

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

HIGHLIGHTS

- HEPS and EPS increased by 22% to 3,9 cents per share
- Revenue increased by 14% to R 718 M
- Net asset value per share increased to 91 cents per share

UNAUDITED CONDENSED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2012

	30		months to	6 months to	Year to 31
			June 2012	30 June 2011	December 2011
	Notes		R'000	R'000	R'000
Revenue	7		718 222	630 221	1 348 561
Cost of sales			(559 335)	(484 459)	(1 039 586)
Gross profit			158 887	145 762	308 975
Operating costs			(139 413)	(129 271)	(267 974)
Earnings before impairment,					
depreciation, amortisation, interest					
and taxation (EBITDA)			19 474	16 491	41 001
Depreciation and amortisation					
of non-financial assets			(4 375)	(3 831)	(7 694)
Operating profit	7		15 099	12 660	33 307
Finance income			1 006	686	3 434
Finance costs			(6 287)	(5 315)	(10 896)
Profit before taxation	7		9 818	8 031	25 845
Taxation	8		(687)	(618)	(1 916)
Profit for the period			9 131	7 413	23 929
Other comprehensive income for					
the period, net of tax			185	46	139
Fair value gains on available-for-					
sale financial assets			185	46	139
Total comprehensive income for the	period		9 316	7 459	24 068
Profit for the period attributable to:					
Owners of the parent			8 730	7 170	23 445
Non-controlling interests			401	243	484
			9 131	7 413	23 929
Total comprehensive income attribu	table to:				
Owners of the parent			8 915	7 216	23 584
Non-controlling interests			401	243	484
			9 316	7 459	24 068
Earnings per share (cents)	9				
Basic and fully diluted			3.9	3.2	10.4
Headline			3.9	3.2	10.4

		6 months to	6 months to	Year to 31
		30 June 2012	30 June 2011	December 2011
	Notes	R'000	R'000	R'000
Assets				
Non-current assets		78 397	72 471	76 925
Property, plant and equipment	4	8 878	9 156	9 187
Goodwill		41 280	41 280	41 280
Other intangible assets	5	14 368	9 972	13 165
Deferred tax assets		11 615	10 078	11 215
Other financial assets		2 256	1 985	2 078
Current assets		376 499	325 236	371 317
Trade and other receivables		361 998	303 187	351 136
Inventories		4 048	2 498	3 343
Taxation Cash and cash equivalents	6	767 9 686	2 862 16 689	861 15 977
Total assets		454 896	397 707	448 242
Facility and liabilities				
Equity and liabilities Equity		206 803	181 263	197 487
Share capital and premium		236 867	236 867	236 867
FRS 3 Reverse acquisition adjustment		(125 499)	(125 499)	(125 499)
Treasury shares		(7 616)	(7 616)	(7 616)
Available for sale reserve		416	138	231
Retained earnings		102 125	77 120	93 395
Equity attributable to owners of the parer	nt	206 293	181 010	197 378
Non-controlling interests		510	253	109
Non-current liabilities		12 430	12 983	13 091
Borrowings		9 009	9 776	9 153
Deferred tax liabilities		3 421	3 207	3 938
Current liabilities		235 663	203 461	237 664
Trade and other payables		68 625	56 193	62 521
Borrowings		167 031	134 418	175 139
Bank overdrafts	6	7	12 850	4
Total equity and liabilities		454 896	397 707	448 242
Group net asset value per			95 -	
share (cents per share)		91.4	80.3	87.5

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2012

		Attributal	alo to owne	are of the no	ront				
	Attributable to owners of the parent Share Reverse Available Non-								
	capital and	acquisition	Treasury	for sale	Retained		controlling	Total	
		adjustment	shares	reserve	earnings	Total	interests	equity	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Balance at									
1 January 2012	236 867	(125 499)	(7 616)	231	93 395	197 378	109	197 487	
Total comprehensive									
income for the period	-	-	-	185	8 730	8 915	401	9 316	
Balance at 30 June 2012	236 867	(125 499)	(7 616)	416	102 125	206 293	510	206 803	
Balance at									
1 January 2011	236 867	(125 499)	(7 616)	92	69 950	173 794	10	173 804	
Total comprehensive									
income for the period	-	-	-	46	7 170	7 216	243	7 459	
Balance at 30 June 2011	236 867	(125 499)	(7 616)	138	77 120	181 010	253	181 263	
Balance at									
1 January 2011	236 867	(125 499)	(7 616)	92	69 950	173 794	10	173 804	
Payment of dividends	-	-	-	-	-	-	(385)	(385)	
Total comprehensive									
income for the year	-	-	-	139	23 445	23 584	484	24 068	
Balance at									
31 December 2011	236 867	(125 499)	(7 616)	231	93 395	197 378	109	197 487	

