ADCORP
THE POWER OF POTENTIAL

Unaudited Group results

for the six months ended 31 August 2013

Positioned for growth

Salient features

Revenue **increased** by **41%** to **R5,7 billion**

Normalised EBITDA for the period **increased** by **26%** to **R247 million**

Normalised EBITDA margin exclusive of Paxus **increased** from **4,9%** to **5,0%**

Normalised earnings per share **increased by 6%** to **176,5 cents per share**

Cash conversion ratio up from **68%** to **93%**

Debtors' days at **42 days**

Net asset value per share **increased by 11%** to **2 130 cents per share**

Gearing down from **28%** to **25%**

Interim dividend of **60 cents per share** declared

Strong performance from Blue-collar and white-collar staffing business

Paxus acquisition **bedded down**

Clarity with regards to **labour legislation**

Significant staffing assignment secured with a large blue chip company

New BBBEE shareholding deal **finalised** and **implemented**

BBBEE level 2 contributor status maintained

Unaudited statement of consolidated normalised earnings

for the six months ended 31 August 2013

R'000	Six months to 31 August 2013	Six months to 31 August 2012	Year to 28 February 2013	% change
Revenue	**5 671 074**	4 022 523	8 616 842	41
Cost of Sales	**(4 782 663)**	(3 285 023)	(7 056 563)	46
Gross Profit	**888 411**	737 500	1 560 279	21
Other income	**40 555**	26 858	65 472	51
Administrative, marketing, selling and operating expenses	**(852 143)**	(624 516)	(1 339 777)	36
Operating profit	**76 823**	139 842	285 974	(45)
Adjusted for:				
Depreciation	**13 494**	11 733	23 436	15
Amortisation of intangible assets	**34 563**	28 583	60 515	21
Share-based payments	**122 074**	16 058	36 550	–
Lease smoothing	**149**	(7)	838	–
Transaction costs	**–**	–	15 228	–
Normalised EBITDA (excl. share based payments, lease smoothing and transaction costs)	**247 103**	196 209	422 541	26
Adjusted for:				
Depreciation	**(13 494)**	(11 733)	(23 436)	15
Amortisation of intangibles other than those acquired in a business combination	**(8 911)**	(8 340)	(18 337)	7
Normalised operating profit	**224 698**	176 136	380 768	28
Net interest paid	**(36 308)**	(28 285)	(56 601)	28
Normalised Profit before taxation	**188 390**	147 851	324 167	27
Normalised taxation	**(42 707)**	(24 081)	(65 113)	77
Normalised Profit for the period/year	**145 683**	123 770	259 054	18
Share of profits from associates	**13 339**	7 161	14 762	86
Non-controlling interest	**2 131**	(2 494)	(4 350)	–
Total Normalised profit for the period/year	**161 153**	128 437	269 466	25
Normalised effective tax rate	**23%**	16%	20%	
Normalised earnings per share – cents	**176,5**	166,8	341,1	6
Diluted normalised earnings per share – cents	**168,5**	165,5	318,7	2
Weighted average number of shares – 000's	**91 279**	76 978	78 989	19
Diluted weighted average number of shares – 000's	**95 659**	77 587	84 558	23

Comments

OVERVIEW

Much of the momentum achieved by the business in the past financial year has been carried through to the current reporting period despite less than buoyant underlying trading conditions.

Group revenues increased by 41% to R5,7 billion whilst normalised earnings before interest, tax and depreciation (Normalised EBITDA) of R247,1 million were 26% ahead of the prior period's comparable figure. Normalised earnings per share of 176,5 cents were 6% ahead of the prior year's figure.

The result reflects a slight half-year dilution effect arising from the inclusion of Australian IT contracting business, Paxus, due to its earnings being seasonally biased to the second half of the year.

Also affecting the half year results is a once-off share based payment charge relating to the implementation of the new, 10-year Broad Based Black Economic Empowerment (BBBEE) transaction which was approved by shareholders at a general meeting held on 20 May 2013. This charge does not affect the Group's cash flows nor does it affect its normalised earnings but has the effect of reducing reported headline earnings per share (HEPS).

The blue collar operations of the Group continued to perform well as did the IT contracting business of Paracon, its associate investment, Nihilent, the white collar business of Quest as well as the permanent recruitment business. The business process outsourcing (BPO) business of FMS continues to experience difficult trading conditions whilst the training operations are still being adversely affected by an inability to register learnerships due to problems experienced with the administration of the relevant Seta. The training business has, however, gained renewed momentum in other parts of Africa which holds much promise.

A global trend which is starting to gain a strong foothold in the South African labour market is that of large employers appointing a master service provider (MSP) to administer and control contract workforces which, historically, tended to go largely unmanaged in many organisations.

In this regard, Adcorp was recently appointed to partner a large South African bank in the establishment of an MSP portal to manage the bank's sizeable contract workforce.

