JASCO
INSPIRE.INNOVATE.

AUDITED RESULTS
FOR THE YEAR ENDED 30 JUNE 2014

JASCO ELECTRONICS HOLDINGS LIMITED
Registration number 1987/003293/06
JSE share code: JSC
ISIN: ZAE000003794
("Jasco" or "the company" or "the group")

1. INTRODUCTION

Group restructuring

The third and final year of Jasco's restructure is complete, with final costs related to organisational changes associated with the restructure incurred during the year.

The group has achieved a number of milestones during its restructuring period. These include:

- creating a single Jasco brand from 23 disjointed brands;
- increasing scale, with order intake and revenue in excess of R1 billion;
- expanding the national footprint and product and market segments;
- the consolidation of 11 businesses to four, the decrease of legal entities from 44 to 28 and the removal of several management levels;
- the commencement of the disposal of non-core business units, with Lighting and Telecommunications Structures sold in 2013 and the recent disposal of the Automotive business in January 2014;
- the disposal of the Midrand head office property for R60 million in 2013 and the subsequent reduction in debt levels in the first half of 2014;
- the completion of a successful rights issue of R55 million in January 2014 and strengthening of Jasco's black ownership to 62%;
- the reduction of interest-bearing debt during the year and the improvement in the debt:equity ratio to 62%;
- the 31% operating profit growth to R19,2 million from Electrical Manufacturers; and
- the pleasing growth from Jasco Power, with operating profit up 77% off a low base.

Challenges during the restructuring period include:

- the inability to conclude the disposal of the M-TEC investment. However, the group has signed a non-binding heads of agreement for R119 million. An independent valuation by BDO South Africa supports the selling price;
- the inability to settle the group's preference shares owing to AfroCentric by 30 June 2014 and the consequent reclassification to short-term liabilities. Although the expected proceeds of the M-TEC sale will be used to settle the preference share obligation, a comfort letter was also secured on 27 June 2014 for alternative funding to replace the preference shares if required; and
- the operating losses incurred in ICT Networks, particularly during the second half, on a significant change in market conditions. Corrective action has since been taken.

Group structure

In line with the group's strategy during the final year of the three-year restructuring programme and following the divestment of a number of businesses during the year, the group was structured from three verticals into two.

The ICT Solutions vertical contains the businesses of ICT Carrier, ICT Enterprise and ICT Networks.

The separate verticals of Industry Solutions and Energy Solutions have been combined to create the E&I Solutions vertical. This contains Electrical Manufacturers, Security and Power.

During the second six months to 30 June 2014, the business units that did not achieve the set minimum target of R150 million annual revenue were integrated into other businesses.

Rights issue

The group's rights issue was successfully concluded on 21 January 2014 and raised a net R55 million in funding for the group. The rights offer also introduced new strategic broad-based black economic empowerment (BBBEE) shareholders, Goldsol II and Harvibase, to the group. The owners of both partners have a track record in the security and telecommunications sectors, which has already allowed for cross-selling within Power Solutions. Initial technical alliance opportunities are in the process of being evaluated.

2. FINANCIAL OVERVIEW

Statement of comprehensive income

Group revenue decreased by 9% to R1,04 billion (2013: R1,15 billion), following the disposal of the Lighting and Telecommunications Structures businesses (R77,5 million) in 2013 and Automotive (R6 million) in January 2014. 2013 also created a high base due to the inclusion of a R65 million once-off project in Co-locations Solutions. A number of orders that were expected to flow through in 2014 were delayed, but received post year-end.

The main contributors to revenue were:

ICT – Carrier	13% decrease to R436,5 million (2013: R498,8 million)
ICT – Networks	40% decrease to R68,9 million (2013: R114,6 million)
ICT – Enterprise	4% decrease to R209,8 million (2013: R219,0 million)
E&I – Industry	2% decrease to R145,8 million (2013: R148,7 million)
E&I – Energy	6% increase to R194,5 million (2013: R184,3 million)

Operating profit improved significantly from a loss of R93,5 million in 2013 to a profit of R17,6 million, mainly due to the non-recurrence of once-off impairments and write-offs. The only headline adjustments were:

- the R4,3 million profit on sale of Automotive to Lumen International; and
- a R0,1 million profit on disposal of fixed assets during the normal course of operations.

