

**CIEL TEXTILE LIMITED AND ITS SUBSIDIARIES**  
**UNAUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2008**

**ABRIDGED INCOME STATEMENTS**

	THE GROUP			
	6 months ended	6 months ended	3 months ended	3 months ended
	31-Dec-08 UNAUDITED	31-Dec-07 UNAUDITED	31-Dec-08 UNAUDITED	31-Dec-07 UNAUDITED
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Turnover</b>	<b>3,351,135</b>	3,510,577	<b>1,455,281</b>	1,536,448
<b>Profit before Depreciation and Amortisation</b>	<b>160,629</b>	271,517	<b>76,224</b>	122,208
Depreciation and Amortisation	(105,710)	(106,564)	(52,942)	(53,980)
Net Finance costs	(52,291)	(57,496)	(24,867)	(24,360)
Share of (Loss) / Profit of Associates	(4,159)	3,694	(2,595)	2,016
<b>(Loss) / Profit before Taxation</b>	<b>(1,531)</b>	111,151	<b>(4,180)</b>	45,884
Taxation	(5,539)	(6,807)	(2,781)	(3,745)
<b>(Loss) / Profit for the period</b>	<b>(7,070)</b>	104,344	<b>(6,961)</b>	42,139
<b>Attributable to :</b>				
Equity Holders of the Parent	(18,263)	105,422	(14,895)	42,861
Minority Interests	11,193	(1,078)	7,934	(377)
	<b>(7,070)</b>	104,344	<b>(6,961)</b>	42,484
<b>Earnings per Share</b>				
(Loss) / Earnings attributable to Equity Holders (Rs '000)	(18,263)	105,422	(14,895)	42,861
Number of shares in issue during the year ('000)	101,808	101,808	101,808	101,808
(Loss) / Earnings per Share (Rs/Cs)	(0.18)	1.04	(0.15)	0.42

	THE COMPANY			
	6 months ended	6 months ended	3 months ended	3 months ended
	31-Dec-08 UNAUDITED	31-Dec-07 UNAUDITED	31-Dec-08 UNAUDITED	31-Dec-07 UNAUDITED
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Turnover</b>	<b>41,436</b>	55,994	<b>41,436</b>	55,994
<b>Profit before Depreciation and Amortisation</b>	<b>44,672</b>	57,971	<b>43,573</b>	57,470
Depreciation and Amortisation	(2,549)	(2,549)	(1,275)	(1,275)
Net Finance Income	351	1,589	87	59
<b>Profit Before Taxation</b>	<b>42,474</b>	57,011	<b>42,385</b>	56,254
Taxation	(852)	-	(852)	-
<b>Profit for the period</b>	<b>41,622</b>	57,011	<b>41,533</b>	56,254

**ABRIDGED STATEMENTS OF CHANGES IN EQUITY**

	THE GROUP					
	Share Capital	Revaluation and Other Reserves	Sub Total	Minority Interests	Redeemable Preference Share Capital	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 01, 2008	685,865	1,482,607	2,168,472	106,857	448,937	2,724,266
Loss for the period	-	(18,263)	(18,263)	-	-	(18,263)
Movements for the period	-	-	-	11,193	-	11,193
Ordinary Dividend	-	(37,669)	(37,669)	-	-	(37,669)
Preference Dividend	-	(3,767)	(3,767)	-	-	(3,767)
<b>At December 31, 2008</b>	<b>685,865</b>	<b>1,422,908</b>	<b>2,108,773</b>	<b>118,050</b>	<b>448,937</b>	<b>2,675,760</b>
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 01, 2007	685,865	1,450,021	2,135,886	78,531	448,937	2,663,354
Profit for the period	-	105,422	105,422	-	-	105,422
Movements for the period	-	-	-	(1,058)	-	(1,058)
Ordinary Dividend	-	(50,904)	(50,904)	-	-	(50,904)
Preference Dividend	-	(5,090)	(5,090)	-	-	(5,090)
<b>At December 31, 2007</b>	<b>685,865</b>	<b>1,499,449</b>	<b>2,185,314</b>	<b>77,473</b>	<b>448,937</b>	<b>2,711,724</b>

	THE COMPANY		
	Share Capital	Revaluation and Other Reserves	Total
	Rs'000	Rs'000	Rs'000
At July 01, 2008	685,865	110,099	795,964
Profit for the period	-	41,622	41,622
Ordinary Dividend	-	(37,669)	(37,669)
Preference Dividend	-	(3,767)	(3,767)
<b>At December 31, 2008</b>	<b>685,865</b>	<b>110,285</b>	<b>796,150</b>
	Rs'000	Rs'000	Rs'000
At July 01, 2007	685,865	109,820	795,685
Profit for the period	-	57,013	57,013
Ordinary Dividend	-	(50,904)	(50,904)
Preference Dividend	-	(5,090)	(5,090)
<b>At December 31, 2007</b>	<b>685,865</b>	<b>110,839</b>	<b>796,704</b>

