



# Sabvest Limited

("Sabvest" or "the group") • Registration number 1987/003753/06

## Unaudited interim results for the six months ended 30 June 2009 and cash dividend declaration

### Consolidated Statement of Financial Position

at 30 June 2009

	Unaudited 30 June 2009 R'000	Unaudited 30 June 2008 R'000	Audited 31 Dec 2008 R'000
<b>Non-current assets</b>	<b>353 033</b>	326 491	365 160
Property, plant and equipment	1 216	1 318	1 380
Deferred tax asset	1 388	2 036	1 897
Share trust receivables	6 423	3 854	4 134
Investment holdings	344 006	319 283	357 749
Associates*	288 391	255 392	279 139
Long-term investments	55 615	63 891	78 610
<b>Current assets</b>	<b>11 537</b>	32 311	18 614
Finance advances and receivables	11 462	17 039	18 518
Cash balances	75	15 272	96
<b>Total assets</b>	<b>364 570</b>	358 802	383 774
<b>Ordinary shareholders' equity</b>	<b>336 489</b>	343 388	350 636
<b>Non-current liability</b>	<b>2 531</b>	2 685	3 486
Deferred tax liability	2 531	2 685	3 486
<b>Current liabilities</b>	<b>25 550</b>	12 729	29 652
Interest-bearing debt	21 960	5 975	24 100
Accounts payable	3 590	6 754	5 552
<b>Total equity and liabilities</b>	<b>364 570</b>	358 802	383 774
Net asset value per share – cents	727	742	759
Net tangible asset value per share – cents	720	735	752
Net asset value per share with listed investments in associates at market value – cents	749	816	796
Net asset value per share with investments in associates at directors' valuation (intrinsic value) – cents**	1 010	1 078	1 016
Number of shares in issue less held in treasury – 000's	46 276	46 276	46 180

\* Includes goodwill of R3,4 million (30 June 2008: R3,4 million)

\*\* Calculated after deducting CGT payable should investments be sold at directors' valuation.

### Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2009

	Unaudited 6 months ended 30 June 2009 R'000	Unaudited 6 months ended 30 June 2008 R'000	Audited 12 months ended 31 Dec 2008 R'000
<b>Gross income from operations and investments</b>	<b>19 550</b>	18 038	59 216
Dividends received	6 961	10 327	38 149
Interest received	797	1 734	3 938
Income on financial instruments and shares	2 022	–	–
Fees and sundry income	860	870	2 781
Fair value adjustment to investments	(10 476)	(13 664)	(16 939)
Equity accounted retained income of associates	19 386	18 771	31 287
Share of net income of associates	25 087	27 983	67 056
Less: Dividends received	(5 701)	(9 212)	(35 769)
Impairments	(84)	174	(45)
Interest paid	1 834	626	2 335
<b>Net income before expenses and exceptional items</b>	<b>17 800</b>	17 238	56 926
Less: Expenditure	7 836	7 827	15 869
Operating costs	7 665	7 636	15 473
Depreciation	171	191	396
Exceptional items – losses/(gains)	1 028	2 079	33 509
<b>Net income before taxation</b>	<b>8 936</b>	7 332	7 548
Taxation – deferred	(446)	(1 451)	(512)
<b>Net income for the period attributable to equity shareholders</b>	<b>9 382</b>	8 783	8 060
Translation of foreign subsidiary/associates	(833)	1 622	(16)
<b>Total comprehensive income attributable to equity shareholders</b>	<b>8 549</b>	10 405	8 044
Earnings per share – cents	20,3	19,0	17,4
Dividends per share – cents (proposed after interim/year-end) – cents	3,0	3,0	14,0
Weighted average number of shares in issue – 000's	46 257	46 276	46 260
Headline earnings per share – cents <sup>1</sup>	22,5	23,5	89,9
<b>Reconciliation of headline earnings</b>			
Net income for the period	9 382	8 783	8 060
Exceptional (gains)/losses – associates	828	–	–
Losses/costs arising from former finance operations	200	2 079	33 509
Profit on sale of property, plant and equipment	–	–	1
Headline earnings for the period	10 410	10 862	41 570