This appointment represents a vote of confidence in Adcorp's ability to offer world class staffing solutions and will serve as an important reference site as other large employers embrace the MSP concept.

The long awaited amendments to the Labour Relations Act as it applies to temporary employment service providers (labour brokers) has finally been passed by the National Assembly in Parliament. It has now been sent to the National Council of Provinces for their consent following which, it will be sent to the Presidency for final sign off.

It is anticipated that the effect of the legislative amendments will be neutral to potentially positive for larger, sophisticated and compliant providers such as Adcorp.

The South African labour market continues to be characterised by unrest, strikes, above inflationary wage demands and trade union infighting. Whilst these trends are negative for overall employment prospects in a country already burdened by alarmingly high levels of unemployment, it does potentially favour contracting and outsourcing as alternatives to direct employment.

Recently acquired Australian IT contracting business, Paxus, has settled well in to the Group although trading conditions in the Australian IT jobs' market remain somewhat challenging. As a result, the business is performing slightly below original expectations. The business is extremely well positioned in that market and certain of the originally anticipated acquisition synergies have already been achieved whereby Indian associate company, Nihilent, has already won business in Australia through Paxus whilst there are also good prospects in Australia for Paracon subsidiary, allaboutXpert.

The Group's Africa business continues to show good growth and to perform well. The business is focused primarily in the areas of oil, gas, mining and infrastructure and is now a major contributor to Group profits.

The creation of a shared service centre which is predominantly outsourced to Genpact in India has now been in operation for a year. In addition, the Group is currently in the process of upgrading its ERP system, Microsoft Dynamics AX, which is likely to go live in a month or so. The anticipated savings and operational efficiencies from these initiatives are only likely to be achieved once the upgraded ERP system goes live.

FINANCIAL OVERVIEW

As a consequence of the 2013 BBBEE deal being finalised and implemented with effect 27 August 2013 the International Financial Reporting Standards (IFRS) required that R87 million be expensed as a once-off non cash flow share based payment charge to profits. This caused headline earnings per share of 22,4 cents to be some 82% lower than the 127,1 cents per share for the comparative prior period.

Given the above accounting treatment and other IFRS non cash flow charges to profit and loss, the Group has consistently disclosed that it's primary measure of performance is normalised earnings. In this regard, shareholders are referred to the statement of consolidated normalised earnings contained in this announcement.

Normalised EBITDA of R247,1 million for the six months ended 31 August 2013 is 26% higher than the R196,2 million for the comparative prior period partly do to the inclusion of the Australian business Paxus, which was, for the first time, included for the full period under review. Organic normalised EBITDA year-on-year growth was 10%.

The Group's Normalised EBITDA margin was 4,4% (2012: 4,9%). Improvements in margins attributable to the traditional staffing businesses and Paracon were adversely affected by the inclusion of Paxus which operates in a substantially lower margin environment and continued margin pressure in the BPO training and financial services segment. The Group's normalised EBITDA margin exclusive of Paxus was 5% for the period under review.

The Group's overall normalised effective tax rate has increased to 23% (2012: 16%). This is in line with management's expectations and was mainly due to lower tax deductions claimed in respect of registered learnerships in compliance with the Income Tax Act, the inclusion of Paxus related tax which has been provided for at a higher rate than the South Africa corporate tax rate of 28% and other adjustments made in the computation of taxable income. Cash management remains a high priority for management. As such the cash conversion ratio was 93% (2012: 68%). Days settlement outstanding (DSO) totalled 42 days (FY2012: 37 days). This result was achieved in the context of the continued challenging collections environment.

Cash generated from operations before working capital increased by 7% mainly due to the higher level of normalised profitability year on year. Management of working capital resulted in R9 million being consumed when compared to the R84 million being consumed in the prior year. This contributed to R209 million of net cash being generated by operations being 74% higher when compared to the R120 million generated for the prior year.

The Group's overall net gearing percentage reduced to 25% (2012: 28%). During the current year, the Group incurred a 28% increase in net interest paid given the inclusion of the Paxus related acquisition debt. On a comparative basis, exclusive of Paxus, net interest paid increased by 4% due to the higher levels of business activity. The total weighted average cost of the Group's South African related debt was significantly reduced due to the implementation, in March 2013, of the Company's registered domestic medium-term note (DMTN) programme.

BASIS OF PREPARATION

The Group's unaudited summary consolidated interim financial statements (financial results) are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, the requirements of the Companies Act applicable to summary financial statements, the framework, measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial

Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the financial results are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the group's previous consolidated interim financial statements.

The financial results have been prepared by the Group Financial Manager, A Viljoen (B.Comm Honours) and supervised by the Group Chief Financial Officer, AM Sher (CA(SA), CFA).