**ABRIDGED BALANCE SHEETS AS AT**

	THE GROUP		THE COMPANY	
	31-Dec-08 UNAUDITED	30-Jun-08 AUDITED	31-Dec-08 UNAUDITED	30-Jun-08 AUDITED
	Rs'000	Rs'000	Rs'000	Rs'000
<b>ASSETS EMPLOYED</b>				
<b>Non Current Assets</b>				
Property, plant and equipment	2,010,593	2,052,245	1,14,867	1,17,416
Investments and Others	143,845	148,003	1,122,062	1,122,062
	<b>2,154,438</b>	2,200,248	<b>1,236,929</b>	<b>1,239,478</b>
<b>Current Assets</b>				
	<b>3,687,718</b>	3,815,502	<b>884,953</b>	<b>826,218</b>
	<b>5,842,156</b>	6,015,750	<b>2,121,882</b>	<b>2,065,696</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share Capital	685,865	685,865	685,865	685,865
Reserves	1,422,908	1,482,607	1,10,285	110,099
Shareholders' Interests	2,108,773	2,168,472	796,150	795,964
Minority Interests	118,050	106,857	-	-
Redeemable Preference Share Capital	448,937	448,937	-	-
	<b>2,675,760</b>	2,724,266	<b>796,150</b>	795,964
<b>Non Current Liabilities</b>				
	<b>281,033</b>	302,226	<b>30,957</b>	30,907
<b>Current Liabilities</b>				
	<b>2,885,363</b>	2,989,258	<b>1,294,775</b>	1,238,825
	<b>5,842,156</b>	6,015,750	<b>2,121,882</b>	2,065,696

**ABRIDGED CASH FLOW STATEMENTS**

	THE GROUP		THE COMPANY	
	Half Year to 31-Dec-08 UNAUDITED	Half Year to 31-Dec-07 UNAUDITED	Half Year to 31-Dec-08 UNAUDITED	Half Year to 31-Dec-07 UNAUDITED
	Rs'000	Rs'000	Rs'000	Rs'000
Net Cash from Operating Activities	110,061	161,238	43,759	63,464
Net Cash (used in) / generated from Investing Activities	(62,518)	(121,623)	-	-
Net Cash used in Financing Activities	(133,800)	(182,635)	(42,288)	(80,588)
<b>(Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(86,257)</b>	(143,020)	<b>1,471</b>	(17,124)
Opening Cash and Cash Equivalents	(477,971)	(360,165)	(4,393)	15,961
<b>Closing Cash and Cash Equivalents</b>	<b>(564,228)</b>	(503,185)	<b>(2,922)</b>	(1,163)

**Results**

Group turnover for the half year ended December 31, 2008 was Rs 3.4 Billion compared to Rs 3.5 Billion for the half year ended December 31, 2007. A loss after tax of Rs 7.1 Million was incurred for the half year to December 31, 2008 compared to a profit after tax of Rs 104.3 Million for the half year ended December 31, 2007.

Despite the drop in retail sales on our major markets, coupled with market pressure on prices, we have been able to maintain our volume of orders to last year's level. However, our margins have been adversely affected, mainly by the appreciation the Mauritian Rupee.

Tight costs management and favourable forward foreign exchange covers have helped limit the impact of lower margins.

**Outlook**

Our customers' retail performance is not showing any sign of improvement and is in fact likely to deteriorate in the next six months. We are expecting both volume of orders and margins to decline.

It is expected that the political climate in Madagascar may also have a significant impact on the next six months' results if the current political crisis is not rapidly resolved.

In the face of the above challenges, the management team is taking all reasonable steps to mitigate potential losses in revenue and margins.

It is important to note that fluctuations in the currency rates over the next few months may have a material impact (positive or negative) on future results.

**By order of the Board**

**CIEL Corporate Services Ltd**  
**Secretaries**

**February 12, 2009**

The abridged quarterly financial statements of CIEL Textile Limited are unaudited and have been prepared using the same accounting policies as the audited financial statements for the year ended June 30, 2008.

Copies of the quarterly report are available free of charge at the registered office of the Company, 5th floor, Ebène Skies, Rue de l'Institut, Ebène.

These abridged quarterly financial statements are issued pursuant to DEM rule 17 and the Securities Act 2005.

The statement of direct and indirect interests of Insiders pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available free of charge, at the registered office of the Company.

The Board of Directors of CIEL Textile Limited accepts full responsibility for the accuracy of the information contained in this report.