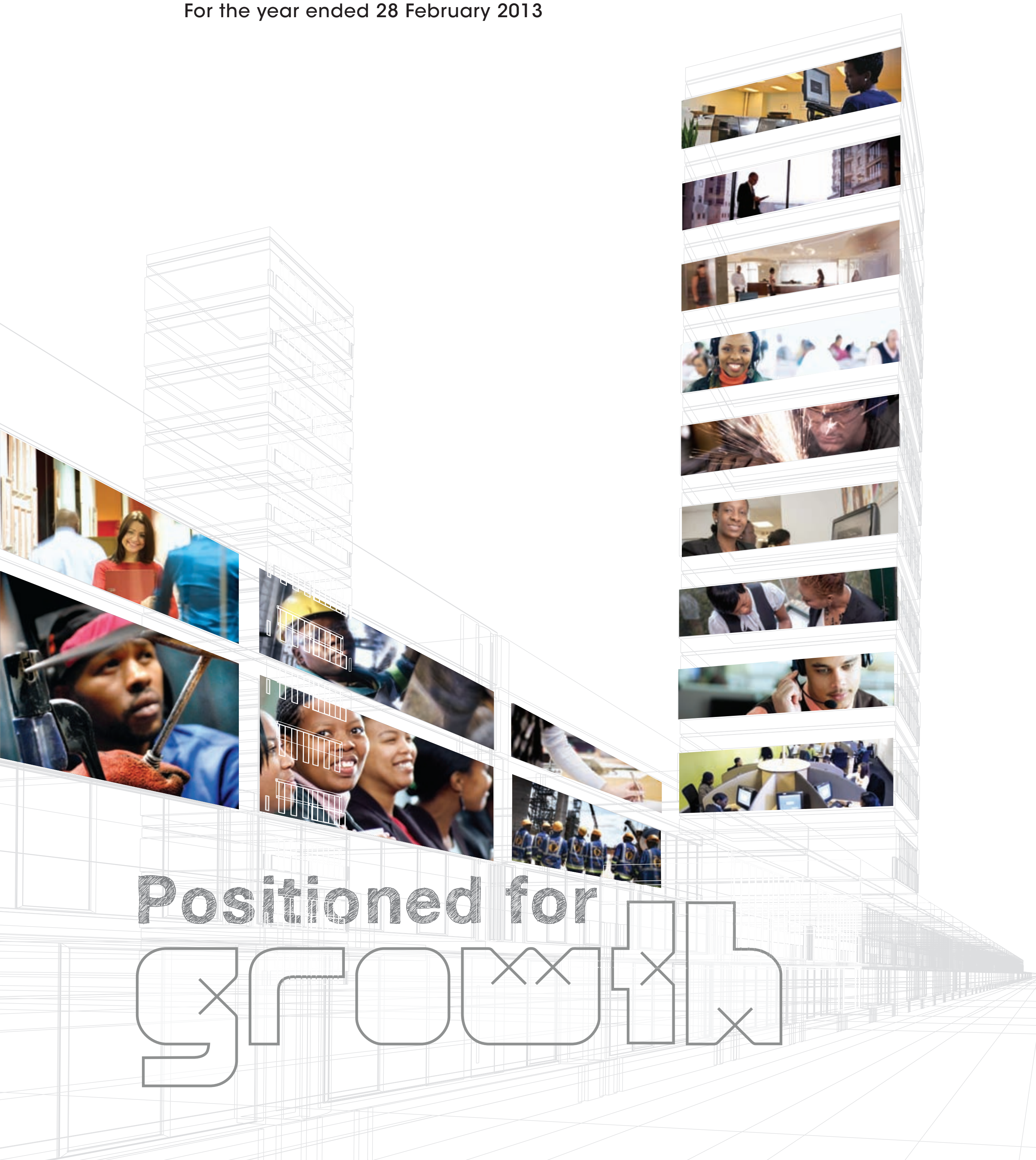
Reviewed Consolidated Preliminary Group results

