

# Reviewed condensed interim financial statements for the six months ended 31 December 2008

| condensed income statement                                |                             |                             |                        |
|---|-----------------------------|-----------------------------|------------------------|
|   | 6 months ended              |                             | Year ended             |
| % Inc. / (decr.)  | 31 December 2008 [Reviewed] | 31 December 2007 [Reviewed] | 30 June 2008 [Audited] |
|   | R'000                       | R'000                       | R'000                  |
| Rental and other revenue                                  | -                           | 22,500                      | 45,496                 |
| Operating costs   | 17,765                      | 16,929                      | 33,112                 |
| - Distribution  | 12,777                      | 12,105                      | 24,266                 |
| - Administration  | 4,809                       | 4,713                       | 8,342                  |
| - Other   | 179                         | 111                         | 504                    |
| Operating profit  | (14) 4,735                  | 5,525                       | 12,384                 |
| Financial income  | 1,422                       | 1,182                       | 2,629                  |
| Profit before income tax                                  | (8) 6,157                   | 6,707                       | 15,013                 |
| Income tax - normal and deferred                          | 1,713                       | 1,949                       | 4,107                  |
| Income tax - STC  | 1,022                       | -                           | -                      |
| (Secondary tax on companies)                              |                             |                             |                        |
| Profit for the year attributable to ordinary shareholders | (28) 3,422                  | 4,758                       | 10,906                 |
| Earnings per share [cents]                                |                             |                             |                        |
| Basic   | (29) 8.4                    | 11.8                        | 27.0                   |
| Diluted   | (27) 8.3                    | 11.4                        | 26.5                   |
| Ordinary dividend per share [cents]                       | 25.0                        | -                           | -                      |
| Capital distribution [cents]                              | -                           | 12.0                        | 12.0                   |

| reconciliation of headline earnings                       |                             |                             |                        |
|---|-----------------------------|-----------------------------|------------------------|
|   | 6 months ended              |                             | Year ended             |
| % Inc. / (decr.)  | 31 December 2008 [Reviewed] | 31 December 2007 [Reviewed] | 30 June 2008 [Audited] |
|   | R'000                       | R'000                       | R'000                  |
| Profit for the year attributable to ordinary shareholders | 3,422                       | 4,758                       | 10,906                 |
| Adjusted for :  |                             |                             |                        |
| Loss on disposal of property, plant and equipment         | 10                          | 32                          | 25                     |
| Taxation effect   | (3)                         | (9)                         | (7)                    |
| Headline earnings   | 3,429                       | 4,781                       | 10,924                 |
| Headline earnings per share [cents]                       |                             |                             |                        |
| Basic   | (29) 8.4                    | 11.8                        | 27.0                   |
| Diluted   | (28) 8.3                    | 11.5                        | 26.6                   |
| Actual number of shares in issue ['000]                   | 41,110                      | 40,413                      | 40,658                 |
| Weighted average number of shares in issue ['000]         | 40,901                      | 40,402                      | 40,460                 |
| Diluted weighted average number of shares in issue ['000] | 41,446                      | 41,687                      | 41,096                 |

## Commentary

The 6 months ended 31 December 2008 has been a challenging period for the Company as import and export volumes declined. Core revenue remained at a similar level to the corresponding period, while expenses increased by 5%. Secondary Tax on Companies ('STC') of R1 million relating to dividends paid during the period, resulted in a 3,4 cents drop in headline earnings per share and earnings per share to 8,4 cents. Distributions to shareholders in the corresponding period were made by way of a reduction in share capital, which was not subject to STC. Excluding the effect of the STC in the current period, headline earning per share and earnings per share would have decreased by 8,0% and 7,7% respectively. The company continues to be a strong generator of cash.

## Prospects

Prospects for the coming year appear good with a stable client base, with the rollout of some new products expected to take place during the second half of this financial year. Volumes are not expected to increase. Management remains committed to the further development of new products.

