



# Compu-Clearing Outsourcing

LIMITED

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

## Reviewed condensed interim financial statements for the six months ended 31 December 2007

### condensed income statement

	6 months ended			Year ended
	31 December	31 December	30 June	30 June
	2007	2006	2007	2007
% Inc. / (decr.)	[Reviewed] R'000	[Reviewed] R'000	[Audited] R'000	[Audited] R'000
Rental and other revenue	8	22,454	20,811	42,292
Operating costs		16,929	16,617	33,143
- Distribution		12,105	10,526	23,886
- Administration		4,713	5,709	8,454
- Other		111	382	803
Operating profit	32	5,525	4,194	9,149
Net finance income		1,182	977	1,739
- Financial income		1,182	978	1,740
- Financial expenses		-	(1)	(1)
Profit before income tax	30	6,707	5,171	10,888
Income tax - normal and deferred		1,949	1,134	2,132
Income tax - STC		-	538	538
(secondary tax on companies)				
Profit attributable to ordinary shareholders	36	4,758	3,499	8,218
Earnings per share [cents]				
Basic	33	11.8	8.9	20.6
Diluted	30	11.4	8.8	19.9
Ordinary dividend per share [cents]		-	11.0	11.0
Capital distribution [cents]		12.0	9.0	19.0

### condensed cash flow statement

	6 months ended			Year ended
	31 December	31 December	30 June	30 June
	2007	2006	2007	2007
	[Reviewed] R'000	[Reviewed] R'000	[Audited] R'000	[Audited] R'000
Profit before income tax	6,707	5,171	10,888	
Adjusted for:	530	595	1,082	
Non cash items	1,712	1,572	2,821	
Net financial revenue	(1,182)	(977)	(1,739)	
Cash generated by trading operations	7,237	5,766	11,970	
(Decrease) / increase in post retirement medical obligations	(32)	14	(20)	
(Increase) / decrease in working capital	(591)	632	855	
Cash generated by operations	6,614	6,412	12,805	
Net financial revenue	790	977	1,419	
- Financial income	790	978	1,420	
- Financial expenses	-	(1)	(1)	
Income tax paid	(1,339)	(2,457)	(3,834)	
Distributions to shareholders	(4,849)	(7,883)	(11,888)	
- Dividends paid	-	(4,307)	(4,307)	
- Distribution of share premium	(4,849)	(3,576)	(7,581)	
Cash in / (outflow) from operating activities	1,216	(2,951)	(1,498)	
Cash flow from investing activities	(807)	(666)	(3,710)	
Acquisition of property, plant and equipment to maintain operations	(397)	(350)	(1,084)	
Acquisition of property, plant and equipment to expand operations	(293)	-	(462)	
Acquisition of intangible asset	(117)	(99)	(164)	
Acquisition of other investments	-	(217)	(2,000)	
Cash inflow from financing activities				
Proceeds from the issue of shares and sale of treasury shares	10	1,528	2,628	
Increase / (decrease) in cash and cash equivalents	419	(2,089)	(2,580)	
Cash and cash equivalents at the beginning of the period	17,042	19,622	19,622	
Cash and cash equivalents at the end of the period	17,461	17,533	17,042	

Sponsor

**sasfin**  
CAPITAL

Auditors

**KPMG**

Attributable earnings ↑ 36%  
Basic Headline earnings ↑ 33%  
Cash generated by trading operations ↑ 25%

### statement of changes in equity

	Share capital R'000	Share premium R'000	Treasury shares R'000	Retained earnings R'000	Share-based reserve R'000	Total R'000
Balance at 30 June 2006	400	12,061	(804)	28,118	568	40,343
Recognised income and expense						
- profit for the year				8,218		8,218
Sale of treasury shares			1,748			1,748
Transfer to retained earnings			(1,545)	1,545		-
New share allotments	9	871				880
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
Recognised income and expense						
- profit for the year				4,758		4,758
Transfer to retained earnings				32	(32)	-
New share allotments		10				10
Distribution of share premium		(4,849)				(4,849)
Share-based payment transaction					168	168
Balance at 31 December 2007	409	512	(569)	38,300	624	39,276