CONTINGENT LIABILITIES AND COMMITMENTS

The bank has guaranteed R4,9 million (FY2012: R11,9 million) on behalf of the Group to creditors. As at the balance sheet date the Group has outstanding operating lease commitments totalling R66,9 million (FY2012: R75,6 million) in non-cancellable property leases. The Group has IT capital commitments contracted for of R18,5 million (FY2012: R10,1 million) relating to the Microsoft Dynamix AX 2012 upgrade.

CHANGES TO THE BOARD

Mr M Spicer was appointed as a non-executive independent director on Wednesday, 21 August 2013.

DECLARATION OF INTERIM DIVIDEND

Notice is hereby given that a final gross dividend of 60 cents per share (FY2012: 60 cents per share) for the interim period ended 31 August 2013 was declared on Thursday, 17 October 2013 payable to shareholders recorded in the share register of the Company at the close of business on the record date appearing below. The salient dates pertaining to the final dividend are as follows:

Last date to trade "cum" dividend	Friday, 29 November 2013
Date trading commences "ex" dividend	Monday, 2 December 2013
Record date	Friday, 6 December 2013
Date of payment	Monday, 9 December 2013

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 2 December 2013 and Friday, 6 December 2013, both days inclusive.

In determining the dividends tax (DT) of 15% to withhold in terms of the Income Tax Act for those shareholders who are not exempt from the DT, no secondary tax on companies (STC) credits have been utilized. Shareholders who are not exempt from the DT will therefore receive a net dividend of 51 cents per share. The Company has 91 991 776 ordinary shares in issue and its income tax reference number is 9233/68071/0.

All times provided in this announcement are South African local times. The above dates are subject to change. Any changes will be released on SENS and published in the South African press.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited/updated on Monday, 9 December 2013.

SUBSEQUENT EVENT

Subsequent to the closure of the interim financial period ended 31 August 2013 and the date of approval of these unaudited interim financial statements, namely 17 October 2013, the Group undertook the below mentioned transaction. As disclosed in the Group's 2013 Integrated Annual Report and under the Group's DMTN programme, the issuance of the Group's commercial paper instrument (ADCP02) expired on 10 September 2013 and was rolled over by the issuance of a new instrument (ADCP03) for an additional three months with expiry 10 December 2013 at JIBAR plus 24 (twenty four) basis points.

OUTLOOK

The staffing industry has seen various substantial changes and evolving macro trends over the recent past. These include generally increasing tensions between employers and employees, the introduction of more restrictive and complex legislation as well as the move of large employers to more cost effectively manage the efficiency of their workforce by appointing large, sophisticated service providers with the skill, geographic reach and financial strength to provide an all-encompassing staffing solution.

Given these relatively fast evolving industry developments, Adcorp has positioned itself uniquely and competitively in order to capitalise on these emerging trends.

In this regard, the Group is regarded for its innovative solutions, financial stability, access to technology, BBBEE credentials, governance and compliance standards as well as its international alliances and extended geographic reach.

Adcorp is well positioned to become a Southern Hemisphere and an emerging market, independent player of consequence.

Given the favourable macro environment and the Group's strong strategic response to these emerging, global industry trends, Adcorp is particularly well positioned for the future.

This general forecast has not been reviewed or reported on by the Group's auditors.

By order of the board

MJN Njeke	RL Pike	AM Sher
Chairman	*Chief Executive Officer*	*Chief Financial Officer*

17 October 2013

Abridged statement of comprehensive income

for the six months ended 31 August 2013

	Unaudited Six months to 31 August 2013 R'000	Unaudited Six months to 31 August 2012 R'000	Audited 12 months 28 February 2013 R'000
Revenue	**5 671 074**	4 022 523	8 616 842
Cost of sales	**(4 782 663)**	(3 285 023)	(7 056 563)
Gross profit	**888 411**	737 500	1 560 279
Other income	**40 555**	26 858	65 472
Administrative expenses	**(467 344)**	(251 499)	(620 525)
Marketing and selling expenses	**(286 819)**	(285 469)	(532 298)
Other operating expenses	**(97 980)**	(87 548)	(186 954)
Operating profit	**76 823**	139 842	285 974
Interest received	**5 079**	1 629	2 890
Interest paid	**(41 387)**	(29 914)	(59 491)
Impairment of investments in associates and goodwill	**–**	–	(12 078)
Share of profits from associates	**13 339**	7 161	14 762
Profit on sale of shares	**–**	–	195
Profit on sale of property and equipment	**(170)**	150	178
Profit before taxation	**53 684**	118 868	232 430
Taxation	**(35 483)**	(18 414)	(53 069)
Profit for the period/year	**18 201**	100 454	179 361
Other comprehensive income			
Exchange differences on translating foreign operations	**10 723**	2 736	(2 668)
Exchange differences arising on the net investment of a foreign operation	**(5 540)**	–	–
Fair value adjustment of derivative financial instrument	**373**	(182)	385
Non-controlling interest	**2 131**	(2 494)	(4 350)
Other comprehensive income for the period/year, net of tax	**7 687**	60	(6 633)
Total comprehensive income for the period/year	**25 888**	100 514	172 728
Profit attributable to:			
Owners of the parent	**20 332**	97 960	175 011
Non-controlling interest	**(2 131)**	2 494	4 350
Total comprehensive income attributable to:			
Owners of the parent	**25 888**	100 514	172 728
Non-controlling interest	**(2 131)**	2 494	4 350
Earnings per share			
Basic (cents)	**22,3**	127,3	221,6
Diluted (cents)	**21,3**	126,3	207,0
Approved dividends to shareholders			
Interim dividend (cents)	**60**	60	60
Final dividend (cents) in respect of prior year	**80**	80	80

