60 and 61.

contents
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Year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

contents
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The financial statements of Harel Frères Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards. Where necessary, comparative figures have been amended to conform with changes in presentation in the current year.

The financial statements are prepared under the historical cost convention, except that:
(i) land, buildings, power plant, building and civil works and certain factory equipment are carried at revalued amounts;
(ii) available-for-sale financial assets are stated at their fair value;
(iii) consumable biological assets are stated at their fair value.

Amendments to published standards, Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2009 or later periods, but which the Group has not early adopted.

At the date of authorisation of these financial statements, the following new standards and interpretations were in issue but not yet effective:

IFRS 8 Operating Segments
IFRIC 13 Customer Loyalty Programmes
IFRIC 15 Agreements for the construction of real estate
IFRIC 16 Hedges of a net investment in a foreign operation
IFRIC 17 Distributions of Non-cash Assets to Owners
IFRS 3 Business Combinations (Revised May 2008)
IAS 1 Presentation of Financial Statements (Revised May 2008)
IAS 16 Property, Plant and Equipment (Revised May 2008)
IAS 19 Employee Benefits (Revised May 2008)
IAS 20 Government Grants and Disclosure of Government Assistance (Revised May 2008)
IAS 23 Borrowing Costs (Revised May 2008)
IAS 27 Consolidated and Separate Financial Statements (Revised May 2008)
IAS 28 Investments in Associates (Revised May 2008)
IAS 29 Financial Reporting in Hyperinflationary Economies (Revised May 2008)
IAS 31 Interests in Joint Ventures (Revised May 2008)
IAS 32 Financial Instruments: Presentation (Revised May 2008)
IAS 36 Impairment of Assets (Revised May 2008)
IAS 38 Intangible Assets (Revised May 2008)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of preparation (cont'd)

IAS 39 Financial Instruments: Recognition and Measurement (Revised May 2008)
IAS 40 Investment Property (Revised May 2008)
IAS 41 Agriculture (Revised May 2008)
IFRS 1 First-time Adoption of International Financial Reporting Standards (Revised May 2008)
IFRS 2 Share-Based Payment (Revised May 2008)
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Revised May 2008)

The Group is still evaluating the effect that these new or revised standards and interpretations on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(b) Property, plant and equipment

Property, plant and equipment is initially recorded at cost. Land and buildings are subsequently shown at their existing use value based on valuations of external independent valuers, less subsequent depreciation for buildings. Power Plant and Building and Civil works are shown at their existing use value based on depreciated replacement cost less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation. Milling assets were revalued annually until 2002 on the basis of the indices submitted by the Mauritius Sugar Authority.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable the future economic benefits associated with the item will follow to the Group and the Company and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to "Revaluation Reserve" in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation reserve directly in equity; all other decreases are charged to the income statement.

Depreciation is calculated on the straight line method to write off the cost of each asset, or the revalued amount, to its residual value over its estimated useful life.

contents
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1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of preparation (cont'd)

The principal annual rates are as follows:-

Buildings on Leasehold Land	2 - 6%
Buildings	2 - 9%
Power Plant	4 - 20%
Building and Civil Works	4 - 10%
Factory Equipment	2 - 10%
Agricultural Equipment	5 - 20%
Motor Vehicles	20%
Furniture and Office Equipment	5 - 20%

Land is not depreciated.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the income statement. On disposal of revalued assets, amounts in "Revaluation Reserve" relating to these assets are transferred to retained earnings.

Interest costs on borrowings to finance the construction of qualifying assets during the construction period are capitalised.

(c) Investment properties

Investment properties, which are properties held to earn rentals, are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on the straight line method to write off the cost of the investment properties to their residual value over the estimated useful life.

The principal annual rates are as follows:

Buildings	2 - 8%

(d) Intangible assets

Intangible assets consist of Land Conversion Rights (Closure costs), brands, goodwill, computer software and legal fees in respect of commercial contracts.

(i) Closure costs
Closure costs represents land conversion rights. These are expected to be recovered from the profit on disposal of earmarked freehold land(note 4(g)) and are tested annually for impairment.

(ii) Brands
Brands are shown at cost and tested annually for impairment.

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1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Intangible assets (cont'd)

(iii) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the net identifiable assets of the acquired subsidiary, associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Any net excess of the Group's interest in the net fair value of acquiree's net identifiable assets over cost is recognised in the income statement. Goodwill on acquisitions of associates is included in investments in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(iv) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised over their estimated useful lives (5 years).
Costs associated with developing or maintaining computer software are recognised as an expense as incurred.
Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.
Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

(v) Legal fees

Legal fees incurred in respect of the commercial contracts are capitalised on the basis that future economic benefits are expected to be derived from these contracts and can be reliably measured (10 years).

(e) Investment in subsidiaries

Separate financial statements of the investor

Investments in subsidiaries are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to December 31, each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activites. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of their acquisition or up to the effective date of their disposal.

The consolidated financial statements have been prepared in accordance with the purchase method. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement in the year of acquisition.

Year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Investment in subsidiaries (cont'd)

All significant intercompany transactions, balances and unrealised gains on transactions between group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those adopted by the Group.

contents
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(f) Investment in associates

Separate financial statements of the investor
Investments in associates are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements
An associate is an entity over which the Group has significant influence but not control, or joint control. Investments in associates are accounted for by the equity method. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. Investment in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

When the group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

(g) Financial instruments

(i) Financial assets

Categories of financial assets
The Group classifies its financial assets in the following categories: loans and receivables, held-to-maturity investments, and available-for-sale financial assets.
The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(a) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets when maturity is within twelve months of balance sheet date or non-current assets for maturities greater than twelve months.

Year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

(i) Financial assets (cont'd)

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at their fair values. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement.

contents
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Year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

(ii) Long term receivables

Long term receivables without fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the effective interest rate. The amount of the loss is recognised in the income statement. Long term receivables without fixed maturity terms are measured at cost. If there is objective evidence that an impairment loss has been incurred, the present value (PV) of the impairment loss is measured as the difference between the carrying amount of the asset and the present estimated cash flows discounted at the current market rate of return of similar financial assets.

(iii) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the income statement.

(iv) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after balance sheet date.

(v) Trade payables

Trade payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(vi) Hedging activities

Cash flow hedge

A subsidiary has its loans denominated in Euro and has its price indexed to the fluctuations of Euro. The subsidiary has recognised a cash flow hedge on the following basis as the foreign exchange exposure arising from translation of the loans is hedged against the revenue stream.

contents
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Year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

(vi) Hedging activities (cont'd)

The difference in exchange arising upon translation of loans at year end is taken to "Translation Reserve" in shareholders' equity. Amounts deferred in equity are transferred to the income statement and classified as expense or revenue upon repayment of loans in the same periods during which the hedged item affects the profit or loss.

Expiry or sale of a hedging instrument or criteria for hedge accounting no longer met
When the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recognised in the income statement.

(vii) Cash and cash equivalents
Cash and cash equivalent comprise of cash in hand, cash at bank and bank overdraft. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to any insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(viii) Stated capital
Ordinary shares are classified as equity.

contents
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(h) Sugar Industry Voluntary Retirement Scheme (VRS)

VRS costs (net of refunds under the Multi Annual Adaptation Strategy and pension obligations previously provided for) are carried forward on the basis that under the scheme, land of the Company can now be sold without payment of any land conversion taxes. These amounts are amortised over a period of 8 years.
The amortisation is reviewed and reassessed yearly to ascertain the adequacy of the yearly charge taking into account the right exercised.

(i) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise mainly from depreciation on property, plant and equipment, revaluation of certain non-current assets, tax losses carried forward, bearer biological assets, retirement benefit obligations, VRS costs and other provisions.

No deferred tax liabilities have been provided on timing differences on bearer biological assets as they are unlikely to crystalize in the foreseeable future.
Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

Year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(k) Biological assets

Bearer biological assets are valued at cost less amortisation. Consumable biological assets are stated at their fair value.

(i) Bearer biological assets
These relate to cane replantation costs and are amortised over a period of 8 years.

(ii) Consumable biological assets
Standing canes are measured at their fair value. The fair value of standing canes is the present value of expected net cash flows from the standing canes discounted at the relevant market determined pre-tax rate.

(l) Alternative Minimum Tax (AMT)

Alternative Minimum Tax (AMT) is provided for, where an entity within the Group which has a tax liability of less than 7.5% of its book profit pays a dividend. AMT is calculated as the lower of 10% of the dividend paid and 7.5% of book profit.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed.

(n) Retirement benefit obligations

Defined benefit plans
A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.
The Company and its subsidiaries contribute to a defined benefit plan for certain employees. The cost of providing benefits is determined using the projected unit credit method so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries.

contents
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Year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Retirement benefit obligations (cont'd)

Actuarial gains and losses arise from experience adjustments, changes in actuarial assumptions and amendments to pension plans. Such actuarial gains and losses which exceed 10% of the greater of the present value of the pension contributions and fair value of plan assets are charged or credited to income over the average remaining service lives of the related employees.

Defined contribution plans
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions to the Group's other schemes, which are treated as defined contribution schemes, are charged to the income statement in the period in which they are incurred.

Unfunded plans
For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of severance allowances payable under the Labour Act is calculated by qualified actuaries and provided for. The obligations arising under this item are not funded.

(o) Foreign currencies

(i) Functional and presentation currency
Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency").
The consolidated financial statements are presented in Mauritian rupees, which is the company's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying as cash flow hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Foreign currencies (cont'd)

(iii) Group companies
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates; and

(c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

(p) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(q) Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group.

Sales of goods are recognised when goods are delivered and title has passed. Sales of services are recognised in the accounting year in which the services are rendered.

Sugar and molasses proceeds are recognised on total production of the crop year. Bagasse proceeds are accounted on a cash basis. Sugar and molasses prices are based on prices recommended by the Mauritius Chamber of Agriculture for the crop year.

Other revenues earned by the Group are recognised on the following bases:

- Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

contents
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Year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Revenue recognition (cont'd)

- Dividend income - when the shareholder's right to receive payment is established.

(r) Non-current assets classified as held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

(s) Provisions

Provisions are recognised when the Group has a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The Group's activities expose it to a variety of financial risks which have to be effectively managed so as to protect its long term sustainability and to safeguard the interests of its stakeholders.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

A description of the significant risk factors is given below together with risk management policies where applicable.
(a) Market risk
(b) Credit risk
(c) Liquidity risk and
(d) Cash flow and fair value interest rate risk.

(a) Market risk

(i) Currency risk
The Group is exposed to foreign exchange risk arising from sugar growing activities, primarily with respect to the Euro. This risk affects both the crop proceeds and the fair value of the biological assets.

The Group also has investments in foreign entities, whose net assets are exposed to currency translation risk.

