

# UNAUDITED GROUP RESULTS

## for the six months ended 31 August 2009



# RATED SOUTH AFRICA'S TOP EMPOWERED COMPANY TWO YEARS RUNNING

> Normalised operating profit down by 10%

> Normalised earnings per share down by 13%

> Cash conversion ratio 88%

> Debtors days at 33 days

> Interim dividend declared of 50 cents per share

### ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 August

	Unaudited six months to Aug 2009 R'000	Unaudited six months to Aug 2008 R'000	Audited 12 months to February 2009 R'000
<b>Revenue</b>	<b>2 412 973</b>	2 285 038	4 837 123
Cost of sales	(1 879 778)	(1 751 478)	(3 724 735)
<b>Gross profit</b>	<b>533 195</b>	533 560	1 112 388
Other income	27 837	13 899	32 695
Administrative expenses	(166 862)	(150 695)	(305 615)
Marketing and selling expenses	(223 840)	(212 132)	(451 956)
Other operating expenses	(83 965)	(78 541)	(160 910)
<b>Operating profit</b>	<b>86 365</b>	106 091	226 602
Interest received	3 569	5 160	19 782
Interest paid	(29 042)	(16 550)	(52 914)
Share of profits from associates	-	14	18
Profit on sale of property and equipment	184	331	667
Profit on disposal of operations and subsidiaries	-	12	-
<b>Profit before taxation</b>	<b>61 076</b>	95 058	194 155
Taxation	11 906	29 482	50 008
<b>Profit for the period/year</b>	<b>49 170</b>	65 576	144 073
<b>Other comprehensive income</b>	-	624	316
Exchange differences on translating foreign operations	-	624	316
Share-based payments	12 597	9 807	18 316
Fair value adjustment of derivative financial instrument	(505)	(1 000)	(1 756)
Other comprehensive income for the period/year, net of tax	12 092	9 431	16 876
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>	<b>61 262</b>	75 007	160 949
<b>Profit attributable to:</b>			
Owners of the parent	49 170	65 576	144 073
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	61 262	75 007	160 949
<b>Earnings per share</b>			
Basic (cents)	91,4	127,3	272,8
Diluted (cents)	90,5	126,0	271,8
<b>Distribution to shareholders</b>			
Interim dividend (cents)	50	62	62
Final dividend (cents) in respect of the prior year	160	160	160

CALCULATION OF HEADLINE EARNINGS			
Profit for the period/year	49 170	65 576	144 073
Profit on sale of property and equipment	(133)	(239)	(480)
Profit on disposal of discontinued operations	-	(12)	-
<b>Headline earnings</b>	<b>49 037</b>	65 325	143 593
<b>Headline earnings per share</b>			
Headline earnings per share - cents	91,2	126,8	271,9
Diluted headline earnings per share - cents	90,2	125,5	270,9
Weighted average number of shares - 000's	53 787	51 520	52 808
Diluted weighted average number of shares - 000's	54 351	52 065	53 000

### ABRIDGED CASH FLOW STATEMENT

for the six months ended 31 August

	Unaudited six months to Aug 2009 R'000	Unaudited six months to Aug 2008 R'000	Audited 12 months to Feb 2009 R'000
<b>OPERATING ACTIVITIES</b>			
Cash generated by operations before working capital changes	146 310	154 925	326 827
Increase in working capital	(31 531)	(17 516)	(84 542)
<b>Cash generated by operations</b>	<b>114 779</b>	137 409	242 285
Net interest paid	(22 826)	(11 390)	(28 689)
Taxation paid	(11 887)	(13 933)	(50 713)
Free cash generated by operations	80 066	112 086	162 883
Net dividend (paid)/received	(91 801)	11	(126 638)
Cash (outflows)/inflows from operating activities	(11 735)	112 097	36 245
<b>INVESTING AND FINANCING ACTIVITIES</b>			
Cash outflows from investing activities	(29 352)	(137 608)	(231 891)
Cash (outflows)/inflows from financing activities	(21 673)	220 075	195 414
Net (decrease)/increase in cash and cash equivalents	(62 760)	194 564	(232)
Net cash and cash equivalents at the beginning of the period/year	(50 737)	(50 505)	(50 505)
<b>Net cash and cash equivalents at the end of the period/year</b>	<b>(113 497)</b>	144 059	(50 737)
Free cash generated by operations per share - cents	148,9	217,6	308,4