Calculation of headline earnings			
Profit for the period/year	**20 332**	97 960	175 011
Profit/(loss) on sale of property, plant and equipment	**122**	(108)	(128)
Impairment of investments in associates and goodwill	**–**	–	12 078
Headline earnings	**20 454**	97 852	186 961
Headline earnings per share			
Headline earnings per share – cents	**22,4**	127,1	236,7
Diluted headline earnings per share – cents	**21,4**	126,1	221,1
Weighted average number of shares – 000's	**91 279**	76 978	78 989
Diluted weighted average number of shares – 000's	**95 659**	77 587	84 558

Abridged statement of financial position

as at 31 August 2013

	Unaudited Six months to 31 August 2013 R'000	Unaudited Six months to 31 August 2012 R'000	Audited 12 months 28 February 2013 R'000
Assets			
Non-current assets	1 871 352	1 446 286	1 860 470
Property and equipment	71 794	58 116	65 376
Goodwill	1 152 762	915 862	1 152 762
Intangible assets	486 428	340 573	511 669
Investment in associates	66 575	54 044	53 236
Deferred taxation	93 793	77 691	77 427
Current assets	2 235 909	1 555 921	2 267 426
Trade, other receivables and prepayments	1 678 741	1 203 013	1 638 810
Taxation prepaid	13 209	10 031	7 848
Cash resources	543 959	342 877	620 768
Total assets	4 107 261	3 002 207	4 127 896
Equity and liabilities			
Equity attributable to owners of the parent	1 959 563	1 498 479	1 895 661
Share capital	2 299	1 953	2 295
Share premium	1 232 483	866 326	1 227 213
Treasury shares	(12 891)	(12 891)	(12 891)
Retained earnings	474 735	449 314	492 946
Share based payment reserve	258 128	188 612	183 914
Cash flow hedging reserve	(197)	(1 137)	(570)
Foreign currency translation reserve	6 468	1 149	(4 255)
Non controlling interest	(2 383)	4 232	6 088
BEE shareholders' interest	921	921	921
Non-current liabilities	882 375	231 871	169 575
Other non-current liabilities – interest bearing	2 408	2 268	2 575
Long-term loan – interest bearing	740 347	62 500	8 334
Redeemable preference shares – interest bearing	55 000	83 000	70 000
Derivative financial instruments and other financial liabilities	197	1 137	570
Obligation under finance lease	3 126	4 842	4 292
Operating lease liability	379	1 883	108
Deferred tax	80 918	76 241	83 696
Current liabilities	1 265 323	1 271 857	2 062 660
Non-interest-bearing current liabilities	1 036 370	656 792	1 056 854
Trade and other payables	735 653	464 313	765 031
Provisions	244 091	167 987	183 429
Other payables	36 836	–	85 320
Taxation	19 790	24 492	23 074
Interest-bearing current liabilities	228 953	615 065	1 005 806
Current portion of other non-current liabilities	13 011	8 358	9 477
Short term loans	101 229	–	522 311
Current portion of long-term loans	25 000	331 992	78 333
Current portion of redeemable preference shares	29 508	24 988	27 688
Bank overdraft	60 205	249 727	367 997
Total equity and liabilities	4 107 261	3 002 207	4 127 896
Number of ordinary shares in issue – 000's	91 992	78 139	91 812
Net asset value per share – cents	2 130	1 918	2 065