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2. FINANCIAL RISK MANAGEMENT (cont'd)

2.1 Financial risk factors (cont'd)
(a) Market risk (cont'd)
(i) Currency risk (cont'd)

Currency profile
The currency profile of the Group's and the Company's financial assets and liabilities are summarised below:

THE GROUP	MUR	EURO	USD	Other currencies	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
As at December 31, 2008					
Trade and other receivables	**875.4**	**8.7**	**0.4**	**2.2**	**886.7**
Cash in hand and at bank	**880.7**	**0.7**	**11.0**	**0.1**	**892.5**
Other assets	**8,185.9**	**-**	**-**	**-**	**8,185.9**
Total assets	**9,942.0**	**9.4**	**11.4**	**2.3**	**9,965.1**
Liabilities	**1,687.1**	**770.5**	**80.5**	**24.2**	**2,562.3**
As at December 31, 2007					
Trade and other receivables	902.9	8.2	6.9	0.5	918.5
Cash in hand and at bank	479.5	245.0	20.0	-	744.5
Other assets	8,027.7	-	-	-	8,027.7
Total assets	9,410.1	253.2	26.9	0.5	9,690.7
Liabilities	1,510.10	991.5	-	173.9	2,675.5

THE COMPANY

All assets and liabilities are denominated in Mauritian rupees except for investment held in foreign subsidiary company denominated in Euro and amounting to MUR'M 12.9 (2007: MUR'M 12.9).

At December 31, 2008, if the rupee had weakened/strengthened by 5% against the US dollar/Euro with all other variables held constant, post-tax profit for the year would have impacted as shown in the table below, mainly as a result of foreign exchange gains/losses on translation of US dollar/Euro denominated borrowings, bank deposits, trade receivables and payables.

THE GROUP	2008	2007
	MUR'M	MUR'M
Rupee strenghthened/weakened by 5%		
Post-tax profit	**2.4**	3.9

2. FINANCIAL RISK MANAGEMENT (cont'd)

2.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments in financial assets held by the Group and classified as available-for-sale.

The Group is also exposed to price risk with the incidence of the price of sugar in the European Union market.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments in financial assets on the Group and the Company's equity.

The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
	+/-5%	+/-5%	**+/-5%**	+/-5%
Investment in financial assets	**10.1**	10.3	**1.7**	1.6

(b) Credit risk

The Group's/Company's credit risk is primarily attributable to its trade receivables. The amounts, presented in the balance sheet, are net of allowances for doubtful receivables, estimated by the Group's/Company's management based on prior experience and the current economic environment.

As regards the sugar and energy sectors, the Group/Company has significant concentration of credit risk with exposure spread over a few customers. However sale of products are made through reputable institutions where risk of default is very remote.

As for the commercial and manufacturing segment, the Group/Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group/Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and to limit the amount of credit exposure to any one financial position.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

2. FINANCIAL RISK MANAGEMENT (cont'd)

2.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

Forecasted liquidity reserve as of December 31, 2008 is as follows:

	THE GROUP	THE COMPANY
	2009	2009
	MUR'M	MUR'M
Opening balance for the period	638.9	87.5
Cash flows from operating activities	725.0	3.5
Cash flows from investing activities	(126.1)	158.8
Cash flows from financing activities	(593.5)	(152.6)
Closing balance for the period	644.3	97.2

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	MUR'M	MUR'M	MUR'M	MUR'M
THE GROUP				
At December 31, 2008				
Borrowings including bank overdrafts	**574.6**	**275.4**	**389.2**	**30.6**
Trade and other payables	**727.3**	**-**	**-**	**-**
At December 31, 2007				
Borrowings including bank overdrafts	540.1	309.1	396.6	248.9
Trade and other payables	649.6	-	-	-
THE COMPANY				
At December 31, 2008				
Borrowings including bank overdrafts	**64.0**	**13.3**	**45.7**	**38.4**
Trade and other payables	**242.7**	**-**	**-**	**-**
At December 31, 2007				
Borrowings including bank overdrafts	96.4	11.6	26.5	1.6
Trade and other payables	444.1	-	-	-

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2. FINANCIAL RISK MANAGEMENT (cont'd)

2.1 Financial risk factors (cont'd)

(d) Cash flow and fair value interest rate risk
The Group's interest-rate risk arises from long-term borrowings and cash at bank.
Borrowings issued at variable rates expose the Group and the Company to cash flow interest-rate risk.
Borrowings issued at fixed rates also expose the Group and the Company to fair value interest-rate risk.

(i) At December 31, 2008, if interest rates on rupee-denominated borrowings and Euro-denominated borrowings had been 10 basis points and 50 basis points respectively higher/lower with all other variables held constant, post-tax profit for the year and shareholders' equity would have been changed as shown in the table below.

	Rupee denominated borrowings (10 basis points)		Euro denominated borrowings (50 basis points)	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
THE GROUP				
Impact on post-tax profit and shareholders' equity	**11.0**	1.0	**17.9**	0.1
THE COMPANY				
Impact on post-tax profit and shareholders' equity	**0.1**	-	**-**	-

(ii) At December 31, 2008, if variable interest rates on deposit at bank had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have changed as shown in the table below.

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Impact on post tax profit	**1.5**	0.1	**-**	-

2.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and make assumptions that are based on market conditions existing at each balance sheet date. Other techniques, such as estimated discounted cash flows, determine fair value for the remaining financial instruments.

2. FINANCIAL RISK MANAGEMENT (cont'd)

2.2 Fair value estimation (cont'd)

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group and the Company for similar financial instruments.

2.3 Capital Risk Management

The Group's/Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefit for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

During the year, the Group's/Company's strategy was to reduce the debt-to-capital ratio to a reasonable level in order to secure access to finance at a reasonable cost.

The debt-to-capital ratios at December 31, 2008 and December 31, 2007 were as follows:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Total debt	**1,269.8**	1,494.7	**166.4**	136.5
Less: cash in hand and at bank	**(892.5)**	(744.5)	**(121.7)**	(12.5)
Net debt	**377.4**	750.2	**44.7**	124.0
Equityholders' interest	**6,510.7**	6,206.8	**7,253.4**	3,916.0
Add: amount recognised in equity relating to cash flow hedge	**61.3**	75.0	**-**	-
Adjusted capital	**6,572.0**	6,281.8	**7,253.4**	3,916.0
Debt-to-adjusted capital ratio	**0.06:1**	0.12:1	**0.01:1**	0.03:1

Net debt is calculated as total debt (as shown in the Balance Sheet) less cash in hand and at bank.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

3.1 Critical accounting estimates and assumptions (cont'd)

(a) Estimated impairment of intangible assets

The Group tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1(d). These calculations require the use of estimates.

(b) Investment in growing and milling entities

The reduction in the price of sugar of 36% will negatively impact on the sugar proceeds of the industry in its present condition. Harel Freres Limited which has investments in sugar growing, sugar milling and other related activities, may suffer from the effect of this shortfall over the coming financial years.

The Government of Mauritius has submitted a Multi-Annual Adaptation Strategy (2006 - 2015) to the European Union in view of negotiations for the accompanying measures. The aim of the Adaptation Strategy is to re-engineer the Sugar Industry so as to reduce production costs and enable Mauritius to retain a competitive sugar sector after the full price reduction which will become fully effective as from September 2009.

In the light of the above, the investments in growing and milling entities have been maintained at their existing fair value.

(c) Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(d) Biological assets

(i) Bearer biological assets

Bearer biological assets have been estimated based on the cost of land preparation and planting of bearer canes.

(ii) Consumable biological assets - Standing Canes

The fair value of consumable biological assets has been arrived at by discounting the present value (PV) of expected net cash flows from standing canes discounted at the relevant market determined pre-tax rate.

The expected cash flows have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on the yearly budgets.

(e) Tax computation

No income tax has been provided in respect of advance received from the Sugar Reform Trust (SRT). An application has been made to the Mauritius Revenue Authority to match the advance from the SRT with future infrastructural costs to be incurred in respect of VRS 2.

4. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Land	Buildings on Leasehold Land	Buildings	Power Plant	Building and Civil Works	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Total
COST AND VALUATION	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2008										
- Cost	-	88.8	-	64.1	6.7	149.2	125.6	304.0	138.3	876.7
- Valuation	3,597.9	-	782.9	2,119.5	370.4	1,343.7	-	-	-	8,214.4
	3,597.9	88.8	782.9	2,183.6	377.1	1,492.9	125.6	304.0	138.3	9,091.1
Additions	0.6	9.2	2.0	14.6	-	24.1	49.8	11.8	11.7	123.8
Disposals/Scrappings	-	(0.2)	-	-	-	-	(5.1)	(8.5)	(1.3)	(15.1)
Revaluation adjustment	22.2	-	-	-	-	-	-	-	-	22.2
At December 31, 2008										
- Cost	**0.6**	**97.8**	**2.0**	**78.7**	**6.7**	**173.3**	**170.3**	**307.3**	**148.7**	**985.4**
- Valuation	**3,620.1**	**-**	**782.9**	**2,119.5**	**370.4**	**1,343.7**	**-**	**-**	**-**	**8,236.6**
	3,620.7	**97.8**	**784.9**	**2,198.2**	**377.1**	**1,517.0**	**170.3**	**307.3**	**148.7**	**9,222.0**
DEPRECIATION										
At January 1, 2008	-	30.6	556.3	654.5	113.4	1,026.8	70.1	198.6	105.7	2,756.0
Charge for the year	-	2.5	16.3	93.2	15.3	41.4	36.7	13.1	11.0	229.5
Disposals/Scrappings	-	(0.3)	-	-	-	-	(3.2)	(7.1)	(0.3)	(10.9)
At December 31, 2008	**-**	**32.8**	**572.6**	**747.7**	**128.7**	**1,068.2**	**103.6**	**204.6**	**116.4**	**2,974.6**
NET BOOK VALUE										
At December 31, 2008	**3,620.7**	**65.0**	**212.3**	**1,450.5**	**248.4**	**448.8**	**66.7**	**102.7**	**32.3**	**6,247.4**

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) THE GROUP (cont'd)

	Land	Buildings on Leasehold Land	Buildings	Power Plant	Building and Civil Works	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Total
COST AND VALUATION	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2007										
- Cost	7.4	86.2	9.4	34.1	3.9	111.6	109.6	254.1	115.0	731.3
- Valuation	2,132.4	-	351.8	2,145.4	370.3	1,343.7	-	-	-	6,343.6
	2,139.8	86.2	361.2	2,179.5	374.2	1,455.3	109.6	254.1	115.0	7,074.9
Additions	-	2.6	1.8	21.1	2.9	37.6	17.0	69.5	23.3	175.8
Disposals/Scrappings	(1.0)	-	-	(17.0)	-	-	(1.0)	(19.6)	-	(38.6)
Revaluation surplus	1,459.1	-	419.9	-	-	-	-	-	-	1,879.0
At December 31, 2007										
- Cost	**-**	**88.8**	**-**	**64.1**	**6.7**	**149.2**	**125.6**	**304.0**	**138.3**	**876.7**
- Valuation	**3,597.9**	**-**	**782.9**	**2,119.5**	**370.4**	**1,343.7**	**-**	**-**	**-**	**8,214.4**
	3,597.9	**88.8**	**782.9**	**2,183.6**	**377.1**	**1,492.9**	**125.6**	**304.0**	**138.3**	**9,091.1**
DEPRECIATION										
At January 1, 2007	-	27.9	233.7	567.8	98.1	992.8	65.0	175.1	89.4	2,249.8
Charge for the year	-	2.7	7.4	91.1	15.3	34.0	6.1	40.2	16.3	213.1
Disposals/Scrappings	-	-	-	(4.4)	-	-	(1.0)	(16.7)	-	(22.1)
Revaluation adjustment	-	-	315.2	-	-	-	-	-	-	315.2
At December 31, 2007	**-**	**30.6**	**556.3**	**654.5**	**113.4**	**1,026.8**	**70.1**	**198.6**	**105.7**	**2,756.0**
NET BOOK VALUE										
At December 31, 2007	**3,597.9**	**58.2**	**226.6**	**1,529.1**	**263.7**	**466.1**	**55.5**	**105.4**	**32.6**	**6,335.1**

