

# COURTS

## COURTS (MAURITIUS) LIMITED RESULTS FOR THE PERIOD FROM 1 APRIL 2005 TO 31 DECEMBER 2005

The abridged audited financial statements for the period from 1 April 2005 to 31 December 2005 are as follows :-

### 1. Income statement for the period from 1 April 2005 to 31 December 2005

	THE GROUP		THE COMPANY	
	Period from 1 April 2005 to 31 December 2005 Rs (000)	Year ended 31 March 2005 Rs (000)	Period from 1 April 2005 to 31 December 2005 Rs (000)	Year ended 31 March 2005 Rs (000)
Revenue	1,056,867	1,366,684	1,056,867	1,366,684
Cost of sales	(840,214)	(1,111,062)	(840,214)	(1,111,062)
Gross profit	216,653	255,622	216,653	255,622
Other operating income	7,783	15,705	7,783	15,705
Distribution expenses	(54,089)	(71,636)	(54,089)	(71,636)
Administrative expenses	(76,358)	(92,607)	(74,794)	(88,052)
Profit from operations	93,989	107,084	95,553	111,639
Impairment loss	-	(32,368)	(10,834)	(32,368)
Share of loss in associate	(10,834)	-	-	-
Net finance costs	(11,180)	(15,695)	(10,981)	(14,453)
Profit before taxation	71,975	59,021	73,738	64,818
Income tax expense	(13,404)	(15,287)	(13,404)	(15,287)
Net profit for the period/year	58,571	43,734	60,334	49,531
Earnings per share (cents)	50.1	37.4	51.6	42.3

### 2. Balance sheet at 31 December 2005

	THE GROUP		THE COMPANY	
	31 December 2005 Rs (000)	31 March 2005 Rs (000)	31 December 2005 Rs (000)	31 March 2005 Rs (000)
<b>ASSETS</b>				
<b>Non current assets</b>				
Property and equipment	436,085	402,949	436,085	402,949
Intangible asset	37,500	39,044	-	-
Investment in subsidiary	-	-	2,550	2,550
Loan to associate	22,289	-	22,289	-
Long term trade receivables	616,540	598,311	616,540	598,311
Deferred tax asset	2,475	3,148	2,475	3,148
	1,114,889	1,043,452	1,079,939	1,006,958
<b>Current assets</b>				
Inventories	291,944	242,021	291,944	242,021
Trade and other receivables	635,360	619,663	635,323	619,658
Amount owed by related companies	28,016	2,490	28,016	2,490
Amount owed by subsidiary	-	-	50,060	40,576
Cash at bank and in hand	1,755	126	1,740	111
	957,075	864,300	1,007,083	904,856
<b>Total assets</b>	2,071,964	1,907,752	2,087,022	1,911,814
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Issued capital	117,000	117,000	117,000	117,000
Share premium	571,496	571,496	571,496	571,496
Revaluation reserve	129,939	88,570	129,939	88,570
Retained earnings	695,957	665,466	711,035	678,781
	1,514,392	1,442,532	1,529,470	1,455,847
<b>Non current liabilities</b>				
Employee benefit obligations	9,900	12,592	9,900	12,592
Deferred tax liability	123,543	115,582	123,543	115,582
	133,443	128,174	133,443	128,174
<b>Current liabilities</b>				
Bank overdraft	188,694	215,507	188,694	215,507
Interest bearing borrowings	-	9,200	-	-
Trade and other payables	204,483	96,484	204,463	96,431
Tax payable	30,952	15,855	30,952	15,855
	424,129	337,046	424,109	327,793
<b>Total liabilities</b>	557,572	465,220	557,552	455,967
<b>Total equity and liabilities</b>	2,071,964	1,907,752	2,087,022	1,911,814

### 3. Statement of changes in equity for the period from 1 April 2005 to 31 December 2005

The Group	Issued	Share	Revaluation	Retained	Total
	Capital Rs (000)	Premium Rs (000)	Reserve Rs (000)	Earnings Rs (000)	
At 1 April 2005	117,000	571,496	88,570	665,466	1,442,532
Surplus on revaluation	-	-	51,696	-	51,696
Net profit for the period	-	-	-	58,571	58,571
Deferred tax liability on the revaluation surplus of freehold buildings	-	-	(10,327)	-	(10,327)
Dividend	-	-	-	(28,080)	(28,080)
<b>At 31 December 2005</b>	<b>117,000</b>	<b>571,496</b>	<b>129,939</b>	<b>695,957</b>	<b>1,514,392</b>