\* There are no diluting instruments

### Consolidated Condensed Statement of Cash Flows

for the six months ended 30 June 2009

	Unaudited 6 months ended 30 June 2009 R'000	Unaudited 6 months ended 30 June 2008 R'000	Audited 12 months ended 31 Dec 2008 R'000
Cash (utilised in)/generated by operating activities	(2 678)	3 451	21 367
Cash generated by/(utilised in) investing activities	9 887	8 387	(40 740)
Cash effects of financing activities	–	–	(701)
Cash utilised for the payment of dividends	(5 090)	(5 090)	(6 479)
<b>Change in cash and cash equivalents</b>	<b>2 119</b>	6 748	(26 553)
Cash balances, less interest-bearing debt, at beginning of period	(24 004)	2 549	2 549
<b>Cash balances, less interest-bearing debt, at end of period</b>	<b>(21 885)</b>	9 297	(24 004)

### Consolidated Statement of Changes in Equity

for the six months ended 30 June 2009

	Share capital R'000	Share premium R'000	Non-distributable reserve R'000	Distributable reserve R'000	Total R'000
<b>Balance as at 1 January 2008</b>	867	50 729	196 897	76 293	324 786
Total comprehensive income for the year	–	–	(16)	8 060	8 044
Share-based payment charge	–	–	163	–	163
Attributable income of associates	–	–	31 287	(31 287)	–
Movement in translation and other reserves of associates	–	–	24 729	–	24 729
Shares held in share trust	(5)	(696)	–	–	(701)
Unclaimed dividends – written back	–	–	–	94	94
Dividends paid	–	–	–	(6 479)	(6 479)
<b>Balance as at 31 December 2008</b>	<b>862</b>	<b>50 033</b>	<b>253 060</b>	<b>46 681</b>	<b>350 636</b>
Total comprehensive income for the period	–	–	(833)	9 382	8 549
Share-based payment charge	–	–	163	–	163
Attributable income of associates	–	–	19 386	(19 386)	–
Movement in translation and other reserves of associates	–	–	(18 470)	–	(18 470)
Shares held in share trust – written back	5	696	–	–	701
Dividends paid	–	–	–	(5 090)	(5 090)
<b>Balance as at 30 June 2009</b>	<b>867</b>	<b>50 729</b>	<b>253 306</b>	<b>31 587</b>	<b>336 489</b>

#### Contingent liabilities

The group's contingent liabilities at 30 June 2009 are as follows:

- Put options given by the company to holders of S A Bias junior loans which have due dates in 2010: R1,2 million (31 December 2008: R5,2 million).
- The group has rights and obligations in terms of shareholder or purchase and sale agreements relating to its present or former investments.
- A group company has entered into lease agreements for the premises that it occupies. The amounts due are as follows:
 

Year 1	R1,0 million
Year 2	R1,1 million
Year 3+	R1,2 million

#### Investment commitments

Authorised: R19 million.

### Investment Profile

at 30 June 2009

	Listed/ Unlisted	Number of shares	Voting interest %	Economic interest %	Carrying value R'000	Directors' value R'000
<b>Investments in associates</b>						
Flowmax Holdings Limited (BVI/UK)	U		40,0	40,0	33 935	
Korbitec Holdings (Pty) Limited	U		17,1	17,1	7 524	
Ridge Empowerment Capital (Pty) Limited	U		45,0	45,0	–	
SA Bias Industries (Pty) Limited	U		48,5	57,3	179 563	
Sunspray Food Ingredients (Pty) Limited	U		47,1	47,1	16 831	
Set Point Group Limited	L	80 715 000	23,5	23,5	237 853	395 756
					50 538	60 536
					<b>288 391</b>	<b>456 292</b>
<b>Long-term investments</b>						
Datatec Limited	L	700 000			12 355	12 355
Massmart Holdings Limited	L	300 000			24 000	24 000
Metrofile Holdings Limited	L	21 400 000			19 260	19 260
Primedia Holdings 1 Limited	U				–	–
					<b>55 615</b>	<b>55 615</b>
<b>Total investments</b>					<b>344 006</b>	<b>511 907</b>

### Commentary

#### PROFILE

Sabvest is an investment and finance group which has been listed since 1988. Its ordinary and "N" ordinary shares are quoted in the Financials – Equity Investment Instruments sector of the JSE Limited.

