

Rated South Africa's top empowered company two years running

- Diluted core headline earnings per share up by 19%
- Final dividend declared of 160 cents per share
- Normalised operating profit up by 28%
- Cash conversion ratio 81%
- EBITDA margin up to 6,7%
- Debtors at 35 days

Abridged Income Statement

for the year ended 28 February

	Reviewed year ended 28 February 2009	Unaudited year ended 29 February 2008	Audited 14 months to 29 February 2008
	R'000	R'000	R'000
CONTINUING OPERATIONS			
Revenue	4 837 123	3 938 881	4 430 105
Cost of sales	(3 724 735)	(2 986 575)	(3 349 604)
Gross profit	1 112 388	952 306	1 080 501
Other income	32 695	27 699	31 620
Administrative expenses	(305 615)	(361 027)	(401 595)
Marketing and selling expenses	(451 956)	(391 833)	(448 173)
Other operating expenses	(160 910)	(137 897)	(153 548)
Operating profit	226 602	89 248	108 805
Interest received	19 782	7 088	7 869
Interest paid	(52 914)	(26 419)	(29 574)
Share of profits from associates	18	875	1 512
Impairment of loans	–	(145)	(145)
Profit on sale of property and equipment	667	414	409
Profit on disposal of operations and subsidiaries	–	48 236	48 633
Profit before taxation	194 155	119 297	137 509
Taxation	50 082	35 701	40 855
Profit for the year/period from continuing operations	144 073	83 596	96 654
DISCONTINUED OPERATIONS			
(Loss)/profit from discontinued operations	–	(15 061)	30 314
Profit for the year/period	144 073	68 535	126 968
Profit for the year/period attributable to ordinary shareholders	144 073	68 535	126 968
Earnings per share			
Basic (cents)	272,8	137,4	258,5
Diluted (cents)	271,8	134,7	253,4
Distribution to shareholders			
Interim dividend (cents)	62	55	55
Final dividend (cents) in respect of the prior year	160	126	126

CALCULATION OF HEADLINE EARNINGS AND CORE HEADLINE EARNINGS			
	Reviewed year ended 28 February 2009	Unaudited year ended 29 February 2008	Audited 14 months to 29 February 2008
	R'000	R'000	R'000
Profit for the year/period	144 073	68 535	126 968
Impairments	–	6 645	11 645
Loss on sale of property and equipment	(480)	(294)	(290)
Loss/(profit) on disposal of discontinued operations	–	8 132	(42 233)
Headline earnings	143 593	83 018	96 090
Adjusted for:			
Amortisation of intangible assets	55 234	42 864	46 808
Share-based payments	18 316	100 966	101 966
Imputed interest charge	4 282	–	–
Lease smoothing	374	1 315	1 399
Profit on disposal of part of continuing operations	–	(48 236)	(48 633)
Tax effects on above	(15 409)	(13 382)	(14 550)
Core headline earnings	206 390	166 545	183 080
Headline earnings per share			
Headline earnings per share – cents	271,9	166,5	195,6
Diluted headline earnings per share – cents	270,9	163,2	191,8
Core headline earnings per share			
Core headline earnings per share – cents	390,8	334,0	372,7
Diluted core headline earnings per share – cents	389,4	327,4	365,4
Weighted average number of shares – 000's			
Weighted average number of shares – 000's	52 808	49 868	49 122
Diluted weighted average number of shares – 000's	53 000	50 869	50 109