### ABRIDGED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 August

	Share capital R'000	Share premium R'000	Treasury shares R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Attributable to equity holders of the parent R'000	BEE shareholders' interest R'000	Total R'000
<b>Balance as at 1 March 2008</b>	<b>1 271</b>	<b>283 070</b>	<b>(701)</b>	<b>(688)</b>	<b>384 798</b>	<b>667 750</b>	<b>421</b>	<b>668 171</b>
Issue of ordinary shares under employee share option plan	3	1 818	-	-	-	1 821	-	1 821
Issue of ordinary shares for the acquisition of subsidiaries	81	99 706	-	-	-	99 787	-	99 787
Dividend distributions	-	-	109	-	(126 935)	(126 826)	-	(126 826)
Profit for the year	-	-	-	-	144 073	144 073	-	144 073
Other comprehensive income for the year	-	-	-	316	16 560	16 876	-	16 876
<b>Balance as at 28 February 2009</b>	<b>1 355</b>	<b>384 594</b>	<b>(592)</b>	<b>(372)</b>	<b>418 496</b>	<b>803 481</b>	<b>421</b>	<b>803 902</b>
Issue of ordinary shares under employee share option plan	2	446	-	-	-	448	-	448
Buy-back of ordinary shares	-	-	(12 907)	-	-	(12 907)	-	(12 907)
Dividend distributions	-	-	68	-	(92 083)	(92 015)	-	(92 015)
Profit for the period	-	-	-	-	49 170	49 170	-	49 170
Other comprehensive income for the period	-	-	-	-	12 092	12 092	-	12 092
<b>Balance as at 31 August 2009</b>	<b>1 357</b>	<b>385 040</b>	<b>(13 431)</b>	<b>(372)</b>	<b>387 675</b>	<b>760 269</b>	<b>421</b>	<b>760 690</b>

### SEGMENT REPORT

for the six months ended 31 August

	Revenue			Internal revenue			Operating profit			Normalised operating profit before interest and tax			Normalised operating profit before interest and tax contribution % to Group profit			Net asset values			Assets carrying value			Liability carrying value			Depreciation and amortisation of intangibles			Additions to property and equipment								
	Aug	Aug	Feb	Aug	Aug	Feb	Aug	Aug	Feb	Aug	Aug	Feb	Aug	Aug	Feb	Aug	Aug	Feb	Aug	Aug	Feb	Aug	Aug	Feb	Aug	Aug	Feb	Aug	Aug	Feb						
	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	R'000	R'000	R'000	R'000	R'000						
Central costs	-	-	-	-	-	-	(18 431)	(16 905)	(29 528)	(13 491)	(13 015)	(22 620)	0,0%	0,0%	0,0%	(10,6%)	(9,2%)	(7,5%)	(343 524)	(128 362)	(217 388)	17 567	4 863	8 092	361 091	133 225	225 480	201	210	381	2 552	24	341			
Staffing	2 315 160	2 171 638	4 604 249	11 542	18 976	13 481	90 325	108 845	236 479	115 112	128 931	280 342	5,0%	5,9%	6,1%	90,2%	90,9%	93,3%	988 972	744 748	843 653	1 477 084	1 352 307	1 335 722	488 112	607 559	492 619	29 114	23 687	51 048	7 256	9 076	16 657			
Business process outsourcing	97 813	113 400	232 874	19 182	10 326	1 497	14 471	14 151	19 651	26 050	25 997	42 810	26,6%	22,9%	18,4%	20,4%	18,3%	14,2%	115 242	126 954	171 637	311 737	351 506	369 786	196 495	224 552	192 149	18 246	14 096	29 327	3 173	7 382	10 664			
<b>Subtotal</b>	<b>2 412 973</b>	<b>2 285 038</b>	<b>4 837 123</b>	<b>30 724</b>	<b>29 302</b>	<b>14 978</b>	<b>86 365</b>	<b>106 091</b>	<b>226 602</b>	<b>127 671</b>	<b>141 913</b>	<b>300 526</b>	<b>5,3%</b>	<b>6,2%</b>	<b>6,2%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>760 690</b>	<b>743 340</b>	<b>803 902</b>	<b>1 806 388</b>	<b>1 708 676</b>	<b>1 713 600</b>	<b>1 045 698</b>	<b>965 336</b>	<b>909 698</b>	<b>47 561</b>	<b>37 993</b>	<b>80 756</b>	<b>12 981</b>	<b>16 482</b>	<b>27 562</b>			
Discontinued	-	-	-	-	-	-	-	-	-	-	-	-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-	6 389	-	-	6 737	-	-	348	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>2 412 973</b>	<b>2 285 038</b>	<b>4 837 123</b>	<b>30 724</b>	<b>29 302</b>	<b>14 978</b>	<b>86 365</b>	<b>106 091</b>	<b>226 602</b>	<b>127 671</b>	<b>141 913</b>	<b>300 526</b>	<b>5,3%</b>	<b>6,2%</b>	<b>6,2%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>760 690</b>	<b>749 729</b>	<b>803 902</b>	<b>1 806 388</b>	<b>1 715 413</b>	<b>1 713 600</b>	<b>1 045 698</b>	<b>965 684</b>	<b>909 698</b>	<b>47 561</b>	<b>37 993</b>	<b>80 756</b>	<b>12 981</b>	<b>16 482</b>	<b>27 562</b>			