Sabvest has significant minority or joint controlling interests in six groups, which are accounted for as associates, and a long-term portfolio of four other investments which are accounted for on a fair value basis.

In addition, Sabvest maintains finance advances and debt instrument portfolios and undertakes other fee and profit earning activities.

#### FINANCIAL RESULTS

Sabvest's results for the six-month period were in line with expectations. Headline earnings per share dropped by 4% to 22,5 cents per share. The group's share of net income of associates fell by 10% to R25,1 million which was better than anticipated. However, the results were impacted by a negative fair value adjustment of R10,5 million of which R5,8 million was a final impairment charge against an unlisted private equity investment.

Net asset value per share with investments at directors' valuation (intrinsic value) decreased slightly to 1 010 cents per share.

Shareholders' funds with investments at intrinsic value amounted to R467 million.

Borrowings reduced slightly relative to the financial year-end and are expected to reduce further in the second half of the year due to the receipt of a special dividend of R15 million from an associate as explained in the year-end results announcement.

#### Changes in Investment Holdings

During the period Sabvest increased its investment in Set Point Group Limited by 12 715 000 shares to 80 715 000 shares and also funded the share trust to acquire some Sabvest shares. In order to fund these transactions Sabvest disposed of 200 000 Massmart shares thereby reducing its investment in Massmart to 300 000 shares.

One of the group's associates, Ridge Empowerment Capital (Pty) Limited, disposed of West Central Capital (Pty) Limited to Nimble Capital (Pty) Limited and acquired a 15% interest in Nimble. Nimble is the management company of the Nimble Credit Opportunities Fund which invests in distressed debt portfolios. Nimble Capital also owns a call centre operation.

#### Dividend Policy

Dividends are determined relative to Sabvest's own expected recurring cash flows and relative to receipts from investments that are not earmarked for new projects.

It is the group's policy to consider dividends twice annually. The dividends for the interim period have been maintained at 3 cents per share.

#### Related Parties

Related party transactions exist between subsidiaries and the holding company, fellow subsidiaries and associated companies, and comprise fees, dividends and interest.

Transactions with directors relate to fees and monies lent to the group by individuals and companies controlled by the directors.

#### Accounting Policies

The unaudited condensed interim financial statements have been prepared in terms of International Financial Reporting Standards (IFRS) and comply with IAS34 – Interim Financial Reporting. The accounting policies used are consistent with those applied to the audited financial statements for the year ended 31 December 2008 except for the Adoption of Annual Improvements to IFRS's.

#### Prospects

The businesses operated by the group's associates and by the group's investee companies continue to have sound medium-term growth prospects. However, the current economic downturn will continue to affect the short-term profitability of some of the businesses and the group's results will also be impacted by movements in fair values.

At this stage it is not possible to project with any accuracy the likely results for the year or whether dividends will be maintained.

For and on behalf of the Board

**Haroon Habib** **Christopher Seabrooke** **Raymond Pleaner**  
Chairman *Chief Executive* CFO

31 July 2009  
Sandton

#### Cash dividend declaration

Notice is hereby given that a dividend of 3 cents (2008: 3 cents) per ordinary share and "N" ordinary share for the six months ended 30 June 2009 has been declared, payable to shareholders in accordance with the undermentioned timetable:

Last date to trade "CUM" dividend	Friday, 21 August 2009
Trading "EX" dividend commences	Monday, 24 August 2009
Record date	Friday, 28 August 2009
Dividend payment date	Monday, 31 August 2009

No dematerialisation or rematerialisation of share certificates will be allowed for the period from Monday, 24 August 2009 to Friday, 28 August 2009, both days inclusive.