To provide a more meaningful comparison, excluding these once-off adjustments, as well as restructuring costs of R13,0 million (2013: R14,6 million) operating profit declined by 26% to R26,2 million from R35,6 million in 2013. The decrease is due to the losses incurred by Security Solutions, mainly in the first half of this year, the unexpectedly high losses incurred by ICT Networks, mainly in the second half of this year, and final planned restructuring costs that were incurred on taking the necessary corrective action in these underperforming businesses.

Net finance costs of R14,5 million decreased from R19,3 million last year. This was in line with expectations on the receipt of R55 million from the rights issue and cash generated from operations. The main components of net finance costs were:

- the decrease in interest on bank overdrafts from R11,1 million in 2013 to R8,4 million in 2014 on lower utilisation of the group's general short-term facilities;
- the preference dividend paid to the group's black empowerment partner AfroCentric of R6,7 million (2013: R6,8 million); and
- the R4,8 million paid on the Cisco loan compared to the R6,8 million received from Telecom Namibia in the current year. This related to the five-year Co-location Solutions project.

There was no equity accounted earnings from the group's associate M-TEC on its "held-for-sale" status (2013: R1,6 million loss). M-TEC delivered a break-even PAT result for 2014 compared to a significant loss of R30,1 million in 2013.

The taxation credit of R3,5 million (2013: R7,0 million credit) was lower, mainly due to:

- the benefits from the initial round of restructuring of legal entities allowing for the utilisation of historic assessed income taxation losses in other subsidiaries;
- the profitability of subsidiaries in the current year reducing the historic tax losses; and
- the reversal in the previous year of capital gains tax accruals associated with the disposal of the Midrand property.

This resulted in an unusual effective rate of 114,1% (2013: 6,1%). The group expects the sustainable tax rate to return to 28% in the next one to two years.

The profit after tax for the year of R6,5 million is a strong improvement to last year's loss of R107,4 million. After adding back outside shareholders' interest in profits of R1,2 million (2013: R2,6 million), which relates to the group's investment in Co-location Solutions (NewTelco), the profit attributable to ordinary shareholders was R5,3 million (2013: loss R110,1 million). Earnings per share (EPS) was 3,1 cents per share (2013: loss 77,9 cents per share).

Headline earnings of R0,9 million increased by 85% (2013: R0,5 million) and headline earnings per share (HEPS) was up 52% to 0,5 cents per share (2013: 0,3 cents per share). The weighted average number of shares in issue was higher at 172,8 million shares versus 141,3 million shares following the issue of 72 million shares on 21 January 2014 in terms of the rights issue. This had a material effect on the calculation of earnings and headline earnings per share in the current year.

Statement of financial position

Significant matters

The most noteworthy change in the statement of financial position as at 30 June 2014 relates to a change in classification of the R90 million preference shares from long term back into the current category. These shares were allotted on 23 May 2008 to AfroCentric by Jasco Cables Investments (Pty) Ltd and were indirectly secured by the group's investment in M-TEC. The change in classification was necessary due to Jasco's intention to redeem or replace the preference shares by 31 December 2014.

Non-current assets and liabilities

Capital expenditure was R14,1 million (2013: R19,4 million). The majority of the capital spend was in Broadcast (R2,2 million on test equipment related to a completed broadcast upgrade), Carriers (R2,1 million related to the relocation into one business premise), Electrical Manufacturers (R2,2 million for new machinery), Security (R0,6 million on relocating to the head office in Midrand, Power (R0,3 million on relocating to larger premises), and head office (R2,3 million on IT infrastructure). The fixed asset disposals during the year were not material.

Intangibles (including goodwill) of R111,3 million increased from R94,1 million last year as a result of the acquisitions of MV Firecare and Telesto in the second half. All goodwill components were tested for impairment at 30 June 2014 and no impairment charges were considered necessary.

The investment in associate of R116,0 million, net of expected selling costs of R3,0 million, is unchanged, relates to the 51% investment in M-TEC and represents the fair value of the investment. M-TEC remains "held for sale", as reported last year. Equity accounting therefore remains suspended.

The net deferred tax asset of R23,9 million (2013: R20,7 million) increased due to the recognition of previously unrecognised tax losses in two entities that have achieved consistent profitability since 2012. The conservative approach adopted in the past in recognition of deferred taxation assets arising from assessed income tax losses remains unaltered, with less than 50% of available tax losses recognised.

Other non-current financial assets of R41,4 million decreased from R52,5 million last year and relates to the non-current portion of the finance lease receivable from Telecom Namibia. Jasco, through its subsidiary New Telco SA, entered into a five-year Interconnect Services agreement with Telecom Namibia in the previous year. New Telco SA supplies the exclusive use of dedicated points of presence in London, Frankfurt, Cape Town and Johannesburg.