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b) THE COMPANY

	Land	Buildings	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION						
At January 1, 2008						
- Cost	-	-	22.3	32.1	22.3	76.7
- Valuation	469.1	151.5	-	-	-	620.6
	469.1	151.5	22.3	32.1	22.3	697.3
Amalgamation adjustments	3,127.3	527.9	103.5	26.7	7.9	3,793.2
Additions	0.7	0.5	14.2	0.9	1.9	18.1
Revaluation adjustment	22.2	-	-	-	-	22.2
Disposal	-	-	-	(3.1)	-	(3.1)
At December 31, 2008						
- Cost	**0.7**	**0.5**	**140.1**	**56.6**	**32.1**	**229.9**
- Valuation	**3,618.5**	**679.4**	**-**	**-**	**-**	**4,297.9**
	3,619.2	**679.9**	**140.1**	**56.6**	**32.1**	**4,527.8**
DEPRECIATION						
At January 1, 2008	-	109.0	14.7	29.5	14.1	167.3
Amalgamation adjustments	-	389.3	55.6	22.6	6.9	474.4
Charge for the year	-	13.4	8.1	1.6	2.4	25.5
Disposal adjustment	-	-	-	(2.3)	-	(2.3)
At December 31, 2008	**-**	**511.7**	**78.4**	**51.3**	**23.5**	**664.9**
NET BOOK VALUE						
At December 31, 2008	**3,619.2**	**168.2**	**61.6**	**5.2**	**8.6**	**3,862.9**

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4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b) THE COMPANY (cont'd)

	Land	Buildings	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION						
At January 1, 2007						
- Cost	-	0.1	17.6	32.1	21.9	71.7
- Valuation	232.3	87.0	-	-	-	319.3
	232.3	87.1	17.6	32.1	21.9	391.0
Additions	-	-	5.8	0.4	0.4	6.6
Disposals/scrappings	(1.0)	-	(1.0)	(0.4)	-	(2.4)
Revaluation surplus	237.7	64.4	-	-	-	302.1
At December 31, 2007						
- Cost	**-**	**-**	**22.4**	**32.1**	**22.3**	**76.8**
- Valuation	**469.0**	**151.5**	**-**	**-**	**-**	**620.5**
	469.0	**151.5**	**22.4**	**32.1**	**22.3**	**697.3**
DEPRECIATION						
At January 1, 2007	-	60.9	14.9	27.8	12.4	116.0
Charge for the year	-	1.7	0.8	1.9	1.7	6.1
Disposals/scrappings	-	-	(1.0)	(0.2)	-	(1.2)
Revaluation adjustment	-	46.4	-	-	-	46.4
At December 31, 2007	**-**	**109.0**	**14.7**	**29.5**	**14.1**	**167.3**
NET BOOK VALUE						
At December 31, 2007	**469.0**	**42.5**	**7.7**	**2.6**	**8.2**	**530.0**

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(c) Land and buildings

(i) Land and buildings were revalued in 2007, by Noor Dilmohamed & Associates, Certified Practising Valuer.
Valuations were made on the basis of open market value. Building and Civil works and Power Plant have been revalued in 2004, by Atkins, the Lender's Independent Engineer. The revaluation was carried out on the basis of the Depreciated Replacement Cost. The book values of the properties were adjusted to the revalued amounts and the resulting surplus net of deferred income taxes was credited to "Revaluation Reserve" in shareholders' equity.
The factory buildings and equipment were revalued annually until 2002 on the basis of the indices provided by the Mauritius Sugar Authority.

(ii) The leases are on a long term basis.

(d) Financing of VRS 1 costs and land compensation to workers

The Company has earmarked 119 hectares of land to finance the VRS 1 costs and as land compensation to workers who took advantage of the scheme, out of which 28.2 hectares have been disposed.

(e) Land conversion under "1200A" scheme Section 11(3) of SIE Act 2001.

The Company has earmarked 100 hectares for land conversion under "1200A" scheme as per Section 11(3) of SIE Act 2001, out of which 55.5 hectares have been disposed.

(f) Land conversion under "800 A" scheme Section 11(3) of SIE Act 2001.

The Company has earmarked 29.81 hectares for land conversion under "800A" scheme as per Section 11(3) of SIE Act 2001.

(g) Financing of compensation payments following closure of Beau Plan Sugar Factory

The Group will recoup the closure costs through the disposal of 137 hectares of freehold land for which application has been submitted to the Ministry of Agriculture, Food, Technology and Natural Resources.

(h) Depreciation charge

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Cost of sales	**150.5**	148.4	**-**	-
Other expenses	**79.0**	64.7	**25.5**	6.1
	229.5	213.1	**25.5**	6.1

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(i) If property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

	Land	Buildings	Factory Equipment	Power Plant	Building and Civil Works
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
THE GROUP					
2008					
Cost	**132.2**	**92.8**	**517.5**	**1,823.5**	**318.9**
Accumulated depreciation	**-**	**(35.9)**	**(206.1)**	**(761.0)**	**(118.1)**
Net book value	**132.2**	**56.9**	**311.4**	**1,062.5**	**200.8**
2007					
Cost	131.5	83.8	493.4	1,808.9	318.9
Accumulated depreciation	-	(32.2)	(175.0)	(542.2)	(95.8)
Net book value	131.5	51.6	318.4	1,266.7	223.1

	Land	Buildings
THE COMPANY		
2008		
Cost	**92.8**	**20.9**
Accumulated depreciation	**-**	**(4.9)**
Net book value	**92.8**	**16.0**
2007		
Cost	17.5	6.8
Accumulated depreciation	-	(4.4)
Net book value	17.5	2.4

(j) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including property, plant and equipment (note 21(e)).

5. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
COST				
At January 1,	**51.0**	51.0	**41.6**	41.6
Amalgamation adjustment	**-**	-	**6.7**	-
At December 31,	**51.0**	51.0	**48.3**	41.6
DEPRECIATION				
At January 1,	**43.2**	42.5	**2.6**	1.3
Amalgamation adjustment	**-**	-	**4.6**	-
Charge for the year	**1.6**	0.7	**1.6**	1.3
At December 31,	**44.8**	43.2	**8.8**	2.6
Work-in-progress	**174.6**	-	**174.6**	-
NET BOOK VALUE				
At December 31,	**180.8**	7.8	**214.1**	39.0
Fair Value	**259.1**	86.8	**259.1**	39.0

(a) The following amounts have been recognised in the income statement:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Rental income	**21.3**	8.7	**9.9**	7.8
Direct operating expenses from investment properties that generate rental income	**3.2**	5.6	**3.2**	5.5

(b) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including investment properties (note 21(e)).

(c) Fair value is based on market value and directors' valuation.

contents + -

6. INTANGIBLE ASSETS

(a) THE GROUP

	Land Conversion Rights Closure Costs	Brands	Goodwill	Computer Software	Legal Fees	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST						
At January 1, 2008	131.7	46.1	3.6	11.6	42.8	235.8
Additions	-	-	5.5	2.2	5.0	12.7
At December 31, 2008	**131.7**	**46.1**	**9.1**	**13.8**	**47.8**	**248.5**
AMORTISATION						
At January 1, 2008	-	-	3.6	9.1	32.2	44.9
Charge for the year	-	-	-	3.7	4.3	8.0
At December 31, 2008	**-**	**-**	**3.6**	**12.8**	**36.5**	**52.9**
NET BOOK VALUE						
At December 31, 2008	**131.7**	**46.1**	**5.5**	**1.0**	**11.3**	**195.6**

(b) THE GROUP

	Land Conversion Rights Closure Costs	Brands	Goodwill	Computer Software	Legal Fees	Total
COST						
At January 1, 2007	131.7	46.1	3.6	10.8	42.8	235.0
Additions	-	-	-	0.8	-	0.8
At December 31, 2007	**131.7**	**46.1**	**3.6**	**11.6**	**42.8**	**235.8**
AMORTISATION						
At January 1, 2007	-	-	0.7	6.7	27.9	35.3
Charge for the year	-	-	2.9	2.4	4.3	9.6
At December 31, 2007	**-**	**-**	**3.6**	**9.1**	**32.2**	**44.9**
NET BOOK VALUE						
At December 31, 2007	**131.7**	**46.1**	**-**	**2.5**	**10.6**	**190.9**

contents
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6. INTANGIBLE ASSETS (cont'd)

(c) THE COMPANY

	2008	2007
	MUR'M	MUR'M
COST		
At January 1,	**0.1**	0.1
Additions	**5.0**	-
At December 31,	**5.1**	0.1
AMORTISATION		
At January 1,	**0.1**	0.1
Charge for the year	**1.2**	-
At December 31,	**1.3**	0.1
NET BOOK VALUE		
At December 31, 2008	**3.8**	-

(d) Amortisation charge

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	MUR'M	MUR'M	MUR'M	MUR'M
Cost of sales	**4.3**	4.3	**-**	-
Other expenses	**3.7**	5.3	**1.2**	-
	8.0	9.6	**1.2**	-

(e) Closure costs

Closure costs relate to provisions made in accordance with the Blue Print on Centralisation of Sugar Milling operations in Mauritius issued in May 1997 and conditions laid down by the Minister of Agriculture in respect of the closure of the Beau Plan Sugar Factory. Belle Vue Milling Co Ltd, one of the company's subsidiaries, in accordance with the provisions of the "Blue Print", acquired the right to purchase land at agricultural value and to convert the same land for development purposes and be exempted from land conversion tax, land transfer tax, morcellement tax and capital gains tax.

Year ended December 31, 2008

7. INVESTMENT IN SUBSIDIARIES

	2008	2007
	MUR'M	MUR'M
THE COMPANY		
At January 1,	3,273.3	2,260.0
Additions	10.0	1,421.4
Disposals	-	(759.8)
Amalgamation adjustment	(1,249.0)	(40.2)
Increase in fair value	89.4	391.9
At December 31,	**2,123.7**	3,273.3

Details of subsidiaries are set out in note 32.

8. INVESTMENT IN ASSOCIATES

(a) THE GROUP	2008	2007
	MUR'M	MUR'M
(i) Group's share of net assets	399.8	380.6

Details of associates are set out in note 33.

