



CIRNE GROWTH FUND

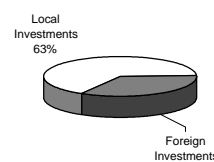
PERFORMANCE REPORT
For the six months ended Dec 31, 2005

| | | As at Dec 31, 2005 | | As at Jun 30, 2005 | | |
|--------------|----------------------|--------------------|----------------|--------------------|----------------|---------------|
| | | Rs.' 000 | % | Rs.' 000 | % | |
| <u>Local</u> | Tourism | 111,002 | 31.3% | 90,397 | 30.5% | |
| | Finance | 50,540 | 14.3% | 43,149 | 14.5% | |
| | Commerce | 21,907 | 6.2% | 24,489 | 8.3% | |
| | Investment | 10,553 | 3.0% | 8,388 | 2.8% | |
| | Industry | 3,923 | 1.1% | 3,880 | 1.3% | |
| | Property | 5,836 | 1.6% | 5,816 | 2.0% | |
| | Services | 9,798 | 2.8% | 5,210 | 1.8% | |
| | Textile | 8,432 | 2.4% | 4,762 | 1.6% | |
| | Sugar | 965 | 0.3% | 2,055 | 0.7% | |
| | <u>International</u> | Mutual Funds | 130,751 | 37.0% | 108,510 | 36.6% |
| | | | 353,707 | 100.0% | 296,655 | 100.0% |

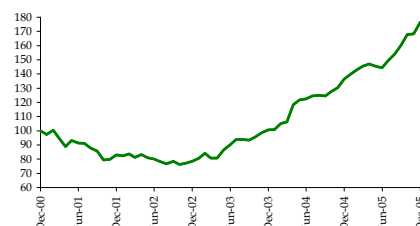
Of which:

| | | As at Dec 31, 2005 | | As at Jun 30, 2005 | |
|--------------------------|----------|--------------------|---------------|--------------------|---------------|
| | | Rs.' 000 | % | Rs.' 000 | % |
| <u>Local Investments</u> | Listed | 139,423 | 62.5% | 123,106 | 65.4% |
| | OTC | 77,601 | 34.8% | 53,981 | 28.7% |
| | Unquoted | 5,932 | 2.7% | 11,059 | 5.9% |
| | | 222,956 | 100.0% | 188,145 | 100.0% |

Geographic Weightings



Performance since launch⁽¹⁾



(1) Launch price as at listing was Rs.13.87. Performance assumes dividends were reinvested into the fund.

Performance Overview

Overall:

As at December 31, 2005, the NAV per share of CGF stood at Rs.19.49 compared to Rs.16.52 as at June 30, 2005, representing an increase of 18.0%. Over a twelve-month period, after adjusting for the Re. 0.65 dividend paid in June 2005 and assuming that the dividend was reinvested into the Fund, overall performance was 26.0%.

Local:

For the six months under review, the Semtri surged by 14.4%. Foreign investors' activity lead to a 16.5% market growth during the 3rd quarter of 2005, while the fourth quarter showed a negative performance of -1.8%. The excellent performance of CGF local portfolio over the period July to December 2005 (+22.0%) is mainly due to the overweight in the tourism sector and to the strong performance of the Fund holdings in that sector.

Foreign:

For the six months under review, the foreign portfolio of CGF had an average performance of +10.3% in MUR terms. As at December 2005, the portfolio was diversified and included 55% equity and 45% non-equity, mainly hedge and property funds investments.

Prospects

Local:

Despite uncertainties at macro-economic level, most listed companies continue to generate positive earnings growth. The portfolio remains well diversified across the growing sectors of the economy and we aim at continuing to generate superior returns compared to those of the Semtri.

Foreign:

The Manager is currently adjusting the portfolio in line with markets opportunities. These funds will now be split between equity, bond, hedge and property and will include US\$, EUR and GBP.

This Performance Report is provided by Investment Professionals Ltd. The information contained herein is based upon sources believed by us to be reliable but are not guaranteed as their accuracy or completeness. Any views or opinions expressed herein does not constitute investment advice or an offer or invitation to buy or sell shares in the fund and does not have regard to the specific investment objectives and financial situation of any person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any financial instruments mentioned or recommended in this report. Any views stated in this report regarding future prospects (forward looking statements) may no be realised and may be subject to change. Investors should note that the fund's net asset value may rise or fall and that past performance is not a guide to future performance.