The long-term interest-bearing loans of R68,9 million (2013: R163,0 million) decreased due to a change in classification of the R90 million preference shares and payments made on a term loan of R55,1 million (2013: R68,0 million) entered into with Cisco Systems Capital to fund the finance lease receivable from Telecom Namibia. The R20 million loan from TMM Holdings is repayable by December 2015, or convertible into 25 million ordinary shares at Jasco's election. The only other long-term liabilities that therefore remain are the loans from minority shareholders of R2,1 million (2013: R2,7 million) and assets financed in terms of instalment sale and/or finance lease agreements of R5,1 million (2013: R7,6 million).

Current assets and liabilities

Inventories on hand was R96,7 million (2013: R114,5 million), which was in line with the lower revenue. The most notable decrease in inventory levels occurred in Carriers and Electrical Manufacturers. This area will receive greater focus in 2015.

Trade receivables were R206,4 million (2013: R243,6 million) and includes debtor provisions of R2,0 million (2013: R3,0 million). These provisions are considered adequate to cover specific risk trade receivables identified and any impairment required in terms of IAS 39. The decrease was due to the lower revenue and a good focus on collections, which resulted in a very healthy age profile of the debtors' book. In the Security business unit, the arbitration against a customer has commenced where the involved rental amounts plus the maintenance and interest components are being claimed. No additional provisions are considered necessary at this stage, as the group is confident that the outstanding amount will be recovered.

Other receivables and pre-payments decreased to R66,9 million (2013: R131,9 million) due to the proceeds on the disposal of the Midrand property (R60 million) being received on 5 July 2013, and a reduction in the prepaid service level agreements relating to the Telecom Namibia project of R9,6 million (2013: R14,2 million).

Current non-interest-bearing liabilities of R259,5 million (2013: R322,6 million) decreased on lower volumes. This includes trade and other payables (accruals) of R194,1 million (2013: R248,2 million), provisions of R21,6 million (2013: R48,7 million) and deferred maintenance revenue of R43,3 million (2013: R24,8 million). Deferred maintenance revenue relates to service level agreements invoiced and paid in advance. The terms from Jasco's key trade suppliers are the subject of continuing focus and additional support was obtained during the year to fund organic growth requirements. This will continue to be a focus in the next financial year as procurement is a key area to improve gross margins across the group.

Although net foreign currency contracts are not material, foreign currency risk is carefully managed through a hedging programme that utilises a blend of the available instruments. This is dealt with in detail in the related note disclosures.

Current interest-bearing liabilities of R108,1 million (2013: R48,2 million) increased on the reclassification of the R90 million preference shares into short term (as discussed earlier in the review).

The team continues to concentrate on Jasco's working capital management, as it is above the internal target of 30 days. The bank overdraft of R8,1 million decreased from R56,0 million. This was mainly due to capital raised of R55,0 million and the operating cash inflows.

Statement of cash flows

The statement of cash flows reflects an inflow in cash generated from operations before working capital changes of R35,1 million compared to R47,7 million in 2013. Working capital changes reflect an outflow of R9,7 million (2013: R114,1 million outflow) on a sharp reduction in receivables and payables.

The net interest payment amounted to R14,5 million (2013: R19,3 million) (including the preference dividend), while income tax payments increased substantially. No ordinary dividends were paid (2013: R4,2 million related to 2012). Total cash inflows from operating activities of R6,5 million was pleasing when compared to the R90,8 million outflow in 2013.

Investing activities saw a cash inflow of R57,4 million (2013: R42,2 million outflow) on receipt of the proceeds on the property and Automotive business unit disposals, offset by capital expenditure of R14,1 million. Financing activities saw an outflow of R16,0 million (2013: R108,6 million) in spite of the R55 million new equity raised on the settlement of debt relating to the property and part redemption of the preference shares.

Accordingly, Jasco's net overdraft decreased by R47,9 million from R56,0 million at the beginning of the year.

3. OPERATIONAL REVIEW

ICT Solutions

ICT Solutions consists of three closely-linked business units – Carrier, Networks and Enterprise.

ICT Solutions delivers across the value chain, from design and planning of networks to the latest broadcasting solutions, Information Technology, telecommunications, logistics, installation, commissioning, configuration, integration, support and maintenance. As systems integrator, service provider and distributor, the group's solutions are proven across the board. This includes delivering comprehensive services and solutions that add value to the group's customers.