	2008	2007
	MUR'M	MUR'M
(ii) At January 1,	380.6	304.9
Share of profit after tax and minority interest	125.8	104.6
Dividend paid	(79.6)	(32.8)
Movement on reserves	(27.0)	3.9
At December 31,	**399.8**	380.6

(b) THE COMPANY	2008	2007
	MUR'M	MUR'M
At January 1,	1.4	128.8
Disposals	-	-
Amalgamation adjustment	0.1	(127.4)
Decrease in fair value	(0.2)	-
At December 31,	**1.3**	1.4

contents
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9. INVESTMENT IN FINANCIAL ASSETS

	THE GROUP	Available-for-sale			
		Listed on the Stock Exchange	Quoted on the DEM	Unquoted	Total
		MUR'M	MUR'M	MUR'M	MUR'M
(a)	At January 1, 2008	**109.7**	**34.2**	**62.0**	**205.9**
	(Decrease)/increase in fair value	**(4.6)**	**(0.9)**	**2.2**	**(3.3)**
	At December 31, 2008	**105.1**	**33.3**	**64.2**	**202.6**

		Available-for-sale			
		Listed on the Stock Exchange	Quoted on the DEM	Unquoted	Total
		MUR'M	MUR'M	MUR'M	MUR'M
(b)	At January 1, 2007	121.2	49.5	46.8	217.5
	Disposals	(0.4)	(1.9)	-	(2.3)
	(Decrease)/increase in fair value	(11.1)	(13.4)	15.2	(9.3)
	At December 31, 2007	109.7	34.2	62.0	205.9

	THE COMPANY	Available-for-sale	
		Unquoted	Total
		MUR'M	MUR'M
(c)	At January 1, 2008	**32.6**	**32.6**
	Disposals	**(8.1)**	**(8.1)**
	Amalgamation adjustment	**16.3**	**16.3**
	Decrease in fair value	**(7.5)**	**(7.5)**
	At December 31, 2008	**33.3**	**33.3**

		Available-for-sale			
		Listed on the Stock Exchange	Quoted on the DEM	Unquoted	Total
		MUR'M	MUR'M	MUR'M	MUR'M
(d)	At January 1, 2007	78.9	34.6	26.3	139.8
	Disposals	(78.9)	(34.6)	-	(113.5)
	Increase in fair value	-	-	6.3	6.3
	At December 31, 2007	-	-	32.6	32.6

contents
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9. INVESTMENT IN FINANCIAL ASSETS (cont'd)

Available-for-sale financial assets are denominated in the following currencies:

THE GROUP	2008	2007
	MUR'M	MUR'M
Currency		
Rupee	**189.7**	193.0
Euro	**12.9**	12.9
	202.6	205.9

(i) None of the financial assets are impaired.
(ii) Details of financial assets are set out in Note 41.

10. NON-CURRENT RECEIVABLES

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Loans granted to subsidiaries		-	**6.6**	35.6
Loans granted to related parties	**0.6**	9.2	**-**	-
Others loans	**5.9**	0.2	**0.2**	0.1
	6.5	9.4	**6.8**	35.7

11. BEARER BIOLOGICAL ASSETS

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
COST				
At January 1,	**291.5**	254.5	**42.5**	36.2
Amalgamation adjustment	**-**	-	**248.9**	-
Additions	**61.2**	57.5	**61.2**	8.9
Assets fully amortised	**(28.6)**	(20.5)	**(28.6)**	(2.4)
At December 31,	**324.1**	291.5	**324.0**	42.7
AMORTISATION				
At January 1,	**133.0**	112.1	**19.4**	16.0
Amalgamation adjustment	**-**	-	**113.5**	-
Charge for the year	**41.3**	41.4	**41.3**	6.0
Assets fully amortised	**(28.6)**	(20.5)	**(28.6)**	(2.4)
At December 31,	**145.7**	133.0	**145.6**	19.6
NET BOOK VALUES	**178.4**	158.5	**178.4**	23.1

Bearer biological assets relate to the cost of land preparation and planting of virgin canes that have an expected life cycle of 8 years as they would normally generate 8 years of crop harvest.

contents
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12. LAND DEVELOPMENT EXPENDITURE

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**54.1**	48.2	**38.8**	34.4
Amalgamation adjustment	**-**	-	**15.2**	-
Additions	**2.3**	5.9	**2.3**	4.4
At December 31,	**56.4**	54.1	**56.3**	38.8

13. DEFERRED VRS COSTS

	THE GROUP	THE COMPANY
	MUR'M	MUR'M
Sugar Industry Voluntary Retirement Scheme (VRS)		
COST		
At January 1, 2008	263.4	42.3
Arising upon amalgamation	-	174.3
Land, infrastructural and other costs	38.5	28.3
Advance from Sugar Reform Trust	(40.9)	(36.8)
Pension cost release	(3.4)	(1.5)
At December 31, 2008	**257.6**	**206.7**
AMORTISATION		
At January 1, 2008	195.1	25.7
Arising from amalgamation	-	137.7
Charge for the year	7.8	5.4
At December 31, 2008	**202.9**	**168.8**
NET BOOK VALUES		
At December 31, 2008	**54.7**	**37.9**
At December 31, 2007	68.3	16.6

VRS 2

Under the terms of the Multi Annual Adaptation Strategy, the Group and the Company have received a refund from the Sugar Reform Trust of their VRS 2 in respect of cash disbursements and infrastructural costs to be incurred and for land to be distributed to the relevant employees and other eligible VRS costs.

Estimates regarding land infrastructure and other eligible VRS costs yet to be disbursed, are carried as payables.

Under the scheme, the Group acquired the right to sell land on which no land conversion tax is payable.

contents
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contents

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14. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2007: 15%).

Deferred income tax assets and liabilities are offset when the income taxes relate to the same entity and the same fiscal authority. The following amounts are shown in the balance sheet:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Deferred tax assets	**(1.2)**	(1.3)	**-**	-
Deferred tax liabilities	**270.0**	278.3	**11.5**	2.5
	268.8	277.0	**11.5**	2.5

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Unused tax losses available for offset against future taxable profits	**31.3**	108.2	**-**	28.6
Deferred tax assets not recognised due to unpredictability of future profit streams	**-**	5.0	**-**	-

The movement on the deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**277.0**	205.5	**2.5**	0.4
Amalgamation adjustment	**-**	-	**10.8**	-
(Credit)/Charge to income statement (note 24(b))	**(2.3)**	61.4	**0.5**	0.5
Tax charge to equity	**(5.9)**	10.1	**(2.3)**	1.6
At December 31,	**268.8**	277.0	**11.5**	2.5

14. DEFERRED INCOME TAXES (cont'd)

Deferred tax assets and liabilities, deferred tax movement in the income statement and equity are attributable to the following items:

THE GROUP	At January 1, 2008	Income Statement	Revaluation Reserve	At December 31, 2008
	MUR'M	MUR'M	MUR'M	MUR'M
Deferred income tax liabilities				
Accelerated tax depreciation	229.6	(5.6)	(0.7)	223.3
Asset revaluations	95.7	-	(5.2)	90.5
VRS costs	10.2	(2.0)	-	8.2
	335.5	(7.6)	(5.9)	322.0
Deferred income tax assets				
Tax losses carried forward	13.9	(9.2)	-	4.7
Provisions for VRS costs	17.2	3.8	-	21.0
Retirement benefit obligations	27.4	0.1	-	27.5
	58.5	(5.3)	-	53.2
Net deferred income tax liabilities	277.0	(2.3)	(5.9)	268.8

THE COMPANY	At January 1, 2008	Amalgamation Adjustment	Income Statement	Revaluation Reserve	At December 31, 2008
Deferred income tax liabilities	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Accelerated tax depreciation	0.9	5.4	1.2	-	7.5
Asset revaluations	6.7	19.3	-	(2.3)	23.7
VRS costs	2.5	5.5	(2.3)	-	5.7
	10.1	30.2	(1.1)	(2.3)	36.9
Deferred income tax assets					
Tax losses carried forward	4.3	-	(4.3)	-	-
Provisions	2.0	6.6	4.6	-	13.2
Retirement benefit obligations	1.3	12.8	(1.9)	-	12.2
	7.6	19.4	(1.6)	-	25.4
Net deferred income tax liability	**2.5**	**10.8**	**0.5**	**(2.3)**	**11.5**

15. INVENTORIES

		2008	2007
		MUR'M	MUR'M
	THE GROUP		
(a)	Raw materials	174.2	112.7
	Finished goods	182.8	169.5
	Spare parts and consumables	165.6	154.2
		522.7	436.4

(b) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including inventories (see note 21(e)).

(c) The cost of inventories recognised as expense and included in cost of sales are as follows:

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	MUR'M	MUR'M	MUR'M	MUR'M
Cost of inventories consumed	993.0	1,128.6	46.5	5.1

16. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,	129.6	139.0	14.5	15.5
Amalgamation adjustment	-	-	115.1	-
Losses from changes in fair value	(17.7)	(9.4)	(17.7)	(1.0)
At December 31,	111.9	129.6	111.9	14.5

contents + -

17. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade receivables	**622.6**	578.2	**6.9**	-
Less: provision for impairment	**(12.8)**	(12.4)	**-**	-
Trade receivables - net	**609.8**	565.8	**6.9**	-
Sugar proceeds receivable	**120.9**	146.4	**120.9**	13.0
Molasses proceeds receivable	**8.1**	-	**8.1**	-
Amounts receivable from the Sugar Insurance Fund Board (SIFB)	**4.5**	49.9	**4.5**	-
Receivable from subsidiaries	**-**	-	**805.1**	462.0
Receivable from related parties	**14.9**	7.8	**-**	-
Other receivables	**128.5**	148.6	**36.7**	9.7
	886.7	918.5	**982.2**	484.7

The carrying amount of trade and other receivables approximate their fair value.
As at December 31, 2008, trade receivables of MUR'M 3.4 for the Group were impaired and provided for (2007: MUR'M 9.4) . The ageing of these receivables is as follows:

	THE GROUP	
	2008	2007
	MUR'M	MUR'M
3 to 6 months	**-**	-
Over 6 months	**3.4**	9.4

As at December 31, 2008, trade receivables of MUR'M 15.8 for the Group (2007: MUR'M 12.4) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	THE GROUP	
	2008	2007
	MUR'M	MUR'M
3 to 6 months	**2.5**	-
Over 6 months	**13.3**	12.4

contents
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17. TRADE AND OTHER RECEIVABLES (cont'd)

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Rupee	**605.7**	907.0	**982.2**	484.7
US Dollar	**-**	0.4	**-**	-
Euro	**281.0**	8.9	**-**	-
Other currencies	**-**	2.2	**-**	-
	886.7	918.5	**982.2**	484.7

Movements on the provision for impairment of trade receivables are as follows:

	THE GROUP	
	2008	2007
	MUR'M	MUR'M
At January 1,	**12.4**	15.0
Provision for impairment	**3.4**	0.3
Receivables written off during the year as uncollectible	**-**	(2.9)
At December 31,	**15.8**	12.4

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group and the Company do not hold any collateral as security.

contents
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18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**49.8**	148.4	**14.7**	10.8
Amalgamation adjustment	**-**	-	**35.1**	-
Expenditure during the year	**13.6**	61.3	**13.6**	3.9
Release to income statement on disposal	**(35.5)**	(159.9)	**(35.5)**	-
At December 31,	**27.9**	49.8	**27.9**	14.7

Non-current assets held for sale consist of plots of land and their related development costs, available for sale under the "1200 A" scheme and VRS financing scheme for residential purpose.

