



# workforce

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Workforce Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 2006/018145/06)  
JSE Share Code: WKF ISIN: ZAE000087847  
("Workforce" or "the group")

UNAUDITED CONDENSED INTERIM FINANCIAL RESULTS  
for the six months ended 30 June 2013



workforce

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[www.workforce.co.za](http://www.workforce.co.za)

## HIGHLIGHTS

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the six months ended 30 June 2013

Please note, the below movements are based on prior period restated results.

- Headline earnings (HEPS) from continuing operations increased by 97% to 5,9 cents per share.
- Headline earnings (HEPS) increased by 61% to 2,9 cents per share.
- Earnings per share (EPS) increased by 53% to 2,9 cents per share.
- Revenue from continuing operations increased by 12% to R 779 million compared to June 2012.
- Net asset value per share increased by 10,3% to 96 cents per share compared to June 2012.

|  | Notes | 6 months<br>to 30 June<br>2013<br>R'000 | Restated<br>6 months<br>to 30 June<br>2012<br>R'000 | Restated<br>year to<br>31 December<br>2012<br>R'000 |
|--|-------|---|---|---|
| <b>Continuing operations</b>   |       |   |   |   |
| Revenue  | 7     | 779 265                                 | 695 933   | 1 471 744   |
| Cost of sales  |       | (605 594)                               | (545 087)   | (1 157 365)   |
| <b>Gross profit</b>  |       | 173 671                                 | 150 846   | 314 379   |
| Operating costs  |       | (148 198)                               | (134 397)   | (270 486)   |
| <b>Earnings before impairment, depreciation amortisation, interest and taxation (EBITDA)</b> |       |   |   |   |
|  |       | 25 473                                  | 16 449  | 43 893  |
| Depreciation and amortisation of non-financial assets  |       | (4 245)                                 | (4 249)   | (8 751)   |
| <b>Operating profit</b>  | 7     | 21 228                                  | 12 200  | 35 142  |
| Finance and investment income  |       | 877                                     | 1 007   | 2 670   |
| Finance costs  |       | (7 442)                                 | (6 015)   | (12 460)  |
| <b>Profit before taxation</b>  |       | 14 663                                  | 7 192   | 25 352  |
| Taxation   | 8     | (1 246)                                 | 48  | (1 219)   |
| <b>Profit for the period from continuing operations</b>                                      |       |   |   |   |
| Loss from discontinued operations  | 16    | 13 417                                  | 7 240   | 24 133  |
|  |       | (6 802)                                 | (2 641)   | (6 086)   |
| <b>Profit for the period</b>   |       | 6 615                                   | 4 599   | 18 047  |
| Other comprehensive income for the period net of tax   |       | 92                                      | 185   | (462)   |
| Fair value gains on available-for-sale financial assets                                      |       | 92                                      | 185   | (462)   |
| <b>Total comprehensive income for the period</b>   |       |   |   |   |
|  |       | 6 707                                   | 4 784   | 17 585  |
| <b>Profit for the period attributable to:</b>  |       |   |   |   |
| Owners of the parent   |       | 6 449                                   | 4 198   | 17 688  |
| Non-controlling interests  |       | 166                                     | 401   | 359   |
|  |       | 6 615                                   | 4 599   | 18 047  |
| <b>Total comprehensive income attributable to:</b>   |       |   |   |   |
| Owners of the parent   |       | 6 541                                   | 4 383   | 17 226  |
| Non-controlling interests  |       | 166                                     | 401   | 359   |
|  |       | 6 707                                   | 4 784   | 17 585  |
| <b>Earnings per share (cents)</b>  |       |   |   |   |
| Basic and fully diluted  | 9     | 2.9                                     | 1.9   | 7.8   |
| Headline   |       | 2.9                                     | 1.8   | 7.9   |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
for the six months ended 30 June 2013