## Basis of preparation

The condensed interim financial statements have been prepared in accordance with the listings requirements of the JSE Limited, the recognition and measurement requirements of International Financial Reporting Standards, the presentation and disclosure requirements of IAS 34 and 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 2008.

## 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 at year end. As a result, the company has not declared an interim dividend.

## Review report

The Group's auditors KPMG Inc, have reviewed the financial information for the six months ended 31 December 2008. Their unmodified review report is available for inspection at the registered office of the Company.

| condensed balance sheet             |                             |                             |                        |
|-------------------------------------|-----------------------------|-----------------------------|------------------------|
|                                     | 31 December 2008 [Reviewed] | 31 December 2007 [Reviewed] | 30 June 2008 [Audited] |
|                                     | R'000                       | R'000                       | R'000                  |
| <b>ASSETS</b>                       |                             |                             |                        |
| Non current assets                  | 15,669                      | 13,792                      | 14,869                 |
| Property, plant and equipment       | 14,327                      | 12,849                      | 13,655                 |
| Intangible asset                    | 919                         | 672                         | 662                    |
| Deferred taxation asset             | 423                         | 271                         | 552                    |
| Current assets                      | 28,294                      | 30,619                      | 35,842                 |
| Inventory                           | 69                          | 84                          | 66                     |
| Trade and other receivables         | 7,213                       | 6,774                       | 6,696                  |
| Taxation receivable                 | 1,302                       | 1,292                       | 1,302                  |
| Investments                         | -                           | 5,008                       | -                      |
| Cash and cash equivalents           | 19,710                      | 17,461                      | 27,778                 |
| <b>Total assets</b>                 | <b>43,963</b>               | <b>44,411</b>               | <b>50,711</b>          |
| <b>EQUITY AND LIABILITIES</b>       |                             |                             |                        |
| Equity                              | 39,359                      | 39,276                      | 45,687                 |
| Share capital and premium           | 1,548                       | 921                         | 1,101                  |
| Treasury shares                     | (528)                       | (569)                       | (576)                  |
| Distributable reserves              | 38,339                      | 38,924                      | 45,162                 |
| Non-current liabilities             | 1,464                       | 1,693                       | 1,509                  |
| Post retirement medical obligations | 1,303                       | 1,531                       | 1,341                  |
| Deferred taxation liability         | 161                         | 162                         | 168                    |
| Current liabilities                 | 3,140                       | 3,442                       | 3,515                  |
| Trade and other payables            | 2,625                       | 2,770                       | 3,157                  |
| Income tax payable                  | 515                         | 672                         | 358                    |
| <b>Total equity and liabilities</b> | <b>43,963</b>               | <b>44,411</b>               | <b>50,711</b>          |
| Net asset value per share [cents]   | 95.7                        | 97.2                        | 112.4                  |

| condensed segment report  |                             |                             |                        |
|---------------------------|-----------------------------|-----------------------------|------------------------|
|                           | 6 months ended              |                             | Year ended             |
| % Inc. / (decr.)          | 31 December 2008 [Reviewed] | 31 December 2007 [Reviewed] | 30 June 2008 [Audited] |
|                           | R'000                       | R'000                       | R'000                  |
| Software rental revenue   | 2                           | 17,241                      | 16,858                 |
| Hardware rental revenue   | (7)                         | 4,706                       | 5,063                  |
| Other                     | 4                           | 553                         | 533                    |
| Total revenue             | -                           | 22,500                      | 22,454                 |
| Segment result - Software |                             | 8,043                       | 8,519                  |
| Segment result - Hardware |                             | 1,451                       | 1,297                  |
| Segment result - Other    |                             | (4,759)                     | (4,291)                |
| Total segment result      | (14)                        | 4,735                       | 5,525                  |
| Operating margin          |                             | 21%                         | 25%                    |

