



NU-WORLD HOLDINGS LIMITED

("Nu-World" or "the Group" or "the Company")

REVIEWED INTERIM REPORT FOR THE HALF YEAR ENDED 28 FEBRUARY 2006

INCOME BEFORE TAXATION
UP
29,0%
TO 62,4m

ATTRIBUTABLE INCOME
UP
14,2%
TO R40,4m

PER SHARE EARNINGS
UP
13,7%
TO 186,3 cents

CASH GENERATED BY OPERATIONS
R37 282
million

• 5 Year Compounded Average Annual Growth Rate in Headline Earnings up 24,1%

CONSOLIDATED INCOME STATEMENT

	Reviewed six months ended 28 Feb 2006 R'000	Reviewed six months ended 28 Feb 2005 R'000	% Change	Restated year ended 31 Aug 2005 R'000
Turnover	844 808	911 616	(7,3)	1 626 122
Net operating income	66 552	56 181		102 466
Depreciation	3 550	3 979		8 251
Interest paid	599	3 822		7 220
Income before taxation	62 403	48 380	29,0	86 995
Taxation	14 852	10 699		18 213
Income after taxation	47 551	37 681		68 782
Share of associate company's loss	3 555			
Minority interests	3 603	2 312		4 444
Attributable income	40 393	35 369	14,2	73 226
Dividend declared				20 971
Dividend per share (cents)				92,6
Headline earnings	40 393	35 369	14,2	73 226
Earnings per share (cents)	186,3	163,8	13,7	339,1
Headline earnings per share (cents)	186,3	163,8	13,7	339,1
Dividend per share (cents)				92,6
Interest cover	105,2	13,7		13,0
Shares in issue	21 685 290	21 597 265		21 592 490
Shares in issue – weighted	21 685 290	21 597 265		21 592 490
Shares in issue – diluted	22 636 290	21 597 265		22 543 490

CONSOLIDATED CASH FLOW STATEMENT

	Reviewed six months ended 28 Feb 2006 R'000	Restated six months ended 28 Feb 2005 R'000	Restated year ended 31 Aug 2005 R'000
Cash generated by operating activities	37 282	66 444	65 467
Cash generated by operations	79 054	95 584	101 512
Interest paid	(599)	(3 822)	(7 220)
Dividend paid	(20 971)	(15 252)	(15 252)
Taxation paid	(20 202)	(10 066)	(13 573)
Cash flows from investing activities	(12 548)	(23 357)	(26 342)
Purchase of tangible fixed assets	(2 067)	(2 929)	(5 511)
Proceeds on disposal of fixed assets			145
Increase in investment in subsidiary		(20 428)	(20 884)
Reclassification of subsidiary	(10 481)		
Increase in investment in treasury shares			(92)
Cash flows from financing activities	1 078	(2 669)	(10 196)
Repayment of long-term borrowings		(2 669)	(10 196)
Increase in translation reserve	15		
Proceeds on issue of treasury shares	1 063		
Net increase in cash and cash equivalents	25 812	40 418	28 929
Effect of exchange rate changes			(68)
Cash and cash equivalents at the beginning of the period/year	190 549	161 688	161 688
Cash and cash equivalents at the end of the period/year	216 361	202 106	190 549

STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Treasury shares R'000	Foreign currency translation reserve R'000	Accumulated profits R'000	Shareholders for dividend R'000	Share based compensation reserve R'000	Total R'000
Balance as at 1 September 2004 (Audited)	217	115 632	(1 072)	(813)	247 434	–	–	361 398
IFRS adjustments								
Restated balance at 1 September 2004	217	115 632	(1 072)	(813)	247 434	–	–	361 398
Net profit for the year					73 226			73 226
Net profit as previously reported					73 385			73 385
IFRS adjustments					(159)			(159)
Derecognition of negative goodwill (IFRS 3)					2 412			2 412
Dividends					(15 251)	15 251		–
Dividend settled						(15 251)		(15 251)
IFRS adjustments – share based payments							159	159
Fair value movement				627				627
Net treasury share movement			(20 872)					(20 872)
Treasury shares issued	9	20 770						20 779
Balance as at 31 August 2005	226	136 402	(21 944)	(186)	307 821	–	159	422 478
Net profit for the period					40 393			40 393
IFRS adjustments – share based payments							190	190
Dividends					(20 971)	20 971	–	–
Dividend settled						(20 971)		(20 971)
Fair value movement				(402)				(402)
Net treasury movement			1 063					1 063
Balance as at 28 February 2006	226	136 402	(20 881)	(588)	327 243	–	349	442 751

