



# COURTS (MAURITIUS) LIMITED

## INTERIM RESULTS

### FOR THE HALF YEAR ENDED 2 JULY 2006

The unaudited results for the half year ended 2 July 2006 are as follows:-

#### 1. Income statement for the half year ended 2 July 2006

	THE GROUP			THE COMPANY		
	Half Year to	Half Year to	Period from	Half Year to	Half Year to	Period from
	2 July 2006	3 July 2005	1 April 2005 to	2 July 2006	3 July 2005	31 December 2005
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Revenue	587,527	585,370	1,056,867	542,314	585,370	1,056,867
Cost of sales	(476,493)	(478,887)	(840,214)	(434,378)	(478,887)	(840,214)
Gross profit	111,034	106,483	216,653	107,936	106,483	216,653
Other operating income	7,998	3,108	7,783	5,484	3,108	7,783
Distribution expenses	(35,540)	(34,305)	(54,089)	(33,176)	(34,305)	(54,089)
Administrative expenses	(53,545)	(45,683)	(76,358)	(46,820)	(43,473)	(74,794)
Profit from operations	29,947	29,603	93,989	33,424	31,813	95,553
Share of loss in associate	-	(8,971)	(10,834)	-	-	-
Impairment loss	-	(32,368)	-	-	(32,368)	(10,834)
Net finance costs	(15,620)	(9,693)	(11,180)	(10,838)	(9,372)	(10,981)
Profit / (loss) before taxation	14,327	(21,429)	71,975	22,586	(9,927)	73,738
Taxation	(747)	6,465	(13,404)	(508)	6,465	(13,404)
Net profit / (loss) for the period	13,580	(14,964)	58,571	22,078	(3,462)	60,334
Earnings / (loss) per share (cents)	11.6	(12.8)	50.1	18.9	(3.0)	51.6

#### 2. Balance sheet at 2 July 2006

	THE GROUP			THE COMPANY		
	2 July 2006	3 July 2005	31 December 2005	2 July 2006	3 July 2005	31 December 2005
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
<b>ASSETS</b>						
<b>Non current assets</b>						
Property and equipment	453,787	394,860	436,085	422,032	394,860	436,085
Intangible asset	35,816	38,268	37,500	-	-	-
Investment in subsidiary	-	-	-	2,550	2,550	2,550
Investment in associate	-	1,863	-	-	10,834	-
Loan to subsidiary / associate	-	21,346	22,289	56,565	21,346	22,289
Long term trade receivables	599,871	542,260	616,540	536,184	542,260	616,540
Deferred tax asset	2,806	3,148	2,475	2,806	3,148	2,475
	1,092,280	1,001,745	1,114,889	1,020,137	974,998	1,079,939
<b>Current assets</b>						
Inventories	313,169	234,219	291,944	259,041	234,219	291,944
Trade and other receivables	735,582	616,498	635,360	624,525	616,494	635,323
Amount owed by related companies	-	4,531	28,016	14,635	4,531	28,016
Amount owed by subsidiary	-	-	-	49,901	40,576	50,060
Cash at bank and in hand	4,519	88	1,755	110	73	1,740
	1,053,270	855,336	957,075	948,212	895,893	1,007,083
<b>Total assets</b>	2,145,550	1,857,081	2,071,964	1,968,349	1,870,891	2,087,022
<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	130,087	88,570	129,939	130,087	88,570	129,939
Translation reserve	593	-	-	-	-	-
Retained earnings	688,477	643,355	695,957	712,053	666,541	711,035
	1,507,653	1,420,421	1,514,392	1,530,636	1,443,607	1,529,470
<b>Non current liabilities</b>						
Employee benefit obligations	11,372	12,592	9,900	11,372	12,592	9,900
Deferred tax liabilities	123,087	112,474	123,543	123,087	112,474	123,543
	134,459	125,066	133,443	134,459	125,066	133,443
<b>Current liabilities</b>						
Bank overdraft	312,052	148,300	188,694	158,065	148,300	188,694
Interest bearing borrowings	-	9,200	-	-	-	-
Trade and other payables	167,366	131,029	204,483	121,624	130,853	204,463
Income tax payable	24,020	23,065	30,952	23,565	23,065	30,952
	503,438	311,594	424,129	303,254	302,218	424,109
<b>Total equity and liabilities</b>	2,145,550	1,857,081	2,071,964	1,968,349	1,870,891	2,087,022

#### 3. Cash flow statement for the half year ended 2 July 2006

	THE GROUP			THE COMPANY		
	Half Year to	Half Year to	Period from	Half Year to	Half Year to	Period from
	2 July 2006	3 July 2005	1 April 2005 to	2 July 2006	3 July 2005	31 December 2005
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
<b>Net cash inflow from operating activities</b>	86,404	153,363	110,629	75,236	144,260	101,429
<b>Cash flow from investing activities</b>						
Purchase of property and equipment	(6,905)	(4,415)	(13,444)	(5,613)	(4,415)	(13,444)
Proceeds from sale of property and equipment	672	2,042	1,660	672	2,042	1,660
Investment in associate	-	(10,834)	(10,834)	-	(10,834)	(10,834)
Net bank balance on acquisition of subsidiary	(159,469)	-	-	-	-	-
<b>Net cash outflow from investing activities</b>	(165,702)	(13,207)	(22,618)	(4,941)	(13,207)	(22,618)
<b>Cash flow from financing activities</b>						
Dividends paid	(7,020)	(7,020)	(28,080)	(7,020)	(7,020)	(28,080)
Loan repaid	-	(9,100)	-	-	-	-
Loan to subsidiary / associate	(34,276)	(22,289)	(22,289)	(34,276)	(22,289)	(22,289)
<b>Net cash outflow from financing activities</b>	(41,296)	(38,409)	(59,569)	(41,296)	(29,309)	(50,369)
Net (decrease) / increase in cash and cash equivalents	(120,594)	101,747	28,442	28,999	101,744	28,442
Cash and cash equivalents at beginning of year	(186,939)	(249,959)	(215,381)	(186,954)	(249,971)	(215,396)
<b>Cash and cash equivalents at 2 July 2006</b>	(307,533)	(148,212)	(186,939)	(157,955)	(148,227)	(186,954)
<b>Represented by :-</b>						
Cash at bank and in hand	4,519	88	1,755	110	73	1,740
Bank overdraft	(312,052)	(148,300)	(188,694)	(158,065)	(148,300)	(188,694)
	(307,533)	(148,212)	(186,939)	(157,955)	(148,227)	(186,954)

