



Incorporated in Republic of Botswana (Registration number 89/1844)

Unaudited results for the six months ended 30 November 2005

Abridged Income Statement

| | (unaudited) | (unaudited) | (audited) |
|---|--|--|---|
| | Consolidated 6 months to 30-Nov-05 | Consolidated 6 months to 30-Nov-04 | Consolidated 12 months to 31-May-05 |
| Turnover | 8,552,948 | 12,396,377 | 30,578,675 |
| Cost of sales | (5,871,902) | (9,014,073) | (25,808,443) |
| Gross profit | 2,681,046 | 3,382,304 | 4,770,232 |
| Other operating income | 284,574 | 115,550 | 799,401 |
| Administrative expenses | (3,697,654) | (2,823,648) | (5,783,090) |
| Impairment / Amortisation of goodwill | (785,000) | (435,740) | (2,719,408) |
| Profit from operations | (1,517,034) | 238,466 | (2,932,865) |
| Share of Associate Companies profits/(losses) | (107,849) | (43,364) | (154,669) |
| Net finance income | (50,032) | 50,324 | 128,784 |
| Profit before taxation | (1,674,915) | 245,426 | (2,958,750) |
| Taxation | 103,524 | (26,941) | 555,970 |
| Net profit for the period | (1,571,391) | 218,485 | (2,402,780) |
| Dividend proposed | | (654,225) | |
| Retained profit for the period | (1,571,391) | (435,740) | (2,402,780) |

Supplementary Information

Earnings per share

| | | | |
|---------------------------------------|-------------|------------|-------------|
| Net profit for the year | (1,571,391) | 218,485 | (2,402,780) |
| Impairment / Amortisation of goodwill | 785,000 | 435,740 | 2,719,408 |
| Headline earnings | (786,391) | 654,225 | 316,628 |
| Shares in issue | 31,482,887 | 31,482,887 | 31,482,887 |
| Headline earnings per share (thebe) | -2.50 | 2.08 | 1.01 |
| Dividend per share (thebe) | - | 2.08 | - |

Abridged Balance Sheet

ASSETS

Non-current assets

| | | | |
|-----------------------------|-----------|-----------|-----------|
| Property, plant & equipment | 3,141,541 | 3,261,106 | 3,269,669 |
| Intangible assets | 2,263,142 | 5,331,814 | 3,048,143 |
| Investments | | 126,996 | - |
| Deferred tax assets | 523,520 | 179,379 | 523,520 |

Current assets

| | | | |
|-----------------------------|------------|------------|------------|
| Work in progress | 1,061,517 | 8,329,474 | 429,959 |
| Receivables and prepayments | 11,646,454 | 11,539,266 | 20,501,214 |
| Tax refund Due | 731,034 | | 467,934 |
| Cash and cash equivalents | 3,006,538 | 2,897,441 | 5,399,198 |
| | 22,373,746 | 31,665,476 | 33,639,637 |

EQUITY AND LIABILITIES

Capital and reserves

| | | | |
|-------------------|------------|------------|------------|
| Ordinary shares | 1,574,144 | 1,574,144 | 1,574,144 |
| Share premium | 12,984,775 | 12,984,775 | 12,984,774 |
| Retained income | (409,968) | 4,870,665 | 1,161,423 |
| Proposed dividend | | 654,225 | 1,087,977 |
| | 14,148,951 | 20,083,809 | 16,808,318 |

Non-current liabilities

| | | | |
|-------------------|----|--------|--------|
| Deferred taxation | 11 | 33,015 | 45,170 |
|-------------------|----|--------|--------|

Current liabilities

| | | | |
|--------------------------|------------|------------|------------|
| Trade and other payables | 8,224,784 | 11,816,862 | 16,786,149 |
| Current tax liabilities | | (268,210) | - |
| | 22,373,746 | 31,665,476 | 33,639,637 |

Abridged Cashflow Statement

| | (unaudited) | (unaudited) | (audited) |
|---|--|--|---|
| | Consolidated 6 months to 30-Nov-05 | Consolidated 6 months to 30-Nov-03 | Consolidated 12 months to 31-May-05 |
| Cash flow from operating activities | | | |
| Profit before taxation | (1,674,915) | 245,426 | (2,958,750) |
| Adjusted for | | | |
| Depreciation | 259,208 | 221,429 | 563,062 |
| Impairment/Amortisation of goodwill | 785,000 | 435,740 | 2,719,408 |
| Net interest received/(paid) | (56,544) | 128,784 | |
| Share of Associate Company losses | 107,849 | 43,364 | - |
| Changes in working capital | (539,911) | (247,696) | 581,831 |
| Cash generated from operations | (1,119,313) | 641,719 | 1,034,335 |
| Interest received | 51,135 | 56,544 | (128,784) |
| Taxation paid | (250,000) | (757,007) | (836,826) |
| Investments | 120,000 | - | - |
| Purchase of assets | (106,505) | (50,168) | (479,173) |
| Intangible assets | - | | |
| Net cash used in investing activities | (1,304,683) | (108,912) | (410,448) |
| Financing activities | | | |
| Decrease in long term loans | - | | - |
| Dividends paid | (1,087,977) | (713,153) | (1,269,244) |
| Net cash from/(used in) financing activities | (1,087,977) | (713,153) | (1,269,244) |
| Increase in cash and cash equivalents | (2,392,660) | (822,065) | (1,679,692) |
| Movement in cash and cash equivalents | | | |
| At beginning of period | 5,399,198 | 3,719,506 | 3,719,506 |
| Increase | (2,392,660) | (822,065) | 1,679,692 |
| At end of period | 3,006,538 | 2,897,441 | 5,399,198 |

Abridged Statement Of Change In Equity

| | Share Capital Pula | Share Premium Pula | Retained Income Pula | Proposed Dividend Pula | Total Pula |
|-------------------------------|--------------------------|--------------------------|----------------------------|------------------------------|---------------|
| Balance at 31 May 2005 | 1,574,144 | 12,984,774 | 1,161,423 | 1,087,977 | 16,808,318 |
| Prior year dividend paid | - | - | | (1,087,977) | (1,087,977) |
| Proposed dividend | | | | - | - |
| Net profit for the period | - | - | (1,571,391) | - | (1,571,391) |
| Balance at 30 November 2005 | 1,574,144 | 12,984,774 | (409,968) | - | 14,148,950 |

Executive Comment

Basis of Preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements are consistent with prior years.

Revenue

Group revenue is down 31% from the same period last year. This is due to the extremely difficult trading conditions currently prevalent in Botswana. It is encouraging to note a substantial increase in revenue from the Ugandan operations.

Gross Profits

GP is down 35% as a result of the lower revenues. The GP margin has increased from 27% to 31% due to the effective management of sale costs.

Expenses

Administrative expenses have increased due to our strategy of expanding into Africa, namely Uganda and Zambia. This regional expansion policy has been driven by the poor trading conditions in Botswana and the opportunities

to implement systems similar to those already in place in Botswana and neighbouring countries. The changes in accounting policies regarding the impairment / amortisation of goodwill have had a significant effect on the operating expenses resulting in an additional cost of P400,740 from the same period last year.

Earning

the group has recorded a half-year loss of P1,571,391. Management is in the process of implementing

cost cutting measures in order to control losses until such time as trading conditions in Botswana improve and the regional business start to show significant profits.

Dividends

The Board is unable to declare a dividend for the period reported.



J.R. Pool
Managing Director
31st March 2006



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