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# COURTS (MAURITIUS) LIMITED

## INTERIM RESULTS

### FOR THE HALF YEAR ENDED 2 OCTOBER 2005

The unaudited results for the half year ended 2 October 2005 are as follows:-

#### 1. Income statement for the half year ended 2 October 2005

	THE GROUP			THE COMPANY		
	Half Year to 2.10.2005 Rs 000	Half Year to 26.09.2004 Rs 000	Year to 31.03.2005 Rs 000	Half Year to 2.10.2005 Rs 000	Half Year to 26.09.2004 Rs 000	Year to 31.03.2005 Rs 000
Revenue	580,896	594,912	1,366,684	580,896	594,912	1,366,684
Cost of sales	(467,972)	(478,834)	(1,111,062)	(467,972)	(478,834)	(1,111,062)
Gross profit	112,924	116,078	255,622	112,924	116,078	255,622
Other operating income	5,687	11,656	15,705	5,687	11,656	15,705
Distribution expenses	(32,965)	(33,125)	(71,636)	(32,965)	(33,125)	(71,636)
Administrative expenses	(46,161)	(46,329)	(92,607)	(46,161)	(46,329)	(92,607)
Profit from operations	39,485	48,280	107,084	41,037	50,364	111,639
Share of losses in associate	(10,294)	-	-	-	-	-
Impairment loss	-	-	(32,368)	-	-	(32,368)
Net finance costs	(6,795)	(5,447)	(15,695)	(6,591)	(4,649)	(14,453)
Profit before taxation	22,396	42,833	59,021	34,446	45,715	64,818
Taxation	(9,872)	(10,917)	(15,287)	(9,872)	(10,917)	(15,287)
Profit for the period	12,524	31,916	43,734	24,574	34,798	49,531
Earnings per share (cents)	10.7	27.3	37.4	21.0	29.7	42.3
Net assets per share (Rs)	12.26	12.45	12.33	12.47	12.54	12.44
Number of shares used in calculation	117,000,000	117,000,000	117,000,000	117,000,000	117,000,000	117,000,000

#### 2. Balance sheet at 2 October 2005

	THE GROUP			THE COMPANY		
	2.10.2005 Rs 000	26.09.2004 Rs 000	31.03.2005 Rs 000	2.10.2005 Rs 000	26.09.2004 Rs 000	31.03.2005 Rs 000
<b>ASSETS</b>						
<b>Non current assets</b>						
Property and equipment	387,076	420,009	402,949	387,076	420,009	402,949
Intangible asset	37,491	40,971	39,044	-	-	-
Investment in subsidiary	-	-	-	2,550	2,550	2,550
Investment in associate	540	-	-	10,834	-	-
Loan to associate	22,179	31,953	-	22,179	31,953	-
Long term trade receivables	519,391	558,020	598,311	519,391	558,020	598,311
Deferred tax asset	2,482	3,483	3,148	2,482	3,483	3,148
	969,159	1,054,436	1,043,452	944,512	1,016,015	1,006,958
<b>Current assets</b>						
Inventories	271,891	321,717	242,021	271,891	321,717	242,021
Trade and other receivables	611,596	580,907	619,663	611,555	578,270	619,658
Amount owed by related companies	19,204	2,360	2,490	19,204	2,360	2,490
Amount owed by subsidiary	-	-	-	50,055	33,132	40,576
Cash at bank and in hand	2,070	208	126	2,055	87	111
	904,761	905,192	864,300	954,760	935,566	904,856
<b>Total assets</b>	1,873,920	1,959,628	1,907,752	1,899,272	1,951,581	1,911,814
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and reserves</b>						
Issued capital	117,000	117,000	117,000	117,000	117,000	117,000
Share premium	571,496	571,496	571,496	571,496	571,496	571,496
Revaluation reserve	88,570	107,788	88,570	88,570	107,788	88,570
Retained earnings	656,930	660,668	665,466	682,295	671,068	678,781
	1,433,996	1,456,952	1,442,532	1,459,361	1,467,352	1,455,847
<b>Non current liabilities</b>						
Employee benefit obligations	9,929	13,932	12,592	9,929	13,932	12,592
Deferred tax liabilities	108,394	97,412	115,582	108,394	97,412	115,582
	118,323	111,344	128,174	118,323	111,344	128,174
<b>Current liabilities</b>						
Bank overdraft	164,252	190,515	215,507	164,252	190,515	215,507
Interest bearing borrowings	-	18,300	9,200	-	-	-
Trade and other payables	125,100	163,504	96,484	125,087	163,357	96,431
Tax payable	32,249	19,013	15,855	32,249	19,013	15,855
	321,601	391,332	337,046	321,588	372,885	327,793
<b>Total equity and liabilities</b>	1,873,920	1,959,628	1,907,752	1,899,272	1,951,581	1,911,814