### The Company

	Issued	Share	Revaluation	Retained	Total
	Capital Rs (000)	Premium Rs (000)	Reserve Rs (000)	Earnings Rs (000)	
At 1 April 2005	117,000	571,496	88,570	678,781	1,455,847
Surplus on revaluation	-	-	51,696	-	51,696
Net profit for the period	-	-	-	60,334	60,334
Deferred tax liability on the revaluation surplus of freehold buildings	-	-	(10,327)	-	(10,327)
Dividend	-	-	-	(28,080)	(28,080)
<b>At 31 December 2005</b>	<b>117,000</b>	<b>571,496</b>	<b>129,939</b>	<b>711,035</b>	<b>1,529,470</b>

### 4. Cash flow statement for the period from 1 April 2005 to 31 December 2005

	THE GROUP		THE COMPANY	
	Period from 1 April 2005 to 31 December 2005 Rs (000)	Year ended 31 March 2005 Rs (000)	Period from 1 April 2005 to 31 December 2005 Rs (000)	Year ended 31 March 2005 Rs (000)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>110,629</b>	<b>(27,504)</b>	<b>101,429</b>	<b>(45,381)</b>
<b>Cash flow from investing activities</b>				
Purchase of property and equipment	(13,444)	(51,337)	(13,444)	(51,337)
Proceeds from sale of property and equipment	1,660	2,809	1,660	2,809
Interest received	-	11	-	11
<b>Net cash outflow from investing activities</b>	<b>(11,784)</b>	<b>(48,517)</b>	<b>(11,784)</b>	<b>(48,517)</b>
<b>Cash flow from financing activities</b>				
Dividends paid	(28,080)	(28,080)	(28,080)	(28,080)
Loan repaid	(9,200)	(18,200)	-	-
Loan to associate	(22,289)	-	(22,289)	-
Investment in associate	(10,834)	-	(10,834)	-
<b>Net cash outflow from financing activities</b>	<b>(70,403)</b>	<b>(46,280)</b>	<b>(61,203)</b>	<b>(28,080)</b>
Net increase / (decrease) in cash and cash equivalents	28,442	(122,301)	28,442	(121,978)
Cash and cash equivalents at beginning of period/year	(215,381)	(93,080)	(215,396)	(93,418)
<b>Cash and cash equivalents at end of period/year</b>	<b>(186,939)</b>	<b>(215,381)</b>	<b>(186,954)</b>	<b>(215,396)</b>
<b>Represented by:</b>				
Cash at bank and in hand	1,755	126	1,740	111
Bank overdraft	(188,694)	(215,507)	(188,694)	(215,507)
	(186,939)	(215,381)	(186,954)	(215,396)

### Comments

Revenue for the nine month period to 31 December 2005 was Rs 1,056.8 million and reflected the competitive market conditions in the retail sector. Trading during the first six months was affected by the slowdown in economic activity preceding the general elections in July 2005 and revenue and margins were impacted by the reduction in duties in electrical products as from April 2005. The market recovered during the last three months to December 2005 with sales of Rs 478.9 million. Profit from operations was Rs 93.9 million after accounting for lower electrical gross profit and other operating income. Profit after tax was Rs 58.6 million with earnings per share of 50.1 cents.

Courts (Madagascar) Sarl continued to face difficult trading conditions during 2005, but we expect to see an improvement in its future results from the rationalisation of its operations and the synergies developed between the Mauritian and Malagasy operations. The store base was increased to six in February 2006 with the opening of a fourth outlet in Antananarivo. A provision of Rs 10.8 million has been made to account for the share of losses in Courts (Indian Ocean) Limited, the holding company of Courts (Madagascar) Sarl, in which the Company holds a 40% interest.

We expect that trading conditions will remain challenging during the coming year and we will continue to focus on consolidating our position as market leader with strong marketing and merchandise initiatives.

### Notes :

- Following the acquisition of the majority shareholding of Courts (Mauritius) Limited by British American Investment Co. (Mtius) Ltd on 23 December 2005, the financial year end of the Group and the Company have changed to 31 December 2005 to coincide with the financial year end of British American Investment Co. (Mtius) Ltd. The financial statements have been prepared for the period from 1 April 2005 to 31 December 2005.
- The abridged financial statements are based on the audited accounts for the period from 1 April 2005 to 31 December 2005, which have been prepared in accordance with International Financial Reporting Standards, on which the auditors have issued an unqualified audit report.
- The directors recommend the payment of a final dividend of Rs 21,060,000 which is equivalent to 18 cents per share (year ended 31 March 2005 : 18 cents). This final dividend will be payable on or around 28 July 2006 to all shareholders registered at the close of business on 14 July 2006, after ratification by the shareholders at the Annual Meeting to be held in June 2006.

### By order of the Board

Swadeck Taher

Company Secretary

29 March 2006

The abridged audited financial statements are issued pursuant to Listing Rule 12.20.

The Board of Directors of Courts (Mauritius) Limited accepts full responsibility for the accuracy of the information contained in these abridged financial statements.