ICT – Carrier

Spend in the fixed-line and mobile markets continued to be restrained. Revenue decreased by 13% to R436,5 million (2013: R498,8 million). 2013 included the results from Telecommunications Structures, which was sold with effect from 1 July 2013. Excluding this, revenue decreased by 3% from 2013, mainly due to delayed orders from a major telecommunications operator. These orders have subsequently been received.

Due to the above, operating profit decreased by 17% to R46,9 million (2013: R56,5 million), although the business unit maintained a pleasing margin of 10,8% (2013: 11,3%). This was achieved on good overhead reductions against gross margin pressure.

ICT – Networks

This business unit consists of the Converged Solutions and the Co-locations Solutions businesses, as well as the newly-established Property Technology Management (PTM) business.

As expected, revenue decreased by 40% to R68,9 million (2013: R114,6 million), mainly due to the high base created in 2013 from a major project in Co-location Solutions. This project resulted in once-off revenue on the sale of equipment of R65,3 million under an interconnect services and finance lease agreement. In addition, some anticipated new customer orders were delayed during the year.

Converged Solutions' revenue remained flat following the disposal of the core network platform portfolio on 1 April 2014. This product range was disposed of due to the decrease in the mobile termination rates as announced by ICASA, which resulted in a drop in revenue and margins. Management took the opportunity to restructure this business. In addition, investments were made into the newly-established PTM business.

Consequently, and contrary to management's initial plans, the operating loss deteriorated to a very disappointing R11,1 million from the R3,4 million reported in 2013. Corrective action has been taken.

ICT – Enterprise

Revenue decreased by 4% from R219,0 million in 2013 to R209,8 million due to delayed customer orders in difficult trading conditions in South Africa. Albeit from a low base, the business experienced good volume growth in new African markets, as the group's regional strategy is starting to bear fruit.

Due to the loss in revenue, operating profit declined by 27% to R10,1 million (2013: R13,8 million). The overhead cost base was further realigned in the second half of the year.

E&I Solutions

E&I Solutions consists of Industry Solutions and Electrical Manufacturers. The business units were combined under one vertical following the divestment of Lighting Structures in 2013.

Industry Solutions consists of Security and Power Solutions. This business unit offers complete end-to-end solutions for facilities, including electronic security solutions, such as surveillance, CCTV, access control and fire detection and prevention solutions. In addition, the business unit is a complete provider of secure low-voltage power solutions, including uninterruptable power supplies (UPS), voltage regulators, transformers and lighting protection, as well as building management solutions. These offerings are supported by a highly-skilled team of engineers and systems integrators.

Electrical Manufacturers is a key player in the electrical "white goods" or appliance market. This business unit delivers end-to-end solutions across a wide variety of industries and sectors that require extensive electrical cabling and other appliances. Electrical Manufacturers houses the cable and component manufacturing offering of Jasco.

E&I – Industry Solutions

Security Solutions

Revenue declined by 8% to R109,8 million (2013: R118,9 million), mainly due to a lack of major projects and pricing pressure from key customers due to strikes in the mining sector.

Although an improvement was seen compared to the first six months, the business unit suffered an operating loss of R1,9 million compared to the R3,6 million profit in 2013 on the combination of lower volumes and margins. Once-off costs were incurred in the second half of the year in relocating the business to the group's Midrand head office and restructuring its headcount.

Power Solutions

Revenue increased by 20% to R36,0 million (2013: R29,9 million) due to new customers and cross-selling initiatives. Accompanying the healthy revenue growth, the operating profit increased by 77% from R2,2 million in 2013 to R3,9 million, in spite of relocation costs incurred in moving to bigger premises to accommodate the organic growth experienced since acquisition in January 2012, which is expected to continue going forward.

E&I – Energy Solutions

Since the disposal of Lighting Structures in 2013, only Electrical Manufacturers is reported under Energy Solutions.

Electrical Manufacturers

Revenue growth of 26% was achieved during the year to R194,5 million from R133,7 million on significantly higher volumes.

The strong growth in volumes from the group's major customer more than compensated for the lower gross margin percentage and justified the move to the bigger premises and the investment in new plant and machinery in previous years. Consequently, the operating profit grew by 31% to R19,2 million (2013: R14,7 million), improving the operating profit margin to 9,9% (2013: 9,6%). During the second half, the Automotive business was sold for R12,5 million before selling costs.

