



PROMOTION AND DEVELOPMENT LIMITED

INCOME STATEMENTS - PERIOD ENDED DECEMBER 31,2006

	THE GROUP			THE COMPANY		
	UNAUDITED		AUDITED	UNAUDITED		AUDITED
	Six months ended		Year ended	Six months ended		Year ended
	31 DEC 2006	31 DEC 2005	30 JUN 06	31 DEC 2006	31 DEC 2005	30 JUN 06
	MRs000	Restated MRs000	MRs000	MRs000	MRs000	MRs000
Turnover	<b>138,863</b>	122,539	256,083	<b>68,246</b>	52,934	106,561
Operating expenses	<b>(83,652)</b>	(70,817)	(142,536)	<b>(16,763)</b>	(16,844)	(32,404)
Operating profit	<b>55,211</b>	51,722	113,547	<b>51,483</b>	36,090	74,157
Profit on disposal of shares	<b>119,018</b>	4,895	4,895	<b>110,133</b>	4,895	4,895
Loss on disposal of investment in subsidiary 17	<b>(2,587)</b>	-	-	<b>(4,285)</b>	-	-
Profit on disposal of investment in associate	<b>555</b>	44,795	44,796	<b>35,080</b>	46,931	46,932
Surplus on distribution of assets by associate 18	<b>67</b>	4,674	4,674	<b>429</b>	937	938
Finance costs 19	<b>(14,053)</b>	(20,007)	(36,501)	<b>(6,555)</b>	(11,064)	(18,884)
Share of results of associates	<b>117,134</b>	87,888	165,507	<b>-</b>	-	-
Profit before taxation	<b>275,345</b>	173,967	296,918	<b>186,285</b>	77,789	108,038
Taxation 20	<b>(14,330)</b>	(10,137)	38,925	<b>(1,526)</b>	(141)	(4,706)
<b>Profit for the period/year</b>	<b>261,015</b>	163,830	335,843	<b>184,759</b>	77,648	103,332
<b>Attributable to:</b>						
Equity holders of the company	<b>251,217</b>	152,263	285,090	<b>184,759</b>	77,648	103,332
Minority interest	<b>9,798</b>	11,567	50,753	<b>-</b>	-	-
	<b>261,015</b>	163,830	335,843	<b>184,759</b>	77,648	103,332
Earnings per share 21	<b>MRs 6.46</b>	MRs 3.92	MRs 7.34			

**PROMOTION AND DEVELOPMENT LIMITED**

**STATEMENTS OF CHANGES IN EQUITY - PERIOD ENDED DECEMBER 31,2006**

	Attributable to equity holders of the company				Minority Interest	Total Equity
	Share Capital MRs000	Other Reserves MRs000	Retained Earnings MRs000	Total MRs000		
<b>THE GROUP</b>						
At July 1st 2005	194,331	1,350,681	1,444,608	2,989,620	769,530	3,759,150
Profit for the period-restated	-	-	152,263	152,263	11,567	163,830
Group's share of movement in reserves of associates	-	35,798	-	35,798	-	35,798
Release on write off of available-for-sale financial assets	-	932	-	932	-	932
Release on disposal of available-for-sale financial assets	-	(3,700)	-	(3,700)	-	(3,700)
Fair value gains on available-for-sale financial assets	-	345,407	-	345,407	(2,241)	343,166
Currency translation differences	-	(326)	-	(326)	-	(326)
<b>At December 31,2005</b>	<b>194,331</b>	<b>1,728,792</b>	<b>1,596,871</b>	<b>3,519,994</b>	<b>778,856</b>	<b>4,298,850</b>
At July 1,2005	194,331	1,350,681	1,444,608	2,989,620	769,530	3,759,150
Profit for the year	-	-	285,090	285,090	50,753	335,843
Dividend	-	-	(42,753)	(42,753)	(16,394)	(59,147)
Group's share of movement in reserves of associates	-	2,198,522	3,039	2,201,561	-	2,201,561
Effect of increase in interest in associates	-	(1,329)	32	(1,297)	-	(1,297)
Release on write off of available-for-sale financial assets	-	932	-	932	-	932
Release on disposal of available-for-sale financial assets	-	(3,700)	-	(3,700)	-	(3,700)
Fair value gains on available-for-sale financial assets	-	281,937	-	281,937	(2,291)	279,646
Currency translation differences	-	3,785	-	3,785	-	3,785
<b>At June 30th 2006</b>	<b>194,331</b>	<b>3,830,828</b>	<b>1,690,016</b>	<b>5,715,175</b>	<b>801,598</b>	<b>6,516,773</b>
At July 1st 2006	194,331	3,830,828	1,690,016	5,715,175	801,598	6,516,773
Profit for the period	-	-	251,217	251,217	9,798	261,015
Group's share of movement in reserves of associates	-	(191,275)	53,733	(137,542)	-	(137,542)
Effect of increase in interest in associates	-	(11)	(536)	(547)	-	(547)
Release on disposal of available-for-sale financial assets	-	(111,929)	-	(111,929)	-	(111,929)
Fair value gains on available-for-sale financial assets	-	833,573	-	833,573	(690)	832,883
Currency translation differences	-	8,343	-	8,343	-	8,343
<b>At December 31,2006</b>	<b>194,331</b>	<b>4,369,529</b>	<b>1,994,430</b>	<b>6,558,290</b>	<b>810,706</b>	<b>7,368,996</b>