Abridged statement of cash flows

for the six months ended 31 August 2013

	Unaudited Six months to 31 August 2013 R'000	Unaudited Six months to 31 August 2012 R'000	Audited 12 months 28 February 2013 R'000
Operating activities			
Profit before taxation	53 683	118 868	232 430
Adjusted for:			
Depreciation	13 494	11 733	23 436
Impairment of investments, goodwill, loans and intangibles	–	–	12 078
Amortisation of intangibles	34 563	28 583	60 515
Amortisation of intangibles- acquired in a business combination	25 652	20 243	42 178
Amortisation of intangibles- other than those acquired in a business combination	8 911	8 340	18 337
Non-cash portion of operating lease rentals	149	(7)	838
Other non cashflow items	79 566	16 343	21 384
Net interest paid	36 308	28 285	56 601
Cash generated by operations before working capital changes	217 763	203 805	407 282
Increase in working capital	(8 647)	(83 944)	(27 963)
Cash generated by operations	209 116	119 861	379 319
Net interest paid	(36 308)	(28 285)	(56 601)
Taxation paid	(63 273)	(20 391)	(55 698)
Free cash generated by operations	109 535	71 185	267 020
Net dividend paid	–	(62 413)	(108 702)
Cash inflows from operating activities	109 535	8 772	158 318
Investing and financing activities			
Cash outflows from investing activities	(82 082)	(25 896)	(664 813)
Cash inflows/(outflows) from financing activities	203 530	(25 963)	623 029
Net increase/(decrease) in cash and cash equivalents	230 983	(43 087)	116 534
Net cash and cash equivalents at the beginning of the period/year	252 771	136 237	136 237
Net cash and cash equivalents at the end of the period/year	483 754	93 150	252 771
Free cash generated by operations per share – cents	120,0	92,5	338,0

Total interest bearing liabilities of the group

as at 31 August 2013

	Unaudited Six months to 31 August 2013 R'000	Unaudited Six months to 31 August 2012 R'000	Audited 12 months 28 February 2013 R'000
Net gearing	**25%**	28%	25%
Net bank balances	**(483 754)**	(93 150)	(252 771)
Other long term loans	**2 408**	2 268	2 575
Long term loan	**740 347**	62 500	8 334
Redeemable preference share	**55 000**	83 000	70 000
Obligations under finance lease	**3 126**	4 842	4 292
Operating lease liability	**379**	1 883	108
Current portion of other non-current liabilities	**13 011**	8 358	9 477
Current portion of long term loans	**25 000**	331 992	78 333
Current portion of redeemable preference shares	**29 508**	24 988	27 688
Short term loans	**101 229**		522 311
Total interest bearing liabilities	**486 254**	426 681	470 348
Total long term debt	**100%**	36%	18%
Total short term debt	**–**	64%	82%
Total	**100%**	100%	100%

Fair values of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at 31 August 2013 R'000	31 August 2012 R'000	28 February 2013 R'000	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Trade, other receivables and prepayments	**1 678 741**	1 203 013	1 638 810	Level 3	Face value less specific related provision.	N/A	N/A
Redeemable preference shares (including current portion)	**84 508**	107 988	97 688	Level 2	Discounted cash flow at a coupon rate of 82,5% of prime (2012: 75%) that reflects the issuer's current borrowing rate at the end of the reporting period.	N/A	N/A
Derivative financial instrument	**197**	1 137	570	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the counterparty.	N/A	N/A
Trade and other payables (excluding VAT)	**632 688**	373 941	677 221	Level 3	Expected settlement value.	N/A	N/A
Short term loans	**101 229**	331 992	522 311	Level 2	Amortised cost plus accrued interest.	N/A	N/A

The abovementioned measurements are all recurring in nature. There have been no transfers between levels in the current and preceding periods. The above table is unaudited.

Abridged statement of changes in equity

for the six months ended 31 August 2013

	Share capital R'000	Share premium R'000	Treasury shares R'000	Share based payment reserve R'000
Balance as at 1 March 2012 (audited)	**1 934**	**865 942**	**(12 891)**	**189 534**
Issue of ordinary shares – Paxus acquisition	325	366 015		
Capitalisation of transaction costs – Paxus acquisition		(5 128)		
Issue of ordinary shares under employee share option plan	36	384		
Dividend distributions				
Recognition of BBBEE and staff share-based payments				36 550
Share options exercised during the year				(42 170)
Share options cash settled				
Total comprehensive income for the year				
Other comprehensive income/(loss) for the year				
Balance as at 28 February 2013 (audited)	**2 295**	**1 227 213**	**(12 891)**	**183 914**
Issue of ordinary shares under employee share option plan	4	5 270		
Recognition of BBBEE and staff share-based payments				115 098
Share options exercised during the year				(40 884)
Share options cash settled				
Acquisition of minority interest				
Total comprehensive income for the period				
Other comprehensive income/(loss) for the period				
Balance as at 31 August 2013 (unaudited)	2 299	1 232 483	(12 891)	258 128

Foreign currency translation reserve R'000	Cash flow hedging reserve R'000	Retained earnings R'000	Attributable to equity holders of the parent R'000	Non-controlling interest R'000	BEE shareholders' interest R'000	Total R'000
(1 587)	**(955)**	**396 787**	**1 438 764**	**1 302**	**921**	**1 440 987**
			366 340			366 340
			(5 128)			(5 128)
			420			420
		(108 702)	(108 702)			(108 702)
			36 550			36 550
		42 170	–			–
		(12 320)	(12 320)			(12 320)
		175 011	175 011			175 011
(2 668)	385		(2 283)	4 786		2 503
(4 255)	**(570)**	**492 946**	**1 888 652**	**6 088**	**921**	**1 895 661**
			5 274			5 274
			115 098			115 098
		40 884	–			–
		(40 884)	(40 884)			(40 884)
		(33 003)	(33 003)	(6 340)		(39 343)
		20 332	20 332			20 332
10 723	373	(5 540)	5 556	(2 131)		3 425
6 468	(197)	474 735	1 961 025	(2 383)	921	1 959 563