|  | Notes | as at<br>30 June<br>2013<br>R'000 | Restated<br>as at<br>30 June<br>2012<br>R'000 | Restated<br>as at<br>31 December<br>2012<br>R'000 |
|--|-------|-----------------------------------|---|---|
| <b>Assets</b>  |       |                                   |   |   |
| <b>Non-current assets</b>                            |       | 81 958                            | 78 397  | 81 616  |
| Property, plant and equipment                        | 5     | 6 945                             | 8 878   | 7 657   |
| Goodwill   | 12    | 41 340                            | 41 280  | 41 280  |
| Intangible assets                                    | 6     | 18 348                            | 14 368  | 17 224  |
| Deferred tax assets                                  |       | 13 617                            | 11 615  | 13 839  |
| Other financial assets                               |       | 1 708                             | 2 256   | 1 616   |
| <b>Current assets</b>                                |       | 424 012                           | 366 421                                       | 427 834   |
| Trade and other receivables                          |       | 412 545                           | 348 002                                       | 400 260   |
| Inventories  |       | 3 324                             | 4 048   | 3 198   |
| Taxation   |       | 6 326                             | 4 685   | 5 850   |
| Cash and cash equivalents                            | 10    | 1 817                             | 9 686   | 18 526  |
| <b>Total assets</b>                                  |       | 505 970                           | 444 818                                       | 509 450   |
| <b>Equity and liabilities</b>                        |       |                                   |   |   |
| <b>Equity</b>  |       | 216 016                           | 196 725                                       | 209 309   |
| Share capital and premium                            |       | 236 867                           | 236 867                                       | 236 867   |
| Treasury shares                                      |       | (7 616)                           | (7 616)                                       | (7 616)   |
| IFRS 3 Reverse acquisition adjustment                |       | (125 499)                         | (125 499)                                     | (125 499)   |
| Available for sale reserve                           |       | (139)                             | 416   | (231)   |
| Retained earnings                                    |       | 111 986                           | 92 047  | 105 537   |
| Equity attributable to owners of the parent          |       | 215 599                           | 196 215                                       | 209 058   |
| Non-controlling interests                            |       | 417                               | 510   | 251   |
| <b>Total liabilities</b>                             |       | 289 954                           | 248 093                                       | 300 141   |
| <b>Non-current liabilities</b>                       |       | 12 777                            | 12 430  | 14 282  |
| Financial liabilities                                |       | 8 605                             | 9 009   | 9 124   |
| Deferred tax liabilities                             |       | 4 172                             | 3 421   | 5 158   |
| <b>Current liabilities</b>                           |       | 277 177                           | 235 663                                       | 285 859   |
| Trade and other payables                             |       | 78 982                            | 68 625  | 72 935  |
| Financial liabilities                                |       | 198 190                           | 167 031                                       | 207 893   |
| Taxation   |       | -                                 | -   | 565   |
| Bank overdraft                                       | 10    | 5                                 | 7   | 4 466   |
| <b>Total equity and liabilities</b>                  |       | 505 970                           | 444 818                                       | 509 450   |
| Group net asset value per share<br>(cents per share) | 18    | 96                                | 87  | 93  |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the six months ended 30 June 2013

|   | Share<br>capital and<br>premium<br>R'000 | Reverse<br>acquisition<br>reserve<br>R'000 | Treasury<br>shares<br>reserve<br>R'000 | Available<br>for sale<br>interests<br>R'000 |
|---|--|--|--|---|
| <b>Balance at 1 January 2013</b>                      | 236 867                                  | (125 499)                                  | (7 616)                                | (231)                                       |
| Total comprehensive income for the period             | -  | -  | -                                      | 92  |
| <b>Balance at 30 June 2013</b>                        | 236 867                                  | (125 499)                                  | (7 616)                                | (139)                                       |
| <b>for the six months ended 30 June 2012</b>          |  |  |  |   |
| <b>Balance at 1 January 2012 as previously stated</b> | 236 867                                  | (125 499)                                  | (7 616)                                | 231   |
| <b>Adjustment (refer note 17)</b>                     | -  | -  | -                                      | -   |
| <b>Balance at 1 January 2012 restated</b>             | 236 867                                  | (125 499)                                  | (7 616)                                | 231   |
| Total comprehensive income for the period             | -  | -  | -                                      | 185   |
| <b>Balance at 30 June 2012</b>                        | 236 867                                  | (125 499)                                  | (7 616)                                | 416   |
| <b>For the year ended 31 December 2012</b>            |  |  |  |   |
| <b>Balance at 1 January 2012 as previously stated</b> | 236 867                                  | (125 499)                                  | (7 616)                                | 231   |
| <b>Adjustment (refer note 17)</b>                     | -  | -  | -                                      | -   |
| <b>Balance at 1 January 2012 restated</b>             | 236 867                                  | (125 499)                                  | (7 616)                                | 231   |
| Payment of dividends                                  | -  | -  | -                                      | -   |
| Total comprehensive income for the year               | -  | -  | -                                      | (462)                                       |
| <b>Balance at 31 December 2012</b>                    | 236 867                                  | (125 499)                                  | (7 616)                                | (231)                                       |
|   | <b>Retained earnings</b>                 | <b>Total</b>                               | <b>Non-controlling interests</b>       | <b>Total equity</b>                         |
|   | <b>R'000</b>                             | <b>R'000</b>                               | <b>R'000</b>                           | <b>R'000</b>                                |
| <b>Balance at 1 January 2013</b>                      | 105 537                                  | 209 058                                    | 251                                    | 209 309                                     |
| Total comprehensive income for the period             | 6 449                                    | 6 541                                      | 166                                    | 6 707                                       |
| <b>Balance at 30 June 2013</b>                        | 111 986                                  | 215 599                                    | 417                                    | 216 016                                     |
| <b>for the six months ended 30 June 2012</b>          |  |  |  |   |
| <b>Balance at 1 January 2012 as previously stated</b> | 93 395                                   | 197 378                                    | 109                                    | 197 487                                     |
| <b>Adjustment (refer note 17)</b>                     | (5 546)                                  | (5 546)                                    | -                                      | (5 546)                                     |
| <b>Balance at 1 January 2012 restated</b>             | 87 849                                   | 191 832                                    | 109                                    | 191 941                                     |
| Total comprehensive income for the period             | 4 198                                    | 4 383                                      | 401                                    | 4 784                                       |
| <b>Balance at 30 June 2012</b>                        | 92 047                                   | 196 215                                    | 510                                    | 196 725                                     |
| <b>For the year ended 31 December 2012</b>            |  |  |  |   |
| <b>Balance at 1 January 2012 as previously stated</b> | 93 395                                   | 197 378                                    | 109                                    | 197 487                                     |
| <b>Adjustment (refer note 17)</b>                     | (5 546)                                  | (5 546)                                    | -                                      | (5 546)                                     |
| <b>Balance at 1 January 2012 restated</b>             | 87 849                                   | 191 832                                    | 109                                    | 191 941                                     |
| Payment of dividends                                  | -  | -  | (217)                                  | (217)                                       |
| Total comprehensive income for the year               | 17 688                                   | 17 226                                     | 359                                    | 17 585                                      |
| <b>Balance at 31 December 2012</b>                    | 105 537                                  | 209 058                                    | 251                                    | 209 309                                     |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the six months ended 30 June 2013

