

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

HIGHLIGHTS

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.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2013

	Notes	6 months to 30 June 2013 R'000	Restated 6 months to 30 June 2012 R'000	Restated year to 31 December 2012 R'000
Continuing operations				
Revenue	7	779 265	695 933	1 471 744
Cost of sales		(605 594)	(545 087)	(1 157 365)
Gross profit		173 671	150 846	314 379
Operating costs		(148 198)	(134 397)	(270 486)
Earnings before impairment depreciation amortisation interest and taxation (EBITDA)		25 473	16 449	43 893
Depreciation and amortisation of non- financial assets		(4 245)	(4 249)	(8 751)
Operating profit	7	21 228	12 200	35 142
Finance and investment income		877	1 007	2 670
Finance costs		(7 442)	(6 015)	(12 460)

Profit before taxation		14 663	7 192	25 352
Taxation	8	(1 246)	48	(1 219)
Profit for the period from continuing operations		13 417	7 240	24 133
Loss from discontinued operations	16	(6 802)	(2 641)	(6 086)
Profit for the period		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)
Total comprehensive income for the period		6 707	4 784	17 585
Profit for the period attributable to:				
Owners of the parent		6 449	4 198	17 688
Non-controlling interests		166	401	359
		6 615	4 599	18 047
Total comprehensive income attributable to:				
Owners of the parent		6 541	4 383	17 226
Non-controlling interests		166	401	359
		6 707	4 784	17 585
Earnings per share (cents)	9			
Basic and fully diluted		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

		As at 30 June 2013 R'000	Restated at as 30 June 2012 R'000	Restated as at 31 December 2012 R'000
Assets				
Non-current assets		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
Current assets		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
Total assets		505 970	444 818	509 450
Equity and liabilities				
Equity		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
Total liabilities		289 954	248 093	300 141
Non-current liabilities		12 777	12 430	14 282
Financial liabilities		8 605	9 009	9 124
Deferred tax liabilities		4 172	3 421	5 158
Current liabilities		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
Total equity and liabilities		505 970	444 818	509 450
Group net asset value per share (cents per share)	18	96	87	93

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

	Attributable to owners of the parent			
	Share capital and premium	Reverse acquisition reserve	Treasury shares reserve	Available for sale interests
	R'000	R'000	R'000	R'000
Balance at 1 January 2013	236 867	(125 499)	(7 616)	(231)
Total comprehensive income for the period	-	-	-	92
Balance at 30 June 2013	236 867	(125 499)	(7 616)	(139)

for the six months ended

30 June 2012				
Balance at 1 January 2012 as previously stated	236 867	(125 499)	(7 616)	231
Adjustment (refer note 17)	-	-	-	-
Balance at 1 January 2012 restated	236 867	(125 499)	(7 616)	231
Total comprehensive income for the period	-	-	-	185
Balance at 30 June 2012	236 867	(125 499)	(7 616)	416
For the year ended 31 December 2012				
Balance at 1 January 2012 as previously stated	236 867	(125 499)	(7 616)	231
Adjustment (refer note 17)	-	-	-	-
Balance at 1 January 2012 restated	236 867	(125 499)	(7 616)	231
Payment of dividends	-	-	-	-
Total comprehensive income for the year	-	-	-	(462)
Balance at 31 December 2012	236 867	(125 499)	(7 616)	(231)

	Attributable to owners of the parent			
	Retained earnings	Total	Non controlling interests	Total equity
	R' 000	R' 000	R' 000	R' 000
Balance at 1 January 2013	105 537	209 058	251	209 309
Total comprehensive income for the period	6 449	6 541	166	6 707
Balance at 30 June 2013 for the six months ended 30 June 2012	111 986	215 599	417	216 016
Balance at 1 January 2012 as previously stated	93 395	197 378	109	197 487
Adjustment (refer note 17)	(5 546)	(5 546)	-	(5 546)

Balance at 1 January 2012 restated	87 849	191 832	109	191 941
Total comprehensive income for the period	4 198	4 383	401	4 784
Balance at 30 June 2012	92 047	196 215	510	196 725
For the year ended 31 December 2012				
Balance at 1 January 2012 as previously stated	93 395	197 378	109	197 487
Adjustment (refer note 17)	(5 546)	(5 546)	-	(5 546)
Balance at 1 January 2012 restated	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
Balance at 31 December 2012	105 537	209 058	251	209 309