		THE GROUP		THE COMPANY	
		2008	2007	**2008**	2007
		MUR'M	MUR'M	**MUR'M**	MUR'M
(a)	Disposal proceeds	**51.8**	283.7	**51.8**	90.1
(b)	Liabilities directly associated with non-current assets held-for-sale				
	Accruals and provisions	**0.7**	21.1	**0.7**	8.9

19. STATED CAPITAL

	2008	2007
	MUR'M	MUR'M
Issued and fully paid		
173,834,000 shares at no par value	**173.8**	173.8

20. REVALUATION AND OTHER RESERVES

(a) THE GROUP

		Associates Reserves	Revaluation and Other Capital Reserves	Translation Reserve	Fair Value Reserve	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
(i)	At January 1, 2008	**51.0**	**4,110.1**	**(75.0)**	**125.9**	**4,212.0**
	Surplus on revaluation of land and buildings	**-**	**22.2**	**-**	**-**	**22.2**
	Decrease in fair value of available-for-sale financial assets	**-**	**-**	**-**	**(3.3)**	**(3.3)**
	Release of deferred tax on excess depreciation over historical cost depreciation	**-**	**3.4**	**-**	**-**	**3.4**
	Transfer to retained earnings on disposal of land	**-**	**(1.7)**	**-**	**-**	**(1.7)**
	Release to income statement on repayment of foreign currency loans	**-**	**-**	**30.0**	**-**	**30.0**
	Exchange differences on translation of foreign currency loans	**-**	**-**	**(16.3)**	**-**	**(16.3)**
	Movements on reserves	**(27.0)**	**1.0**	**-**	**-**	**(26.0)**
	At December 31, 2008	**24.0**	**4,135.0**	**(61.3)**	**122.6**	**4,220.3**
(ii)	At January 1, 2007	47.1	2,571.2	(123.0)	136.7	2,632.0
	Surplus on revaluation of land and buildings	-	1,563.8	-	-	1,563.8
	Decrease in fair value of available-for-sale financial assets	-	-	-	(9.3)	(9.3)
	Deferred tax on revalued assets	-	(14.5)	-	-	(14.5)
	Release of deferred tax on excess depreciation over historical cost depreciation	-	0.8	-	-	0.8
	Transfer to retained earnings on disposal of land	-	(11.2)	-	-	(11.2)
	Release on disposal of available-for-sale financial assets	-	-	-	(1.5)	(1.5)
	Release to income statement on repayment of foreign currency loans	-	-	32.0	-	32.0
	Exchange differences on translation of foreign currency loans	-	-	16.0	-	16.0
	Movements on reserves of associates (note 8)	3.9	-	-	-	3.9
	At December 31, 2007	**51.0**	**4,110.1**	**(75.0)**	**125.9**	**4,212.0**

contents + -

20. REVALUATION AND OTHER RESERVES (cont'd)

(b) THE COMPANY

		Fair Value Reserve	Capital Reserve	General Reserve	Amalgamation Reserve	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
(i)	At January 1, 2008	**800.9**	**645.1**	**1,216.0**	**29.9**	**2,691.9**
	Surplus on revaluation of land and buildings	**-**	**22.2**	**-**	**-**	**22.2**
	Adjustment arising on amalgamation	**(827.2)**	**-**	**-**	**3,388.8**	**2,561.6**
	Increase in fair value of available-for-sale financial assets	**82.0**	**-**	**-**	**-**	**82.0**
	Release of deferred tax on excess depreciation over historical cost depreciation	**-**	**2.3**	**-**	**-**	**2.3**
	Release on disposal of available-for-sale financial assets	**(6.2)**	**-**	**-**	**-**	**(6.2)**
	Transfer to retained earnings on disposal of land	**-**	**(1.7)**	**-**	**-**	**(1.7)**
	At December 31, 2008	**49.5**	**667.9**	**1,216.0**	**3,418.7**	**5,352.1**
(ii)	At January 1, 2007	1,121.9	393.2	-	-	1,515.1
	Surplus on revaluation of land and buildings	-	255.7	-	-	255.7
	Adjustment arising on amalgamation	(31.9)	-	-	29.9	(2.0)
	Increase in fair value of available-for-sale financial assets	398.2	-	-	-	398.2
	Deferred tax on revaluation of assets	-	(1.9)	-	-	(1.9)
	Release of deferred tax on excess depreciation over historical cost depreciation	-	0.1	-	-	0.1
	Release on disposal of available-for-sale financial assets	(687.3)	-	-	-	(687.3)
	Transfer to retained earnings on disposal of land	-	(2.0)	-	-	(2.0)
	Transfer of profit on sale of investments to subsidiary	-	-	1,216.0	-	1,216.0
	At December 31, 2007	**800.9**	**645.1**	**1,216.0**	**29.9**	**2,691.9**

contents
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21. BORROWINGS

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Non-current				
Debentures	**205.9**	275.3	**-**	1.8
Loans	**489.3**	679.3	**94.7**	37.0
	695.2	954.6	**94.7**	38.8
Group loan - subsidiary	**-**	-	**7.7**	0.9
	695.2	954.6	**102.4**	39.7
Current				
Bank overdrafts	**253.6**	224.6	**34.2**	74.7
Debentures	**69.3**	90.6	**-**	15.6
Loans	**251.7**	224.9	**29.8**	6.1
	321.0	315.5	**29.8**	21.7
	574.6	540.1	**64.0**	96.4
Total borrowings	**1,269.8**	1,494.7	**166.4**	136.1

contents
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21. BORROWINGS (cont'd)

	Last repayment date	THE GROUP 2008	THE GROUP 2007	THE COMPANY 2008	THE COMPANY 2007
		MUR'M	MUR'M	**MUR'M**	MUR'M
(a) Breakdown of loans and debentures					
Loan capital can be analysed as follows:					
Debentures repayable yearly in May	2008	**-**	7.2	-	-
Debentures repayable yearly in December	2008	**-**	20.6	**-**	15.6
VRS loan at 7.50% repayable quarterly	2009	**15.2**	38.7	**12.3**	5.8
Loans in EUR repayable yearly in February and August	2010	**54.0**	202.7	**-**	-
Debentures repayable yearly in February and August	2012	**278.0**	338.2	**-**	-
VRS loan at 6% repayable quarterly	2012	**34.2**	39.1	**34.2**	39.1
Loan in EUR repayable yearly in February and August	2012	**556.8**	559.3	**-**	-
Loans at 13% repayable monthly	2013	**-**	12.2	**-**	-
VRS loan at 10.75% repayable half yearly	2016	**78.0**	-	**78.0**	-
Loans at PLR plus 2% repayable monthly	2017	**-**	52.1	**-**	-
		1,016.2	1,270.1	**124.5**	60.5
Less: Repayable within one year		**(321.0)**	(315.5)	**(29.8)**	(21.7)
Repayable after one year		**695.2**	954.6	**94.7**	38.8

(b) The maturity of non-current borrowings is as follows:

	THE GROUP 2008	THE GROUP 2007	THE COMPANY 2008	THE COMPANY 2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
- after one year and before two years	**275.4**	309.1	**13.3**	11.6
- after two years and before three years	**246.2**	217.1	**16.5**	9.8
- after three years and before five years	**143.0**	396.6	**26.5**	17.1
- after five years	**30.6**	31.8	**38.4**	0.3
	695.2	954.6	**94.7**	38.8

contents

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21. BORROWINGS (cont'd)

(c) The carrying amounts of non-current borrowings are not materially different from the fair value. Non-current borrowings can be analysed as follows:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
- After one year and before two years				
Bank borrowings	**198.8**	239.7	**18.3**	11.6
Debentures	**76.6**	69.4	**-**	-
	275.4	309.1	**18.3**	11.6
- After two years and before three years				
Bank borrowings	**161.6**	147.7	**19.2**	9.8
Debentures	**84.6**	69.4	**-**	-
	246.2	217.1	**19.2**	9.8
- After three years and before five years				
Bank borrowings	**98.4**	190.7	**26.5**	17.1
Debentures	**44.6**	205.9	**-**	-
	143.0	396.6	**26.5**	17.1
- After five years				
Bank borrowings	**30.6**	31.8	**30.7**	0.3
Group loan-subsidiary	**-**	-	**7.7**	0.9
	30.6	31.8	**38.4**	1.2
Total	**695.2**	954.6	**102.4**	39.7

(d) The rates of interest on MUR loans and debentures vary between 6% to 13% annually and on foreign currency loans - EUR between 3% to 10.5% annually.
The rate of interest on debentures is 0.25% above that granted on medium term to the agricultural sector, net of the rate applicable to financial institutions listed on the Stock Exchange of Mauritius.

(e) Borrowings amounting to MUR 12.7 M are secured by fixed and floating charges and by cross guarantees from group companies. The remaining borrowings are secured by fixed and floating charges on the assets of the borrowing entities.

21. BORROWINGS (cont'd)

(f) The exposure of the Group and the Company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	Less than 1 year	After 1 year and before 2 years	After 2 years and before 3 years	After 3 years and before 5 years	Over 5 years	Total
THE GROUP	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2008						
Total borrowings	**574.6**	**275.4**	**246.2**	**143.0**	**30.6**	**1,269.8**
At December 31, 2007						
Total borrowings	540.1	309.1	217.1	396.6	31.8	1,494.7
THE COMPANY						
At December 31, 2008						
Total borrowings	**64.0**	**18.3**	**19.2**	**26.5**	**38.4**	**166.4**
At December 31, 2007						
Total borrowings	96.4	21.4	7.2	9.9	1.2	136.1

22. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations comprise of the Group's and Company's pension schemes and of other post-retirement benefits. The pension schemes are defined benefit plans and the assets of the plans are invested with the Sugar Insurance Pension Fund (SIPF).

Other post-retirement benefits relate mainly to gratuities on death and on retirement that are based on length of service and salary at date of death or retirement.