|  |      | 6 months<br>to 30 June<br>2013<br>R'000 | Restated<br>6 months<br>to 30 June<br>2012<br>R'000 | Restated<br>year to<br>31 December<br>2012<br>R'000 |
|--|------|---|---|---|
| <b>Cash generated from operations before net working capital changes</b> |      | 9 180                                   | 6 390   | 23 290  |
| Cash generated from operations   | 15.1 | 16 151                                  | 12 907  | 35 629  |
| Finance income   |      | 877                                     | 1 007   | 2 646   |
| Finance costs  |      | (7 442)                                 | (6 015)   | (12 460)  |
| Taxation paid  |      | (406)                                   | (1 509)   | (2 525)   |
| (Increase)/Decrease in net working capital                               | 15.2 | (6 364)                                 | 830   | (46 268)  |
| <b>Cash flows from operating activities</b>                              |      | 2 816                                   | 7 220   | (22 978)  |
| <b>Cash flows from investing activities</b>                              |      | (4 842)                                 | (5 261)   | (11 442)  |
| Property, plant and equipment acquired                                   | 5    | (1 218)                                 | (2 212)   | (3 429)   |
| Dividends received   |      | -                                       | -   | 24  |
| Acquisition of business  |      | (60)                                    | -   | -   |
| Proceeds on disposal of property plant and equipment                     |      | 119                                     | 324   | 557   |
| Intangible assets acquired   | 6    | (3 683)                                 | (3 373)   | (8 594)   |
| <b>Cash flows from financing activities</b>                              |      | (10 222)                                | (8 253)   | 32 507  |
| (Repayment)/ proceeds from borrowings                                    |      | (10 222)                                | (8 253)   | 32 724  |
| Dividends paid   |      | -                                       | -   | (217)   |
| <b>Net change in cash and cash equivalents</b>                           |      | (12 248)                                | (6 294)   | (1 913)   |
| <b>Cash and cash equivalents at beginning of period</b>                  |      | 14 060                                  | 15 973  | 15 973  |
| <b>Cash and cash equivalents at end of the period</b>                    | 10   | 1 812                                   | 9 679   | 14 060  |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
for the six months ended 30 June 2013

**1. Nature of operations and general information**

The principle activities of Workforce Holdings Limited and its subsidiaries are staff outsourcing, recruitment and specialist staffing and human resources support services (including the provision of financial and retail lending products).

The consolidated interim financial statements are presented in South African Rand (ZAR), which is also the functional currency of the parent company.

The consolidated interim financial statements were approved for issue by the Board of Directors on 21 August 2013

**2. Basis of preparation and significant accounting policies**

The condensed consolidated interim financial statements have been prepared in accordance with the JSE Limited's Listing Requirements for interim financial statements, International Accounting Standard (IAS) 34, Interim Financial Reporting and the South African Companies Act, No 71 of 2008, as well as the SAICA Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The condensed interim financial statements for the six months ended 30 June 2013 were compiled under the supervision of W van Wyk, the Group Financial Director. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and have been applied consistently with the accounting policies applied in the Annual Financial Statements for the year ended 31 December 2012.

**3. Events after reporting date**

No material events occurred between the reporting date and the date of approval of these condensed financial statements.

**4. Auditor's responsibility**

These condensed consolidated interim financial results have not been audited nor reviewed by the group's auditors. This is not a requirement of the JSE Listings requirements. The auditors are responsible for monitoring compliance with the disclosure requirements of the JSE.