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

		6 months to 30 June 2013	Restated 6 months to 30 June 2012	Restated year to 31 December 2012
	Notes	R'000	R'000	R'000
Cash generated from operations before net working capital changes		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)
Cash flows from operating activities		2 816	7 220	(22 978)
Cash flows from investing activities		(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)
Cash flows from financing activities		(10 222)	(8 253)	32 507
(Repayment)/ proceeds from borrowings		(10 222)	(8 253)	32 724
Dividends paid		-	-	(217)
Net change in cash and cash equivalents		(12 248)	(6 294)	(1 913)
Cash and cash equivalents at beginning of period		14 060	15 973	15 973
Cash and cash equivalents at end of the period	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 vehicles R'000	Computer equipment R'000	Industrial equipment R'000	Office equipment R'000
6 months to June 2013				
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
6 months to June 2012				
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
Year to 31 December 2012				
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 improvements R'000	Training manuals R'000	Total R'000
6 months to June 2013			
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
6 months to June 2012			
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
Year to 31 December 2012			
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 software R'000	Total R'000
6 months to June 2013		
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
6 months to June 2012		
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
Year to 31 December 2012		
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.

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

	Staffing and recruitment R'000	Training and consulting R'000	Financial and management R'000	Employee health R'000
6 Months to June 2013				
Segment revenues	724 211	16 100	26 475	12 405
Cost of sales	(582 924)	(6 857)	(8 440)	(4 682)
Operating costs	(94 991)	(10 446)	(12 555)	(7 467)
EBITDA	46 296	(1 203)	5 480	256
Depreciation and amortisation of non- financial assets	(898)	(520)	(1 122)	(83)
Segment operating profit	45 398	(1 723)	4 358	173
Capital expenditure	838	567	1 539	75
Segment total assets	315 208	8 568	107 266	6 632
Segment total	(45 331)	(2 836)	(26 048)	(1 527)

liabilities				
Net Segment	269 877	5 732	81 218	5 105
Assets/(Liabilities)				
6 Months to June 2012				
Segment revenues	641 158	14 406	23 974	12 351
Cost of sales	(522 994)	(4 174)	(10 111)	(4 959)
Operating Costs	(88 572)	(10 064)	(8 331)	(6 315)
EBITDA	29 592	168	5 532	1 077
Depreciation and amortisation of non- financial assets	(1 313)	(640)	(833)	(78)
Segment operating profit	28 279	(472)	4 699	999
Capital expenditure	807	453	1 865	283
Segment total assets	246 630	15 227	85 885	5 707
Segment total liabilities	(60 958)	(1 297)	(11 086)	(1 351)
Net Segment	185 672	13 930	74 799	4 356
Assets/(Liabilities)				
Year to 31 December 2012				
Segment revenues	1 363 196	39 613	50 088	23 513
Cost of sales	(1 114 208)	(10 405)	(17 761)	(9 580)
Operating costs	(178 839)	(22 576)	(31 452)	(12 758)
EBITDA	70 148	6 632	875	1 175
Depreciation and amortisation of non- financial assets	(2 246)	(1 286)	(1 866)	(177)
Segment operating profit	67 901	5 346	(991)	998
Capital expenditure	3 513	936	3 284	325
Segment total assets	277 128	4 982	97 403	5 901
Segment total liabilities	(40 352)	(3 009)	(17 906)	(1 403)
Net Segment	236 774	1 973	79 497	4 498
Assets/(Liabilities)				
	Process	Central	Conso-	Total
	Outsourcing	cost	lidation	
			entries	
	R' 000	R' 000	R' 000	R' 000

6 Months to June 2013

Segment revenues	4 218	-	(4 144)	779 265
Cost of sales	(2 691)	-	-	(605 594)
Operating costs	(2 021)	(24 862)	4 144	(148 198)
EBITDA	(494)	(24 862)	-	25 473
Depreciation and amortisation of non- financial assets	(184)	(1 438)	-	(4 245)
Segment operating profit	(678)	(26 300)	-	21 228
Capital expenditure	-	1 882	-	4 901
Segment total assets	602	67 694	-	505 970
Segment total liabilities	(1 688)	(212 524)	-	(289 954)
Net Segment Assets/(Liabilities)	(1 086)	(144 830)	-	216 016

6 Months to June 2012

Segment revenues	8 718	-	(4 674)	695 933
Cost of sales	(2 849)	-	-	(545 087)
Operating costs	(2 168)	(23 621)	4 674	(134 397)
EBITDA	3 701	(23 621)	-	16 449
Depreciation and amortisation of non- financial assets	(41)	(1 344)	-	(4 249)
Segment operating profit	3 660	(24 965)	-	12 200
Capital expenditure	251	1 926	-	5 585
Segment total assets	1 835	89 534	-	444 818
Segment total liabilities	(127)	(173 274)	-	(248 093)
Net Segment Assets/(Liabilities)	1 708	(83 740)	-	196 725