**PROMOTION AND DEVELOPMENT LIMITED**

**STATEMENTS OF CHANGES IN EQUITY - PERIOD ENDED DECEMBER 31,2006**

THE COMPANY	Share Capital MRs000	Other Reserves MRs000	Retained Earnings MRs000	Total MRs000
At July 1st 2005	194,331	1,825,140	455,667	2,475,138
Profit for the period	-	-	77,648	77,648
Increase in fair value of subsidiaries	-	58,498	-	58,498
Increase in fair value of associates	-	272,823	-	272,823
Increase in fair value of available-for-sale financial assets	-	345,560	-	345,560
Release on disposal of available-for-sale financial assets	-	(3,700)	-	(3,700)
Release on distribution of assets by associates	-	(865)	-	(865)
Release on write off of available-for-sale financial assets	-	932	-	932
Release on disposal of investments in associates	-	(50,400)	-	(50,400)
At December 31st 2005	<u>194,331</u>	<u>2,447,988</u>	<u>533,315</u>	<u>3,175,634</u>
At July 1st 2005	194,331	1,825,140	455,667	2,475,138
Profit for the year	-	-	103,332	103,332
Increase in fair value of subsidiaries	-	89,772	-	89,772
Increase in fair value of associates	-	245,970	-	245,970
Increase in fair value of available-for-sale financial assets	-	267,186	-	267,186
Release on distribution of assets by associates	-	(865)	-	(865)
Release on write off of available-for-sale financial assets	-	932	-	932
Release on disposal of available-for-sale investment	-	(3,700)	-	(3,700)
Release on disposal of investments in associates	-	(50,400)	-	(50,400)
Dividend	-	-	(42,753)	(42,753)
At June 30th 2006	<u>194,331</u>	<u>2,374,035</u>	<u>516,246</u>	<u>3,084,612</u>
At July 1st 2006	194,331	2,374,035	516,246	3,084,612
Profit for the period	-	-	184,759	184,759
Increase in fair value of subsidiaries	-	539,146	-	539,146
Increase in fair value of associates	-	911,752	-	911,752
Increase in fair value of available-for-sale financial assets	-	785,749	-	785,749
Release on disposal of associates	-	(34,800)	-	(34,800)
Release on distribution of assets by associates	-	(362)	-	(362)
Release on disposal of investment in subsidiary	-	1,528	-	1,528
Release on disposal of available-for-sale financial assets	-	(107,781)	-	(107,781)
<b>At December 31,2006</b>	<u><b>194,331</b></u>	<u><b>4,469,267</b></u>	<u><b>701,005</b></u>	<u><b>5,364,603</b></u>