For the year ended 28 February 2013



Salient features

Revenue for the year **increased by 34% to R8,6 billion**

Operating profit for the year **increased by 40% to R286 million**

Normalised* EBITDA for the year increased by **37% to R423 million**

Normalised* EBITDA margin up from **4,8%** to **4,9%**

Headline earnings per share **increased by 13% to 236,7 cents per share**

Normalised earnings per share **increased by 14% to 341,1 cents per share**

Cash conversion ratio **100%**

Debtors' days at **41** days

Net asset value per share **up 11%** to **2 065 cents per share**

Final dividend of **80 cents** per share declared

Paxus acquired for **R616** million

New BBBEE shareholding **deal approved**

Successful establishment of **R2 billion** Domestic Medium Term Note Programme

Statement of consolidated normalised earnings

For the year ended 28 February 2013

R'000	Unaudited Year to 28 February 2013	Unaudited Year to 28 February 2012	% change
Revenue	**8 616 842**	6 423 229	34
Cost of sales	**(7 056 563)**	(5 188 742)	36
Gross profit	**1 560 279**	1 234 487	26
Other income	**65 472**	56 113	17
Administrative, marketing, selling and operating expenses	**(1 339 777)**	(1 086 278)	23
Operating profit	**285 974**	204 322	40
Adjusted for:			
Depreciation	**23 436**	22 692	3
Amortisation of intangible assets	**60 515**	42 480	42
Share-based payments	**36 550**	34 655	5
Lease smoothing	**838**	(696)	–
Transaction costs	**15 228**	5 814	–
Normalised EBITDA (excluding share-based payments and lease smoothing)	**422 541**	309 267	37
Adjusted for:			
Depreciation	**(23 436)**	(22 692)	3
Amortisation of intangibles other than those acquired in a business combination	**(18 337)**	(13 834)	33
Normalised operating profit	**380 768**	272 741	40
Net interest paid	**(56 601)**	(39 877)	42
Normalised profit before taxation	**324 167**	232 864	39
Normalised taxation	**(65 113)**	(36 887)	77
Normalised profit for the year	**259 054**	195 977	32
Share of profits from associates	**14 762**	683	–
Non-controlling interest	**(4 350)**	(1 302)	–
Total normalised profit for the year	**269 466**	195 358	38
Normalised effective tax rate	**20%**	16%	
Normalised earnings per share – cents	**341,1**	299,5	14
Diluted normalised earnings per share – cents	**318,7**	293,2	9
Weighted average number of shares – 000's	**78 989**	65 236	21
Diluted weighted average number of shares – 000's	**84 558**	66 631	27

**The unaudited pro forma financial information as shown in the statement of normalised earnings should be read in conjunction with the unqualified Deloitte & Touche independent reporting accountants report thereon, which is available for inspection at Adcorp's registered office.*

Comments

Overview

The financial year ended 28 February 2013 has been an extremely positive one for the Group from a performance, strategic and an acquisitive perspective. Much has been achieved and the Group is particularly well positioned for the future.

In terms of operating performance, the Group's revenues increased by 34% to R8,6 billion whilst normalised earnings before interest tax and depreciation (normalised EBITDA) of R423 million were 37% ahead of the prior year figure and normalised earnings per share of 341,1 cents were 14% ahead of last year.

The Group's blue collar operations continued to perform extremely well showing both good revenue and profit growth. In this regard, normalised EBITDA of R292 million from these operations increased by 29% compared to the prior year. Much of this growth is attributable to market share gains as the industry consolidates favouring the bigger players. The division also benefited greatly from its expansion into other African markets, specifically in the areas of exploration, mining, energy and related infrastructural development.

The white collar operations were greatly bolstered by the acquisition of leading specialist information technology (IT) resourcing and solutions business, Paracon, which became effective on 1 December 2011 and which contributed a full year of profit in these results. Paracon has successfully integrated into the Group, has performed ahead of expectations and has significantly transformed the Group's delivery capability in this area. Also contributing strongly to this performance was Indian IT solutions associate company, Nihilent.

During the year, Adcorp acquired a leading Australian specialist IT resourcing and solutions business, Paxus, for R616 million. The acquisition was successfully concluded with effect from 25 January 2013 and is an important addition to the Group both in terms of tapping into a significant new market as well as in terms of the strategic opportunities this acquisition presents for both Paxus and Paracon.

The white collar operations of Quest also rebounded well after some troubled years following weak trading conditions in the financial services sector which is the major industrial sector it services. It too has gained market share and is now hopefully back on a solid growth trajectory.

Permanent recruitment business, DAV, also put in a strong performance being well diversified across industry sectors and different job types in the South African jobs' market.

The Business Process Outsourcing and Training operations both experienced a difficult trading environment whilst the financial services business which offers relevant financial, wellbeing and lifestyle products and services to the Group's contractor base, performed well.

In particular, the training operations delivered far fewer learnerships than in prior years due to major problems experienced with the relevant Seta administration. As such, the training operations reflected a far lower level of profitability than in prior years and the Group received far lower learnership tax benefits resulting in a substantial increase in the Group's overall normalised effective tax rate.

During the year, the Group created a common back office shared service capability and outsourced a significant component of its back office operations to outsourcing specialist, Genpact. This strategy will ensure that the Group remains cost competitive, delivers an efficient back office service, achieves the benefits of scalability and is able to achieve administrative savings from future acquisitions.