5. Property plant and equipment

|                                     | Motor<br>vehicles<br>R'000         | Computer<br>equipment<br>R'000 | Industrial<br>equipment<br>R'000 | Office<br>equipment<br>R'000 |
|-------------------------------------|------------------------------------|--------------------------------|----------------------------------|------------------------------|
| <b>6 months to June 2013</b>        |                                    |                                |                                  |                              |
| Carrying amount at 1 January 2013   | 1 101                              | 2 364                          | 133                              | 2 118                        |
| Additions                           | 103                                | 386                            | 129                              | 160                          |
| Disposals                           | (110)                              | (9)                            | -                                | -                            |
| Depreciation                        | (259)                              | (714)                          | (12)                             | (406)                        |
| Carrying amount at 30 June 2013     | 835                                | 2 027                          | 250                              | 1 872                        |
| <b>6 months to June 2012</b>        |                                    |                                |                                  |                              |
| Carrying amount at 1 January 2012   | 1 861                              | 2 926                          | 182                              | 1 810                        |
| Additions                           | 583                                | 588                            | 11                               | 718                          |
| Disposals                           | (302)                              | (11)                           | -                                | (3)                          |
| Depreciation                        | (437)                              | (856)                          | (30)                             | (309)                        |
| Carrying amount at 30 June 2012     | 1 705                              | 2 647                          | 163                              | 2 216                        |
| <b>Year to 31 December 2012</b>     |                                    |                                |                                  |                              |
| Carrying amount at 1 January 2012   | 1 861                              | 2 926                          | 182                              | 1 810                        |
| Additions                           | 583                                | 1 189                          | 10                               | 967                          |
| Disposals                           | (535)                              | (18)                           | -                                | (2)                          |
| Depreciation                        | (808)                              | (1 733)                        | (59)                             | (657)                        |
| Carrying amount at 31 December 2012 | 1 101                              | 2 364                          | 133                              | 2 118                        |
|                                     | Leasehold<br>improvements<br>R'000 | Training<br>manuals<br>R'000   | Total<br>R'000                   |                              |
| <b>6 months to June 2013</b>        |                                    |                                |                                  |                              |
| Carrying amount at 1 January 2013   | 377                                | 1 564                          | 7 657                            |                              |
| Additions                           | 34                                 | 406                            | 1 218                            |                              |
| Disposals                           | -                                  | -                              | (119)                            |                              |
| Depreciation                        | (45)                               | (375)                          | (1 811)                          |                              |
| Carrying amount at 30 June 2013     | 366                                | 1 595                          | 6 945                            |                              |
| <b>6 months to June 2012</b>        |                                    |                                |                                  |                              |
| Carrying amount at 1 January 2012   | 380                                | 2 028                          | 9 187                            |                              |
| Additions                           | 54                                 | 258                            | 2 212                            |                              |
| Disposals                           | -                                  | -                              | (316)                            |                              |
| Depreciation                        | (49)                               | (524)                          | (2 205)                          |                              |
| Carrying amount at 30 June 2012     | 385                                | 1 762                          | 8 878                            |                              |
| <b>Year to 31 December 2012</b>     |                                    |                                |                                  |                              |
| Carrying amount at 1 January 2012   | 380                                | 2 028                          | 9 187                            |                              |
| Additions                           | 89                                 | 591                            | 3 429                            |                              |
| Disposals                           | -                                  | -                              | (555)                            |                              |
| Depreciation                        | (92)                               | (1 055)                        | (4 404)                          |                              |
| Carrying amount at 31 December 2012 | 377                                | 1 564                          | 7 657                            |                              |

6. Intangible assets

|                                     | Computer<br>software<br>R'000 | Total<br>R'000 |
|-------------------------------------|-------------------------------|----------------|
| <b>6 months to June 2013</b>        |                               |                |
| Carrying amount at 1 January 2013   | 17 224                        | 17 224         |
| Additions                           | 3 683                         | 3 683          |
| Amortisation                        | (2 559)                       | (2 559)        |
| Carrying amount at 30 June 2013     | 18 348                        | 18 348         |
| <b>6 months to June 2012</b>        |                               |                |
| Carrying amount at 1 January 2012   | 13 165                        | 13 165         |
| Additions                           | 3 373                         | 3 373          |
| Amortisation                        | (2 170)                       | (2 170)        |
| Carrying amount at 30 June 2012     | 14 368                        | 14 368         |
| <b>Year to 31 December 2012</b>     |                               |                |
| Carrying amount at 1 January 2012   | 13 165                        | 13 165         |
| Additions                           | 8 594                         | 8 594          |
| Amortisation                        | (4 535)                       | (4 535)        |
| Carrying amount at 31 December 2012 | 17 224                        | 17 224         |

7. Segment analysis

The group's segment analysis is based on the following five core business segments:

- Staffing and Recruitment comprises of staff outsourced, which provides human resources to clients on both a short and long term basis, recruitment and specialist staffing, which includes permanent and temporary placements, ad-response handling, executive search, call centre staffing and importing and exporting of skills;
- Training and Consulting, which responds to market demands as a registered Private Further Education and Training (FET) provider;
- Financial and Lifestyle Products, which offers a range of lifestyle products and support services to employees;
- Employee Health Management, which offers a comprehensive range of occupational and primary health management services; and
- Process Outsourcing, which focuses on delivering productive and functional business process outsourcing solutions, including the statutory and legal elements associated therewith.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