PROMOTION AND DEVELOPMENT LIMITED

CASH FLOW STATEMENTS - PERIOD ENDED DECEMBER 31ST 2006

	THE GROUP			THE COMPANY		
	UNAUDITED		AUDITED	UNAUDITED		AUDITED
	31 Dec 06 MRs000	31 Dec 05 MRs000	30 Jun 06 MRs000	31 Dec 06 MRs000	31 Dec 05 MRs000	30 Jun 06 MRs000
<b>Cash flows from operating activities</b>						
Cash received from investments	25,453	56,319	114,222	45,594	68,890	120,910
Cash received from tenants	69,747	70,311	142,640	4,105	3,103	4,972
Security fees	36,627	24,552	51,647	-	-	-
Cash received from other operating activities	3,042	3,863	6,913	6,933	6,287	10,739
Operating cash payments	(87,455)	(71,346)	(130,539)	(17,853)	(14,726)	(27,469)
Cash generated from operating activities	47,414	83,699	184,883	38,779	63,554	109,152
Interest paid	(16,344)	(21,051)	(37,157)	(6,716)	(11,931)	(19,551)
Income tax paid	(626)	-	(8,481)	(40)	-	(170)
Net cash generated from operating activities	30,444	62,648	139,245	32,023	51,623	89,431
<b>Cash flows from investing activities</b>						
Proceeds from sale of property, plant and equipment	784	1,282	1,306	784	517	532
Purchase of available-for-sale financial assets	(42,294)	(2,383)	(48,269)	(15,589)	(1,791)	(45,663)
Purchase of associates	-	(733)	(759)	-	(733)	(732)
Proceeds from sale of available-for-sale financial assets	160,004	1,382	13,378	135,058	1,382	13,378
Proceeds from disposal of associates	39,080	58,393	58,293	39,080	58,393	58,293
Proceeds from distribution of assets by associates	2,136	8,724	8,724	2,136	8,724	8,724
Disposal of subsidiary, net of cash disposed	(441)	-	-	-	-	-
Capital repayment on investment	-	-	322	-	-	322
Proceeds from disposal of investment properties	10,310	14,060	14,060	-	-	-
Capital expenditure in respect of investment property	(80,338)	(370)	(22,020)	-	-	-
Purchase of property, plant and equipment	(5,501)	(6,584)	(10,572)	(899)	(1,532)	(1,930)
Purchase of intangible assets	(470)	(4,178)	(4,187)	(377)	-	-
Other cash inflows/(outflows)	504	226	1,530	1,714	(694)	772
Net cash generated from investing activities	83,774	69,819	11,806	161,907	64,266	33,696
Net cash flow before financing	114,218	132,467	151,051	193,930	115,889	123,127
<b>Cash flows from financing activities</b>						
Proceeds from borrowings from subsidiaries	-	-	-	-	300	718
Repayment of borrowings to subsidiaries	-	-	-	-	(6)	(798)
Loans granted to subsidiaries	-	-	-	(144,800)	(62,800)	(104,900)
Loans repayment from subsidiaries	-	-	-	11,000	49,395	104,900
Loans from associates	7,000	-	-	-	-	-
Repayment of borrowings to associates	(5,275)	(77,660)	(77,755)	(5,275)	(77,660)	(77,755)
Repayment of bank borrowings	(21,586)	(21,065)	(42,350)	-	-	-
Finance lease principal payments	-	(53)	(110)	-	-	-
Dividends paid to Company's shareholders	(42,753)	(38,866)	(38,866)	(42,753)	(38,866)	(38,866)
Dividends paid to minority interests	(16,394)	(16,394)	(16,394)	-	-	-
Net cash (used in)/ generated from financing activities	(79,008)	(154,038)	(175,475)	(181,828)	(129,637)	(116,701)
Increase/(decrease) in cash and cash equivalents	35,210	(21,571)	(24,424)	12,102	(13,748)	6,426
Cash and cash equivalents at July 1st,	(131,769)	(107,356)	(107,356)	(82,005)	(88,431)	(88,431)
Effect of foreign exchange rate changes	495	3	11	-	-	-
Cash and cash equivalents at December 31st,	(96,064)	(128,924)	(131,769)	(69,903)	(102,179)	(82,005)
<b>Analysis of cash and cash equivalents</b>						
Bank and cash balances	2,468	3,995	1,839	834	3	3
Bank overdrafts	(98,532)	(132,919)	(133,608)	(70,737)	(102,182)	(82,008)
	(96,064)	(128,924)	(131,769)	(69,903)	(102,179)	(82,005)

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

2 PROPERTY, PLANT AND EQUIPMENT

	Property	Equipment furniture & fittings	Motor vehicles	Total
	MRs000	MRs000	MRs000	MRs000
<b>THE GROUP</b>				
<b>Cost</b>				
At July 1st 2006	39,474	44,774	24,085	108,333
Additions	-	3,385	2,100	5,485
Disposals	-	(782)	(1,431)	(2,213)
Consolidation adjustment on disposal of subsidiary	-	(116)	(381)	(497)
<b>At December 31st 2006</b>	<b>39,474</b>	<b>47,261</b>	<b>24,373</b>	<b>111,108</b>
<b>Depreciation</b>				
At July 1st 2006	1,789	27,406	12,143	41,338
Charge for the year	204	2,238	1,948	4,390
Disposal adjustment	-	(597)	(681)	(1,278)
Consolidation adjustment on disposal of subsidiary	-	(102)	(90)	(192)
<b>At December 31st 2006</b>	<b>1,993</b>	<b>28,945</b>	<b>13,320</b>	<b>44,258</b>
<b>Net book values</b>				
<b>At December 31st 2006</b>	<b>37,481</b>	<b>18,316</b>	<b>11,053</b>	<b>66,850</b>
At December 31,2005	37,888	16,920	12,428	67,236
At June 30th 2006	37,685	17,368	11,942	66,995
<b>THE COMPANY</b>				
<b>Cost</b>				
At July 1st 2006		7,541	8,178	15,719
Additions		114	785	899
Disposals		(10)	(915)	(925)
<b>At December 31st 2006</b>		<b>7,645</b>	<b>8,048</b>	<b>15,693</b>
<b>Depreciation</b>				
At July 1st 2006		5,609	3,791	9,400
Charge for the year		289	787	1,076
Disposal adjustment		(10)	(269)	(279)
<b>At December 31st 2006</b>		<b>5,888</b>	<b>4,309</b>	<b>10,197</b>
<b>Net book values</b>				
<b>At December 31st 2006</b>		<b>1,757</b>	<b>3,739</b>	<b>5,496</b>
At December 31,2005		1,850	5,035	6,885
At June 30th 2006		1,932	4,387	6,319