#### 4. Statement of changes in equity for the half year ended 2 July 2006

	Issued Capital Rs 000	Share Premium Rs 000	Revaluation Reserve Rs 000	Translation Reserve Rs 000	Retained Earnings Rs 000	Total Rs 000
<b>The Group</b>						
At 1 January 2005	117,000	571,496	107,788	-	679,379	1,475,663
Deferred tax liability on the revaluation surplus of freehold building	-	-	(19,218)	-	-	(19,218)
Loss for the period	-	-	-	-	(14,964)	(14,964)
Dividends	-	-	-	-	(21,060)	(21,060)
<b>At 3 July 2005</b>	<b>117,000</b>	<b>571,496</b>	<b>88,570</b>	<b>-</b>	<b>643,355</b>	<b>1,420,421</b>
At 1 January 2006	117,000	571,496	129,939	-	695,957	1,514,392
Deferred tax movement	-	-	148	-	-	148
Currency translation difference	-	-	-	593	-	593
Profit for the period	-	-	-	-	13,580	13,580
Dividends	-	-	-	-	(21,060)	(21,060)
<b>At 2 July 2006</b>	<b>117,000</b>	<b>571,496</b>	<b>130,087</b>	<b>593</b>	<b>688,477</b>	<b>1,507,653</b>

	Issued Capital Rs 000	Share Premium Rs 000	Revaluation Reserve Rs 000	Retained Earnings Rs 000	Total Rs 000
<b>The Company</b>					
At 1 January 2005	117,000	571,496	107,788	691,063	1,487,347
Deferred tax liability on the revaluation surplus of freehold building	-	-	(19,218)	-	(19,218)
Loss for the period	-	-	-	(3,462)	(3,462)
Dividends	-	-	-	(21,060)	(21,060)
<b>At 3 July 2005</b>	<b>117,000</b>	<b>571,496</b>	<b>88,570</b>	<b>666,541</b>	<b>1,443,607</b>
At 1 January 2006	117,000	571,496	129,939	711,035	1,529,470
Deferred tax movement	-	-	148	-	148
Profit for the period	-	-	-	22,078	22,078
Dividends	-	-	-	(21,060)	(21,060)
<b>At 2 July 2006</b>	<b>117,000</b>	<b>571,496</b>	<b>130,087</b>	<b>712,053</b>	<b>1,530,636</b>

#### Comments

Company revenue for the period to 2 July 2006 was Rs 542.3 million compared to Rs 585.4 million for the corresponding period last year, resulting from lower retail prices of electrical and furniture products with the decrease in duties. Profit from operations increased from Rs 31.8 million to Rs 33.4 million with higher gross profit and other operating income.

The group results include those of Courts (Indian Ocean) Limited, the holding company of Courts (Madagascar) Sarl, for the three months to 2 July 2006 with revenue of Rs 45.2 million and a loss before tax of Rs 6.8 million reflecting the difficult trading conditions. An improvement in future results is expected from the rationalisation of the Malagasy operations with an increased store base of six outlets and the development of synergies with the Mauritian operations.

Trading since the half year remains highly competitive and challenging for the retail sector with consumer spending being affected by the tight economic conditions.

#### Notes:

- The interim condensed financial statements are unaudited and have been prepared in accordance with IAS 34 "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 nine months ended 31 December 2005.
- Following the acquisition of the majority shareholding of Courts (Mauritius) Limited (Courts) by British American Investment Co. (Mtius) Ltd (BAI) in December 2005, the financial year end of the Group and the Company changed to 31 December to coincide with that of BAI. The annual financial statements were prepared for the nine months ended 31 December 2005 and the interim condensed financial statements have been prepared for the six months ended 2 July 2006.
- The information for the nine months ended 31 December 2005 is an extract from the latest audited accounts. Copies of the interim condensed financial statements are available free of charge at the registered office of the Company at 25 Pope Hennessy Street, Port Louis.
- During the six months period to 2 July 2006, a dividend of Rs 7,020,000, equivalent to 6 cents per share was paid to the shareholders (2005: 6 cents per share).
- The Company acquired on 22 March 2006 the remaining 60% shareholding in Courts (Indian Ocean) Limited, the holding company of Courts (Madagascar) Sarl, from BAI for a nominal value of 1US dollar. The consolidated interim financial statements have been prepared in accordance with the purchase method.
- BAI announced on 8 August 2006 that it will be making an offer to acquire the minority shareholding in the Company, representing 11,784,114 shares, at Rs 8.00 per share. On 30 August 2006 the Board of Directors of Courts recommended the acceptance of the proposed offer by BAI. Trading in the shares of Courts on the Official Market of the Stock Exchange of Mauritius (SEM) has been suspended as from 4 September 2006 until the offer by BAI closes or until such date as shall be communicated by the SEM.

**By order of the Board**  
**Swadeck Taher FCA, FCCA**  
**Secretary**  
**29 September 2006**

*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.*