INVESTMENT PROFESSIONALS LTD
MANAGER
February 22, 2006

AUDITED ABRIDGED FINANCIAL STATEMENTS
For the six months ended Dec 31, 2005

STATEMENT OF ASSETS AND LIABILITIES

| | December 31, 2005 Rs.' 000 | June 30, 2005 Rs.' 000 |
|-----------------------------------|-------------------------------|---------------------------|
| ASSETS EMPLOYED | | |
| INVESTMENTS | 353,707 | 296,675 |
| CURRENT ASSETS | 8,655 | 30,181 |
| CURRENT LIABILITIES | (723) | (9,465) |
| NET CURRENT ASSETS | 7,932 | 20,716 |
| NET ASSETS | 361,639 | 317,391 |
| FINANCED BY : | | |
| SHARE CAPITAL | 150,811 | 161,420 |
| RESERVES | 210,828 | 155,971 |
| SHAREHOLDERS' INTEREST | 361,639 | 317,391 |
| NUMBER OF SHARES ('000) | 18,555 | 19,208 |
| NET ASSETS PER SHARE (Rs.) | 19.49 | 16.52 |

STATEMENT OF CHANGES IN EQUITY

| | December 31, 2005 Rs.' 000 | June 30, 2005 Rs.' 000 |
|------------------------------------|-------------------------------|---------------------------|
| BALANCE AT JULY 1st, 2005 | 317,391 | 310,933 |
| ISSUE OF SHARES | 15,736 | 31,702 |
| REPURCHASE OF SHARES | (26,345) | (70,501) |
| | 306,782 | 272,134 |
| PROFIT FOR YEAR - DISTRIBUTABLE | 2,475 | 6,367 |
| - PROFIT ON SALE OF INVESTMENTS | 5,878 | 28,830 |
| NET INCREASE IN FAIR VALUE RESERVE | 46,504 | 22,704 |
| DIVIDENDS | - | (12,643) |
| BALANCE AT DECEMBER 31st, 2005 | 361,639 | 317,391 |

INCOME AND DISTRIBUTION ACCOUNT

| | For the period to December 31, 2005 Rs.' 000 | For the period to June 30, 2005 Rs.' 000 |
|--|--|--|
| INVESTMENT INCOME | 5,225 | 11,610 |
| REALISED PROFIT ON AVAILABLE FOR SALE SECURITIES | 5,878 | 28,830 |
| | 11,103 | 40,440 |
| EXPENSES | (2,750) | (5,225) |
| NET PROFIT BEFORE TAX | 8,353 | 35,215 |
| TAXATION | - | (18) |
| NET PROFIT AFTER TAX | 8,353 | 35,197 |
| DIVIDENDS | - | (12,643) |
| PROFIT FOR THE PERIOD | 8,353 | 22,554 |
| EARNINGS PER SHARE | Rs 0.45 | Rs 1.74 |
| DIVIDEND PER SHARE | - | Rs 0.65 |

CASH FLOW STATEMENT

| | For the period to December 31, 2005 Rs 000 | For the period to June 30, 2005 Rs 000 |
|---|--|--|
| CASH GENERATED FROM OPERATIONS | 3,571 | 5,790 |
| INCOME TAX PAID | (18) | (5) |
| INTEREST RECEIVED | 128 | 159 |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 3,681 | 5,944 |
| INVESTING ACTIVITIES | (4,650) | 60,529 |
| FINANCING ACTIVITIES | (19,328) | (42,724) |
| NET INCREASE IN CASH AND CASH EQUIVALENT | (20,297) | 23,749 |
| CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD | 28,849 | 5,100 |
| BALANCE AT DECEMBER 31st, 2005 | 8,552 | (13,874) |

NOTE :

- The Net Asset per Share has been calculated based on the number of ordinary shares as at December 31, 2005, i.e.18,555,414 shares.
- Net Profit After Tax of Rs 8.35m for the period to December 31, 2005 comprises of:
Net Distributable Income of Rs 2.48m and
Realised Profits on "Available for Sale" Securities of Rs 5.88m.
- Profit per share has been calculated based on Net Profit After Tax of Rs 8.35m and on the weighted average number of ordinary shares in issue during the period July to December 05, i.e. 18,472,778 shares.

The above audited abridged financial statements are issued pursuant to Listing Rule 12.21. The Board of Directors of Cirne Growth Fund Ltd accepts full responsibility for the accuracy of the information contained in these financial statements. Copies of the report are available to the public, free of charge, at the registered office of the Company, 12th Floor, Swan Group Centre, Intendance Street, Port Louis.

BY ORDER OF THE BOARD
CIEL CORPORATE SERVICES LTD
SECRETARIES
February 22, 2006