**PROMOTION AND DEVELOPMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006**

**3 INVESTMENT PROPERTY**

	<b><u>FREEHOLD</u></b>		<b><u>LONG</u></b>	<b><u>TOTAL</u></b>	31 Dec 05 <u>MRs000</u>	30 Jun 06 <u>MRs000</u>
	<b>LE CAUDAN WATERFRONT</b>	<b>OTHER LAND AND BUILDINGS</b>	<b><u>LEASEHOLD</u></b>	<b><u>BUILDINGS</u></b>		
<b>THE GROUP</b>						
<b>Fair value model</b>	<b><u>MRs000</u></b>	<b><u>MRs000</u></b>	<b><u>MRs000</u></b>	<b><u>MRs000</u></b>		
At July 1st	1,978,717	179,642	129,478	2,287,837	2,301,897	2,301,897
Additions	108,119	-	-	108,119	-	-
Disposal	(10,310)	-	-	(10,310)	(14,060)	(14,060)
<b>At Dec 31st</b>	<b><u>2,076,526</u></b>	<b><u>179,642</u></b>	<b><u>129,478</u></b>	<b><u>2,385,646</u></b>	<b><u>2,287,837</u></b>	<b><u>2,287,837</u></b>

<b>THE COMPANY</b>	<b><u>FREEHOLD</u></b>		<b>31 Dec 06 <u>MRs000</u></b>	31 Dec 05 <u>MRs000</u>	30 Jun 06 <u>MRs000</u>
	<b><u>LAND</u></b>	<b><u>BUILDINGS</u></b>			
<b>Fair value model</b>					
At July 1 and at Dec 31,	<u>58,680</u>	<u>35,520</u>	<u>94,200</u>	<u>94,200</u>	<u>94,200</u>

**Basis of valuation:**

Land at Le Caudan Waterfront was revalued by Alan Tinkler, Ramlackhan & co, Chartered Valuation Surveyors on the basis of open market value at 30th June 2005.

The fair value of other investment property has been determined by the directors on the basis of prices prevailing on the market. At June 30,2005, industrial buildings and buildings situated at Le Caudan Waterfront were determined on the basis of discounted future net cash flow method using the following assumptions: future net rental increase of 5.5% and discount rate of 9.6-9.8%.

Bank borrowings are secured by floating charges on the assets of the borrowing companies, including investment property.

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

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4. INTANGIBLE ASSETS

THE GROUP	Computer Software MRs000	Customer list MRs000	Total MRs000
<b>Cost</b>			
At July 1st 2006	1,914	4,178	6,092
Additions	470	-	470
<b>At December 31st 2006</b>	<b>2,384</b>	<b>4,178</b>	<b>6,562</b>
<b>Amortisation charge</b>			
At July 1st 2006	1,122	-	1,122
Charge for the year	204	-	204
<b>At December 31st 2006</b>	<b>1,326</b>	<b>-</b>	<b>1,326</b>
<b>Net Book Values</b>			
<b>At December 31st 2006</b>	<b>1,058</b>	<b>4,178</b>	<b>5,236</b>
At December 31st 2005	989	3,753	4,742
At June 30th 2006	792	4,178	4,970
<b>THE COMPANY</b>			
<b>Cost</b>			
At July 1st 2006	1,680		
Additions	377		
<b>At December 31st 2006</b>	<b>2,057</b>		
<b>Amortisation charge</b>			
At July 1st 2006	1,008		
Charge for the year	183		
<b>At December 31st 2006</b>	<b>1,191</b>		
<b>Net Book Values</b>			
<b>At December 31st 2006</b>	<b>866</b>		
At December 31st 2005	840		
At June 30th 2006	672		

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

5 INVESTMENTS IN SUBSIDIARY COMPANIES

	LISTED	UNQUOTED	TOTAL		
	MRs000	MRs000	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
<b>Valuation</b>					
At July 1st 2006	452,796	320,662	<b>773,458</b>	683,686	683,686
Amount written off following disposal of subsidiary	-	(170)	<b>(170)</b>		
Increase in fair value	370,469	168,677	<b>539,146</b>	58,498	89,772
<b>At December 31,2006</b>	<b>823,265</b>	<b>489,169</b>	<b>1,312,434</b>	742,184	773,458
Group loan receivable			<b>45,689</b>	45,689	45,689
			<b>1,358,123</b>	787,873	819,147

Listed subsidiaries have been valued at their market prices on the balance sheet date or if not quoted on that day, the last preceding market price. The directors have valued the unquoted subsidiaries on an earnings, dividend yield or cost basis as appropriate.

The group loan receivable is interest-free, without fixed maturity terms and has been measured at cost since the carrying amount approximates its fair value.