#### 3. Cash flow statement for the half year ended 2 October 2005

	THE GROUP			THE COMPANY		
	Half Year to 2.10.2005 Rs 000	Half Year to 26.09.2004 Rs 000	Year to 31.03.2005 Rs 000	Half Year to 2.10.2005 Rs 000	Half Year to 26.09.2004 Rs 000	Year to 31.03.2005 Rs 000
<b>Net cash flow from operating activities</b>	106,456	(36,293)	(27,504)	97,256	(45,176)	(45,381)
<b>Cash flow from investing activities</b>						
Purchase of property and equipment	(5,628)	(45,540)	(51,337)	(5,628)	(45,540)	(51,337)
Investment in associate	(10,834)	-	-	(10,834)	-	-
Loan to associate	(22,179)	-	-	(22,179)	-	-
Proceeds from sale of property and equipment	1,604	724	2,809	1,604	724	2,809
Interest received	-	2	11	-	2	11
<b>Net cash outflow from investing activities</b>	(37,037)	(44,814)	(48,517)	(37,037)	(44,814)	(48,517)
<b>Cash flow from financing activities</b>						
Dividends paid	(7,020)	(7,020)	(28,080)	(7,020)	(7,020)	(28,080)
Loan repaid	(9,200)	(9,100)	(18,200)	-	-	-
<b>Net cash outflow from financing activities</b>	(16,220)	(16,120)	(46,280)	(7,020)	(7,020)	(28,080)
Net increase / (decrease) in cash and cash equivalents	53,199	(97,227)	(122,301)	53,199	(97,010)	(121,978)
Cash and cash equivalents at beginning of year	(215,381)	(93,080)	(93,080)	(215,396)	(93,418)	(93,418)
<b>Cash and cash equivalents at 2 October 2005</b>	(162,182)	(190,307)	(215,381)	(162,197)	(190,428)	(215,396)
<b>Represented by :-</b>						
Cash at bank and in hand	2,070	208	126	2,055	87	111
Bank overdraft	(164,252)	(190,515)	(215,507)	(164,252)	(190,515)	(215,507)
	(162,182)	(190,307)	(215,381)	(162,197)	(190,428)	(215,396)

#### 4. Statement of changes in equity for the half year ended 2 October 2005

	Issued Capital Rs 000	Share Premium Rs 000	Revaluation Reserve Rs 000	Retained Earnings Rs 000	Total Rs 000
	<b>The Group</b>				
At 1 April 2004	117,000	571,496	107,788	649,812	1,446,096
Profit for the period	-	-	-	31,916	31,916
Dividends	-	-	-	(21,060)	(21,060)
<b>At 26 September 2004</b>	<b>117,000</b>	<b>571,496</b>	<b>107,788</b>	<b>660,668</b>	<b>1,456,952</b>
At 1 April 2005	117,000	571,496	88,570	665,466	1,442,532
Profit for the period	-	-	-	31,916	31,916
Dividends	-	-	-	(21,060)	(21,060)
<b>At 2 October 2005</b>	<b>117,000</b>	<b>571,496</b>	<b>88,570</b>	<b>656,930</b>	<b>1,433,996</b>
<b>The Company</b>					
At 1 April 2004	117,000	571,496	107,788	657,330	1,453,614
Profit for the period	-	-	-	34,798	34,798
Dividends	-	-	-	(21,060)	(21,060)
<b>At 26 September 2004</b>	<b>117,000</b>	<b>571,496</b>	<b>107,788</b>	<b>671,068</b>	<b>1,467,352</b>
At 1 April 2005	117,000	571,496	88,570	678,781	1,455,847
Profit for the period	-	-	-	24,574	24,574
Dividends	-	-	-	(21,060)	(21,060)
<b>At 2 October 2005</b>	<b>117,000</b>	<b>571,496</b>	<b>88,570</b>	<b>682,295</b>	<b>1,459,361</b>

#### Comments

Revenue for the six months to 2 October 2005 was Rs 580.9 million compared to Rs 594.9 million for the corresponding period. Conditions in the retail sector remain challenging and trading was affected by the slow down in economic activity preceding the general elections in July 2005. Furthermore revenue and margins were impacted by the reduction in duties on electrical products as from April 2005. Profit from operations decreased from Rs 48.3 million to Rs 39.5 million with lower gross profit and other operating income. Courts (Madagascar) Sarl, which operates from 5 stores, continued to face difficult trading conditions but we expect to see an improvement in its results from the rationalisation of its operations and the synergies developed between the Mauritian and Malagasy operations. A provision of Rs 10.3 million has been made to account for the share of losses in Courts (Indian Ocean) Ltd, the holding company of Courts (Madagascar) Sarl in which the Company holds a 40% interest. The Directors are recommending the payment of an interim dividend of 6 cents per share as last year.

We continued the store refurbishment programme with the renovation and relaunch of the Rodrigues branch in November 2005. The Trianon branch was closed in June 2005 due to its proximity to the larger Phoenix branch and this will result in the rationalisation of operating and retailing costs.

Trading since the half year remains highly competitive but I am hopeful that with the strong promotions planned for the year end we shall be able to achieve satisfactory progress for the financial year.

#### David Isaacs OSK

Managing Director

16 December 2005

#### Notes :

- The interim condensed financial statements are unaudited and have been prepared in accordance with IAS34 (Interim Financial Reporting). The accounting policies used in preparing the interim condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2005.
- The information for the year ended 31 March 2005 is an extract from the latest audited accounts. Copies of these interim condensed financial statements are available free of charge at the registered office of the Company.
- The Directors are recommending the payment of an interim dividend of Rs 7,020,000 equivalent to 6.0 cents per share (2004: 6 cents per share) payable on 14 April 2006 to all shareholders registered at the close of business on 17 March 2006.
- The Board of Directors of Courts (Mauritius) Limited has been informed by the Administrators of Courts Plc (in administration) that as part of their administration process, they have entered into an agreement to dispose of the 84.6% interest (equivalent to 98,998,205 shares) in the Company held by Courts (Overseas) Limited, a wholly owned subsidiary of Courts Plc (in administration), to British American Investment Co (Mtius) Ltd (BAI). A sale and purchase agreement was signed on 25 November 2005 by BAI and the administrators and the transaction for the disposal of 84.6% interest in the Company is subject to regulatory approvals.

By order of the Board  
City Corporate Services Ltd  
Secretary

16 December 2005

These interim condensed financial statements are issued pursuant to Listing Rule 12.21.

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