



NEWS RELEASE

21 July 2011

Annual Meeting of Shareholders



Members of the Board during the Annual Meeting of Shareholders

Air Mauritius held this day its Annual Meeting of shareholders at the Grand Baie International Conference Centre under the chairmanship of Mr Kamal Taposeea, Chairman of the Board.

In his opening address, Mr Taposeea expressed his gratitude to his fellow Board members for their continued support and their dedication to the affairs of Air Mauritius during the last financial year.

"We have had our challenges during this period but I believe that we performed as a team and were able to offer appropriate guidance to Management as and when needed. The rapport Board/Management has never been so good at Air Mauritius and I do not see any reason why this should not continue into the future."

The performance of Air Mauritius for this financial year has improved beyond expectations. The group posted profits of Euro 10.3 million, compared to a loss of Euro 6.0 million last year. This is clearly reflected in the share price which has moved from Rs15.00 on 21 July 2010 to Rs18.00 on 20 July 2011 which represents an increase of 20%. The emphasis going forward for the management is to focus on sustainability of the improved results."

The airline's Acting CEO, André Viljoen gave a presentation to the shareholders on the state of affairs of the company. He highlighted the various challenges which the airline had to face in the last financial year - A year of contrasts - where the moderate and unequal improvement in demand was offset by significant setbacks and events which included the spiraling fuel prices, Exchange rate volatility especially the Euro/Dollar and Euro/Rupee, volcanic ash and snow crisis in Europe, floods in Australia, Tsunami in Japan and the upheavals in the Middle East and Northern Africa " *The airline responded with a series of proactive measures which included Board/Leadership alignment, restoring capacity whilst rebalancing growth to Asia and Africa, boosting revenues with aggressive sales campaigns, efficiency programs and engaging the potential of the team. These initiatives ensured that the airline returned to profitability*".

André Viljoen stressed on the significant challenges for the current financial year – Unequal growth worldwide with volatility in Europe and overheating of BRIC countries, ongoing high fuel prices, continuing pressure on demand with increasing destination competition and price sensitive leisure travel expected to decrease, increasing airline competition, increased Government and Airport Taxes. These challenges are already being felt by the airline industry whose profits are forecasted to fall to USD 4 billion from a previous year's profit of USD 18 billion. The tourism sector in Mauritius is also feeling these pressures with a direct bearing on the national airline. " *It is important that we continue the dialogue with the industry partners so that we align our positions as we face with these daunting challenges. As an airline, we had to get on top of things and this is why we are reviewing our business model to find the right fit between country needs, increased competition, market realities, increasing costs and internal capabilities. In addition, a series of additional measures have been initiated – moderate network growth this year with continued rebalancing to emerging economies (we landed in Shanghai in July), developing new sales channels especially ecommerce, improving efficiencies with best industry practice reviews in the operational areas, improving on time performance and continue to engage the team*".

The shareholders re-elected the following persons as Board Directors of Air Mauritius : Mr Rajkamal Taposeea, Mr Kremchand Beegoo, Mr Dheerendra K. Dabee, S.C, Mr Philippe Espitalier-Noël, Mr Ramapatee Gujadhur, C.S.K., Mr Arvind Jadhav, Mr Ali Mansoor, Mr Dominique Patry, Mr Raj Ringadoo, Mr Suresh Seeballuck, G.O.S.K., Mr Timothy Taylor, Mrs Aisha Timol, G.O.S.K., Mr Francois Woo Shing Hai, G.O.S.K.

The shareholders also elected Mr Gerard Espitalier-Noël, C.S.K. as Board Director.

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Air Mauritius is the national carrier of the Republic of Mauritius. Created in 1967, it currently operates a fleet of four A340-300, two A340-300E, two A330-200, two A319-100 and two ATR72-500. Air Mauritius presently flies to twenty-six destinations in Europe, Asia, Australia, Africa and the Indian Ocean