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

6 INVESTMENTS IN ASSOCIATES

THE GROUP

	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
Share of net assets			
At July 1st	3,014,115	908,365	3,116,731
Goodwill	15,547	15,967	15,547
At December 31st	<u>3,029,662</u>	<u>924,332</u>	<u>3,132,278</u>
	-		
At July 1st:			
Share of net assets	3,116,731	834,030	833,951
Goodwill	15,547	15,967	15,547
	<u>3,132,278</u>	<u>849,997</u>	<u>849,498</u>
Transfer from trade and other receivables	1,000	234	759
Acquisition in lieu of settlement of loans	-	-	906
Share of net assets on distribution of assets by associate	(2,069)	(4,051)	(4,051)
Share of net assets on disposal of associate	(38,526)	(13,498)	(13,498)
Share of profit for the period/year	117,134	87,888	165,507
Share of tax for the period/year	(5,575)	(2,992)	(7,365)
Dividends received	(36,494)	(29,044)	(34,434)
Share of dividend in specie	-	-	(25,308)
Share of surplus on revaluation of land	-	-	2,181,287
Other equity movements	(137,542)	35,798	20,274
Change in interest in associates	(544)	-	(1,297)
At Dec 31,	<u>3,029,662</u>	<u>924,332</u>	<u>3,132,278</u>

	OTC/DEM QUOTED	UNQUOTED	TOTAL		
	MRs000	MRs000	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
<b>THE COMPANY</b>					
<b>Valuation</b>					
At July 1st 2006	753,848	343,294	1,097,142	920,854	920,854
Additions	-	-	-	733	732
Disposal	-	-	-	(61,762)	(61,762)
Amount transferred from trade and other receivables	-	1,000	1,000	-	-
Release on disposal of investment in associate	-	(38,800)	(38,800)	-	-
Release on distribution of assets by associate	(2,069)	-	(2,069)	(8,652)	(8,652)
Increase in fair value	681,060	230,692	911,752	272,823	245,970
At December 31st 2006	<u>1,432,839</u>	<u>536,186</u>	<u>1,969,025</u>	<u>1,123,996</u>	<u>1,097,142</u>

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

7 AVAILABLE-FOR SALE FINANCIAL ASSETS

	Listed MRs000	OTC/DEM quoted MRs000	Unquoted MRs000	31-Dec-06 MRs000	TOTAL	
					31-Dec-05 MRs000	30-Jun-06 MRs000
<b>THE GROUP</b>						
<b>Valuation</b>						
At July 1st 2006	831,498	566,418	72,554	<b>1,470,470</b>	1,126,017	1,126,017
Additions	42,080	-	214	<b>42,294</b>	2,382	48,269
Amount written off	-	-	-	-	(200)	(486)
Dividend in specie	-	-	-	-	-	25,308
Disposals	(149,437)	(3,476)	-	<b>(152,913)</b>	(12,069)	(12,069)
Increase in fair value	377,605	455,281	(4)	<b>832,882</b>	343,166	279,646
Currency translation differences	8,343	-	-	<b>8,343</b>	(326)	3,785
<b>At December 31,2006</b>	<b>1,110,089</b>	<b>1,018,223</b>	<b>72,764</b>	<b>2,201,076</b>	1,458,970	1,470,470
<b>THE COMPANY</b>						
<b>Valuation</b>						
At July 1st 2006	756,323	492,301	72,553	<b>1,321,177</b>	1,020,883	1,020,883
Additions	15,375	-	214	<b>15,589</b>	1,791	45,663
Amount written off	-	-	-	-	(200)	(486)
Disposals	(129,228)	(3,477)	-	<b>(132,705)</b>	(12,069)	(12,069)
Increase/(decrease) in fair value	372,271	413,482	(4)	<b>785,749</b>	345,560	267,186
<b>At December 31,2006</b>	<b>1,014,741</b>	<b>902,306</b>	<b>72,763</b>	<b>1,989,810</b>	1,355,965	1,321,177

**PROMOTION AND DEVELOPMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006**

**8 TRADE AND OTHER RECEIVABLES**

	THE GROUP			THE COMPANY		
	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
Trade receivables (incl investment income)	32,574	31,202	25,475	6,324	10,088	2,137
Less: Provision for bad and doubtful debts	(6,118)	(4,305)	(5,922)	-	-	-
Trade receivables - net	26,456	26,897	19,553	6,324	10,088	2,137
Loan to subsidiary repayable at call	-	-	-	133,800	13,405	-
Dividend receivable from subsidiaries	-	-	-	-	-	24,582
Dividend receivable from associates	31,585	22,936	-	30,253	22,518	-
Amounts owed by subsidiaries	-	-	-	3,960	4,885	4,132
Loans to associates	8,215	1,648	8,215	1,648	1,648	1,648
Amounts owed by associates	603	4,319	1,124	603	997	1,124
Payments made on account	33,023	-	22,020	-	-	-
Other receivables	75,017	71,056	55,940	45,249	58,111	45,845
	174,899	126,856	106,852	221,837	111,652	79,468
Less non current portion-loans to associates	(8,215)	(1,648)	(8,215)	(1,648)	(1,648)	(1,648)
	166,684	125,208	98,637	220,189	110,004	77,820

**9 DEFERRED TAX**

Deferred income taxes are calculated on all temporary differences under the liability method at 22.5%/15% (2005:25%/15%)

The movement on the deferred income tax account is as follows:

	THE GROUP			THE COMPANY		
	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
At July 1st 2006	(106,240)	(166,926)	(166,928)	10,692	15,216	15,216
Charge to profit and loss account	(1,388)	(1,042)	60,688	(1,266)	(61)	(4,524)
<b>At December 31,2006</b>	<b>(107,628)</b>	<b>(167,968)</b>	<b>(106,240)</b>	<b>9,426</b>	<b>15,155</b>	<b>10,692</b>

