

Revenue ↑ 8%
Operating income ↑ 35%
Headline earnings ↑ 33%
Headline Earnings per Share ↑ 31%



Compu-Clearing Outsourcing

LIMITED

"Compu-Clearing", "The Company" or "The Group" 1
 (Incorporated in the Republic of South Africa)-Registration number 1998/015541/06
 ~ Share code CCL~ ISIN ZAE 000016564

Reviewed preliminary condensed results for year ended June 2008

Commentary

2008 marks the tenth year of Compu-Clearing's listing on the JSE and its quarter century since founding in 1983. During this period the company has grown to become a pivotal provider of software and hardware solutions for the clearing and forwarding industry. The majority of South African customs entries are processed via the company's systems. Compu-Clearing is privileged to have leading corporations and international logistics providers as customers and it enjoys a long-standing and constructive relationship with the South African Customs authorities.

The financial results for the year ended June 2008 once again underscore Compu-Clearing's consistent cash generative qualities. Cash generated amounted to 120% of operating income. Cash on hand at balance sheet date amounted to a record R27.8 million.

Revenue increased by 8% to R45.5 million and a combination of strict expense control and improved efficiencies resulted in operating income increasing by 35% to R12.4 million. Operating margin of 27.2% is at an all time high. The company expenses all costs associated with continuous improvement and development of its intellectual property and therefore reported results are conservative. The robust cash position bolstered finance income, which increased by 51% to R2.6m. Tax is charged at a rate of 27.4% for the year, up from 24.5%. Headline earnings increased by 33% to R10.9m and headline earnings per share increased by 31% to 27.0 cents.

Both volume and value of goods imported to South Africa declined as the year progressed. Compu-Clearing is sensitive to the number of shipments in and out of the country and therefore actual transactions processed rather than absolute tonnage. Company revenue is thus substantially less cyclical than country trading patterns and benefits too from a base load of contractual recurring income from a diverse customer base.

Prospects

With a strong balance sheet, skilled and stable workforce, and recurring revenue sources, Compu-Clearing is well placed to withstand less favourable economic times. Investment in hardware infrastructure will continue and new state-of-the-art software products are in the pipeline for introduction to local and international customers. Earnings growth is anticipated in 2009.

Basis of preparation

The preliminary condensed financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS), the presentation and disclosure requirements of IAS 34 Interim Financial Reporting and in the manner required by the Companies Act of South Africa. The accounting policies applied are consistent with those reflected in the financial statements for the year ended 30 June 2007.

Review report

The Group's auditors KPMG Inc, have reviewed the preliminary condensed financial statements for compliance with IFRS and the Companies Act of South Africa for the year ended 30 June 2008. Their unqualified review opinion is available for inspection at the registered office of the Company.

Capital repayments to shareholders

A capital repayment from the share premium of 12 cents per ordinary share relating to the 2007 financial year was declared and made to shareholders during the period.

Ordinary dividend declaration

Notice is hereby given of the declaration of an ordinary cash dividend of 25 cents per share (2007 – nil) ('the dividend'). The following salient dates will apply to the dividend:

Last date to trade 'cum' the dividend	Friday, 12 September 2008
Trading commences 'ex' the dividend	Monday, 15 September 2008
Record date	Friday, 19 September 2008
Date of payment of the dividend	Monday, 22 September 2008

Share certificates may not be dematerialised or rematerialised during the period Monday, 15 September to Friday, 19 September both days inclusive.

For and on behalf of the Board

Johannesburg 22 August 2008	A. Garber (Chairman)	J. du Preez (Chief Executive)
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Directors: A. Garber, J. du Preez, D. Cleasby*, A. Katz*, M. Lutrin*, Dr. T. M. Mogale*, M. Steele*, A. Webb*, C. Efthymiades, M. Acosta-Alarcon
 *(Non-executive)

Transfer secretaries:
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 PO Box 890856
 Lyndhurst, 2106

Tenth year as a JSE listed company
Ordinary dividend of 25 cps declared
Cash on hand a record R27.8 million
Cash generated 120% of operating income

PRELIMINARY BALANCE SHEET

	30/06/2008 [reviewed] R'000	30/06/2007 [audited] R'000	% Increase / (decrease)
ASSETS			
Non current assets	14,869	14,657	
Property, plant and equipment	13,655	13,540	
Intangible asset	662	718	
Deferred taxation asset	552	399	
Current assets	35,842	29,028	
Inventory	66	102	
Trade and other receivables	6,696	6,085	
Taxation receivable	1,302	1,183	
Investments	-	4,616	
Cash and cash equivalents	27,778	17,042	
Total assets	50,711	43,685	
EQUITY AND LIABILITIES			
Shareholders' funds	45,687	39,189	
Share capital and premium	1,102	5,760	
Treasury shares	(577)	(601)	
Reserves	45,162	34,030	
Non-current liabilities	1,509	1,804	
Post retirement medical obligations	1,341	1,563	
Deferred taxation liability	168	241	
Current liabilities	3,515	2,692	
Trade and other payables	3,160	2,690	
Taxation payable	355	2	
Total equity and liabilities	50,711	43,685	
Net asset value per share [cents]	112.4	97.1	16

STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Treasury shares R'000	Retained earnings R'000	Share-based payment reserve R'000	Total R'000
Balance at 30 June 2006	400	12,061	(804)	28,118	568	40,343
Sale of treasury shares			203	1,545		1,748
New share allotments	9	871				880
Recognised income and expense						
- Profit for the year				8,218		8,218
Dividends paid				(4,307)		(4,307)
Distribution of share premium		(7,581)				(7,581)
Share-based payment transaction					(112)	(112)
Balance at 30 June 2007	409	5,351	(601)	33,574	456	39,189
Sale of treasury shares						0
New share allotments	3	(4,661)	24			(4,634)
Recognised income and expense						
- Profit for the year				10,906		10,906
Share-based payment transaction					226	226
Balance at 30 June 2008	412	690	(577)	44,480	682	45,687

PRELIMINARY SEGMENTAL REPORT

	Year ended 30/6/2008 [reviewed] R'000	Year ended 30/6/2007 [audited] R'000	% Increase / (decrease)
Software rental revenue	34,124	30,984	10
Hardware rental revenue	10,327	8,895	16
Other	1,045	2,413	
Total revenue	45,496	42,292	8
Segment result - Software	18,010	15,022	
Segment result - Hardware	2,919	3,078	
Segment result - Other	(8,545)	(8,951)	
Total segment result	12,384	9,149	35
Operating margin	27%	22%	

Sponsor
sasfin
CAPITAL

Auditors



PRELIMINARY INCOME STATEMENT

	Year ended 30/6/2008 [reviewed] R'000	Year ended 30/6/2007 [audited] R'000	% Increase / (decrease)
Rental and other revenue	45,496	42,292	8
Operating costs	33,112	33,143	
- Distribution	24,266	23,886	
- Administration	8,342	8,454	
- Other	504	803	
Operating profit	12,384	9,149	35
Net finance revenue	2,629	1,739	
- Financial income	2,629	1,740	
- Financial expense	-	(1)	
Profit before income tax	15,013	10,888	38
Income tax - Normal and deferred	4,107	2,132	
Income tax - STC (secondary tax on companies)	-	538	
Profit for the year attributable to ordinary shareholders	10,906	8,218	33
Basic earnings per share [cents]	27.0	20.6	31
Diluted earnings per share [cents]	26.5	19.9	33

PRELIMINARY CASH FLOW STATEMENT

	Year ended 30/6/2008 [reviewed] R'000	Year ended 30/6/2007 [audited] R'000
Profit before income tax	15,013	10,888
Adjustments for:	213	1,082
Non cash items	2,842	2,821
Net financial revenue	(2,629)	(1,739)
Cash generated by trading operations (Decrease) / increase in post retirement medical obligations (Increase)/ decrease in working capital	15,226 (222) (105)	11,970 (20) 855
Cash generated by operations	14,899	12,805
Net financial revenue	2,629	1,419
- Financial income	2,629	1,420
- Financial expense	-	(1)
Income tax paid	(4,099)	(3,834)
Distributions to shareholders	(4,889)	(11,888)
- Dividend paid		(4,307)
- Distribution of share premium	(4,889)	(7,581)
Cash flow from operating activities	8,540	(1,498)
Cash flow from investing activities	1,941	(3,710)
Utilised to expand operations		
Acquisition of property, plant and equipment Utilised to maintain operations		(462)
Acquisition of property, plant and equipment	(2,423)	(1,084)
Acquisition of intangible asset	(252)	(164)
(Acquisition)/ disposal of investments	4,616	(2,000)
Cash flow from financing activities		
Proceeds from the issue of shares and sale of treasury shares	255	2,628
Increase/ (decrease) in cash and cash equivalents	10,736	(2,580)
Cash and cash equivalents at the beginning of the year	17,042	19,622
Cash and cash equivalents at the end of the year	27,778	17,042

RECONCILIATION OF HEADLINE EARNINGS

	Year ended 30/6/2008 [reviewed] R'000	Year ended 30/6/2007 [audited] R'000	% Increase / (decrease)
Profit for the year attributable to ordinary shareholders	10,906	8,218	
Adjusted for:			
Loss on disposal of property, plant and equipment	25	22	
Taxation effect	(7)	(6)	
Headline earnings	10,924	8,234	33
Headline earnings per share [cents]	27.0	20.6	31
Diluted headline earnings per share [cents]	26.6	19.9	
Actual number of shares in issue ['000]	40,658	40,380	
Weighted average number of shares in issue ['000]	40,460	39,959	
Diluted weighted average number of shares in issue ['000]	41,096	41,393	