4. LOOKING FORWARD

Divisional prospects

Each business unit had to reach a minimum revenue of R150 million after the three-year restructure, or be incorporated into other businesses within the stable.

Consequently, the business units that have not met the R150 million target were combined as lines of business into larger business units. ICT Networks, Security Solutions and Power Solutions were restructured during the second half of the year. From July 2014, these lines of business form part of two larger business units, which meet the R150 million minimum requirement.

The new 2015 Jasco structure will therefore comprise of:

- Carrier – no change as this business unit has met the minimum requirements;
- Enterprise – now also includes Security Solutions and Unified Communications;
- Electrical Manufacturers – no change as this business unit has met the minimum requirements; and
- Intelligent Technologies – a new business unit which encompasses Broadcast, Property Technology Management, Power Solutions and Data centres (Co-location).

Carrier

The group remains cautious about the ongoing "price war" between the larger telecommunications operators, which may necessitate a restructure of their existing cost base. At the same time, Jasco is encouraged by tier-two players in the market that compete on a niche level, but would require the group's total solutions set. Jasco expects to continue its market share growth through new markets in southern Africa and focusing on growing its service revenue through innovative offerings.

Enterprise

The group expects to continue with its East African expansion in terms of unified communications and contact centres. The group's cloud solutions are maturing, with Software as a Service (SaaS) gaining market acceptance. The Security line of business falls under the new management team that will focus on continuing to turn this business around. Particular emphasis will be placed on growing the newly-acquired Fire Solutions business, with regional expansion.

Intelligent Technologies

The group expects growth in Intelligent Technologies to come from the continued shift within corporate South Africa to a managed services and hosted solutions model. Jasco will take advantage of this shift through its professional services offering and combined products. In Smart Buildings, the group will continue to grow annuity income and expand Jasco Power. Property Technology Management will continue to drive rooftop and off-grid solutions. The Data Centres line of business will evaluate joint ventures to drive growth and will take advantage of growing demand for Data Connectivity and Infrastructure and Platform as a Service (IaaS and PaaS).

Electrical Manufacturers
The prospects for Electrical Manufacturers are encouraging, even though this business unit was severely impacted by the strike action during July 2014. Demand in domestic appliances on growing exports from its major customer is expected to increase. This should support the operating profit, in spite of input cost pressures on raw materials and upward pressure of direct labour and electricity costs in the local market.

The small domestic appliances market should benefit from the weaker Rand, as Jasco's manufactured cost becomes competitive compared to the landed cost of imported product. However, the enforcement of the importing of non-compliant products is very poor and does not allow for a level playing field for local manufacturers. Consequently, this business unit divested of its Automotive business and deliberately reduced its production of the Snapper range of plugs and adaptors and components into the local small appliance manufacturers. However, in a weak Rand environment, the business has the ability to increase production back to historic levels in a relatively short timeframe.

Group prospects and opportunities
The group's home market of South Africa will continue to remain challenging, with low growth and a volatile labour environment. Against this, further costs will be cut and geographic and market diversification continued. The group will also finalise its exit of low-margin manufacturing.

The full benefits of the restructuring will flow through from 2015, although the first half has been strongly impacted by strike action in the metals industry.

Management has identified the following areas to increase revenue and profits going forward:

New group structure
The group is targeting cost savings on a more efficient overhead structure, combined with revenue and profit assurance plans to increase operating profit at a business unit and consolidated level.

Increased products and services
The group will continue to increase the range of products and services sold into its existing customer base as part of its cross-selling activities.

Strategic selling
The group will target strategic large corporate and public (SOE) entities, with a particular focus on energy optimisation.

African expansion
Good progress was seen in east African countries, with projects already won in Zimbabwe, Tanzania, Kenya and Mozambique. The group will continue to develop its regional strategy on a measured basis.

Strategic procurement
The group will aim to improve gross margins through quality service delivery to customers and by improving the efficiency of Jasco's resources executing these services. The group will engage with Jasco's key suppliers to extract improved procurement.

Bolt-on acquisitions
Close to year-end, the group enhanced the Security portfolio with the acquisition of Firecare, a fire detection and suppression solutions company, and the Enterprise portfolio with the acquisition of Telesto, a supplier of telephony and contact centre solutions, offering a leading software dialler as a part of the all-in-one contact centre suite.

Jasco will continue to investigate bolt-on acquisition opportunities to ensure that they are value-adding to the group.

Shareholders are advised that any forward looking information or statements contained in this announcement have not been reviewed or reported on by Jasco's independent auditors.