Abridged segment report (unaudited)

for the six months ended 31 August 2013

	Revenue Aug 2013 R'000	Revenue Aug 2012 R'000	Revenue Feb 2013 R'000	Internal revenue Aug 2013 R'000	Internal revenue Aug 2012 R'000	Internal revenue Feb 2013 R'000
Staffing						
Blue collar	**2 906 186**	2 598 063	5 501 998	**6 221**	15 167	21 419
White collar*	**670 647**	691 572	1 377 417	**5 290**	1 228	4 386
Independent contracting	**1 949 030**	620 470	1 501 570	**–**	–	–
BPO, Training and Financial Services	**138 762**	108 368	220 389	**7 917**	20 275	38 962
Emergent business	**6 497**	4 050	13 106	**4**	–	863
Sub total	**5 671 122**	4 022 523	8 614 480	**19 432**	36 670	65 630
Group central						
Central costs	**(48)**	–	2 362	**–**	–	–
Shared services	**–**	–	–	**–**	–	–
Total	**5 671 074**	4 022 523	8 616 842	**19 432**	36 670	65 630
Geographic segment report						
Rest of world	**1 650 987**	154 464	652 332	**–**	–	–
South Africa**	**4 020 087**	3 868 059	7 964 510	**19 432**	36 670	65 630
Total	**5 671 074**	4 022 523	8 616 842	**19 432**	36 670	65 630

	Normalised EBITDA excluding share based payments, lease smoothing and transaction costs – Contribution % to Group Normalised EBITDA Aug 2013 %	Aug 2012 %	Feb 2013 %	Net asset values Aug 2013 R'000	Net asset values Aug 2012 R'000	Net asset values Feb 2013 R'000
Staffing						
Blue collar	**57,0%**	62,4%	69,0%	**998 668**	1 570 176	1 639 022
White collar*	**12,8%**	7,8%	10,1%	**316 841**	(212 304)	(103 698)
Independent contracting	**34,1%**	29,9%	27,0%	**1 035 753**	199 809	573 305
BPO, Training and Financial Services	**11,6%**	15,0%	13,8%	**236 990**	246 031	212 132
Emergent business	**(4,9%)**	(4,9%)	(3,9%)	**15 411**	4 151	4 341
Sub total	**110,6%**	110,2%	116,0%	**2 603 663**	1 807 863	2 325 102
Group central						
Central costs	**(8,6%)**	(9,4%)	(12,7%)	**(642 186)**	(298 516)	(407 445)
Shared services	**(2,0%)**	(0,8%)	(3,3%)	**(1 915)**	(10 868)	(21 996)
Total	**100%**	100%	100%	**1 959 562**	1 498 479	1 895 661
Geographic segment report						
Rest of world	**20,6%**	2,7%	8,1%	**434 952**	72 444	492 016
South Africa**	**79,4%**	97,3%	91,9%	**1 524 610**	1 426 035	1 403 645
Total	**100,0%**	100,0%	100,0%	**1 959 562**	1 498 479	1 895 661

	Interest income Aug 2013 R'000	Interest income Aug 2012 R'000	Interest income Feb 2013 R'000	Interest expense Aug 2013 R'000	Interest expense Aug 2012 R'000	Interest expense Feb 2013 R'000
Staffing						
Blue collar	**12 195**	5 394	13 524	**(16 812)**	(41 511)	(18 768)
White collar*	**28 263**	5 408	15 812	**(44 186)**	8 578	(52 542)
Independent contracting	**4 569**	1 782	4 769	**(8 251)**	–	(1 630)
BPO, Training and Financial Services	**6 493**	4 749	10 297	**(430)**	(819)	(1 294)
Emergent business	**7**	11	14	**(2 671)**	(1 511)	(3 427)
Sub total	**51 527**	17 344	44 416	**(72 350)**	(35 263)	(77 661)
Group central						
Central costs	**(47 442)**	(16 090)	(42 093)	**34 006**	5 349	21 363
Shared services	**994**	375	567	**(3 043)**	–	(3 193)
Total	**5 079**	1 629	2 890	**(41 387)**	(29 914)	(59 491)
Geographic segment report						
Rest of world	**1 649**	7	11	**(4 198)**	2	2 151
South Africa**	**3 429**	1 622	2 879	**(37 189)**	(29 916)	(61 642)
Total	**5 079**	1 629	2 890	**(41 387)**	(29 914)	(59 491)