7. Segment analysis (continued)

Revenues, profit, assets and liabilities generated for each of the group's business segments are summarised as follows:

|   | Staffing<br>and<br>recruitment<br>R'000 | Training<br>and<br>consulting<br>R'000 | Financial<br>and<br>Management<br>R'000 | Employee<br>Health<br>R'000 | Process<br>Outsourcing<br>R'000 | Central<br>cost<br>R'000 | Consolidation<br>entries<br>R'000 | Total<br>R'000 |
|---|---|--|---|-----------------------------|---------------------------------|--------------------------|-----------------------------------|----------------|
| <b>6 Months to June 2013</b>                          |   |  |   |                             |                                 |                          |                                   |                |
| <b>Segment revenues</b>                               | 724 211                                 | 16 100                                 | 26 475                                  | 12 405                      | 4 218                           | -                        | (4 144)                           | 779 265        |
| Cost of sales   | (582 924)                               | (6 857)                                | (8 440)                                 | (4 682)                     | (2 691)                         | -                        | -                                 | (605 594)      |
| Operating costs                                       | (94 991)                                | (10 446)                               | (12 555)                                | (7 467)                     | (2 021)                         | (24 862)                 | 4 144                             | (148 198)      |
| EBITDA  | 46 296                                  | (1 203)                                | 5 480                                   | 256                         | (494)                           | (24 862)                 | -                                 | 25 473         |
| Depreciation and amortisation of non-financial assets | (898)                                   | (520)                                  | (1 122)                                 | (83)                        | (184)                           | (1 438)                  | -                                 | (4 245)        |
| <b>Segment operating profit</b>                       | <b>45 398</b>                           | <b>(1 723)</b>                         | <b>4 358</b>                            | <b>173</b>                  | <b>(678)</b>                    | <b>(26 300)</b>          | <b>-</b>                          | <b>21 228</b>  |
| Capital expenditure                                   | 838                                     | 567                                    | 1 539                                   | 75                          | -                               | 1 882                    | -                                 | 4 901          |
| Segment total assets                                  | 315 208                                 | 8 568                                  | 107 266                                 | 6 632                       | 602                             | 67 694                   | -                                 | 505 970        |
| Segment total liabilities                             | (45 331)                                | (2 836)                                | (26 048)                                | (1 527)                     | (1 688)                         | (212 524)                | -                                 | (289 954)      |
| <b>Net Segment Assets/(Liabilities)</b>               | <b>269 877</b>                          | <b>5 732</b>                           | <b>81 218</b>                           | <b>5 105</b>                | <b>(1 086)</b>                  | <b>(144 830)</b>         | <b>-</b>                          | <b>216 016</b> |
| <b>6 Months to June 2012</b>                          |   |  |   |                             |                                 |                          |                                   |                |
| <b>Segment revenues</b>                               | 641 158                                 | 14 406                                 | 23 974                                  | 12 351                      | 8 718                           | -                        | (4 674)                           | 695 933        |
| Cost of sales   | (522 994)                               | (4 174)                                | (10 111)                                | (4 959)                     | (2 849)                         | -                        | -                                 | (545 087)      |
| Operating costs                                       | (88 572)                                | (10 064)                               | (8 331)                                 | (6 315)                     | (2 168)                         | (23 621)                 | 4 674                             | (134 397)      |
| EBITDA  | 29 592                                  | 168                                    | 5 532                                   | 1 077                       | 3 701                           | (23 621)                 | -                                 | (16 449)       |
| Depreciation and amortisation of non-financial assets | (1 313)                                 | (640)                                  | (833)                                   | (78)                        | (41)                            | (1 344)                  | -                                 | (4 249)        |
| <b>Segment operating profit</b>                       | <b>28 279</b>                           | <b>(472)</b>                           | <b>4 699</b>                            | <b>999</b>                  | <b>3 660</b>                    | <b>(24 965)</b>          | <b>-</b>                          | <b>12 200</b>  |
| Capital expenditure                                   | 807                                     | 453                                    | 1 865                                   | 283                         | 251                             | 1 926                    | -                                 | 5 585          |
| Segment total assets                                  | 246 630                                 | 15 227                                 | 85 885                                  | 5 707                       | 1 835                           | 89 534                   | -                                 | 444 818        |
| Segment total liabilities                             | (60 958)                                | (1 297)                                | (11 086)                                | (1 351)                     | (127)                           | (173 274)                | -                                 | (248 093)      |
| <b>Net Segment Assets/(Liabilities)</b>               | <b>185 672</b>                          | <b>13 930</b>                          | <b>74 799</b>                           | <b>4 356</b>                | <b>1 708</b>                    | <b>(83 740)</b>          | <b>-</b>                          | <b>196 725</b> |
| <b>Year to 31 December 2012</b>                       |   |  |   |                             |                                 |                          |                                   |                |
| Segment revenues                                      | 1 363 196                               | 39 613                                 | 50 088                                  | 23 513                      | 17 325                          | -                        | (21 991)                          | 1 471 744      |
| Cost of sales   | (1 114 208)                             | (10 405)                               | (17 761)                                | (9 580)                     | (5 411)                         | -                        | -                                 | (1 157 365)    |
| Operating costs                                       | (178 839)                               | (22 576)                               | (31 452)                                | (12 758)                    | (4 440)                         | (42 412)                 | 21 991                            | (270 486)      |
| EBITDA  | 70 148                                  | 6 632                                  | 875                                     | 1 175                       | 7 474                           | (42 412)                 | -                                 | 43 893         |
| Depreciation and amortisation of non-financial assets | (2 246)                                 | (1 286)                                | (1 866)                                 | (177)                       | (85)                            | (3 091)                  | -                                 | (8 751)        |
| <b>Segment operating profit</b>                       | <b>67 901</b>                           | <b>5 346</b>                           | <b>(991)</b>                            | <b>998</b>                  | <b>7 389</b>                    | <b>(45 503)</b>          | <b>-</b>                          | <b>35 142</b>  |
| Capital expenditure                                   | 3 513                                   | 936                                    | 3 284                                   | 325                         | 306                             | 3 659                    | -                                 | 12 023         |
| Segment total assets                                  | 277 128                                 | 4 982                                  | 97 403                                  | 5 901                       | 1 037                           | 122 999                  | -                                 | 509 450        |
| Segment total liabilities                             | (40 352)                                | (3 009)                                | (17 906)                                | (1 403)                     | (598)                           | (236 873)                | -                                 | (300 141)      |
| <b>Net Segment Assets/(Liabilities)</b>               | <b>236 774</b>                          | <b>1 973</b>                           | <b>79 497</b>                           | <b>4 498</b>                | <b>439</b>                      | <b>(113 874)</b>         | <b>-</b>                          | <b>209 309</b> |