(a) The amounts recognised in the Balance Sheets are as follows:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Present value of funded obligations	**320.8**	298.5	**158.1**	13.6
Fair value of plan assets	**(144.4)**	(159.8)	**(60.0)**	(5.5)
	176.4	138.7	**98.1**	8.1
Present value of unfunded obligations	**26.7**	28.6	**7.0**	0.6
Unrecognised actuarial gains/(losses)	**(20.1)**	15.1	**(23.9)**	(1.0)
Liability in the balance sheets	**183.0**	182.4	**81.2**	7.7

contents
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contents
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22. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(b) The amounts recognised in the Income Statements are as follows:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Current service cost	**17.0**	10.0	**4.0**	0.3
Scheme expenses	**0.1**	0.4	**0.2**	-
Interest cost	**5.5**	35.3	**15.5**	1.6
Cost of insuring risk	**0.2**	0.3	**-**	-
Contributions by employees	**-**	(2.7)	**-**	-
Actuarial loss	**0.6**	0.7	**(2.0)**	0.2
Expected return on plan assets	**1.1**	(9.2)	**(7.0)**	(0.4)
Effect of curtailments	**2.0**	(45.2)	**(1.5)**	(2.4)
	26.5	(10.4)	**9.2**	(0.7)

(c) Movement in the liability recognised in the Balance Sheets:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**182.4**	215.6	**7.7**	8.2
Amalgamation adjustment	**-**	-	**79.3**	-
Total expenses as above	**22.0**	(10.4)	**9.2**	(0.7)
Other contributions and direct benefits paid	**(21.4)**	(22.8)	**(15.0)**	0.2
At December 31,	**183.0**	182.4	**81.2**	7.7

Reconciliation of the present value of defined benefit obligation:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Present value of obligation at January 1,	**327.0**	366.0	**149.9**	16.2
Current service cost	**12.0**	10.0	**4.0**	0.3
Interest cost	**34.0**	35.2	**15.5**	1.6
Employee's contribution	**2.0**	2.1	**1.0**	-
Effect of curtailments/settlements	**(14.0)**	(50.0)	**(13.4)**	(3.3)
Actuarial gain on plan assets	**7.0**	(13.5)	**24.0**	(0.9)
Benefits paid	**(20.5)**	(22.7)	**(15.9)**	0.3
Present value of obligation at December 31,	**347.5**	327.1	**165.1**	14.2

22. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Reconciliation of fair value of plan assets:				
Fair value of plan assets at January 1,	**137.0**	119.3	**70.4**	3.7
Expected return on plan assets	**18.0**	12.3	**7.0**	0.4
Employer's contribution	**25.0**	65.4	**15.0**	0.6
Scheme expenses	**-**	(0.4)	**(0.2)**	-
Cost of insuring risk benefit	**-**	(0.4)	**-**	-
Contribution to plan assets	**-**	0.7	**-**	-
Employee's contribution	**2.0**	1.6	**1.0**	-
Actuarial gains/(losses) on plan assets	**(2.0)**	26.1	**(8.8)**	1.1
Benefits paid	**(35.6)**	(64.8)	**(24.4)**	(0.3)
Fair value of plan assets at December 31,	**144.4**	159.8	**60.0**	5.5

Distribution of plan assets at end of year

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
Percentage of assets at end of year	**%**	%	**%**	%
Local bonds and equities	**54.0**	48.1	**55.0**	51.4
Property	**3.0**	1.2	**4.0**	-
Overseas bonds and equities	**43.0**	50.7	**41.0**	48.6
Total	**100.0**	100.0	**100.0**	100.0

Where the plan is funded, the overall expected rate of return on plan assets is determined by reference to market yields on bonds and expected yield differences on other types of assets held.

The Group and the Company are expected to contribute MUR'M 13.9 and MUR'M 0.4 respectively to the pension scheme for the year ending December 31, 2008.

contents
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22. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

Amounts for the current and previous periods

	THE GROUP			THE COMPANY		
	2008	2007	2006	**2008**	2007	2006
	MUR'M	MUR'M	MUR'M	**MUR'M**	MUR'M	MUR'M
Defined benefit obligation	**237.2**	327.1	366.0	**165.2**	14.2	16.2
Plan Assets	**(18.2)**	159.8	119.3	**60.0**	5.5	3.7
Surplus	**116.3**	167.3	246.7	**105.0**	8.7	12.5
Experience gains on plan liabilities	**46.7**	13.5	-	**24.0**	0.9	-
Experience gains on plan assets	**10.3**	26.0	-	**17.0**	1.1	-

(d) Principal actuarial assumptions at end of year :

	THE GROUP AND THE COMPANY	
	2008	2007
Discount rate	**10.00%**	10.00%
Expected rate of return on plan assets	**10.00%**	10.00%
Future salary increases	**7.00%**	7.00%
Future pension increases	**3.00%**	3.00%

Note: Retirement benefit obligations have been provided for based on reports from The Anglo Mauritius Assurance Society Limited.

(e) The plan assets disclosed for the Company is part of the total assets of the Harel Frères Group. The actual return of the total assets for the year 2008 is MUR'M (20.4) (2007 : MUR'M 38.4).

contents

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23. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade creditors	**350.2**	135.0	**6.0**	-
Provision for compensation payments for centralisation in accordance with the Blue Print provisions	**9.0**	9.0	**-**	-
Provision for VRS costs	**101.1**	67.2	**81.0**	14.3
Amounts due to subsidiaries	**-**	-	**126.8**	426.8
Amounts due to related parties	**104.5**	57.2	**-**	-
Other payables and accruals	**108.6**	303.7	**29.0**	3.0
Dividend payable to minority shareholders	**53.9**	77.5	**-**	-
	727.3	649.6	**242.7**	444.1

24. TAXATION

		THE GROUP		THE COMPANY	
		2008	2007	**2008**	2007
(a)	**Liability in the Balance Sheets**	**MUR'M**	MUR'M	**MUR'M**	MUR'M
	Current tax on the adjusted profits for the year @ 15% (2007 : 15%)	**97.8**	27.8	**-**	-
	Adjustment for Alternative Minimum Tax (AMT)	**5.0**	21.6	**5.0**	1.6
		102.8	49.4	**5.0**	1.6
	Amount due - prior year	**8.7**	-	**1.3**	-
		111.5	49.4	**6.3**	1.6
(b)	**Charge in the Income Statements**				
	Current tax on the adjusted profits for the year at 15% (2007 : 15%)	**97.8**	28.3	**-**	-
	Adjustment for Alternative Minimum Tax (AMT)	**5.0**	21.6	**5.0**	1.6
	(Over) provision in previous years	**-**	(0.8)	**-**	(0.4)
	Deferred taxation (note 14)	**(2.3)**	61.4	**0.5**	0.5
	National Property Residential Tax (NRPT)	**-**	2.5	**-**	0.6
	Charge for the year	**100.5**	113.0	**5.5**	2.3

24. TAXATION (cont'd)

The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit before taxation and after associates' results	**741.1**	671.7	**105.2**	1,347.5
Tax calculated at a rate of 15% (2007: 15%)	**111.2**	100.7	**15.8**	202.1
Income not subject to tax	**(34.0)**	(17.3)	**(20.1)**	(200.1)
Expenses not deductible for tax purposes	**18.1**	26.4	**4.3**	1.9
Effect of change in tax rate	**-**	0.9	**-**	1.7
Adjustment for AMT	**5.0**	21.6	**5.0**	1.6
Net deferred tax effect	**0.2**	(21.0)	**0.5**	(5.1)
(Over) provision in previous years	**-**	(0.8)	**-**	(0.4)
National Property Residential Tax (NRPT)	**-**	2.5	**-**	0.6
	100.5	113.0	**5.5**	2.3

25. OTHER INCOME

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Interest income	**50.0**	36.4	**86.3**	10.6
Dividend income	**7.7**	9.0	**188.4**	92.3
Investment income	**57.7**	45.4	**274.7**	102.9
Profit on disposal of property, plant and equipment/non-current assets held for sale	**12.0**	69.9	**15.5**	24.9
Profit on disposal of investments	**-**	1.8	**9.8**	0.9
Others	**107.5**	78.3	**6.0**	11.7
	177.2	195.4	**306.0**	140.4

contents
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contents + -

26. PROFIT BEFORE FINANCE COSTS

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
The profit before finance costs is arrived at after:				
Crediting :				
Rental of land and buildings	**-**	-	**15.2**	8.2
Profit on sale of property, plant and equipment/ non-current assets held for sale	**12.0**	69.9	**15.5**	24.9
Profit on sale of available-for-sale financial assets	**-**	1.8	**9.8**	0.9
and charging:				
Depreciation on property, plant and equipment -owned assets	**229.5**	213.1	**25.5**	6.1
Depreciation on investment properties	**1.6**	0.7	**1.6**	1.3
Operating lease rentals-Motor vehicle	**0.2**	-	**-**	-
Amortisation of bearer biological assets	**41.3**	41.4	**41.3**	6.0
Amortisation of intangible assets	**8.0**	9.6	**1.2**	-
Amortisation of VRS costs	**7.8**	14.8	**5.4**	0.8
Employee benefit expense (note 26(a))	**402.7**	375.5	**144.4**	14.2

(a) Employee benefit expense				
Wages, salaries and other social costs	**382.8**	356.6	**139.9**	12.8
Pension costs	**19.9**	18.9	**4.5**	1.4
	402.7	375.5	**144.4**	14.2

27. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Net foreign exchange losses/(gains)	**47.6**	86.8	**(6.1)**	-
Interest expense:				
- Bank overdrafts	**39.6**	2.4	**4.9**	0.1
- Loans repayable by instalments	**23.4**	69.0	**6.2**	2.9
- Debentures	**35.1**	45.2	**2.2**	3.6
- Other loans not repayable by instalments	**4.1**	3.7	**0.4**	4.5
	102.2	120.3	**13.7**	11.1
Less: interest capitalised	**(5.0)**	(4.0)	**(5.0)**	(4.0)
	97.2	116.3	**8.7**	7.1
	144.8	203.1	**2.6**	7.1

28. EXCEPTIONAL ITEMS

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Compensation resulting from cancellation of distribution rights	**-**	23.9	**-**	-
Reversal of impairment on receivables	**-**	11.6	**-**	-
Profit on disposal of investment in financial assets	**-**	-	**-**	98.1
Profit on disposal of investment in subsidiaries	**-**	-	**-**	183.2
Profit on disposal of investment in associates	**-**	-	**-**	934.7
	-	35.5	**-**	1,216.0

29. EARNINGS PER SHARE

The earnings per share is calculated as follows:
In the case of the Group, by dividing the profit after taxation attributable to the shareholders of Harel Frères Limited amounting to **MUR 415.6 M** (2007 - MUR 470.5 M) by 173,834,000 ordinary shares, issued and fully paid and ranking for dividends.
In the case of the Company, by dividing the profit after taxation amounting to **MUR 273.8 M** (2007 - MUR 1,345.2 M) by 173,834,000 ordinary shares, issued and fully paid and ranking for dividends.

30. DIVIDENDS

	2008	2007
	MUR'M	MUR'M
Final ordinary paid - 70 cents per share (2007 - 60 cents per share)	**121.7**	104.3

31. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Cash in hand and at bank	**892.5**	744.5	**121.7**	12.5
Bank overdrafts	**(253.6)**	(224.6)	**(34.2)**	(74.7)
	638.9	519.9	**87.5**	(62.2)

contents
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32. SUBSIDIARIES

The financial statements of the following subsidiaries have been included in the consolidated financial statements.

	Type of shares held	Stated capital	2008 % holding	2008 % held by other group companies	2007 % holding	2007 % held by other group companies	Activity
		MUR					
Beau Plan Milling Co Ltd	Ordinary	72,929,000	**63.29**	**-**	48.00	15.29	Dormant
Belle Vue Milling Co Ltd	Ordinary	232,053,000	**63.29**	**-**	48.00	15.29	Sugar
Compagnie Thermique de Belle Vue Limitée	Ordinary	520,523,500	**-**	**51.00**	-	51.00	Energy
Grays & Co. Ltd	Ordinary	24,342,000	**-**	**100.00**	-	100.00	Investment
Grays Inc Ltd	Ordinary	82,280,000	**-**	**74.00**	-	74.00	Commercial
Grays Refinery Ltd	Ordinary	20,738,000	**-**	**66.67**	-	66.67	Manufacturing
HF Administrative Services Ltd	Ordinary	25,000	**100.00**	**-**	100.00	-	Services
HF Investments Limited	Ordinary	1,916,313,379	**100.00**	**-**	78.69	21.31	Investment
Ivoirel Limitée	Ordinary	35,130,000	**100.00**	**-**	100.00	-	Investment
Mauricia Limitée	Ordinary	25,000	**100.00**	**-**	100.00	-	Treasury
Produits Basaltiques du Nord Limitée	Ordinary	15,000,000	**-**	**54.00**	-	54.00	Manufacturing
Sagiterre Ltée	Ordinary	25,000	**99.96**	**0.04**	99.96	0.04	Property management
Société HBM	Parts	265,494,990	**-**	**79.11**	-	79.11	Investment
Société Proban	Parts	8,100,000	**-**	**55.56**	-	55.56	Investment
Ile de Soleil	Shares	75,000	**-**	**74.00**	-	-	Commercial
The Beau Plan Sugar Estates Company Limited *	Ordinary	91,042,000	**-**	**-**	100.00	-	Sugar
The Beau Plan Sugar Estates Company Limited *	Preference	875,000	**-**	**-**	100.00	-	Sugar

These subsidiaries are incoporrated in Mauritius. They also operate in Mauritius except for Ivoirel Limitée, whose country of operation is Côte d'Ivoire.