The following amounts are shown in the balance sheet:

	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
Deferred tax assets	9,426	15,155	10,692	9,426	15,155	10,692
Deferred tax liabilities	(117,054)	(183,123)	(116,932)	-	-	-

**10. INVENTORIES**

THE GROUP	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
Spares and accessories (at cost)	2,713	2,752	2,498
Consumables	1,257	-	358
Goods for resale (at cost)	6,076	6,130	6,567
Goods for resale (at net realisable value)	27	20	27
	10,073	8,902	9,450

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

11. SHARE CAPITAL

	31-Dec-06 No	31-Dec-05 No	30-Jun-06 No	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
Ordinary shares of MRs5 each	<b>38,866,160</b>	38,866,160	38,866,160	<b>194,331</b>	194,331	194,331

12 OTHER RESERVES  
THE GROUP

	Share Premium MRs 000	Fair value reserve MRs 000	Translation reserve MRs 000	Capital reserves MRs 000	Total MRs 000
At July 1st 2006	169,018	944,964	7,090	2,709,756	3,830,828
Group's share of movement in reserves of associates	-	-	-	(191,275)	(191,275)
Effect of increase in interest in associates	-	-	-	(11)	(11)
Release on disposal of available-for-sale financial assets	-	(111,929)	-	-	(111,929)
Fair value gains on available-for-sale financial assets	-	833,573	-	-	833,573
Currency translation differences	-	-	8,343	-	8,343
<b>At December 31,2006</b>	<b>169,018</b>	<b>1,666,608</b>	<b>15,433</b>	<b>2,518,470</b>	<b>4,369,529</b>

THE COMPANY

	Share Premium MRs000	Fair value reserve MRs000	Total MRs000
At July 1st 2006	169,018	2,205,017	2,374,035
Increase in fair value of subsidiaries	-	539,146	539,146
Increase in fair value of associates	-	911,752	911,752
Increase in fair value of available-for-sale financial assets	-	785,749	785,749
Release on distribution of assets by associates	-	(35,162)	(35,162)
Release on disposal of investment in subsidiary	-	1,528	1,528
Release on disposal of available-for-sale financial assets	-	(107,781)	(107,781)
<b>At December 31,2006</b>	<b>169,018</b>	<b>4,300,249</b>	<b>4,469,267</b>

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

13. BORROWINGS

NOTES

		THE GROUP			THE COMPANY		
		31 Dec 2006 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000	31 Dec 2006 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
Bank overdrafts	A	98,532	132,919	133,608	70,737	102,182	82,008
Loan from subsidiaries	B	-	-	-	113,885	114,259	113,885
Loan from associates	C	7,000	5,370	5,274	-	5,370	5,274
Medium term loan	D	87,000	87,000	87,000	87,000	87,000	87,000
Obligations under finance leases	E	-	71	15	-	-	-
Bank loan	F	90,751	133,622	112,337	-	-	-
		<b>283,283</b>	<b>358,982</b>	<b>338,234</b>	<b>271,622</b>	<b>308,811</b>	<b>288,167</b>
<b>Current</b>							
Bank overdrafts		98,532	132,919	133,608	70,737	102,182	82,008
Loan from subsidiaries		-	-	-	113,885	114,259	113,885
Loan from associates		7,000	5,370	5,274	-	5,370	5,274
Bank loan		29,550	43,547	36,637	-	-	-
Obligations under finance leases		-	71	15	-	-	-
		<b>135,082</b>	<b>181,907</b>	<b>175,534</b>	<b>184,622</b>	<b>221,811</b>	<b>201,167</b>
<b>Non-current</b>							
Medium term loan		87,000	87,000	87,000	87,000	87,000	87,000
Bank loan		61,201	90,075	75,700	-	-	-
Loan capital excluding obligations under finance leases		148,201	177,075	162,700	87,000	87,000	87,000
Obligations under finance leases		-	-	-	-	-	-
		<b>148,201</b>	<b>177,075</b>	<b>162,700</b>	<b>87,000</b>	<b>87,000</b>	<b>87,000</b>
<b>Total borrowings</b>		<b>283,283</b>	<b>358,982</b>	<b>338,234</b>	<b>271,622</b>	<b>308,811</b>	<b>288,167</b>

**PROMOTION AND DEVELOPMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006**

**13 BORROWINGS (Continued)**

**A Bank overdrafts**

The bank overdrafts are secured by floating charges over the assets of the borrowing companies.