**8. Taxation**

The effective tax rate of 8.5% for the period was based on the anticipated weighted average tax rate for the full financial year.

**9. Earnings per share**

|   | 6 months<br>to 30 June<br>2013 | 6 months<br>to 30 June<br>2012 | year to<br>31 December<br>2012 |
|---|--------------------------------|--------------------------------|--------------------------------|
| <b>Basic earnings per share</b>   |                                |                                |                                |
| Profit attributable to equity shareholders of the parent company (R '000)   | 6 449                          | 4 198                          | 17 688                         |
| Weighted average number of shares in issue ('000)   | 225 630                        | 225 630                        | 225 630                        |
| Basic earnings per share (cents)  | 2.9                            | 1.9                            | 7.8                            |
| There are no potential dilutive shares, therefore diluted earnings per share equates to basic earnings per share. |                                |                                |                                |
| <b>Headline earnings per share</b>  |                                |                                |                                |
| The earnings used in the calculation of headline earnings per share are as follows:                               |                                |                                |                                |
| Profit after taxation (R'000)   | 6 449                          | 4 198                          | 17 688                         |
| Headline earnings adjustment (R'000)  |                                |                                |                                |
| - Loss/(gain) on disposal of property, plant and equipment  | 198                            | (51)                           | 174                            |
| - Tax effect of adjustments   | (55)                           | 14                             | (49)                           |
| Total headline earnings (R'000)   | 6 592                          | 4 161                          | 17 813                         |
| Weighted average number of shares in issue ('000)   | 225 630                        | 225 630                        | 225 630                        |
| Headline earnings per share (cents)   | 2.9                            | 1.8                            | 7.9                            |
| <b>Headline earnings per share from continuing operations</b>   |                                |                                |                                |
| The earnings used in the calculation of headline earnings from continuing operations are as follows:              |                                |                                |                                |
| Headline earnings (R'000)   | 6 592                          | 4 161                          | 17 813                         |
| - Loss from discontinued operation  | 6 802                          | 2 641                          | 6 086                          |
| Total headline earnings (R'000)   | 13 394                         | 6 802                          | 23 899                         |
| Weighted average number of shares in issue ('000)   | 225 630                        | 225 630                        | 225 630                        |
| Headline earnings per share (cents) from continuing operations  | 5.9                            | 3.0                            | 10.6                           |

**10. Cash and cash equivalents**

|   | 6 months<br>to 30 June<br>2013<br>R'000 | 6 months<br>to 30 June<br>2012<br>R'000 | year to<br>31 December<br>2012<br>R'000 |
|---|---|---|---|
| Cash and cash equivalents include the following components: |   |   |   |
| Cash at bank and on hand                                    | 1 817                                   | 9 686                                   | 18 526                                  |
| Bank overdraft  | (5)                                     | (7)                                     | (4 466)                                 |
|   | 1 812                                   | 9 679                                   | 14 060                                  |

**11. Dividends**

No dividend was declared relating to the period under review.

**12. Business combinations**

A small business acquisition was made during the period, towards which an initial payment of R60 000, has been made. No disclosure has been made in terms of IFRS 3 as the total purchase consideration for the acquired business is not material.

**13. Related party transactions**

The group, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market rates with related parties.

**14. Changes to the Board**

There have been no changes to the Board in the current period.

**15. Notes to the Condensed Consolidated Statement of cash flows**

|  |          |         |          |
|--|----------|---------|----------|
| <b>15.1 Cash generated from operations</b>                 |          |         |          |
| Profit/(Loss) before taxation from continuing operations   | 14 663   | 7 192   | 25 352   |
| Profit/(Loss) before taxation from discontinued operations | (9 447)  | (3 668) | (8 452)  |
| Interest and dividend income                               | (877)    | (1 007) | (2 670)  |
| Finance costs  | 7 442    | 6 015   | 12 460   |
| <b>Adjustment for non-cash items:</b>                      |          |         |          |
| Depreciation and amortisation                              | 4 370    | 4 375   | 8 939    |
|  | 16 151   | 12 907  | 35 629   |
| <b>15.2 Working capital changes</b>                        |          |         |          |
| Change in trade and other receivables                      | (12 287) | (4 568) | (56 824) |
| Change in inventories                                      | (126)    | (705)   | 145      |
| Change in trade payables                                   | 6 049    | 6 103   | 10 411   |
|  | (6 364)  | 830     | (46 268) |