It is still relatively early to determine the exact extent of the long term benefits this initiative will yield whilst certain teething problems are still being ironed out. The transition to the new back office process is on track and no major disruption to the business has been experienced as a result of its implementation.

The Group is also in the process of upgrading its ERP system to the latest version of Microsoft Dynamics AX which should offer further opportunities for cost savings and efficiencies in the back office.

Subsequent to the balance sheet date and as reported to shareholders, the Group has put in place a new Broad Based Black Economic Empowerment (BBBEE) shareholding structure which will re-entrench Adcorp's status as a Level 2 contributor and secure this advantageous position for the next ten years to come.

Proposed legislation aimed at further regulating labour broking in South Africa continues to be held up in the parliamentary process. It now appears unlikely that such legislation will be promulgated much before the end of the year.

Financial overview

Normalised earnings per share of 341,1 cents for the year ended 28 February 2013 was 14% ahead of the 299,5 cents per share for the comparative period as a result of increased contributions from the blue and white collar segments. Whilst gross profit margins are lower than the prior year due mainly to changes in business mix, Normalised EBITDA margins improved to 4,9% (FY2012: 4,8%) given robust operating cost control as evidenced by an improvement in the expense ratio to 15,5% (FY2012: 16,9%).

Debt collection remains a critical part of the business and an ongoing focus area for management. Cash management remains a high priority and in this regard, the days settlement outstanding (DSO) totalled 41 days (FY2012: 36 days). This result was achieved in the context of the continued challenging collections environment.

Cash generated from operations before working capital increased by 34% mainly due to the higher level of profitability year on year. Management of working capital resulted in R28 million being consumed when compared to the R89 million consumed in the prior year. This contributed to R379 million of net cash being generated by operations being 76% higher when compared to the R215 million generated for the prior year. During the current year, the Group incurred increased finance charges mainly as a result of the first full year annualised effect of the interest arising on the Paracon acquisition debt.The Group also recorded a significantly higher normalised effective tax rate of 20% (FY2012: 16%) as a result of the inclusion of Paracon as well as fewer learnership deductions as reported above.

Acquisition of business

As referred to above, the acquisition of Paxus was concluded with effect from 25 January 2013. As such, it has been included in Group profits for one month of this financial year. In terms of IAS 34 Interim Financial Reporting requirements, the loss before tax from Paxus included in Group net profit before tax for the year ended February 2013 is R3 million after taking account of non-cash flow IFRS charges and acquisition related transaction costs. Had the business combination been effective from 1 March 2012, the revenue of the Group would have been R11 billion and net profit after tax would have totalled R224 million. The directors of the Group consider these numbers to represent an approximate measure of the performance of the combined Group on an annualised basis and to provide a reference point for comparison in future periods. In addition, the Group undertook the acquisitions of Resources for Africa Limited (RFA), Kanimambo, Staffline and made an increased investment in Envisionme, previously an associate of the Group. All of these transactions were funded out of working capital and their contributions to Group revenues and profits are considered immaterial.

R'000	2013 Total Reviewed	2012 Total Audited
Total purchase consideration	**680 608**	667 406
Less: Cash and cash equivalents acquired	**(52 529)**	(44 841)
Cash outflow on acquisition of business	**628 079**	622 565
Net purchase consideration for all business combinations	**628 079**	622 565
Issue of shares – Acquisitions	**(366 340)**	(371 699)
Capitalisation of transaction costs – raising of equity on acquisition	**5 128**	4 100
Cash outflow on acquisition of business	**266 867**	254 966

In complying with the IFRS 3, Business Combinations, the Group determined the fair value of the assets and liabilities acquired on the acquisition of the business as follows:

The fair value of the assets and liabilities acquired in respect of the various acquisitions in the year are as follows:

R'000	Paxus	Other	2013 Reviewed Total	2012 Audited Total
Property and equipment	5 104	51	**5 155**	6 768
Intangible assets	205 038	–	**205 038**	247 503
Investment in associate	–	–	**–**	44 777
Trade and other receivables	334 157	812	**334 969**	134 689
Bad debts provisions	(673)	–	**(673)**	–
Cash and cash equivalents	47 416	5 113	**52 529**	44 841
Non-controlling interest	–	(436)	**(436)**	–
Trade and other payables	(131 736)	(3 771)	**(135 507)**	(90 218)
Provisions	(20 380)	(52)	**(20 432)**	(11 440)
Taxation	–	–	**–**	(8 360)
Deferred taxation	(10 214)	1 078	**(9 136)**	(59 523)
	428 712	2 795	**431 507**	309 037
Resulting goodwill on acquisition	187 702	61 399	**249 101**	358 369
Total consideration	616 414	64 194	**680 608**	667 406

Changes to the board of Adcorp

Ms SN Mabaso-Koyana was appointed as a non-executive independent director on Monday, 17 September 2012.