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2012

		•	onths to ine 2012	6 months to 30 June 2011	Year to 31 December 2011
	Notes	30 30	R'000	R'000	R'000
Cash generated from operations before					
net working capital changes			12 632	8 717	30 591
Profit before tax			9 818	8 031	25 845
Adjustments for non-cash items			4 324	3 861	7 625
Taxes paid		l	(1 510)	(3 175)	(2 879)
Decrease in net working capital			(5 463)	(23 286)	(65 751)
Cash flow from operating activities			7 169	(14 569)	(35 160)
Investing activities					
Property, plant and equipment acquired	4		(2 212)	(2 110)	(4 396
Acquisition adjustment to purchase price					
of subsidiary previously acquired			-	(75)	(75
Proceeds on disposal of property,			074	070	500
plant and equipment	-		374	276	593
Intangible assets acquired	5		(3 373)	(1 615)	(6 634
Cash flow from investing activities			(5 211)	(3 524)	(10 512
Financing activities					
(Repaid)/proceeds from borrowings			(8 252)	(25 513)	14 585
Dividends paid			-	-	(385
Cash flow from financing activities			(8 252)	(25 513)	14 200
Net change in cash and cash equivalents			(6 294)	(43 606)	(31 472
Cash and cash equivalent at beginning of p	eriod		15 973	47 445	47 445
Cash and cash equivalents at					
end of the period	6		9 679	3 839	15 973

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2012

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 20 August 2012.

${\bf 2.} \quad {\bf Basis~of~preparation~and~significant~accounting~policies}$

The condensed consolidated interim financial statements have been prepared in compliance with the Listings Requirements of the JSE Limited, International Accounting Standard (IAS) 34, Interim Financial Reporting and the South African Companies Act, No 71 of 2008, as well as AC500 Standards as issued by the Accounting Practices Board or its successor.

The condensed interim financial statements for the six months ended 30 June 2012 were compiled under the supervision of W van Wyk, the Chief Financial Officer. 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 previous reporting period.

These condensed consolidated interim financial results have not been audited nor reviewed by the group's auditors.

3. Events after reporting date

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

Additions and disposals of property, plant and equipment

	Motor vehicles R'000	Computer equipment R'000	Industrial equipment R'000	Office equipment R'000	Leasehold improvements R'000	Training manuals R'000	Total R'000
6 months to June 2012 Carrying amount at 1 January 2012 Additions Disposals Depreciation	1 861 583 (302) (437)	2 926 588 (11) (856)	182 11 - (30)	1 810 718 (3)	380 54 - (49)	2 028 258 - (524)	9 187 2 212 (316) (2 205)
Carrying amount at 30 June 2012	1 705	2 647	163	2 216	385	1 762	8 878
6 months to June 2011 Carrying amount at 1 January 2011 Additions Disposals Depreciation	2 720 518 (220) (559)	1 729 738 (504)	321 (80) (29)			2 416 192 - (472)	9 899 2 110 (305) (2 548)
Carrying amount at 30 June 2011	2 459	1 963	212	2 017	369	2 136	9 156
Year to 31 December 20° Carrying amount at 1 January 2011 Additions Disposals Reclassifications Depreciation	2 720 672 (470) - (1 061)	1 729 1 734 (1) 594 (1 130)	321 - (80) (59)		-	2 416 562 (1) - (949)	9 899 4 396 (523) - (4 585)
Carrying amount at 31 December 2011	1 861	2 926	182	1 810	380	2 028	9 187

Additions and disposals of intangible assets

	Computer software R'000	Total R'000	
6 months to June 2012 Carrying amount at 1 January 2012 Additions Amortisation	13 165 3 373 (2 170)	13 165 3 373 (2 170)	
Carrying amount at 30 June 2012	14 368	14 368	
6 months to June 2011 Carrying amount at 1 January 2011 Additions Amortisation	9 640 1 615 (1 283)	9 640 1 615 (1 283)	
Carrying amount at 30 June 2011	9 972	9 972	
Year to 31 December 2011 Carrying amount at 1 January 2011 Additions Amortisation	9 640 6 634 (3 109)	9 640 6 634 (3 109)	
Carrying amount at 31 December 2011	13 165	13 165	

Cash and cash equivalents

Cash and cash equivalents include the following components:

30	0 June 2012	30 June 2011	December 2011
	R'000	R'000	R'000
Cash at bank and in hand	9 686	16 689	15 977
Bank overdraft	(7)	(12 850)	(4)
	9 679	3 839	15 973

The carrying value of cash and cash equivalents is considered a reasonable approximation of fair value.