## 16. Discontinued Operations

As previously communicated to shareholders Workforce discovered that an act of fraud has been perpetrated by senior members of management in the Programmed Construction business. Accordingly the board has decided to discontinue the affected business. The net effect on the financial results are shown below:

|   | 6 months<br>to 30 June<br>2013<br>R'000 | Restated<br>6 months<br>to 30 June<br>2012<br>R'000 | Restated<br>year to<br>31 December<br>2012<br>R'000 |
|---|---|---|---|
| Analysis of profit/(loss) for the year from discontinued operations   |   |   |   |
| The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified in the current year. |   |   |   |
| <b>Condensed Consolidated Statement of comprehensive income</b>   |   |   |   |
| Revenue   | 3 219                                   | 17 656  | 29 785  |
| Cost of sales   | (7 785)                                 | (15 877)  | (28 288)  |
| Gross profit  | (4 566)                                 | 1 779   | 1 497   |
| Operating costs   | (4 756)                                 | (5 321)   | (9 757)   |
| <b>Earnings before impairment, depreciation, amortisation, interest and taxation (EBITDA)</b>   | (9 322)                                 | (3 543)   | (8 260)   |
| Depreciation and amortisation of non-financial assets   | (125)                                   | (125)   | (188)   |
| Operating profit/(loss)   | (9 447)                                 | (3 668)   | (8 448)   |
| Finance costs   | -                                       | (3)   | (4)   |
| Profit before taxation  | (9 447)                                 | (3 671)   | (8 452)   |
| Taxation  | 2 645                                   | 1 030   | 2 366   |
| Profit/(loss) for the period from discontinued operations   | (6 802)                                 | (2 641)   | (6 086)   |
| <b>Condensed Consolidated Statement of financial position</b>   |   |   |   |
| <b>Total assets</b>   | 17 019                                  | 17 039  | 24 050  |
| Trade and other receivables   | 11 911                                  | 14 630  | 20 155  |
| Taxation  | 4 722                                   | 1 853   | 2 818   |
| Property plant and equipment  | 362                                     | 230   | 455   |
| Cash and cash equivalents   | 24                                      | 20  | 30  |
| Inventory   | -                                       | 306   | 592   |
| <b>Total Equity and liabilities</b>   | 17 019                                  | 17 039  | 24 050  |
| Retained earnings   | (16 866)                                | (6 619)   | (10 064)  |
| Loan from group companies   | 32 713                                  | 21 863  | 31 978  |
| Trade and other payables  | 1 172                                   | 1 795   | 2 136   |

## 16. Discontinued Operations (continued)

|  | 6 months<br>to 30 June<br>2013<br>R'000 | Restated<br>6 months<br>to 30 June<br>2012<br>R'000 | Restated<br>year to<br>31 December<br>2012<br>R'000 |
|--|---|---|---|
| <b>Condensed Consolidated Statement Cash flows</b> |   |   |   |
| Net cash flows from operating activities           | (709)                                   | (2 003)   | (11 820)  |
| Net cash flows from investing activities           | (32)                                    | (355)   | (643)   |
| Net cash flows from financing activities           | 735                                     | 2 378   | 12 493  |

## 17. Prior Period Adjustments

Due to the fraud as detailed in note 16, the financial results had to be adjusted as detailed below.

|   | Previously<br>reported<br>6 months to<br>30 June 2012<br>R'000 | Restated<br>6 months to<br>30 June 2012<br>R'000 | Adjustment<br>R'000 |
|---|--|--|---------------------|
| <b>Condensed Consolidated Statement of Comprehensive Income</b> |  |  |                     |
| Profit/(loss) from discontinued operations                      | 1 891  | (2 641)  | 4 532               |
| <b>Condensed Consolidated Statement of Financial Position</b>   |  |  |                     |
| Non-Current Assets  |  |  |                     |
| Deferred tax assets   | 11 615   | 11 615   | -                   |
| Current Assets  |  |  |                     |
| Trade and other receivables                                     | 361 998  | 348 002  | 13 996              |
| Taxation  | 767  | 4 685  | (3 918)             |
| Equity and liabilities  |  |  |                     |
| Equity  |  |  |                     |
| Retained earnings   | 102 125  | 92 047   | 10 078              |
| <b>Condensed Consolidated Statement of Cash Flows</b>           |  |  |                     |
| Net cash flows from operating activities                        | 7 169  | 7 220  | (51)                |
| Net cash flows from investing activities                        | (5 211)  | (5 261)  | 50                  |
| Net cash flows from financing activities                        | (8 252)  | (8 253)  | 1                   |
| Net change in cash and cash equivalents                         | (6 294)  | (6 294)  | -                   |
| <b>Earnings per share</b>                                       |  |  |                     |
| Basic earnings per share (cents)                                | 3.9  | 1.9  | 2.0                 |
| Headline earnings per share (cents)                             | 3.9  | 1.8  | 2.1                 |