Outlook and prospects

Against the background of a volatile labour environment, legislative uncertainty relating to labour broking as well as an uncertain global economy, the Group has been able to achieve double digit profit growth. This bears testimony to its strong and considered strategic positioning. In addition, the Group is better diversified across different geographies than ever before and is far less reliant on the proportion of its profit derived solely from labour broking as defined.

Given Adcorp's positioning, the various market trends that currently favour it as well as its ability to service high growth industries and developing geographical areas, the Group is well positioned for the future.

Basis of preparation

The Group's reviewed consolidated preliminary 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 International Financial Reporting Standards (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 results are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the group's previous consolidated annual financial statements.

Contingent liabilities and commitments

The bank has guaranteed R9,3 million (FY2012: R11,7 million) on behalf of the Group to creditors. As at the balance sheet date the Group has outstanding operating lease commitments totalling R152,2 million (FY2012: R100,3 million) in non-cancellable property leases. The Group has IT capital commitments contracted for of R15,5 million (FY2012: R7,9 million) relating to the Microsoft Dynamix AX 2012 upgrade.

Events after the reporting period

Subsequent to the closure of the financial year ended 28 February 2013 and prior to the approval of these reviewed consolidated preliminary Group results, namely 22 May 2013, the Group undertook three significant transactions. On 5 March 2013, the Paracon acquisition bridge loan debt, included in short term loans above, was repaid in full using internally generated cash resources. On 8 March 2013 the Group successfully issued R500 million secured notes under its registered Domestic Medium Term Note ("DMTN") programme and on 25 March 2013 the Group announced the terms of the new 10 year Broad Based Black Economic Empowerment (BBBEE) transaction which was approved by shareholders at the general meeting held on 20 May 2013. Whilst the importance of each transaction differs, their individual financial impacts are significant and shall be experienced in the financial year ending 28 February 2014.

Change of Company Secretary

Premium Corporate Consulting Services Proprietary Limited has resigned as Company Secretary with effect 31 May 2013. As of 1 June 2013, AM Sher, the Company's Chief Financial Officer, shall assume the responsibilities of acting Company Secretary until a suitable replacement is found.

Declaration of Final Dividend

Notice is hereby given that a final gross dividend of 80 cents per share for the year ending 28 February 2013, (FY2012: 80 cents per share) was declared on Wednesday, 22 May 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, 23 August 2013
Date trading commences "ex" dividend	Monday, 26 August 2013
Record date	Friday, 30 August 2013
Date of payment	Monday 02 September 2013

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 26 August 2013 and Friday, 30 August 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 68 cents per share. The Company has 91 811 776 ordinary shares in issue and its income tax reference number is 9233/68071/0.

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, 02 September 2013.

Preparation

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.

Auditor's Report

The results have been reviewed by the independent auditors, Deloitte & Touche and a copy of their unmodified review report is available for inspection at the registered office of the Company, Adcorp Office Park, corner William Nicol and Wedgewood Link, Bryanston. The review was performed in accordance with ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Company's auditors.