**B Loan from subsidiaries**

	THE COMPANY		
	31-Dec-06	31-Dec-05	30-Jun-06
	MRs000	MRs000	MRs000
Unsecured and interest free loan repayable at cal	<b>113,885</b>	114,259	113,885

**C Loan from associates**

	THE COMPANY		
	31-Dec-06	31-Dec-05	30-Jun-06
	MRs000	MRs000	MRs000
Unsecured loan repayable at call with interest at 6%/7%	-	5,370	5,274

	THE GROUP		
	31-Dec-06	31-Dec-05	30-Jun-06
	MRs000	MRs000	MRs000
Unsecured loan repayable at call with interest at 9%	<b>7,000</b>	-	-

**D Medium term loan**

The loan which is repayable in one instalment is secured and carries interest at the rate of 10% p.a.

**E Finance lease liabilities - minimum lease payments:**

THE GROUP	31-Dec-06	31-Dec-05	30-Jun-06
	MRs000	MRs000	MRs000
Within one year	-	75	15
Between one and two years	-	-	-
	-	75	15
Future finance charges on finance leases	-	(4)	-
Present value of finance lease liabilities	-	71	15
Representing lease liabilities:			
- current	-	71	15
- non-current	-	-	-
	-	71	15

The present value of finance lease liabilities

may be analysed as follows:

- within one year	-	71	15
- between one and two years	-	15	-
	-	86	15

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default

**F Bank loans**

	THE GROUP		
	31-Dec-06	31-Dec-05	30-Jun-06
	MRs000	MRs000	MRs000
Repayable by instalments			
- within one year	<b>29,550</b>	43,547	36,637
- between one and two years	<b>33,934</b>	30,908	32,413
- between two and five years	<b>27,267</b>	59,167	43,287
	<b>90,751</b>	133,622	112,337

**PROMOTION AND DEVELOPMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006**

**14 RETIREMENT BENEFIT OBLIGATIONS**

	THE GROUP			THE COMPANY		
	<b>31 Dec 06</b> MRs000	31-Dec-05 MRs000	30 Jun 06 MRs000	<b>31 Dec 06</b> MRs000	31-Dec-05 MRs000	30 Jun 06 MRs000
Amounts recognised in the balance sheets						
Pension schemes	<b>4,990</b>	4,716	4,136	<b>4,462</b>	4,395	3,956
Other post retirement benefits	<b>1,479</b>	780	1,348	-	-	-
	<b>6,469</b>	5,496	5,484	<b>4,462</b>	4,395	3,956
Analysed as follows						
Current liabilities	<b>528</b>	321	180	-	-	-
Non-current liabilities	<b>5,941</b>	5,175	5,304	<b>4,462</b>	4,395	3,956
	<b>6,469</b>	5,496	5,484	<b>4,462</b>	4,395	3,956
Amounts recognised in the profit and loss accounts						
Pension schemes	<b>2,790</b>	3,149	4,077	<b>1,104</b>	1,044	2,207
Other post retirement benefits	<b>131</b>	(19)	640	-	-	-
	<b>2,921</b>	3,130	4,717	<b>1,104</b>	1,044	2,207
Movement in the liability recognised in the balance sheets						
At July 1st,	<b>5,484</b>	5,194	5,194	<b>3,956</b>	4,031	4,031
Expense	<b>2,921</b>	3,130	4,717	<b>1,104</b>	1,044	2,207
Contributions paid	<b>(1,936)</b>	(2,828)	(4,427)	<b>(598)</b>	(680)	(2,282)
At Dec 31,	<b>6,469</b>	5,496	5,484	<b>4,462</b>	4,395	3,956

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

15. TRADE AND OTHER PAYABLES

	THE GROUP			THE COMPANY		
	31 Dec 06 MRs000	31-Dec-05 MRs000	30 Jun 06 MRs000	31 Dec 06 MRs000	31-Dec-05 MRs000	30 Jun 06 MRs000
Trade payables	-	952	825	-	825	825
Amounts owed to subsidiaries	-	-	-	1,528	1,683	1,528
Amounts owed to associated companies	-	821	974	-	821	974
Dividend payable to minority	-	-	16,394	-	-	-
Social security and other taxes	1,696	2,849	1,965	417	621	270
Retirement benefit obligations	528	321	180	-	-	-
Other payables	86,711	30,683	36,663	6,588	3,533	5,558
	<b>88,935</b>	<b>35,626</b>	<b>57,001</b>	<b>8,533</b>	<b>7,483</b>	<b>9,155</b>

Trade payables are interest free and have settlement dates within one year.

16 DIVIDEND PROPOSED

	31 Dec 06 MRs000	31-Dec-05 MRs000	30 Jun 06 MRs000
Final ordinary dividend of MRe1.10 per share	-	-	42,753

17 DISPOSAL OF SUBSIDIARY

The details of assets and liabilities disposed are as follows:

	MRs '000
Property,plant and equipment	305
Trade receivables	764
Bank and cash balances	55
Trade and other payables	(3,248)
Retirement benefit obligations	(465)
Net assets disposed	(2,589)
Loss on disposal	2,587
Total consideration	2
Less cash and cash equivalents in subsidiary sold	(443)
	<b>(441)</b>