* The Beau Plan Sugar Estates Company Limited has been amalgamated with Harel Frères Limited with effect from January 1, 2008.

33. ASSOCIATES

The results of the following associates have been included in the consolidated financial statements.

2008	Assets	Liabilities	Revenues	Profit/ (loss)	2008 % holding	Financial period ended
	MUR'M	MUR'M	MUR'M	MUR'M		
Alcohol & Molasses Export Ltd	66.8	10.1	135.1	28.5	**30.81**	June 30,
Anytime Investment Ltd	15.4	-	13.0	4.7	**24.50**	June 30,
Coal Terminal (Management) Co Ltd	22.6	23.3	4.3	0.4	**12.21**	December 31,
Compagnie d'Investissement et de Gestion de Portefeuilles Limitee	-	-	0.5	0.3	**40.00**	December 31,
Cosmebelle (Maurice) Limitée	2.9	0.4	4.3	2.4	**50.00**	December 31,
CTBV (Management) Co Ltd	26.3	25.5	41.7	-	**22.15**	December 31,
Distillerie de Bois Rouge Ltd	5.3	4.4	0.1	(0.4)	**33.33**	July 31,
East Indies Company Ltd	4.4	3.0	-	-	**18.50**	December 31,
Fondation Nemours Harel	-	-	-	-	**50.00**	December 31,
Horus Ltée	154.4	1.0	2.3	2.2	**50.00**	December 31,
Intendance Holding Ltd	31.5	7.4	29.9	18.4	**26.80**	December 31,
Les Chais de L'Isle de France Ltée	13.7	8.1	0.7	(2.0)	**50.00**	December 31,
Les Domaines de Mauricia Limitée	0.8	-	0.5	0.3	**50.00**	December 31,
New Fabulous Investment Ltd	15.4	-	13.0	4.7	**24.50**	June 30,
New Goodwill Co. Ltd	113.5	50.9	762.0	41.4	**33.33**	June 30,
Rehm Grinaker Construction Co. Ltd	584.6	455.0	3,157.8	189.0	**35.49**	June 30,
Sugarworld Limited	63.1	4.7	52.2	13.1	**30.70**	December 31,

contents
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33. ASSOCIATES (cont'd)

The results of the following associates have been included in the consolidated financial statements.

2007	Assets	Liabilities	Revenues	Profit/ (loss)	2007 % holding	Financial period ended
	MUR'M	MUR'M	MUR'M	MUR'M		
Alcohol & Molasses Export Ltd	40.9	18.5	187.0	8.9	**30.81**	June 30,
Anytime Investment Ltd	9.3	-	4.5	(0.2)	**24.50**	June 30,
Coal Terminal (Management) Co Ltd	22.9	24.1	38.0	0.6	**12.21**	December 31,
Compagnie d'Investissement et de Gestion de Portefeuilles Limitée	2.1	0.1	-	-	**40.00**	December 31,
Cosmebelle (Maurice) Limitee	2.5	0.4	3.7	1.8	**50.00**	December 31,
CTBV (Management) Co Ltd	25.1	24.4	17.2	-	**22.15**	December 31,
Distillerie de Bois Rouge Ltd	4.8	3.5	-	(0.4)	**33.33**	July 31,
Fondation Nemours Harel	-	-	-	-	**50.00**	December 31,
Horus Ltée	169.9	3.2	-	83.2	**50.00**	December 31,
Intendance Holding Ltd	30.9	9.7	27.4	71.0	**26.80**	December 31,
Les Chais de L'Isle de France Ltée	10.5	4.3	4.5	0.6	**50.00**	December 31,
Les Domaines de Mauricia Limitée	1.1	0.2	0.7	0.5	**50.00**	December 31,
New Fabulous Investment Ltd	6.9	-	4.2	-	**24.50**	June 30,
New Goodwill Co. Ltd	132.6	90.0	378.3	21.7	**33.33**	June 30,
Rehm Grinaker Construction Co. Ltd	754.5	635.5	1,579.1	89.0	**35.49**	June 30,
Sugarworld Limited	62.8	17.5	47.0	9.2	**30.70**	December 31,

34. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M
Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows :				
Property, plant and equipment	**22.9**	13.6	**-**	-

contents

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Year ended December 31, 2008

35. ULTIMATE HOLDING ENTITY

The Board of Directors considers Société de Nemours, constituted in Mauritius, as the ultimate holding entity of Harel Frères Limited.

36. RELATED PARTY TRANSACTIONS

contents
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(i) THE GROUP

	Remuneration	Purchases of services	Sales of services and others	Manage-ment fees payable	Throughput and storage fees payable	Amount receivable	Amount payable	Interest payable/ (receivable) (net)
2008	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Associates	**-**	**141.8**	**5.7**	**18.0**	**10.3**	**9.7**	**38.3**	**(0.5)**
Key management personnel	**35.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Enterprises with common directors	**-**	**-**	**0.9**	**-**	**-**	**5.2**	**28.3**	**-**

	Remuneration	Purchases of services	Sales of services and others	Management fees payable	Throughput and storage fees payable	Amount receivable	Amount payable	Interest payable/ (receivable) (net)
2007	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Associates	-	47.8	3.7	17.2	8.6	7.0	32.8	-
Key management personnel	36.1	-	9.3	-	-	-	-	-
Enterprises with common directors	-	96.5	39.2	-	-	-	35.6	4.7

(ii) THE COMPANY

	Remuneration	Purchases of services	Sales of services and others	Amount receivable	Amount payable	Interest payable/ (receivable) (net)
2008	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Key management personnel	**26.7**	**-**	**-**	**-**	**-**	**-**
Enterprises with common directors	**-**	**-**	**0.9**	**-**	**-**	**-**
Fellow subsidiaries	**-**	**16.1**	**-**	**805.1**	**126.8**	**77.2**

	Remuneration	Purchases of services	Sales of services and others	Amount receivable	Amount payable	Interest payable/ (receivable) (net)
2007	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Key management personnel	27.7	-	-	-	-	-
Enterprises with common directors	-	0.8	3.0	-	-	-
Fellow subsidiaries	-	63.5	0.3	462.0	426.8	(4.7)

36. RELATED PARTY TRANSACTIONS (cont'd)

		THE GROUP		THE COMPANY	
		2008	2007	**2008**	2007
(iii)	**Key management personnel**	**MUR'M**	MUR'M	**MUR'M**	MUR'M
	Salaries and short term employee benefits	**33.7**	33.8	**25.4**	26.5
	Other post-employment benefits	**1.8**	2.3	**1.3**	1.2
		35.5	36.1	**26.7**	27.7

(iv) Management contracts

Harel Frères Limited received MUR 7.9 M (2007: MRU 8.8 M) of management fees from The Saint André Sugar Estates Company Limited.
Harel Frères Limited received management fees of MUR 3.6 M (2007: MUR 3.5 M) from CTBV Management Co. Ltd.
CTBV Management Co. Ltd claimed management fees to Compagnie Thermique de Belle Vue Limitée for MUR 18 M (2007: MUR 17.2 M).

contents
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37. CONTINGENT LIABILITIES

(a) Court cases

(i) *Previous distillers*

An action has been entered in Court by previous distillers claiming damages from a subsidiary for purported breach of contract. The directors believe that the claim entered into against the subsidiary is contrary to the Fair Trading Act and therefore no provision is warranted for the time being.

(ii) *Ex-employees of Beau Plan Sugar Factory*

There is currently a claim for damages from ex-employees of Beau Plan Sugar Factory for MUR 130.0 M in respect of breach of contract. The court case is still ongoing and the outcome is uncertain.

(iii) *Hotel Le Victoria*

There is currently a claim from Albatross Insurance company for an amount of MUR 172.0 M relating to the fire which took place at "Hotel Le Victoria" in September 2002. The outcome is uncertain.

(iv) *Domaine de Bon Espoir*

Pending the outcome of the Assessment Review Committee, the Beau Plan Sugar Estates Company (amalgamated company in the rights of Compagnie Agricole de Belle Vue Limitee) is liable for additional land transfer tax amounting to MUR 18.0 M in respect of land parcelling at Domaine de Bon Espoir. Further to the unfavourable ruling against the company, an appeal has been made.

(v) *Les Vieux Banians*

The company might be liable for additional Land Transfer Tax claimed by the Registrar General amounting to Mur 628,950 in respect of land parcelling at Les Vieux Banians Balaclava. The matter has been referred to the Assessment Review Tribunal.

37. CONTINGENT LIABILITIES (cont'd)

(vi) *Irrigation Authority*
There is a dispute in respect of irrigation dues for the period 2005 to 2008 amounting to MUR 15.6 M. The matterhas been referred to an Arbitration Board as provided by the water supply agreement existing between The Irrigation Authority and the Company.

(b) Empowerment Programme
It has been agreed that the Sugar Industry will allocate through the Mauritius Sugar Producers Association, "2,000 Arpents" of land to the Empowerment Programme for social and infrastructural projects. The quantum of land to be granted by the Group and the Company is not yet known.

(c) Bank guarantees
In the ordinary course of business, the Group had contingent liabilities in respect of bank guarantees amounting to MUR 13.4 M (2007: MUR 31.2 M).