By order of the board

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

22 May 2013

Reviewed consolidated and separate statement of comprehensive income

For the year ended 28 February 2013

	Group		Company	
	Reviewed 2013 R'000	Audited 2012 R'000	Reviewed 2013 R'000	Audited 2012 R'000
Revenue	8 616 842	6 423 229	2 362	–
Cost of sales	(7 056 563)	(5 188 742)	(2 362)	–
Gross profit	1 560 279	1 234 487	–	–
Other income	65 472	56 113	–	209
Administrative expenses	(620 525)	(423 483)	(17 622)	(10 476)
Marketing and selling expenses	(532 298)	(506 674)	–	–
Other operating expenses	(186 954)	(156 121)	–	–
Operating profit/(loss)	285 974	204 322	(17 622)	(10 267)
Interest received	2 890	3 677	56 313	43 726
Interest paid	(59 491)	(43 554)	(87 412)	(51 899)
Dividends received	–	–	230 000	33 000
Share of profits from associates	14 762	683	–	–
Impairment of intangible assets and goodwill	(12 078)	(1 199)	–	–
Impairment of loans	–	–	(1 093)	(459)
Revaluation of foreign exchange denominated inter-company loan	–	–	(3 551)	–
Profit on disposal of a business	–	160	–	–
Profit on the sale of shares	195	–	195	–
Profit on disposal of property and equipment	178	673	–	–
Profit before taxation	232 430	164 762	176 830	14 101
Taxation	(53 069)	(29 060)	261	(10 844)
Profit for the year	179 361	135 702	177 091	3 257
Other comprehensive income/(loss)				
Exchange differences on translating foreign operations	(2 668)	414	–	–
Fair value adjustment of derivative financial instrument	385	(955)	385	(955)
Non-controlling interest	(4 350)	(1 302)	–	–
Other comprehensive income/(loss) for the year, net of tax	(6 633)	(1 843)	385	(955)
Total comprehensive income for the year	172 728	133 859	177 476	2 302
Profit attributable to:				
Owners of the parent	175 011	134 400	177 091	3 257
Non-controlling interest	4 350	1 302	–	–
Total comprehensive income attributable to:				
Owners of the parent	172 728	133 859	177 476	2 302
Non-controlling interest	4 350	1 302	–	–
Earnings per share				
Basic (cents)	221,6	208,0	–	–
Diluted (cents)	207,0	203,7	–	–
Distribution to shareholders during the year	140	178	–	–
Interim dividend (cents)	60	57	–	–
Final dividend (cents) in respect of prior year	80	121	–	–
Reconciliation of headline earnings				
Profit for the year	175 011	135 702	–	–
Profit on sale of property, plant and equipment	(178)	(673)	–	–
Taxation	50	188	–	–
Impairment of investments in associates and goodwill	12 078	1 197	–	–
Headline earnings	186 961	136 414	–	–
Headline earnings per share				
Headline earnings per share – cents	236,7	209,1		
Diluted headline earnings per share – cents	221,1	204,7		
Weighted average number of shares – 000's	78 989	65 236		
Diluted weighted average number of shares – 000's	84 558	66 631		

Reviewed consolidated and separate statement of financial position

As at 28 February 2013

	Group		Company	
	Reviewed 2013 R'000	Audited 2012 R'000	Reviewed 2013 R'000	Audited 2012 R'000
Assets				
Non-current assets	1 860 470	1 440 639	1 517 368	1 289 768
Property and equipment	65 376	58 399	–	–
Intangible assets	511 669	363 188	–	–
Goodwill	1 152 762	911 570	–	–
Investment in subsidiaries	–	–	1 517 368	1 289 768
Investment in associates	53 236	49 708	–	–
Deferred taxation	77 427	57 774	–	–
Current assets	2 267 426	1 399 800	1 127 825	847 665
Trade and other receivables and prepayments	1 638 810	1 079 508	3 780	825
Amounts due by subsidiary companies	–	–	1 119 801	846 340
Taxation prepaid	7 848	9 827	3 925	319
Cash resources	620 768	310 465	319	181
Total assets	4 127 896	2 840 439	2 645 193	2 137 433
Equity and liabilities				
Capital and reserves	1 895 661	1 440 987	1 609 773	1 156 234
Share capital	2 295	1 934	2 716	2 355
Share premium	1 227 213	865 942	1 227 213	865 942
Treasury shares	(12 891)	(12 891)	–	–
Non-distributable reserve	–	–	119 918	119 918
Share-based payment reserve	183 914	189 534	183 914	189 534
Foreign currency translation reserve	(4 255)	(1 587)	–	–
Cash flow hedging reserve	(570)	(955)	(570)	(955)
Accumulated profit/(loss)	492 946	396 787	76 582	(20 560)
Equity attributable to equity holders of the parent	1 888 652	1 438 764	1 609 773	1 156 234
Non controlling interest	6 088	1 302	–	–
BEE shareholders' interest	921	921	–	–
Non-current liabilities	169 575	269 833	9 000	87 659
Other non-current liabilities	2 575	2 582	–	–
Long-term loan – interest-bearing	8 334	86 667	8 334	86 667
Redeemable preference shares – interest-bearing	70 000	96 000	–	–
Derivative financial instrument	570	955	570	955
Obligations under finance lease	4 292	4 957	–	–
Operating lease liability	108	1 233	–	–
Deferred taxation	83 696	77 439	96	37
Current liabilities	2 062 660	1 129 619	1 026 420	893 540
Non-interest-bearing current liabilities	1 056 854	600 624	351 808	407 341
Trade and other payables	765 031	461 779	11 773	935
Amounts due to subsidiary companies	–	–	340 035	406 406
Provisions	183 429	133 696	–	–
Other payables	85 320	–	–	–
Taxation	23 074	5 149	–	–
Interest-bearing current liabilities	1 005 806	528 995	674 612	486 199
Current portion of other non-current liabilities	9 477	8 838	–	–
Short term loans	522 311	275 414	253 428	275 414
Current portion of redeemable preference shares	27 688	22 182	–	–
Current portion of long term loans	78 333	48 333	78 333	48 333
Bank overdrafts	367 997	174 228	342 851	162 452
Total equity and liabilities	4 127 896	2 840 439	2 645 193	2 137 433