| statement of changes in equity                      |               |               |                 |                   |                             |               |
|---|---------------|---------------|-----------------|-------------------|-----------------------------|---------------|
|   | Share capital | Share premium | Treasury shares | Retained earnings | Share-based payment reserve | Total         |
|   | R'000         | R'000         | R'000           | R'000             | R'000                       | R'000         |
| Balance at 30 June 2007                             | 409           | 5,351         | (601)           | 33,574            | 456                         | 39,189        |
| Recognised income and expense - profit for the year |               |               |                 | 10,906            |                             | 10,906        |
| Share issues  | 3             | 252           |                 |                   |                             | 255           |
| Distribution of share premium                       |               | (4,914)       | 25              |                   |                             | (4,889)       |
| Share-based payment transaction                     |               |               |                 |                   | 226                         | 226           |
| Balance at 30 June 2008                             | 412           | 689           | (576)           | 44,480            | 682                         | 45,687        |
| Recognised income and expense - profit for the year |               |               |                 | 3,422             |                             | 3,422         |
| Sale of treasury shares                             |               | 22            | 48              |                   |                             | 70            |
| Share issues  | 4             | 421           |                 |                   |                             | 425           |
| Dividends paid                                      |               |               |                 | (10,221)          |                             | (10,221)      |
| Share-based payment transaction                     |               |               |                 |                   | (24)                        | (24)          |
| <b>Balance at 31 December 2008</b>                  | <b>416</b>    | <b>1,132</b>  | <b>(528)</b>    | <b>37,681</b>     | <b>658</b>                  | <b>39,359</b> |

| condensed cash flow statement                                       |                             |                             |                        |
|---|-----------------------------|-----------------------------|------------------------|
|   | 6 months ended              |                             | Year ended             |
|   | 31 December 2008 [Reviewed] | 31 December 2007 [Reviewed] | 30 June 2008 [Audited] |
|   | R'000                       | R'000                       | R'000                  |
| Profit before income tax  | 6,157                       | 6,707                       | 15,013                 |
| Adjusted for:   | 88                          | 530                         | 213                    |
| Non cash items  | 1,510                       | 1,712                       | 2,842                  |
| Net financial income  | (1,422)                     | (1,182)                     | (2,629)                |
| Cash generated by trading operations                                | 6,245                       | 7,237                       | 15,226                 |
| Decrease in post retirement medical obligations                     | (38)                        | (32)                        | (222)                  |
| (Increase) in working capital                                       | (1,056)                     | (591)                       | (106)                  |
| Cash generated by operations  | 5,151                       | 6,614                       | 14,898                 |
| Financial income  | 1,422                       | 790                         | 2,629                  |
| Income tax paid   | (2,452)                     | (1,339)                     | (4,098)                |
| Distributions to shareholders                                       | (10,221)                    | (4,849)                     | (4,889)                |
| - Dividends paid  | (10,221)                    | -                           | -                      |
| - Distribution of share premium                                     | -                           | (4,849)                     | (4,889)                |
| Cash (outflow) / inflow from operating activities                   | (6,100)                     | 1,216                       | 8,540                  |
| Cash (outflow) / inflow from investing activities                   | (2,463)                     | (807)                       | 1,941                  |
| Acquisition of property, plant and equipment to expand operations   | -                           | (293)                       | -                      |
| Acquisition of property, plant and equipment to maintain operations | (2,131)                     | (397)                       | (2,423)                |
| Acquisition of intangible asset                                     | (332)                       | (117)                       | (252)                  |
| Disposal of investments   | -                           | -                           | 4,616                  |
| Cash inflow from financing activities                               | 495                         | 10                          | 255                    |
| Proceeds from the issue of shares and sale of treasury shares       |                             |                             |                        |
| (Decrease) / increase in cash and cash equivalents                  | (8,068)                     | 419                         | 10,736                 |
| Cash and cash equivalents at the beginning of the period            | 27,778                      | 17,042                      | 17,042                 |
| Cash and cash equivalents at the end of the period                  | 19,710                      | 17,461                      | 27,778                 |

For and on behalf of the Board  
 Johannesburg  
 27 February 2009

**A. Garber**  
 (Chairman)

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

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

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