Abridged Statement of Changes in Equity

for the year ended 28 February

	Share capital R'000	Share premium R'000	Treasury shares R'000	Foreign currency translation reserve R'000	Minority interest R'000	BEE shareholders interest R'000	Retained earnings R'000	Total R'000
Balance as at 1 January 2007	1 085	57 630	(1 010)	–	5	77	252 998	310 785
Issue of ordinary shares under employee share option plan	11	2 615	–	–	–	–	2 626	–
Acquisition of BEE shareholders and minority interest	–	–	–	–	(5)	(77)	3	(79)
Issue of ordinary shares for the acquisition of subsidiaries	175	222 825	–	–	–	–	223 000	–
Issue of "A" ordinary shares in terms of BBBEE transaction	–	–	(168)	–	–	421	–	253
Foreign currency translation reserve	–	–	–	(688)	–	–	–	(688)
Fair value adjustment of derivative financial instrument	–	–	–	–	–	–	1 332	1 332
Treasury shares sold	–	–	388	–	–	–	60	448
Recognition of share-based payments	–	–	–	–	–	–	95 268	95 268
Dividend distributions	–	–	–	89	–	–	(91 831)	(91 742)
Profit for the period	–	–	–	–	–	–	126 968	126 968
Balance as at 29 February 2008	1 271	283 070	(701)	(688)	–	421	384 798	668 171
Issue of ordinary shares under employee share option plan	3	1 818	–	–	–	–	–	1 821
Issue of ordinary shares for the acquisition of subsidiaries	81	99 706	–	–	–	–	–	99 787
Foreign currency translation reserve	–	–	–	316	–	–	–	316
Fair value adjustment of derivative financial instrument	–	–	–	–	–	–	(1 756)	(1 756)
Recognition of staff and BBBEE share-based payments	–	–	–	–	–	–	18 316	18 316
Dividend distributions	–	–	–	109	–	–	(126 935)	(126 826)
Profit for the year	–	–	–	–	–	–	144 073	144 073
Balance as at 28 February 2009	1 355	384 594	(592)	(372)	–	421	418 496	803 902

Abridged Segment Report

for the year ended 28 February

	Revenue			Operating profit			EBITDA excluding IFRS share-based payments and lease smoothing			EBITDA excluding IFRS share-based payments and lease smoothing contribution to Group profit			Net asset value year ended		Assets carrying value year ended		Liability carrying value year ended		Depreciation and amortisation of intangibles		Additions to property and equipment							
	2009	2008	14 months 2008	2009	2008	14 months 2008	2009	2008	2008	2009	2008	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008						
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000						
Central costs	–	–	–	(29 538)	(113 462)	(118 188)	(22 245)	(20 855)	(24 935)	0,0	0,0	0,0	(6,8)	(8,2)	(8,8)	(217 388)	(192 602)	8 092	9 345	225 408	201 947	381	408	469	296	362		
Staffing	4 604 249	3 735 814	4 191 683	236 479	183 234	205 112	295 715	228 885	253 734	6,4	6,1	6,1	90,7	89,1	89,2	843 653	784 286	1 335 722	1 075 825	492 069	291 539	51 048	38 149	40 632	16 557	21 564	23 675	
Business process outsourcing	232 874	203 067	238 422	19 651	19 476	21 881	52 578	49 069	55 782	22,6	24,2	23,4	16,1	19,1	19,6	177 637	70 109	369 786	298 038	192 149	227 929	29 327	27 012	31 310	10 664	12 566	13 452	
Subtotal	4 837 123	3 938 881	4 430 105	226 602	89 248	108 805	326 048	257 099	284 581	6,7	6,5	6,4	100,0	100,0	100,0	803 902	661 793	1 713 600	1 383 208	909 698	721 415	80 756	65 569	72 411	27 562	34 766	37 489	
Discontinued	–	–	–	–	(81)	(82)	–	(81)	(82)	0,0	0,0	0,0	0,0	0,0	0,0	–	6 378	–	6 726	–	348	–	–	–	–	–	–	–
TOTAL	4 837 123	3 938 881	4 430 105	226 602	89 167	108 723	326 048	257 018	284 499	6,7	6,5	6,4	100,0	100,0	100,0	803 902	668 171	1 713 600	1 389 934	909 698	721 763	80 756	65 569	72 411	27 562	34 766	37 489	