### ABRIDGED STATEMENT OF FINANCIAL POSITION

as at 31 August

	Unaudited Aug 2009 R'000	Unaudited Aug 2008 R'000	Audited Feb 2009 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>817 386</b>	857 542	845 422
Property and equipment	59 205	63 353	59 807
Goodwill	555 208	535 739	555 208
Intangible assets	186 699	227 563	209 087
Investment in associates	65	284	100
Derivative financial instruments and other financial assets	1 040	2 141	1 872
Deferred taxation	15 169	28 462	19 348
<b>Current assets</b>	<b>989 002</b>	857 871	868 178
Trade, other receivables and prepayments	707 645	664 962	685 943
Assets classified as held for sale	845	11	845
Taxation prepaid	362	262	330
Cash resources	280 150	192 636	181 060
<b>Total assets</b>	<b>1 806 388</b>	1 715 413	1 713 600
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>	<b>760 690</b>	749 729	803 902
Share capital	1 357	1 352	1 355
Share premium	385 040	382 929	384 594
Treasury shares	(13 431)	(690)	(592)
Retained earnings	387 675	365 934	418 496
Foreign currency translation reserve	(372)	(217)	(372)
BEE shareholders' interest	421	421	421
<b>Non-current liabilities</b>	<b>235 551</b>	292 464	249 670
Other non-current liabilities	5 181	803	2 700
Long-term loan	71 292	108 000	78 755
Redeemable preference shares - interest-bearing	130 000	130 000	130 000
Obligation under finance lease	2 095	5 448	3 165
Deferred tax	26 983	48 213	35 050
<b>Current liabilities</b>	<b>810 147</b>	673 220	660 028
<b>Non-interest-bearing current liabilities</b>	<b>380 564</b>	589 805	388 791
Trade and other payables	237 948	281 443	257 918
Amount due to vendor	30 000	85 000	32 353
Provisions	93 878	100 375	83 737
Liabilities classified as held for sale	-	348	-
Shareholders for dividends	213	93 400	-
Taxation	18 525	29 239	14 783
<b>Interest-bearing current liabilities</b>	<b>429 583</b>	83 415	271 237
Current portion of other non-current liabilities	1 529	2 838	3 138
Current portion of long-term loan	31 175	12 000	32 871
Current portion of redeemable preference shares	3 232	20 000	3 431
Bank overdraft	393 647	48 577	231 797
<b>Total equity and liabilities</b>	<b>1 806 388</b>	1 715 413	1 713 600
Number of ordinary shares in issue (000's)	53 727	54 081	54 220
Net asset value per share (cents)	1 416	1 386	1 483

### TOTAL INTEREST-BEARING LIABILITIES OF THE GROUP

	Unaudited August 2009 R'000	Unaudited August 2008 R'000	Audited February 2009 R'000
Net bank overdraft/(bank balances)	113 497	(144 059)	50 737
Long-term loan	71 292	108 000	78 755
Redeemable preference shares - interest-bearing	130 000	130 000	130 000
Obligations under finance lease	2 095	5 448	3 165
Current portion of other non-current liabilities	1 529	2 838	3 138
Current portion of long-term loan	31 175	12 000	32 871
Current portion of redeemable preference shares	3 232	20 000	3 431
<b>Total interest-bearing liabilities</b>	<b>352 820</b>	134 227	302 097

Adcorp Holdings Limited ("Adcorp" or "Adcorp Group" or "the Group")

Registration number 1974/001804/06 • Share code: ADR • ISIN number: ZAE000000139

**Executive directors**  
*Independent non-executive directors*  
**Non-executive directors**  
*Alternate non-executive director*  
**Company secretary**  
*Transfer secretaries*  
**Sponsor**

RL Pike, C Bomeia, FD Burd, PC Swart  
 A Alibek, TDA Ross  
 LM Mojela, MR Ramaite, T Ramano  
 GP Duda  
 L Sudbury  
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