### reconciliation of headline earnings

	6 months ended			Year ended
	31 December	31 December	30 June	30 June
	2007	2006	2007	2007
	[Reviewed] R'000	[Reviewed] R'000	[Audited] R'000	[Audited] R'000
Profit for the year attributable to ordinary shareholders	4,758	3,499	8,218	
Adjusted for:				
Loss on disposal of property, plant and equipment	32	24	22	
Taxation effect	(9)	(7)	(6)	
Headline earnings	4,781	3,516	8,234	
Headline earnings per share [cents]				
Basic	33	11.8	8.9	20.6
Diluted	30	11.5	8.8	19.9
Actual number of shares in issue [000]	40,413	39,803	40,380	
Weighted average number of shares in issue [000]	40,402	39,385	39,959	
Diluted weighted average number of shares in issue [000]	41,687	39,932	41,393	

### condensed segment report

	6 months ended			Year ended
	31 December	31 December	30 June	30 June
	2007	2006	2007	2007
% Inc. / (decr.)	[Reviewed] R'000	[Reviewed] R'000	[Audited] R'000	[Audited] R'000
Software rental revenue	11	16,858	15,234	30,984
Hardware rental revenue	15	5,063	4,404	8,895
Other	(55)	533	1,173	2,413
Total revenue	8	22,454	20,811	42,292
Operating profit	32	5,525	4,194	9,149
Operating margin		25%	20%	22%

For and on behalf of the Board

Johannesburg  
3 March 2008

**A.Garber**  
(Chairman)

**J. du Preez**  
(Chief Executive)

Directors: A.Garber, J.du Preez, A.Katz\*, M.Lutrin\*, D.Rosevear\*, Dr.T.M.Mogale\*, M.Steele\*, A.Webb\*, C.P.Efthymiades, M.Acosta-Alarcon \*(Non-executive)

Transfer secretaries:  
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Johannesburg, 2001

Registered office:  
7 Drome Road  
Lyndhurst, 2106  
PO Box 890856  
Lyndhurst, 2106

### ASSETS

	31 December	31 December	30 June
	2007	2006	2007
	[Reviewed] R'000	[Reviewed] R'000	[Audited] R'000
Non current assets	13,792	14,788	14,657
Property, plant and equipment	12,849	13,569	13,540
Intangible asset	672	840	718
Deferred taxation asset	271	379	399
Current assets	30,619	26,619	29,028
Inventory	84	69	102
Trade and other receivables	6,774	5,699	6,085
Income tax receivable	1,292	805	1,183
Investments	5,008	2,513	4,616
Cash and cash equivalents	17,461	17,533	17,042
Total assets	44,411	41,407	43,685

### EQUITY AND LIABILITIES

	31 December	31 December	30 June
	2007	2006	2007
	[Reviewed] R'000	[Reviewed] R'000	[Audited] R'000
Equity	39,276	37,539	39,189
Share capital and premium	921	9,470	5,760
Treasury shares	(569)	(1,000)	(601)
Distributable reserves	38,924	29,069	34,030
Non-current liabilities	1,693	1,820	1,804
Post retirement medical obligations	1,531	1,597	1,563
Deferred taxation liability	162	223	241
Current liabilities	3,442	2,048	2,692
Trade and other payables	2,770	2,048	2,690
Income tax payable	672	-	2
Total equity and liabilities	44,411	41,407	43,685
Net asset value per share [cents]	97.2	94.3	97.1

### Commentary

It is with pleasure that we present our results for the six month period ended 31 December 2007. A pleasing growth in both operating profit and basic headline earnings per share of 32% and 33% respectively, was achieved as a result of increased revenues and improved cost controls in the period under review. Growth has been entirely organic and achieved due to our successful annuity income model. Once again our cash generation by trading operations has been a highlight, increasing by 25% against the comparable period.

### Prospects

We expect continued revenue growth as a result of increased customers volumes, more systems being installed by our existing customers, and new customers being signed up. Revenue growth can also be expected as a result of the rollout of new products. Marginal expense curtailment will continue supported by continued cash generation.

### Basis of preparation

The condensed financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards and the presentation and disclosure requirements of IAS 34. The accounting policies applied are consistent with those reflected in the financial statements for the year ended 30 June 2007.

### Related party transactions

The Group has entered into various transactions with related parties on an arm's length basis and at market rates.

### Distributions to shareholders

Compu-Clearing has a policy of paying a single dividend or distribution at year end. As a result, the company has not declared an interim dividend and/or distribution to shareholders. A capital distribution of 12 cents per share (2006 – dividend of 11 cents per share and a capital distribution of 9 cents per share) was paid to shareholders during the period.

### Review report

The Group's auditors KPMG Inc, have reviewed the financial information for the six months ended 31 December 2007. Their review report is available for inspection at the registered office of the Company.