* *IT contracting has been split out from White collar.*

** *All costs associated with group central have been allocated to the South African segment.*

Operating profit			Normalised EBITDA excluding share based payments, lease smoothing and Paracon transaction costs			Normalised EBITDA margin excluding share based payments, lease smoothing and transaction costs		
Aug 2013 R'000	Aug 2012 R'000	Feb 2013 R'000	**Aug 2013 R'000**	Aug 2012 R'000	Feb 2013 R'000	**Aug 2013 %**	Aug 2012 %	Feb 2013 %
123 079	103 947	253 423	**140 750**	122 497	291 744	**4,8%**	4,7%	5,3%
18 195	7 287	18 713	**24 771**	15 306	42 526	**4,7%**	2,2%	3,1%
69 003	49 195	95 014	**91 433**	58 519	114 056	**4,3%**	9,4%	7,6%
21 916	17 232	34 385	**28 685**	29 496	58 405	**20,7%**	27,2%	26,5%
(13 336)	(10 307)	(17 996)	**(12 215)**	(9 620)	(16 605)	**0,0%**	0,0%	0,0%
218 857	167 354	383 539	**273 424**	216 198	490 127	**4,8%**	5,4%	5,7%
(137 235)	(25 167)	(81 775)	**(21 274)**	(18 493)	(53 638)	**–**	–	–
(4 799)	(2 345)	(15 790)	**(5 048)**	(1 496)	(13 947)	**–**	–	–
76 823	139 842	285 974	**247 102**	196 209	422 541	**4,4%**	4,9%	4,9%
38 582	2 612	26 461	**50 974**	5 308	34 328	**8,9%**	3,4%	7,7%
38 241	137 230	259 513	**196 128**	190 901	388 213	**4,9%**	4,9%	4,9%
76 823	139 842	285 974	**247 102**	196 209	422 541	**4,4%**	4,9%	4,9%

Asset carrying value			Liability carrying value			Depreciation and amortisation		
Aug 2013 R'000	Aug 2012 R'000	Feb 2013 R'000	**Aug 2013 R'000**	Aug 2012 R'000	Feb 2013 R'000	**Aug 2013 R'000**	Aug 2012 R'000	Feb 2013 R'000
1 576 049	1 912 295	2 212 887	**577 381**	342 119	573 865	**9 909**	9 687	20 279
532 520	416 686	369 146	**215 680**	628 990	472 844	**10 510**	10 905	23 585
1 637 384	373 669	1 255 254	**601 630**	173 860	681 949	**21 181**	9 324	19 042
254 611	266 206	240 479	**17 621**	20 175	28 347	**5 201**	9 815	19 496
19 155	6 820	8 308	**3 744**	2 669	3 967	**505**	50	76
4 019 719	2 975 676	4 086 074	**1 416 056**	1 167 813	1 760 972	**47 306**	39 781	82 478
51 513	6 579	20 136	**693 699**	305 095	427 581	**751**	535	1 473
36 029	19 952	21 686	**37 943**	30 820	43 682	**–**	–	–
4 107 261	3 002 207	4 127 896	**2 147 698**	1 503 728	2 232 235	**48 057**	40 316	83 951
1 113 311	104 190	1 117 970	**678 358**	31 746	625 953	**14 212**	2 695	6 435
2 993 950	2 898 017	3 009 926	**1 469 340**	1 471 982	1 606 282	**33 845**	37 621	77 516
4 107 261	3 002 207	4 127 896	**2 147 698**	1 503 728	2 232 235	**48 057**	40 316	83 951

Taxation expense/(income)			Additions to Property and Equipment			Tangible assets		
Aug 2013 R'000	Aug 2012 R'000	Feb 2013 R'000	**Aug 2013 R'000**	Aug 2012 R'000	Feb 2013 R'000	**Aug 2013 R'000**	Aug 2012 R'000	Feb 2013 R'000
13 363	7 375	23 521	**6 484**	6 738	13 499	**33 726**	27 796	30 723
13 789	(1 523)	2 158	**3 281**	1 335	1 636	**10 699**	10 837	9 270
16 562	13 138	19 817	**1 453**	208	2 275	**8 222**	4 488	9 772
848	684	(1 511)	**649**	1 575	2 772	**5 493**	6 646	6 331
(4 164)	(3 593)	184	**2 620**	93	103	**2 502**	112	96
40 398	16 081	44 169	**14 487**	9 949	20 285	**60 642**	49 879	56 192
(952)	(13)	(261)	**1 439**	26	3 781	**3 970**	466	3 283
(3 963)	2 346	9 161	**3 422**	1 616	2 352	**7 182**	7 771	5 901
35 483	18 414	53 069	**19 348**	11 591	26 418	**71 794**	58 116	65 376
4 645	233	983	**2 189**	3 259	6 632	**13 529**	9 407	12 742
30 838	18 181	52 086	**17 159**	8 332	19 786	**58 265**	48 709	52 634
35 483	18 414	53 069	**19 348**	11 591	26 418	**71 794**	58 116	65 376