Abridged Balance Sheet

as at 28 February

	Reviewed 28 February 2009	Audited 29 February 2008
	R'000	R'000
ASSETS		
Non-current assets	845 422	675 449
Property and equipment	59 807	57 549
Goodwill	255 208	402 980
Intangible assets	209 087	182 270
Investment in associates	100	270
Derivative financial instruments	1 872	3 141
Deferred taxation	19 348	29 239
Current assets	868 178	714 485
Trade, other receivables and prepayments	685 943	565 002
Amounts due from vendor	–	250
Assets classified as held-for-sale	845	845
Taxation prepaid	330	564
Cash resources	181 060	147 824
Total assets	1 713 600	1 389 934
EQUITY AND LIABILITIES		
Capital and reserves	803 902	668 171
Share capital	1 355	1 271
Share premium	384 594	283 070
Treasury shares	(592)	(701)
Retained earnings	418 496	384 798
Foreign currency translation reserve	(372)	(688)
BEE shareholders' interest	421	421
Non-current liabilities	249 670	191 429
Other non-current liabilities	2 700	4 230
Long-term loan	78 755	–
Redeemable preference shares – interest-bearing	130 000	146 195
Obligation under finance lease	3 165	2 464
Deferred taxation	35 050	38 540
Current liabilities	660 028	530 334
Non-interest-bearing current liabilities	388 791	325 940
Trade and other payables	264 587	243 174
Amount due to vendor	32 353	73 785
Provisions	77 068	74 785
Liabilities classified as held-for-sale	–	348
Taxation	14 783	7 633
Interest-bearing current liabilities	271 237	204 394
Current portion of other non-current liabilities	3 138	2 260
Current portion of long-term loan	32 871	–
Current portion of redeemable preference shares	3 431	3 805
Bank overdraft	231 797	198 329
Total equity and liabilities	1 713 600	1 389 934
Number of ordinary shares in issue (000's)	54 220	50 831
Net asset value per share (cents)	1 483	1 315

Abridged Cash Flow Statement

for the year ended 28 February

	Reviewed year ended 28 February 2009	Unaudited year ended 29 February 2008	Audited 14 months to 29 February 2008
	R'000	R'000	R'000
Cash generated by operations before working capital changes (Increase)/decrease in working capital	326 827 (84 542)	257 819 71 744	285 430 (22 159)
Cash generated by operations	242 285	329 563	263 271
Net interest paid	(28 689)	(19 278)	(21 617)
Taxation	(50 713)	(57 518)	(65 956)
Free cash generated by operations	162 883	252 767	175 698
Net dividend paid	(126 637)	(91 441)	(91 441)
Cash inflows from operations	36 246	161 326	84 257
Cash outflows from investing activities	(231 892)	(282 706)	(492 905)
Cash inflows from financing activities	195 414	150 642	376 644
Net (decrease)/increase in cash and cash equivalents	(232)	29 262	(32 004)
Net cash and cash equivalents at the beginning of the year/period	(50 505)	(79 767)	(18 501)
Net cash and cash equivalents at the end of the year/period	(50 737)	(50 505)	(50 505)
Free cash generated by operations per share – cents	308,4	506,9	357,7

Comments

NORMALISED EARNINGS
IFRS non-cash flow adjustments have significantly impacted the reported results. The table below sets out the normalised earnings for the year ended 28 February 2009 as well as the prior year comparative figures.

	Year to 28 February 2009	Year to 29 February 2008	% change
	R'000	R'000	
Revenue	4 837 123	3 938 881	23
Cost of sales	(3 724 735)	(2 986 575)	25
Gross profit	1 112 388	952 306	17
Other income	32 695	27 699	18
Administrative, marketing, selling and operating expenses	(844 557)	(745 693)	13
Operating profit	300 526	234 312	28
Net interest paid	(28 850)	(19 331)	49
Share of profits from associates	18	875	–
Profit before taxation	271 694	215 856	26
Taxation	(390,8)	(49 311)	32
Profit for the year	206 390	166 545	24