CONSOLIDATED BALANCE SHEET

	Reviewed six months ended 28 Feb 2006 R'000	Restated six months ended 28 Feb 2005 R'000	Restated year ended 31 Aug 2005 R'000
ASSETS			
Non-current assets			
Fixed assets	41 576	46 559	44 867
Goodwill	9 751	17 633	18 089
Investment in associate company	23 816		
Current assets			
Inventory	144 054	214 467	171 341
Trade and other receivables	138 742	215 622	227 716
Cash equivalents	216 361	202 106	190 549
Total assets	574 300	696 387	652 562
EQUITY AND LIABILITIES			
Ordinary shareholders' funds	442 751	383 633	422 478
Minority interests	13 256	33 401	28 156
Total shareholders' funds	456 007	417 034	450 634
Non-current liabilities	6 810	9 692	6 928
Current liabilities			
Trade and other payables	111 483	269 661	195 000
Total equity and liabilities	574 300	696 387	652 562

SUPPLEMENTARY INFORMATION

	Reviewed six months ended 28 Feb 2006 R'000	Restated six months ended 28 Feb 2005 R'000	% Change	Restated year ended 31 Aug 2005 R'000
SUPPLEMENTARY INFORMATION				
Analysis of group turnover				
Current consolidated subsidiaries	844 808	761 021	11,0	1 378 518
Deconsolidated subsidiary		150 595	(100,0)	247 604
Total group turnover	844 808	911 616	(7,3)	1 626 122
Operating income as a percentage of turnover (%)	7,9	6,2		6,3
Net negative debt to equity ratio (%)	(48,9)	(52,7)		(45,1)
Effective taxation rate (%)	23,8	22,1		20,9
Net asset value per share (cents)	2 041,7	1 776,3	14,9	1 956,6
Capital Expenditure				
Expansion	1 084	1 200		4 002
Replacement	983	1 729		1 509
	2 067	2 929		5 511
Goodwill and amortisation				
At beginning of year	18 089	5 926		5 926
Net acquisition of subsidiaries		9 295		9 751
Reclassification of subsidiary	(8 338)			
Derecognition of negative goodwill in terms of IFRS 3		2 412		2 412
At end of period/year	9 751	17 633		18 089
SEGMENTAL INFORMATION				
Geographical revenue				
Republic of South Africa	577 200	499 606		971 479
Australasia	232 791	381 814		591 628
United Kingdom	34 817	30 196		63 015
	844 808	911 616	(7,3)	1 626 122
Geographical income				
Republic of South Africa	37 397	31 085		76 963
Australasia	1 407	4 273		(2 411)
United Kingdom	1 589	11		(1 326)
	40 393	35 369	14,2	73 226

COMMENTS

ACCOUNTING POLICIES

The interim report is prepared on the historical cost basis, except financial instruments which have been fair valued.

This is in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, the South African Companies Act and the JSE Listings Requirements.

The results are presented in terms of IFRS statements. The Group has adopted and applied IFRS for the first time for the year ended 2006.

The transition date is 1 September 2004. The following new accounting policies were adopted:

Share-based payments

The Group has applied IFRS 2 - share based payments. IFRS 2 has been applied to all grants of equity, which were unvested as of 1 September 2004.

Reconciliation of Income Statement

	Reviewed six months ended 28 Feb 2005 R'000	Restated year ended 31 Aug 2005 R'000
Profit attributable to shareholders		
As previously reported under SA GAAP	35 369	73 385 (159)
IFRS adjustment – share based payments		
As reported under IFRS	35 369	73 226

	Retained earnings R'000	Share based compensation reserve R'000
1 September 2005		
As previously reported	307 980	
IFRS adjustment – share based payments	(159)	159
As reported under IFRS	307 821	159

The auditors Tuffias Sandberg KSi have reviewed the financial statements for the six months ended 28 February 2006 and their unqualified review report is available for inspection at the Company's registered office.

FINANCIAL OVERVIEW

The directors of Nu-World Holdings Ltd, a leading supplier of a broad range of branded consumer durables to the retail industry, are pleased to report solid growth for the period ending 28 February 2006. The Group is on track for sixteen consecutive years of growth for the financial year to August 2006.

The South African retail industry remained buoyant during the period under review. The run up to Christmas was particularly strong and South Africa achieved record sales for the period.

Group turnover decreased by 7,3% to R844 808m (February 2005 : R911 616m), as a result of the reclassification of the Prima Australasia Pty Ltd subsidiary. The South African operation achieved an increase in revenue of 15,5% for the period under review, notwithstanding price deflation averaging 12% for consumer electronics and 8% for appliances.