Corporate information

Adcorp Holdings Limited

("Adcorp" or "Adcorp Group" or "the Group")
Registration number 1974/001804/06
Share code: ADR
ISIN number: ZAE000000139

Executive directors

C Bomela, RL Pike *(Chief Executive Officer)*, AM Sher, PC Swart

Non-executive directors

GP Dingaan, MR Ramaite, NS Ndhlazi

Independent non-executive directors

MJN Njeke (*Chairman*), ME Mthunzi, TDA Ross, SN Mabaso-Koyana, M Spicer

Alternate non-executive directors

C Maswanganyi, L Mojela

Physical address

Adcorp Office Park
Nicolway Bryanston
Cnr William Nicol Drive and Wedgewood Link
Bryanston, 2021
PO Box 70635, Bryanston, 2021
Tel: 011 244 5300
Fax: 011 244 5310
Email: cfo@adcorp.co.za
Registration number 1974/001804/06

Acting company secretary

AM Sher

Transfer secretaries

Link Market Services SA (Pty) Ltd
Registration number 2000/007239/07
Rennie House
13th floor
19 Ameshoff Street
Braamfontein

PO Box 4844
Johannesburg
2000
Tel: 086 154 6572
Fax: 086 674 1960

Sponsor

Deloitte & Touche Sponsor Services (Pty) Ltd
Building 6, Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
2146

Private Bag X6
Gallo Manor
2052
Tel: 011 806 5000
Fax: 011 806 5666

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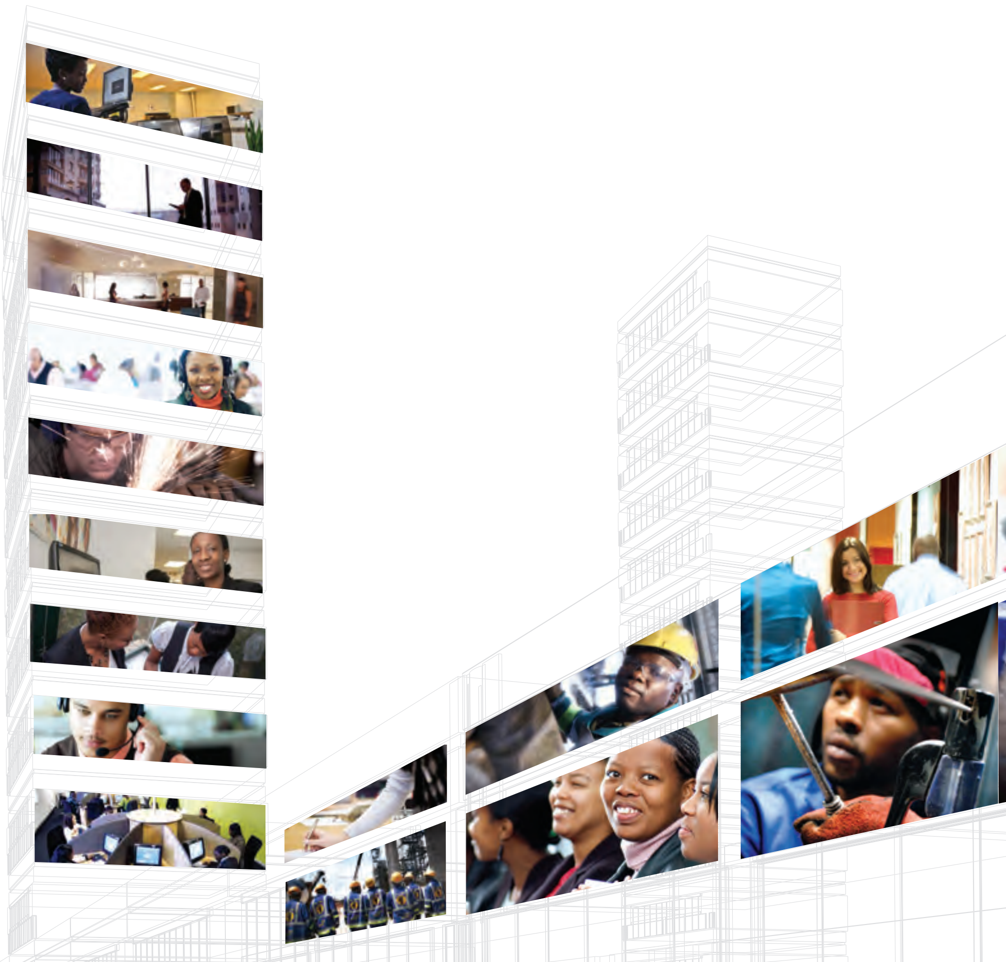

Adcorp Holdings Limited
Adcorp Head Office
Nicolway Bryanston
Corner William Nicol and Wedgewood Link, Bryanston, 2021
PO Box 70635, Bryanston, 2021
Tel: 011 244 5300, Fax: 011 244 5310
Email: cfo@adcorp.co.za
www.adcorp.co.za