Reviewed consolidated and separate statement of cash flows

For the year ended 28 February 2013

	Note	Group Reviewed 2013 R'000	Group Audited 2012 R'000	Company Reviewed 2013 R'000	Company Audited 2012 R'000
Operating activities					
Profit before taxation and dividends		**232 430**	164 762	**(53 169)**	(18 899)
Adjusted for:					
Dividends received		**–**	–	**230 000**	33 000
Depreciation		**23 436**	22 692		–
Impairment of investments, goodwill and loans		**12 078**	1 197	**1 093**	459
Amortisation of intangible assets		**60 515**	42 480	**–**	–
Amortisation of intangible assets acquired in business combinations		**42 178**	28 646	**–**	–
Amortisation of intangibles other than those acquired in business combinations		**18 337**	13 834	**–**	–
Profit on disposal of property and equipment		**(178)**	(673)	**–**	–
Profit on sale of business		**–**	(160)	**–**	–
Share-based payments expense		**36 550**	34 655	**–**	–
Cash settlement of share options exercised		**(12 320)**	–	**(12 320)**	–
Revaluation of foreign exchange denominated inter-company loan		**–**	–	**3 551**	–
Foreign currency translation reserve		**(2 668)**	414	**–**	–
Non-cash portion of operating lease rentals		**838**	(696)	**–**	–
Interest received		**(2 890)**	(3 677)	**(56 313)**	(43 726)
Interest paid		**59 491**	43 554	**87 412**	51 899
Cash generated by operating activities before working capital changes		**407 282**	304 548	**200 254**	22 733
Increase in trade and other receivables and prepayments		**(225 006)**	(204 609)	**(2 955)**	(45)
Increase/(decrease) in trade and other payables and provisions		**197 043**	115 250	**10 838**	(2 392)
Net movement in holding and fellow subsidiaries' intercompany accounts		**–**	–	**(184 644)**	136 225
Cash generated by operations		**379 319**	215 189	**23 493**	156 521
Interest received		**2 890**	3 677	**56 313**	43 726
Interest paid		**(59 491)**	(43 554)	**(87 412)**	(51 899)
Taxation paid		**(55 698)**	(48 955)	**(3 286)**	(11 530)
Dividend paid		**(108 702)**	(110 610)	**(109 799)**	(111 285)
Net cash generated/(utilised) by operating activities		**158 318**	15 747	**(120 691)**	25 533
Investing activities					
Additions to property, equipment and intangible assets		**(34 543)**	(46 355)	**–**	–
Proceeds from sale of business		**–**	160	**–**	–
Proceeds from sale of property and equipment		**1 338**	1 478	**–**	–
Acquisition of businesses		**(628 079)**	(622 565)	**(350 883)**	(636 699)
Investment in associates		**(3 529)**	(4 929)	**–**	–
Net cash utilised by investing activities		**(664 813)**	(672 211)	**(350 883)**	(636 699)
Financing activities					
Issue of shares under employee share option scheme		**420**	371	**420**	371
Issue of 'A' ordinary shares		**–**	500	**–**	–
Issue of shares pursuant to acquisitions		**361 212**	367 599	**361 212**	367 599
Long-term loan raised		**7 500**	375 414	**7 500**	375 414
Long-term loans repaid		**(97 819)**	(54 000)	**(77 819)**	(40 000)
Increase in other payables		**85 320**	–	**–**	–
Increase in other interest-bearing liabilities		**266 396**	7 515	**–**	–
Net cash generated by financing activities		**623 029**	697 399	**291 313**	703 384
Net increase/(decrease) in cash and cash equivalents		**116 534**	40 935	**(180 261)**	92 218
Net cash and cash equivalents at the beginning of the period		**136 237**	95 302	**(162 271)**	(254 489)
Net cash and cash equivalents at the end of the period		**252 771**	136 237	**(342 532)**	(162 271)

Total consolidated interest bearing liabilities of the group

As at 28 February 2013

	Reviewed 2013 R'000	Audited 2012 R'000
Net bank balances	**(252 771)**	(136 237)
Other long-term loan	**2 575**	2 582
Long term loan	**8 334**	86 667
Redeemable prefence share	**70 000**	96 000
Obligations under finance lease	**4 292**	4 957
Operating lease liability	**108**	1 233
Current portion of other non-current liabilities	**9 477**	8 838
Short-term loans	**522 311**	275 414
Current portion of redeemable prefence shares	**27 688**	22 182
Current portion of long-term loans	**78 333**	48 333
Total interest-bearing liabilities	**470 347**	409 969