5. GOING CONCERN
The board has considered all operational and financial related activity and forecasts for the ensuing twelve months from the approval of these annual financial statements. This consideration included the status of the disposal of the investment in M-TEC, currently treated as a non-current asset held for sale. At the year end, a non-binding heads of agreement was entered into for the disposal of the investment in M-TEC, the proceeds of which will be used for the extinguishment of the preference shares which falls due for repayment to the holder at 31 December 2014, should a transaction be concluded. It is the board's view that a sale transaction will be concluded in this regard.

6. SUBSEQUENT EVENTS
There were no material subsequent events to report.

7. CHANGES TO THE BOARD
Mr Dewald Dempers, CEO of AfroCentric Investment Corporation Limited, was appointed as a non-executive member to the board on 16 January 2014.

Mr Shaheen Bawa, director of Harvibase Investments, was appointed as a non-executive member to the board on 1 July 2014.

Sir John Sherry has been reclassified as an independent non-executive director with effect from 1 July 2014.

8. NOTICE OF AGM
Notice is hereby given that the Annual General Meeting of Jasco shareholders will be held in the company's boardroom, Jasco Office Park, Corner Alexandra Avenue and Second Street, Midrand, on 31 October 2014, at 11:00, to transact the business as stated in the notice of the Annual General Meeting to be posted to shareholders on or about 30 September 2014.

For and on behalf of the board

Dr ATM Mokgokong *(Non-executive chairman)*

AMF da Silva *(Chief executive officer)*

WA Prinsloo *(Chief financial officer)*

16 September 2014

Basis of preparation
The audited summarised consolidated preliminary results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 Interim Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Companies Act, 71 of 2008, as amended and the Listings Requirements of the JSE Limited. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous year. These summarised consolidated financial statements, which were derived from the underlying audited consolidated financial statements for the year ended 30 June 2014, have not been audited. The directors take full responsibility for the preparation of the abridged report and the financial information has been correctly extracted from the underlying audited financial statements. The auditors, Ernst & Young Inc, have audited the consolidated annual financial statements for the year ended 30 June 2014 from which this summarised report has been derived and on which an unmodified opinion was expressed. These are available at Jasco's registered office.

Fair value of financial instruments
The fair values of financial instruments are determined using appropriate valuation techniques, including recent market transaction and other valuation models, have been applied and significant inputs include exchange rates. The group only has assets that are carried at fair value in level 2. There is no difference between the fair value and carrying value of financial instruments not presented below due to either the short-term nature of these items, or the fact that they are priced at variable interest rates.

Fair value hierarchy
Financial instruments carried at fair value in the statement of financial position (R'000):

– Financial assets at fair value through profit or loss	323
– Financial liabilities at fair value through profit or loss	398

Audit opinion
The consolidated annual financial statements have been audited by the group's independent auditors, Ernst & Young Inc. A copy of their unmodified report is available for inspection at Jasco's registered office.

SUMMARISED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(R'000)	Audited 30 June 2014	Audited 30 June 2013	% change
Revenue	**1 043 185**	1 151 035	(9,4)
Turnover	**1 035 382**	1 146 034	(9,7)
Finance income	**7 803**	5 001	56,1
Operating profit/(loss) before interest and taxation	**17 594**	(93 486)	118,8
Finance income	**7 803**	5 001	56,0
Finance cost	**(22 347)**	(24 331)	(8,2)
Equity accounted loss from associate	**–**	(1 586)	(100,0)
Profit/(loss) before taxation	**3 050**	(114 402)	102,7
Taxation	**3 480**	6 974	(50,1)
Profit/(loss) for the year	**6 530**	(107 428)	106,1
Other comprehensive income (will subsequently be reclassified to profit or loss)	**–**	2	
Total comprehensive income for the year	**6 530**	(107 426)	106,1
Profit/(loss) attributable to:			
– non-controlling interest	**1 224**	2 632	(53,5)
– equity holders of the parent	**5 306**	(110 060)	104,8
Profit/(loss) for the year	**6 530**	(107 428)	106,1
Total comprehensive income attributable to:			
– non-controlling interest	**1 224**	2 632	(53,5)
– equity holders of the parent	**5 306**	(110 058)	104,8
Total comprehensive for the year	**6 530**	(107 426)	
Reconciliation of headline earnings			
Net earnings attributable to equity holders of the parent	**5 306**	(110 060)	104,8
Headline earnings adjustments	**(4 444)**	110 525	(104,0)
– profit on disposal of Automotive business unit	**(4 289)**	–	
– loss on disposal of LeBlanc Jasco	**–**	4 758	
– loss on available for sale financial asset	**–**	12 089	
– loss on re-measurement of associate held for sale – M-TEC	**–**	72 209	
– impairment of goodwill	**–**	24 178	
– loss on re-measurement of disposal group held for sale	**–**	9 769	
– profit on disposal of fixed assets	**(155)**	(12 478)	
Headline earnings	**862**	465	85,4
Number of shares in issue ('000)	**218 399**	146 399	
Treasury shares ('000)	**5 129**	5 127	
Weighted average number of shares on which earnings per share is calculated ('000)	**172 832**	141 272	
Weighted average number of shares on which diluted earnings per share is calculated ('000)	**172 832**	141 272	22,3
Ratio analysis			
Attributable earnings	**5 306**	(110 060)	104,8
Earnings per share (cents)	**3,1**	(77,9)	103,9
Diluted earnings per share (cents)	**3,1**	(77,9)	103,9
Headline earnings per share (cents)	**0,5**	0,3	51,9
Diluted headline earnings per share (cents)	**0,5**	0,3	51,9
EBITDA	**34 769**	45 318	(23,3)
Net asset value per share (cents)	**134,3**	159,7	(15,9)
Net tangible asset value per share (cents)	**82,1**	93,1	(11,8)
Dividend per share – final (cents)	**–**	3,0	(100,0)
Debt: Equity (%)	**71,2**	100,4	(29,1)
Interest cover (times)	**0,9**	0,8	13,0
EBITDA interest cover (times)	**2,4**	2,3	2,0

SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(R'000)	Audited 30 June 2014	Audited 30 June 2013
ASSETS		
Non-current assets	**241 190**	227 073
Plant and equipment	**59 541**	56 200
Intangible assets	**111 286**	94 143
Investment in associates	**–**	–
Deferred income tax	**28 994**	24 246
Other non-current assets	**41 369**	52 484
Non-current asset held for sale	**116 000**	139 611
Current assets	**388 951**	510 521
Inventories	**96 722**	114 522
Trade and other receivables	**273 298**	377 291
Taxation paid in advance	**1 659**	1 118
Short-term portion of other non-current assets	**11 896**	10 510
Cash and cash equivalents	**5 376**	7 080
Total assets	**746 141**	877 205
EQUITY AND LIABILITIES		
Shareholders' equity	**287 582**	238 068
Non-current liabilities	**75 533**	168 167
Interest-bearing liabilities	**68 887**	163 030
Deferred maintenance revenue	**1 568**	1 578
Deferred income tax	**5 078**	3 559
Non-current liability held for sale	**–**	36 175
Current liabilities	**383 026**	434 795
Interest-bearing liabilities	**108 093**	48 209
Bank overdraft	**13 486**	60 602
Non-interest-bearing liabilities	**216 531**	297 797
Deferred maintenance revenue	**43 308**	24 821
Taxation liability	**1 608**	3 366
Total equity and liabilities	**746 141**	877 205

Directors and secretary
Dr ATM Mokgokong *(Chairman)*
MJ Madungandaba *(Deputy Chairman)*
JC Farrant*, Sir JA Sherry*, M Malebye*, H Moolla*
D Dempers, S Bawa *(Non-executives)*, AMF da Silva *(CEO)*
WA Prinsloo *(CFO) (Executives)*, S Lutchan *(Company Secretary)*
**Independent*

Registered office
Jasco Park, c/o 2nd Street and Alexandra Avenue, Midrand, 1685

SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(R'000)	Audited 30 June 2014	Audited 30 June 2013
Attributable to equity holders of the parent		
Opening balance	**225 656**	339 842
Issue of new shares	**55 100**	–
Treasury shares – Share Incentive Trust	**(1)**	192
Equity-settled share-based payment	**410**	(83)
Total comprehensive income	**5 306**	(110 056)
– Profit/(loss) for the year	**5 306**	(110 058)
– Other comprehensive income	**–**	2
Dividends paid	**–**	(4 239)
Closing balance	**286 471**	225 656
Non-controlling interests		
Opening balance	**12 412**	14 590
Subsidiaries disposed during the year	**(12 525)**	(4 810)
Total comprehensive income	**1 224**	2 632
– Profit for the year	**1 224**	2 632
– Other comprehensive income	**–**	–
Closing balance	**1 111**	12 412
Total shareholders' equity	**287 582**	238 068

SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS

(R'000)	Audited 30 June 2014	Audited 30 June 2013
Cash generated from operations before working capital changes	**35 139**	47 717
Working capital changes	**(9 766)**	(114 083)
Cash generated from operations	**25 463**	(66 366)
Net financing costs	**(14 544)**	(19 330)
Net taxation paid	**(4 379)**	(895)
Dividends paid	**–**	(4 239)
Cash flow from operating activities	**6 540**	(90 830)
Cash flow from investing activities	**57 393**	(42 213)
Cash flow from financing activities	**(15 997)**	108 645
Increase/(decrease) in cash resources	**47 936**	(24 398)

SUMMARISED CONSOLIDATED SEGMENTAL REPORTS
CURRENT STRUCTURE

(R'000) (Audited)	30 June 2014 Total revenue	30 June 2014 Operating profit/(loss)	30 June 2013 Total revenue	30 June 2013 Operating profit/(loss)
ICT – Carrier	**436 485**	**46 934**	498 811	56 468
ICT – Networks	**68 922**	**(11 076)**	114 570	(3 442)
ICT – Enterprise	**209 787**	**10 124**	218 988	13 824
E&I – Industry	**145 822**	**2 020**	148 742	5 760
E&I – Energy	**194 453**	**19 188**	184 258	11 802
Sub-total operating divisions	**1 055 469**	**67 190**	1 165 369	84 412
Other	**948**	**(51 145)**	9 817	(61 267)
Adjustments	**(13 232)**	**1 549**	(24 151)	(116 631)
Total	**1 043 185**	**17 594**	1 151 035	(93 486)

REVENUE BREAKDOWN

(R'000)	External revenue	Inter-segment	External revenue	Inter-segment
ICT – Carrier	**435 350**	**1 135**	497 396	1 415
ICT – Networks	**63 318**	**5 604**	110 187	4 383
ICT – Enterprise	**206 739**	**3 048**	211 814	7 174
E&I – Industry	**143 636**	**2 186**	147 587	1 155
E&I – Energy	**193 194**	**1 259**	181 876	2 382
Sub-total operating divisions	**1 042 237**	**13 232**	1 148 860	16 509
Other	**948**	**–**	2 175	7 642
Adjustments	**–**	**(13 232)**	–	(24 151)
Total	**1 043 185**	**–**	1 151 035	–

SEGMENTAL FINANCIAL POSITION

(R'000)	Assets	Liabilities	Assets	Liabilities
ICT – Carrier	**166 342**	**65 063**	241 123	138 904
ICT – Networks	**96 214**	**73 743**	100 907	84 286
ICT – Enterprise	**75 309**	**73 397**	78 744	69 832
E&I – Industry	**70 745**	**17 717**	82 123	24 487
E&I – Energy	**85 453**	**20 244**	110 490	45 496
Sub-total operating divisions	**494 063**	**250 164**	613 387	363 005
Other	**164 697**	**208 272**	386 243	401 821
Adjustments	**87 381**	**123**	(122 425)	(125 689)
Total	**746 141**	**458 559**	877 205	639 137

NEW SEGMENTS

(R'000)	30 June 2014 External revenue	Inter-segment	Total revenue	Operating profit/(loss)
Carriers	**370 644**	**1 012**	**371 656**	**46 123**
Enterprise	**347 978**	**4 191**	**352 169**	**(1 602)**
Intelligent Technologies	**130 421**	**4 317**	**134 738**	**3 481**
Electrical Manufacturers	**193 194**	**1 259**	**194 453**	**19 188**
Sub-total operating divisions	**1 042 237**	**10 779**	**1 053 016**	**67 190**
Other	**948**	**–**	**948**	**(51 145)**
Adjustments	**–**	**(10 779)**	**(10 779)**	**1 549**
Total	**1 043 185**	**–**	**1 043 185**	**17 594**

SEGMENTAL FINANCIAL POSITION

(R'000)	Assets	Liabilities
Carriers	**149 833**	**53 322**
Enterprise	**149 208**	**96 826**
Intelligent Technologies	**109 569**	**79 772**
Electrical Manufacturers	**85 453**	**20 244**
Sub-total operating divisions	**494 063**	**250 164**
Other	**164 697**	**208 272**
Adjustments	**87 381**	**123**
Total	**746 141**	**458 559**

Transfer secretaries
Link Market Services SA (Pty) Limited
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001

Sponsor
Grindrod Bank Limited
Fourth Floor, Grindrod Tower, 8A Protea Place, Sandton, 2146