38. SEGMENT INFORMATION

(a) Primary reporting format - business segments

Year ended December 31, 2008	Sugar	Energy	Commercial & alcohol production	Others	Eliminations	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
External sales	824.3	1,319.6	1,013.0	132.3	-	3,289.2
Intersegment sales	20.2	15.1	5.0	7.1	(48.4)	-
Total revenue	844.5	1,334.7	1,018.0	139.4	(48.4)	3,289.2
Segment results	20.8	465.9	74.0	28.2	-	588.9
Other income	76.9	62.3	6.0	42.2	(10.2)	177.2
Share of results of associates	-	-	16.2	109.6	-	125.8
Finance costs	(10.1)	(142.1)	7.2	(0.2)	0.4	(144.8)
Profit before taxation	87.6	386.1	103.4	179.8	(9.8)	747.1
Taxation	(9.1)	(73.7)	(12.8)	(4.9)		(100.5)
Profit after taxation	78.5	312.4	90.6	174.9		646.6
Minority interest						(231.0)
Profit attributable to equityholders of the company						415.6

38. SEGMENT INFORMATION (cont'd)

(a) Primary reporting format - business segments (cont'd)

Year ended December 31, 2008	Sugar	Energy	Commercial & alcohol production	Others	Eliminations	Group
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Segment assets	5,804.8	2,788.3	682.1	254.4	(257.5)	9,272.1
Associates	-	-	19.3	380.5		399.8
Other assets	-	-	-	293.2		293.2
	5,804.8	2,788.3	701.4	928.1	(257.5)	9,965.1
Segment liabilities	667.0	338.7	143.2	17.0	(254.9)	911.0
Borrowings	242.9	886.1	139.1	4.3	(2.6)	1,269.8
Other liabilities	48.0	308.5	19.3	5.7	-	381.5
	957.9	1,533.3	301.6	27.0	(257.5)	2,562.3
Capital expenditure	319.0	16.3	29.8	7.2		372.3
Depreciation and amortisation	140.9	117.7	22.6	7.0		288.2
Other non-cash expense	-	-	-	-		-

Year ended December 31, 2007	Sugar	Energy	Commercial & alcohol production	Others	Eliminations	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
External sales	820.3	1,101.8	952.2	100.7	-	2,948.0
Intersegment sales	27.1	7.4	-	11.8	(46.0)	-
Total revenue	847.4	1,109.2	952.2	112.5	(46.0)	2,948.0
Segment results	111.0	441.4	94.4	(2.9)	-	643.9
Other income	26.5	60.3	8.8	106.4	(6.6)	195.4
Exceptional items	11.6	-	23.9	-	-	35.5
Share of results of associates	-	-	7.4	97.2	-	104.6
Finance costs	(10.0)	(180.7)	(18.6)	(0.4)	6.6	(203.1)
Profit before taxation	139.1	321.0	115.9	200.3	-	776.3
Taxation	(27.0)	(69.2)	(13.3)	(3.5)		(113.0)
Profit after taxation	112.1	251.8	102.6	196.8		663.3
Minority interest						(192.8)
Profit attributable to equity holders of the company						470.5

38. SEGMENT INFORMATION (cont'd)

(a) Primary reporting format - business segments (cont'd)

Year ended December 31, 2007	Sugar	Energy	Commercial & alcohol production	Others	Eliminations	Group
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Segment assets	5,574.0	2,807.0	675.5	10.9	(68.4)	8,999.0
Associates	-	-	12.7	367.9	-	380.6
Other assets	-	-	-	311.1	-	311.1
	5,574.0	2,807.0	688.2	689.9	(68.4)	9,690.7
Segment liabilities	419.4	311.7	176.6	13.8	(68.4)	853.1
Borrowings	231.6	1,100.2	155.4	7.5	-	1,494.7
Other liabilities	51.7	254.0	19.2	2.8	-	327.7
	702.7	1,665.9	351.2	24.1	(68.4)	2,675.5
Capital expenditure	172.4	30.5	21.8	9.4		234.1
Depreciation and amortisation	146.7	115.2	11.2	6.5		279.6
Other non-cash expense	-	-	-	-		-

The Group is organised into the following main business segments :-

Sugar	- Cane growing and milling activities
Commercial and alcohol production	- Manufacturing, bottling and retailing of alcohol products and sale of consumable goods
Energy	- Production and sale of electricity from coal and bagasse

Other operations of the Group mainly comprise of rental of properties, property development services, neither of whichconstitute a separately reportable segment.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, cash and cash equivalents and receivables and exclude investments in associates and others.

Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

contents
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38. SEGMENT INFORMATION (cont'd)

(b) Secondary reporting format - geographical segments

The Group's three business segments are managed locally and operate in the following main geographical areas:

	Sales		Total assets		Capital expenditure	
	2008	2007	**2008**	2007	**2008**	2007
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Mauritius	**3,289.2**	2,948.0	**9,952.2**	9,677.8	**372.3**	234.1
Ivory Coast	**-**	-	**12.9**	12.9	**-**	-
	3,289.2	2,948.0	**9,965.1**	9,690.7	**372.3**	234.1

Sales revenue is based on the country in which the customer is located. Total assets and capital expenditure are shown by the geographical area in which the assets are located.

(c) Analysis of sales

	2008	2007
	MUR'M	MUR'M
Sale of sugar, molasses and bagasse	**792.1**	820.3
Sale of electricity	**1,346.8**	1,101.8
Sale of goods	**1,140.4**	1,015.8
Revenue from services	**9.9**	10.1
	3,289.2	2,948.0

For revenue recognition see note 1(q).

39. CURRENCY

The financial statements are presented in millions of Mauritian rupees.

40. BUSINESS COMBINATIONS

Acquisition
On December 31, 2008, the group acquired 100% of the shares of Ile de Soleil Ltee in Mauritius at MUR'M 2.4.

	MUR'M
Details of net assets and goodwill are as follows:	
Trade and other receivables	0.4
Cash in hand	0.3
Trade and other payables	(0.2)
	0.5
Purchase consideration:	
Total purchase consideration	2.4
Fair value of net assets acquired	(0.5)
Goodwill	1.9

Goodwill represents the excess of the consideration amount over the carrying values of the net assets (its fair value).

The carrying amount of net assets acquired approximate their fair value.

	MUR'M
Net assets acquired	0.5
Goodwill	1.9
Less: Cash and cash equivalents in subsidiary acquired	(0.3)
Net cash outflow on acquisition	2.1

contents
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notes to the financial statements (cont'd)

Year ended December 31, 2008

41. AVAILABLE-FOR SALE FINANCIAL ASSETS

Names	Number of shares	Listed on the Stock Exchange	Quoted on DEM	Unquoted
Bychemex Ltd	513,280		*	
Chemco Ltd	407,268		*	
Compagnie des Magasins Populaires Ltée	283,114	*		
Diogène Testing Ltd	2,000			*
Ecocentre Limitée	6,202			*
Forges Tardieu Limited	158,800		*	
Harel Mallac & Co Ltd	1,791,803	*		
Les Lycées Associes Ltée	16,003			*
Maritim (Mauritius) Ltd	444,000			*
Medical and Surgical Centre Ltd	11,630,490		*	
Metal Can Manufaturers Ltd	9,926			*
Northfields International High School Ltd	1			*
Progos	1			*
Pro-Kid Ltd	1			*
Scolab Limitée	626,786			*
Societe Adagio	80,492			*
Societe Balmerino	80,492			*
Societe Concertino	80,492			*
Societe Danielo	80,492			*
Societe Escudo	80,492			*
Societe Ferodo	80,492			*
Societe Gallio	80,492			*
Societe Horatio	80,492			*
Societe Interco	80,492			*
Societe Jamaico	80,492			*
Societe Kalaglo	40,426			*
Sucrivoire S.A.	408,000			*
Sugar Association Building Ltd	32,000			*
Tea Manufacture (Sugar Millers) Limited	5,992			*
United Docks Ltd	45,000	*		
Zac Investments Ltd	833			*

Three year summary of published results and assets and liabilities (group)

INCOME STATEMENTS	**2008 MUR'M**	2007 MUR'M	2006 MUR'M	
Turnover	**3,289.2**	2,948.0	2,768.5	
Profit before taxation, exceptional items and associates' results	**621.3**	636.2	598.4	
Share of results of associates	**125.8**	104.6	46.2	
Taxation	**(100.5)**	(113.0)	(86.2)	
Profit after taxation	**646.6**	663.3	704.5	
Minority interest	**(231.0)**	(192.8)	(184.4)	
Profit attributable to equityholders of the company	**415.6**	470.5	520.1	
Percentage of profit on shareholders' interest (%)	**6.4**	7.6	12.2	
Earnings per share (MUR)	**2.39**	2.71	2.99	*
Dividends proposed and paid	**121.7**	104.3	69.5	
Dividend per share (MUR)	**0.7**	0.6	0.4	*
Dividend cover (times)	**3.4**	4.5	7.5	
Net assets per share (MUR)	**37.5**	35.7	24.4	*
Number of ordinary shares used in calculation ('000)	**173,834**	173,834	173,834	*
BALANCE SHEETS				
Non-current assets	**7,523.4**	7,411.9	5,785.7	
Current assets	**2,413.8**	2,229.0	2,098.2	
Non-current assets classified as held for sale	**27.9**	49.8	148.4	
Total assets	**9,965.1**	9,690.7	8,032.3	
Equityholders' interest	**6,510.7**	6,206.8	4,250.1	
Minority interest	**892.1**	808.4	686.5	
Non-current liabilities	**1,148.2**	1,415.3	1,746.1	
Current liabilities	**1,413.4**	1,239.1	1,305.6	
Liabilities directly associated with non-current assets held for sale	**0.7**	21.1	44.0	
Total equity and liabilities	**9,965.1**	9,690.7	8,032.3	

* Adjusted for share split of 1 into 10 and bonus issue of 1 for every 3 split shares.

contents

Directors of subsidiary companies

Directors \ Subsidiary Companies	Belle Vue Milling Co Ltd / Beau Plan Milling Co. Ltd	Cie Thermique de Belle Vue Ltee	Cosmebelle (Maurice) Ltee	Grays & Co Ltd	Grays Inc. Ltd	Grays Refinery Ltd	HF Administrative Services Ltd	HF Investments Limited	Ivoirel Ltée	Ile de Soleil Ltée	Les Domaines de Mauricia Ltée	Mauricia Ltée	Produits Basaltiques du Nord Ltée	Sagiterre Ltée
Rajendraparsad Aumeer	✓													
Premsagar Bholah		✓												
Nirmalla Boodhoo		●												
François Boullé													✓	
Jacques Brousse de Laborde													●	
Jean Claude Desvaux de Marigny	✓													
Louis Dupont		✓												
Jean Christophe Dupuis			✓											
Jean Louis Joseph Dupuis			✓											
Maurice de Marassé Enouf	✓	✓		✓	✓	✓								
Dominique Fond		●												
Jean Michel Giraud													✓	
Marc Goupille														✓
Jean Pierre Hardy														✓
Alexis Harel	✓		✓	✓	✓	✓		✓		✓	✓			
JM Antoine Harel													✓	
Antoine L Harel	✓	✓				✓								
Henri Harel	✓	✓					✓		✓			✓		✓
Winston Hein	✓													
Louis Denis Koenig							✓		✓			✓		✓
Dayanand Kurrumchand	✓													
Raymond Lagesse													✓	
Philippe Lam Shin Saw						✓								
Pascal Langeron		✓												
Edouard Lee						✓								
Jacques Li Wan Po						✓								
Iqbal Mallam-Hasham		✓												
Cyril Mayer	✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	✓
François Montocchio													✓	
Denis Pilot	✓													
Christophe Quevauvilliers													✓	
Bernard Robert		✓												
Vincent Rogers				✓	✓	✓								
George Schooling					✓						✓			
Alain Vallet			✓	✓	✓	✓		✓		✓	✓		✓	✓
Garth Whaits					●						✓			
Alternate Directors														
Louis Decrop		●												
Dominique Fond		●												
Didier Vallet													✓	
Daniel Van Deventer					✓						✓			

✓: In office at December 31, 2008

● : Ceased to hold office during the year ended December 31, 2008

contents

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harel frères limited, 18 edith cavell street, port louis, republic of mauritius