Reviewed consolidated and separate statement of changes in equity

For the year ended 28 February 2013

	Share capital R'000	Share premium R'000	Treasury shares R'000	Non-distributable reserve R'000
GROUP				
Audited balance as at 28 February 2011	**1 546**	**498 696**	**(13 227)**	**–**
Issue of ordinary shares	365	371 334	–	–
Capitalisation of transaction costs	–	(4 100)	–	–
Issue of ordinary shares under employee share option plan	23	12	–	–
Treasury shares sold	–	–	336	–
Dividend distributions	–	–	–	–
Recognition of BBBEE and staff share-based payments	–	–	–	–
Share options exercised during the year	–	–	–	–
Profit for the period	–	–	–	–
Other comprehensive income/(loss) for the period	–	–	–	–
Audited balance as at 29 February 2012	**1 934**	**865 942**	**(12 891)**	**–**
Issue of ordinary shares	325	366 015	–	–
Capitalisation of transaction costs	–	(5 128)	–	–
Issue of ordinary shares under employee share option plan	36	384	–	–
Dividend distributions	–	–	–	–
Recognition of BBBEE and staff share-based payments	–	–	–	–
Share options exercised during the year	–	–	–	–
Share options cash settled	–	–	–	–
Profit for the period	–	–	–	–
Other comprehensive income/(loss) for the period	–	–	–	–
Reviewed balance as at 28 February 2013	**2 295**	**1 227 213**	**(12 891)**	**–**
COMPANY				
Audited balance as at 28 February 2011	**1 967**	**498 696**	**–**	**119 918**
Issue of ordinary shares	365	371 334	–	–
Capitalisation of transaction costs	–	(4 100)	–	–
Issue of ordinary shares under employee share option plan	23	12	–	–
Dividend distributions	–	–	–	–
Recognition of BBBEE and staff share– based payments	–	–	–	–
Share options exercised during the year	–	–	–	–
Other comprehensive income/(loss) for the period	–	–	–	–
Total comprehensive loss for the period	–	–	–	–
Audited balance as at 29 February 2012	**2 355**	**865 942**	**–**	**119 918**
Issue of ordinary shares	325	366 015	–	–
Capitalisation of transaction costs	–	(5 128)	–	–
Issue of ordinary shares under employee share option plan	36	384	–	–
Dividend distributions	–	–	–	–
Recognition of BBBEE and staff share-based payments	–	–	–	–
Share options exercised during the year	–	–	–	–
Share options cash settled	–	–	–	–
Profit for the period	–	–	–	–
Other comprehensive income for the period	–	–	–	–
Reviewed balance as at 28 February 2013	**2 716**	**1 227 213**	**–**	**119 918**

Share-based payment reserve R'000	Foreign currency translation reserve R'000	Cash flow hedging reserve R'000	Accumulated profit R'000	Attributable to equity holders of the parent R'000	Non-controlling interest R'000	BEE shareholders' interest R'000	Total R'000
165 676	**(2 001)**	–	362 200	**1 012 890**	–	**421**	**1 013 311**
–	–	–	–	371 699	–	–	371 699
–	–	–	–	(4 100)	–	–	(4 100)
–	–	–	–	35	–	–	35
–	–	–	–	336	–	–	336
–	–	–	(110 610)	(110 610)	–	–	(110 610)
34 655	–	–	–	34 655	–	500	35 155
(10 797)	–	–	10 797	–	–	–	–
–	–	–	134 400	134 400	–	–	134 400
–	414	(955)	–	(541)	1 302	–	761
189 534	**(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	–	–	36 550
(42 170)	–	–	42 170	–	–	–	–
–	–	–	(12 320)	(12 320)	–	–	(12 320)
–	–	–	175 011	175 011	–	–	175 011
–	(2 668)	385	–	(2 283)	4 786	–	2 503
183 914	**(4 255)**	**(570)**	**492 946**	**1 888 652**	**6 088**	**921**	**1 895 661**
165 676	**–**	–	**76 671**	**862 928**	–	**–**	**862 928**
–	–	–	–	371 699	–	–	371 699
–	–	–	–	(4 100)	–	–	(4 100)
–	–	–	–	35	–	–	35
–	–	–	(111 285)	(111 285)	–	–	(111 285)
34 655	–	–	–	34 655	–	–	34 655
(10 797)	–	–	10 797	–	–	–	–
–	–	(955)	–	(955)	–	–	(955)
–	–	–	3 257	3 257	–	–	3 257
189 534	**–**	(955)	**(20 560)**	**1 156 234**	**–**	**–**	**1 156 234**
–	–	–	–	366 340	–	–	366 340
–	–	–	–	(5 128)	–	–	(5 128)
–	–	–	–	420	–	–	420
–	–	–	(109 799)	(109 799)	–	–	(109 799)
36 550	–	–	–	36 550	–	–	36 550
(42 170)	–	–	42 170	–	–	–	–
–	–	–	(12 320)	(12 320)	–	–	(12 320)
–	–	–	177 091	177 091	–	–	177 091
–	–	385	–	385	–	–	385
183 914	**–**	**(570)**	**76 582**	**1 609 773**	**–**	**–**	**1 609 773**