Segment analysis

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

- Staffing and Recruitment comprises 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
- 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
- Process Outsourcing, which focusses 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 and profit generated by each of the group's business Segments are summarised as follows:

			Financial I	Employee				
	Staffing	Training	and	Health	Process		Conso-	
	and	and	Lifestyle	Manag-	Out-	Central	lidated	
F	Recruitment	Consulting	Products	ement	sourcing	cost	entries	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
6 Months to June 2012								
Segment revenues	645 791	14 406	23 974	12 351	26 374	-	(4 674)	718 222
Cost of sales	(521 365)	(4 174)	(10 111)	(4 959)	(18 726)	-		(559 335
Operating Costs	(87 907)	(10 064)	(8 331)	(6 315)	(7 849)	(23 621)	4 674	(139 413
Depreciation and								
amortisation of								
non-financial assets	(1 313)	(640)	(833)	(78)	(41)	(1 470)	-	(4 375
Segment operating pro	fit 35 206	(472)	4 699	999	(242)	(25 091)	-	15 099
Capital Expenditure	807	453	1 865	283	251	1 926	-	5 585
Segment total assets	256 708	15 227	85 885	5 707	1 835	89 534	-	454 896
Segment Total Liabilitie	es (60 958)	(1 297)	(11 086)	(1 351)	(127)	(173 274)	-	(248 093
Net Segment Assets	195 750	13 930	74 799	4 356	1 708	(83 740)	-	206 803
6 Months to June 2011								
Segment revenues	574 341	11 741	16 834	10 090	20 929	_	(3 714)	630 221
Cost of sales	(459 138)	(2 687)	(4 518)	(4 679)	(13 437)	_		(484 459
Operating Costs	(84 433)	(8 341)	(5 832)	(4 251)	(6 991)	(23 137)	3 714	(129 271
Depreciation and								
amortisation of								
non-financial assets	(1 629)	(628)	(446)	(59)	(40)	(1 029)	-	(3 831
Segment operating pro	fit 29 141	85	6 038	1 101	461	(24 166)	-	12 660
Capital Expenditure	1 124	581	563	16	193	1 248	-	3 725
Segment total assets	253 935	8 645	52 779	5 052	1 965	75 331	-	397 707
Segment Total Liabilitie	s (79 519)	(434)	(1 178)	(1 269)	(409)	(133 635)	-	(216 444
Net Segment Assets	174 416	8 211	51 601	3 783	1 556	(58 304)	-	181 263
ear to 31 December 2	011							
Segment revenues	1 227 649	23 914	45 389	21 226	40 760	_	(10 377)	1 348 56
Cost of sales	(1 036 997)	(5 711)	(12 266)	(8 737)	24 125	_		1 039 586
Operating Costs	(199 052)	, ,	(14 543)	(10 015)	4 481	(42 412)	10 377	
Depreciation and	,	,	,	,		,		,
amortisation of								
non-financial assets	(2 830)	(1 235)	(1 334)	(123)	(77)	(2 095)	-	(7 694
Segment operating pro	fit (11 230)	158	17 246	2 351	69 289	(44 507)	-	33 307
Capital Expenditure	2 767	466	3 971	91	133	3 602	-	11 030
Segment total assets	250 444	11 112	75 194	3 992	1 527	105 973	_	448 242
Segment Total Liabilitie		(1 693)	(2 131)	(897)	(149)	(179 956)		(250 755
Net Segment Assets	184 515	9 419	73 063	3 095	1 378	(73 983)		197 487

Taxation

The effective tax rate of 7% for the period is mostly due to learnership allowances granted.