As of September 2005, due to an issue of new shares, the subsidiary Prima Australasia Pty Ltd, which was previously 51% held, has been reclassified as an associate. Nu-World now holds 46,3% of Prima. The remaining Australian subsidiary, Yale Appliance Group Pty Ltd, performed well with profitability reflecting double-digit growth. The ongoing consolidation of operations, including logistics and call centres, of Prima and Yale continues, with savings in overall operating costs and overheads.

Nu-World U.K. Ltd traded profitably in a difficult market. Turnover increased 15% to R34,8m and the company contributed R1,589m to attributable income.

Net operating income, EBITDA increased 18,5% to R66 552m (February 2005 : R56 181m). Operating margins increased to 7,9% as compared to the previous year's 6,2%.

The improved working capital position, has resulted in a substantial reduction in net interest paid to R599 000 (February 2005 : R3 822m). Overall net working capital days of 75,8 days, is an improvement of 3 days compared to the 78,8 days for the corresponding period to February 2005. Interest cover improved exponentially from 13,7 to 105,2 times. The effective tax rate increased from 22,1% to 23,8%.

Attributable income increased by 14,2% to R40 393m (February 2005 : R35 369m).

Headline earnings per share - H.E.P.S. increased 13,7% to 186,3 cents (February 2005 : 163,8 cents).

Cash generated by operating activities amounted to R37 282m.

The balance sheet remains solid and the group remains ungeared with cash balances on hand of R216,361m (February 2005 : R202 106m). The decrease in inventories and trade and other receivables are as a result of the reclassification of Prima.

The net asset value per share is up 14,9% to 2,041,7 cents (February 2005 : 1,776,3 cents).

New product range line-up

Conti Motorsport * Air-Conditioning * White Goods * Power Tools * Cell phones * GPS Systems
The new ranges of products in the market including motorsport, air-conditioning and white goods etc., represent a small percentage of our business at this time. However, these segments have performed exceedingly well and offer substantial potential for growth. New ranges of Plasma, LCD and CRT televisions are being introduced as well as a range of cell phones and GPS tracking systems.

MANPOWER and SOCIAL RESPONSIBILITY

The Group's BEE initiatives are in line with the DTI's BEE Codes of Good Practice on broad-based Black Economic Empowerment - in terms of management, employment equity, skills development, preferential procurement, enterprise development and corporate social responsibility. The Group is committed to comply with environmental regulations.

PROSPECTS

The Group has achieved growth for 16 consecutive interim periods. The South African market for consumer durables remains buoyant and our key retail customers continue to report double-digit growth.

According to the SA Reserve Bank, the growth rate in volume of consumer durables peaked in the second quarter at 20,3%, with an average growth of 18% for 2005. Consumer debt continues to increase, but the debt servicing level of 7% remains relatively low and there is scope for consumers to take on more debt. The forecast for growth of consumer durables for 2006 is 11%, which although down on the 18% for 2005, is nevertheless extremely strong.

Nu-World's diversification into a broad range of consumer durable market segments provides comfort in terms our growth being less reliant on the level of innovation and the introduction of new products within a particular segment of consumer durables. The continuing strong growth in private sector consumption continues to be sustained by low interest rates, higher asset prices and increased real disposable income. It is evident that consumer affordability levels have increased with many consumers upgrading their durables with more expensive products and technologies. Directors remain optimistic in terms of the Group's prospects for the remainder of the financial year.

On behalf of the board of directors

M.S. Goldberg Executive Chairman	B.H. Haikney Company Secretary	Sandton 10 May 2006
-------------------------------------	-----------------------------------	------------------------

Administration
Registration number 1968/002490/06
(Incorporated in the Republic of South Africa)
JSE share code: NWL
ISIN code: ZAE000005070

Registered office
35 3rd Street, Wynberg, Sandton, 2199
Republic of South Africa
Tel +27 (11) 321 2111
Fax +27 (11) 440 9920

Transfer secretaries
Computershare Investor Services 2005 (Pty)
Limited, 70 Marshall Street, Johannesburg, 2001
Company secretary
B.H. Haikney
Auditors
Tuffias Sandberg KSi
Joint sponsors
Nedbank Capital; Sasfin Corporate Finance,
a division of Sasfin Bank Limited (Lead)

Directors
M.S. Goldberg (Chairman), J.A. Goldberg
(Chief Executive), G.R. Hindle (Financial Director)
Non-executive Director
J.M. Judin
Independent Non-executive Director
D. Piaray

www.nuworld.co.za