Reviewed consolidated segment report

For the year ended 28 February 2013

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	Group Central	
	Central	Shared services
REVENUE		
– 2013 (R'000)	2 362	–
– 2012 (R'000)	–	–
Internal revenue		
– 2013 (R'000)	–	–
– 2012 (R'000)	–	–
Operating profit/(loss)		
– 2013 (R'000)	(81 775)	(15 790)
– 2012 (R'000)	(62 907)	(2 890)
Normalised* EBITDA excluding share-based payments lease smoothing and transaction costs		
– 2013 (R'000)	(53 638)	(13 947)
– 2012 (R'000)	(41 885)	(184)
Normalised* EBITDA margin excluding share-based payments and lease smoothing		
– 2013 (%)	–	–
– 2012 (%)	–	–
Normalised* EBITDA excluding share-based payments and lease-smoothing contribution % to Group Normalised* EBITDA		
– 2013 (%)	(12,7)	(3,3)
– 2012 (%)	(13,4)	–
Depreciation and amortisation		
– 2013 (R'000)	1 473	–
– 2012 (R'000)	1 094	–
Interest income		
– 2013 (R'000)	(42 093)	567
– 2012 (R'000)	(17 033)	739
Interest expense		
– 2013 (R'000)++	21 363	(3 193)
– 2012 (R'000)	20 502	(363)
Taxation expense/(income)		
– 2013 (R'000)	(261)	9 161
– 2012 (R'000)	10 844	7 018
Asset carrying value		
– 2013 (R'000)+++	20 136	21 686
– 2012 (R'000)	3 270	17 658
Liabilities carrying value		
– 2013 (R'000)	427 581	43 682
– 2012 (R'000)	259 609	28 953
Additions to property, plant and equipment		
– 2013 (R'000)	3 781	2 352
– 2012 (R'000)	59	7 591

\+ *2013 figures are reviewed and 2012 are audited.*
++ *Interest expense has been moved from central to blue collar to better reflect the original intent of the interest expense.*
+++ *Goodwill was reallocated from blue collar to the various other segments to which it relates.*
* *The unaudited pro forma financial information as shown in the statement of normalised earnings should be read in conjunction with the unqualified Deloitte & Touche independent reporting accountants report thereon, which is available for inspection at Adcorp's registered office.*

Staffing Blue collar	White collar	BPO, Training and Financial servives	Emergent Business	Total
5 501 998	2 878 987	220 389	13 106	8 616 842
4 622 841	1 602 385	193 613	4 390	6 423 229
21 419	4 386	38 962	863	65 630
30 691	97 694	44 191	–	172 576
253 423	113 727	34 385	(17 996)	285 974
193 370	51 249	40 820	(15 320)	204 322
291 744	156 582	58 405	(16 605)	422 541
226 497	73 732	65 675	(14 568)	309 267
5,3	5,4	26,5	–	4,9
4,9	4,6	33,9	–	4,8
69,0	37,1	13,8	(3,9)	100,0
73,2	23,8	21,2	(4,7)	100,0
20 279	42 627	19 496	76	83 951
16 920	27 038	20 075	45	65 172
13 524	20 581	10 297	14	2 890
5 652	8 267	6 047	5	3 677
(18 768)	(54 172)	(1 294)	(3 427)	(59 491)
(20 120)	(40 513)	(1 622)	(1 438)	(43 554)
23 521	21 975	(1 511)	184	53 069
4 551	2 861	2 862	924	29 060
2 212 887	1 624 400	240 479	8 308	4 127 896
1 697 666	844 226	274 077	3 542	2 840 439
573 865	1 154 794	28 346	3 967	2 232 235
529 011	553 435	25 152	3 292	1 399 452
13 499	3 911	2 773	103	26 419
9 292	10 033	4 234	–	31 209

Notes

Notes

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

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

Company secretary

Premium Corporate Consulting Services Proprietary Limited

Transfer secretaries

Link Market Services SA (Pty) Ltd
11 Diagonal Street
Johannesburg
2001

Sponsor

Deloitte & Touche Sponsor Services (Pty) Ltd

Adcorp supports sustainability to ensure that indigenous forests are safeguarded for future generations. In addition to this booklet being produced from a sustainable resource, the paper used is recyclable, biodegradable and provides assurance of a responsible manufacturing process.

Midnight Star

Adcorp Head Office @ Nicolway Bryanston
Cnr 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