Earnings per share

	-	months to June 2012	6 months to 30 June 2011	year to 31 December 2011
Basic earnings per share				
Profit attributable to equity				
shareholders (R'000)		8 730	7 170	23 445
Weighted average number of				
shares in issue ('000)		225 630	225 630	225 630
Basic earnings per share (cents)		3.9	3.2	10.4
There are no potential dilutive share,				
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)		8 730	7 170	23 445
Headline earnings adjustment (R'000)				
- Loss/(gain) on disposal of property,				
plant and equipment		(51)	63	(69)
- Tax effect of adjustments		14	(18)	19
Total headline earnings (R'000)		8 693	7 215	23 395
Weighted average number of shares				
in issue ('000)		225 630	225 630	225 630
Headline earnings per share (cents)		3.9	3.2	10.4

10. Dividends

No dividend was declared relating to the period under review.

11. Business combinations

No business combinations occurred during the period under review.

12. 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.

DIRECTORS' COMMENTARY

Operational Review

The financial results of our group for the first six months of the year 2012 are pleasing given the tough trading environment and the legislative uncertainty that the group has been exposed to with regard to the proposed amendments to the Labour Relations Act. Management continued to focus on strategic objectives with emphasis being placed on diversification of revenue streams within core niche markets thereby enabling the group's vision of being the leading provider of innovative and diversified employer-centric solutions.

Group revenue of R718 million for the 6 months ending June 2012 was 14% ahead of revenue generated in the prior year. This translated into an increase in EBITDA of 18%, whilst earnings of 3,9 cents per share (2011:3,2 cents) was 21,8% ahead of those reported for the prior year.

The group's staffing and recruitment segment has on the whole performed well, with material progress being made in the white collar specialist recruitment divisions. This we believe is being driven predominantly by a shortage of skills, particularly in the engineering, trades and information technology sectors. The group's blue collar staffing businesses continued to show strong growth in market share. Aggressive growth has resulted in softer gross margins (22.1% - 2012 as compared to 23.1% - 2011).

The group's training and consulting segment started the year slowly, with most of the emphasis being placed on ensuring operational readiness for what we believe will be a significant increase in demand for this segment's services. This is being driven by amongst others South Africa's shortage of artisan and trade skills. Training Force has been instrumental in delivering on the group's various skills development initiatives which has contributed to a lower effective tax rate for the period.

Financial and lifestyle products and services provided through the group's brands, Babereki and Dreams Direct continued to show steady growth in earnings. This diversification contributes approximately 28% of the group's EBITDA. New markets are currently being explored, with a strong focus on ensuring sustainability through the ongoing development of credit vetting, granting and collection systems.

Employee health and wellness management has been identified as a major contributor toward ensuring increased productivity within the workplace across all categories of employees. Workforce Healthcare is making steady progress in capturing new market share with a 22,4% increase in revenue. Further investment has been made in people and systems which have resulted in increased operational costs, the benefits of which we believe should be realised in 2013.

Increased demand from customers requiring more complex end-to-end outsourced services is driving the growth within our process outsourcing business segment. Our ability to integrate the various operating segments and value propositions across our group and provide this in a seamless format to our clients is proving to be a key differentiator for us.

Overhead costs were kept in line with inflationary trends despite continuing upward cost pressure.

The collections environment remained challenging. Debtors days outstanding at June 2012 reduced to 57 days, down from 58 days as at year end December 2011. The focus on cash generation remains key to our strategy which has resulted in R7.2 million cash flow from operations as compared to a R14.6 million deficit

The currently debated amendments to the Labour Relations Act will bring more complexity to an already complex labour environment. Organisations will require more than ever the expertise and value that we as a group can offer. It is therefore anticipated that the impact of the proposed bills on our business will be minimal and will result in consolidation opportunities which we are well positioned to take full advantage of. Prospects based on the positive trends reflected in these interim results, the

directors believe that turnover in all divisions of the group may further 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 has occurred during the period under review.

For and on behalf of the board

RS Katz LH Diamond WP van Wyk (Chief Executive Officer) (Group Financial Director) (Chairman) Johannesburg

Executive directors RS Katz, LH Diamond, WP van Wyk Non-executive directors

NM Anderson, JR Macey, L Letlape, K Vundla

Designated adviser Merchantec Capital

21 August 2012

Company secretary

S. van Schalkwyk

Registered office

The registered office is 3 Sandown Valley Cresent, Sandown, 2196

Transfer secretaries

Link Market Services South Africa (Proprietary) Limited,

11 Diagonal Street, Johannesburg, 2001