18 SURPLUS ON DISTRIBUTION OF ASSETS BY ASSOCIATE

	THE GROUP			THE COMPANY		
	31 Dec 06 MRs000	31-Dec-05 MRs000	30 Jun 06 MRs000	31 Dec 06 MRs000	31-Dec-05 MRs000	30 Jun 06 MRs000
Surplus assets received from Les Villas de la Preneuse	-	4,674	4,674	-	937	938
Surplus assets received from Cie Generale	67	-	-	429	-	-
	<b>67</b>	<b>4,674</b>	<b>4,674</b>	<b>429</b>	<b>937</b>	<b>938</b>

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

19 FINANCE COSTS

	THE GROUP			THE COMPANY		
	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
<b>Interest expense</b>						
-Exchange Loss	-	-	-	-	-	-
- Bank overdrafts	3,334	7,154	11,708	2,012	6,107	9,377
- Loan repayable at call	193	607	807	193	607	807
- Bank and other loans repayable by instalments	11,015	12,239	23,975	4,350	4,350	8,700
- Finance leases	-	6	11	-	-	-
	<u>14,542</u>	<u>20,006</u>	<u>36,501</u>	<u>6,555</u>	<u>11,064</u>	<u>18,884</u>
Net foreign exchange transaction (gains)/loss*	(489)	1	-	-	-	-
	<u>14,053</u>	<u>20,007</u>	<u>36,501</u>	<u>6,555</u>	<u>11,064</u>	<u>18,884</u>

\* The foreign exchange gain at June 30,2006 stood at Rs 13,000 and has been included as part of other income.

20 TAXATION

	THE GROUP			THE COMPANY		
	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
Based on the profit for the year, as adjusted for tax purposes, at 22.5%/15%	(7,106)	(6,023)	(14,209)	-	-	-
Alternative Minimum Tax (AMT)	(260)	(80)	(177)	(260)	(80)	(177)
Underprovision of tax in previous year	-	-	(12)	-	-	(5)
Associates	(5,575)	(2,992)	(7,365)	-	-	-
Deferred tax	(1,389)	(1,042)	60,688	(1,266)	(61)	(4,524)
(Charge)/credit for the period/year	<u>(14,330)</u>	<u>(10,137)</u>	<u>38,925</u>	<u>(1,526)</u>	<u>(141)</u>	<u>(4,706)</u>

21 EARNINGS PER SHARE

The earnings per share is calculated on the basis of the group profit for the year divided by the weighted average number of shares in issue during the year.

	THE GROUP		
	31-Dec-06 MRs000	31-Dec-05 MRs000	30-Jun-06 MRs000
Profit attributable to shareholders	<u>251,217</u>	<u>152,263</u>	<u>285,090</u>
Weighted average number of shares in issue during the year	<u>38,866,160</u>	<u>38,866,160</u>	<u>38,866,160</u>

22 RETAINED EARNINGS

	holding company	subsidiary companies	associated companies	the group
	MRs000	MRs000	MRs000	MRs000
At July 1,2006	516,246	821,457	352,313	1,690,016
Profit for the period	184,759	(8,607)	75,065	251,217
Group's share of movement in reserves of associates	-	-	53,733	53,733
Effect of increase in interest in associate	-	-	(536)	(536)
<b>At December 31,2006</b>	<u>701,005</u>	<u>812,850</u>	<u>480,575</u>	<u>1,994,430</u>

PROMOTION AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PERIOD ENDED DECEMBER 31ST,2006

23 SEGMENTAL REPORTING

	<u>Property MRs000</u>	<u>Shares MRs000</u>	<u>Security MRs 000</u>	<u>Other MRs000</u>	<u>Eliminations MRs000</u>	<u>Total MRs000</u>
<b>Dec-06</b>						
External sales	72,658	26,923	36,010	3,272	-	138,863
Intersegment sales	413	32,573	4,785	4,469	(42,240)	-
Total revenue	<u>73,071</u>	<u>59,496</u>	<u>40,795</u>	<u>7,741</u>	<u>(42,240)</u>	<u>138,863</u>
Segment result	<u>29,066</u>	<u>53,662</u>	<u>961</u>	<u>6,147</u>	<u>(34,625)</u>	<u>55,211</u>
Dec 05 restated						
External sales	71,355	23,595	24,812	2,777	-	122,539
Intersegment sales	412	22,719	5,876	2,588	(31,595)	-
Total revenue	<u>71,767</u>	<u>46,314</u>	<u>30,688</u>	<u>5,365</u>	<u>(31,595)</u>	<u>122,539</u>
Segment result	<u>29,209</u>	<u>39,502</u>	<u>1,201</u>	<u>4,529</u>	<u>(22,719)</u>	<u>51,722</u>
Jun-06						
External sales	141,568	47,760	57,243	9,512	-	256,083
Intersegment sales	965	51,300	10,687	5,181	(68,133)	-
Total revenue	<u>142,533</u>	<u>99,060</u>	<u>67,930</u>	<u>14,693</u>	<u>(68,133)</u>	<u>256,083</u>
Segment result	<u>61,811</u>	<u>85,837</u>	<u>4,069</u>	<u>13,130</u>	<u>(51,300)</u>	<u>113,547</u>