Year to 31 December
2012

Segment revenues	17 325	-	(21 991)	1 471 744
Cost of sales	(5 411)	-	-	(1 157 365)
Operating costs	(4 440)	(42 412)	21 991	(270 486)
EBITDA	7 474	(42 412)	-	43 893
Depreciation and amortisation of non-	(85)	(3 091)	-	(8 751)

financial assets				
Segment operating profit	7 389	(45 503)	-	35 142
Capital expenditure	306	3 659	-	12 023
Segment total assets	1 037	122 999	-	509 450
Segment total liabilities	(598)	(236 873)	-	(300 141)
Net Segment Assets/(Liabilities)	439	(113 874)	-	209 309

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 to 30 June 2013	6 months to 30 June 2012	Year to 31 December 2012
Basic earnings per share			
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.

Headline earnings per share

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	225 630	225 630	225 630

in issue ('000)

Headline earnings per share (cents)	2.9	1.8	7.9
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Headline earnings per share from continuing operations

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
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- Loss from discontinued operation	6 802	2 641	6 086
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Total headline earnings (R'000)	13 394	6 802	23 899
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Weighted average number of shares in issue ('000)	225 630	225 630	225 630
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Headline earnings per share (cents) from continuing operations	5.9	3.0	10.6
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10. Cash and cash equivalents

	6 months to 30 June 2013 R'000	6 months to 30 June 2012 R'000	Year to 31 December 2012 R'000
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Cash and cash equivalents include the following components:

Cash at bank and on hand	1 817	9 686	18 526
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Bank overdraft	(5)	(7)	(4 466)
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	1 812	9 679	14 060
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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 R 60 000, 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

	6 months to 30 June 2013 R'000	6 months to 30 June 2012 R'000	Year to 31 December 2012 R'000
15.1 Cash generated from operations			
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
Adjustment for non-cash items:			
Depreciation and amortisation	4 370	4 375	8 939
	16 151	12 907	35 629
15.2 Working capital changes			
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:

	Restated 6 months to 30 June 2013 R'000	Restated 6 months to 30 June 2012 R'000	Restated year to 31 December 2012 R'000
Analysis of profit/(loss) for the year from discontinued operations			
The comparative profit and cash flows from discontinued			

Analysis of profit/(loss) for the year from discontinued operations
The comparative profit and cash flows from discontinued

operations have been represented to include those operations classified in the current year

Condensed Consolidated Statement of comprehensive income

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)
Earnings before impairment, depreciation, amortization, interest and taxation (EBITDA)	(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)

Condensed Consolidated Statement of financial position

Total assets	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
Total Equity and liabilities	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

		Restated	Restated
	6 months to	6 months to	Year to
	30 June 2013	30 June 2012	31 Dec 2012
	R' 000	R' 000	R' 000

Condensed Consolidated Statement Cash flows

Net cash flows from operating	(709)	(2 003)	(11 820)
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activities			
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 reported 6 months to 30 June 2012 R'000	Restated 6 months to 30 June 2012 R'000	Adjustment R'000
Condensed Consolidated Statement of Comprehensive Income			
Profit/(loss) from discontinued operations	1 891	(2 641)	4 532
Condensed Consolidated Statement of Financial Position			
Non-Current assets			
Deffered 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
Condensed Consolidated Statement of Cash Flows			
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)	-
Earnings per share			
Basic earnings per share (cents)	3.9	1.9	2.0
Headline earnings per share	3.9	1.8	2.1

(cents)

	Previously reported 31 Dec 2012 R'000	Restated 31 Dec 2012 R'000	Adjustment R'000
Condensed Consolidated Statement of Comprehensive Income			
Profit/(Loss) from discontinued operations	(540)	(6 086)	5 546
Condensed Consolidated Statement of Financial Position			
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
Condensed Consolidated Statement of Cash Flows			
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)	-
Earnings per share			
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	Restated	Adjustment
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	reported 6 months to 30 June 2012 R'000	6 months to 30 June 2012 R'000	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 reported 31 Dec 2012 R'000	Restated 31 Dec 2012 R'000	Adjustment 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

DIRECTORS' COMMENTARY

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 R25.5 million - 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	LH Diamond	WP van Wyk
(Chairman)	(Chief Executive Officer)	(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