17. Prior Period Adjustments (continued)

|   | Previously<br>reported<br>31 Dec 2012<br>R'000 | Restated<br>31 Dec 2012<br>R'000 | Adjustment<br>R'000 |
|---|--|----------------------------------|---------------------|
| <b>Condensed Consolidated Statement of Comprehensive Income</b> |  |                                  |                     |
| Profit/(Loss) from discontinued operations                      | (540)  | (6 086)                          | 5 546               |
| <b>Condensed Consolidated Statement of Financial Position</b>   |  |                                  |                     |
| Non-Current Assets  |  |                                  |                     |
| Deffered tax assets   | 13 757   | 13 839                           | (82)                |
| Current Assets  |  |                                  |                     |
| Trade and other receivables                                     | 415 712  | 400 260                          | 15 452              |
| Taxation  | 1 523  | 5 850                            | (4 327)             |
| Equity and liabilities  |  |                                  |                     |
| Equity  |  |                                  |                     |
| Retained Earnings   | 116 580  | 105 537                          | 11 043              |
| <b>Condensed Consolidated Statement of Cash Flows</b>           |  |                                  |                     |
| Net cash flows from operating activities                        | (22 803)                                       | (22 978)                         | 175                 |
| Net cash flows from investing activities                        | (11 224)                                       | (11 442)                         | 218                 |
| Net cash flows from financing activities                        | 32 114   | 32 507                           | (393)               |
| Net change in cash and cash equivalents                         | (1 913)  | (1 913)                          | -                   |
| <b>Earnings per share</b>                                       |  |                                  |                     |
| Basic earnings per share (cents)                                | 10.3   | 7.8                              | 2.5                 |
| Headline earnings per share (cents)                             | 10.3   | 7.9                              | 2.4                 |

18. Group net asset value per share (cents per share)

The net asset value per share and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

|  | Previously<br>reported<br>6 months to<br>30 June 2012<br>R'000 | Restated<br>6 months to<br>30 June 2012<br>R'000 | Adjustment<br>R'000 |
|--|--|--|---------------------|
| Group net asset value (R'000)                              | 206 293  | 196 215  | 10 078              |
| Weighted average number of ordinary shares in issue ('000) | 225 630  | 225 630  | -                   |
|  | 91   | 87   | 4                   |
|  | Previously<br>reported<br>31 Dec 2012<br>R'000                 | Restated<br>31 Dec 2012<br>R'000                 | Adjustment<br>R'000 |
| Group net asset value                                      | 220 101  | 209 058  | 11 043              |
| Weighted average number of ordinary shares in issue ('000) | 225 630  | 225 630  | -                   |
|  | 98   | 93   | 5                   |

**Operational Review**

The financial results of our group for the first six months of the year 2013 are pleasing and show continued sustainable growth in all of our core businesses. Earlier in the year, a fraud perpetrated by senior management of a subsidiary was uncovered which necessitated that the business of Programmed Construction be discontinued. This business did not form part of the group's core business and as a result will not affect the continuing operations. The full effects of the losses incurred were reported on SENS on 28 June 2013. Please refer to note 16 and 17 in this regard.

Group revenue from continued operations increased to R779 million, up by 12% compared to June 2012. Gross margins from continuing operations remained largely unchanged at 22.3% despite aggressive competition and increasing client demands. EBITDA from continuing operations showed positive growth to R25.5million – an increase of 55% on June 2012. Headline earnings per share increased by 61% to 2.9 cents per share.

Basic and fully diluted earnings per share, taking into account the losses incurred from discontinued operations, increased to 2.9 cents per share, an increase of 53% on June 2012.

Cash generated from operating activities of R2.8 million represented a substantial turnaround on the 2012 year end deficit of R23 million. Group debtors days outstanding improved to 51 days from 56 days in December 2012.

The group's blue collar operations continued to perform extremely well, showing very positive revenue and profit growth. Most of this growth is attributable to market share gains resulting from an aggressive sales strategy in existing and new markets. Consolidation in favour of the dominant providers of outsourced staffing services is also playing its role in this growth. White collar operations performed slightly below budget. However, management expects these results to improve in the next six months. The group's training and consulting businesses experienced tough trading conditions and failed to perform to expectation. Management action had been taken to restructure these operations which we believe will result in increased growth and profitability. The group's employee benefits and credit provider performed to expectation. Continued steps are being taken to mitigate credit risk within this segment, which includes ongoing system development and investment in debt collection methodology.

Management believes that turnover in all divisions of the group will increase in the second half of the year, which together with a continued focus on achieving operational efficiencies and tight working capital management, should result in increased profitability. The group's liquidity is expected to improve, which places it in a strong position to take advantage of any market-based opportunities.

No changes to the board of directors has occurred during the period under review.

For and on behalf of the board

**RS Katz**  
(Chairman)

**LH Diamond**  
(Chief Executive Officer)

**WP van Wyk**  
(Group Financial Director)

Johannesburg  
21 August 2013

**Executive directors**

RS Katz, LH Diamond, WP van Wyk

**Non-executive directors**

NM Anderson, JR Macey\*, L Letlape\*, K Vundla\*

**Designated (Independent) Adviser**

Merchantec Capital

**Company secretary**

S van Schalkwyk

**Registered office**

The registered office, which is also its principal place of business, is 11 Wellington Road, Parktown, 2193.

**Transfer secretaries**

Link Market Services South Africa Proprietary Limited  
11 Diagonal Street, Johannesburg, 2001