Hosken Consolidated Investments Limited
Incorporated in the Republic of South Africa
Registration number 1973/007111/06
Share code: HCI ISIN: ZAE000003257
"HCI" or "the company" or "the group"

Reviewed group annual results for the year ended 31 March 2006

* 56,6% increase in revenue
* 303% increase in trading profit
* 48% increase in adjusted headline earnings per share

ABRIDGED CONSOLIDATED INCOME STATEMENT

| | 31 March 2006 R'000 (reviewed) | 31 March 2005 R'000 (audited restated) |
|---|---|---|
| Revenue | 2 111 982 | 1 348 287 |
| Trading expenses | (1 732 237) | (1 254 094) |
| Trading profit | 379 745 | 94 193 |
| Transaction costs and raising fees | (72 479) | - |
| Net funding income | 14 243 | 65 135 |
| Investment income | 106 954 | 50 627 |
| Finance costs | (118 210) | (11 760) |
| Share of associated companies' profits | 152 099 | 67 249 |
| Negative goodwill on acquisition of subsidiary | 8 968 | 102 470 |
| Investment surplus | 3 177 | 138 903 |
| Fair value adjustments of investment properties | 11 506 | - |
| Fair value adjustments of investments | 1 593 | 5 505 |
| Impairment of investments and goodwill | (225) | (9 606) |
| Profit before taxation | 487 371 | 502 716 |
| Taxation | (200 889) | 221 683 |
| Group profit | 286 482 | 724 399 |
| Attributable to: | | |
| Equity holders of the parent | 231 195 | 605 286 |
| Minority interest | 55 287 | 119 113 |
| | 286 482 | 724 399 |
| Reconciliation of headline profit | | |
| Profit attributable to equity holders of the parent | 231 195 | 605 286 |
| Adjusted for equity holders of the parent's share of: | | |
| Investment surplus | (3 151) | (134 456) |
| Goodwill impaired | - | 9606 |
| Fair value adjustments of investment properties | (9 837) | (2 109) |
| Negative goodwill on acquisition of subsidiary | (8 476) | (102 822) |
| Impairment of assets | 1 673 | 1740 |
| Profit on sale of assets | (1 079) | (24 869) |
| Headline profit | 210 325 | 352 376 |
| Deferred tax in respect of losses | (23 891) | (198 014) |
| Deferred tax in respect of STC credits | 67 163 | 39 774 |
| Non-recurring transaction costs and raising fees | 72 479 | - |
| Adjusted headline profit | 326 076 | 194 136 |
| Earnings per share (cents) | | |
| - Basic | 192,90 | 572,62 |
| - Headline | 175,49 | 333,36 |
| - Adjusted headline | 272,06 | 183,66 |
| Weighted average number of shares in issue ('000) | 119 853 | 105 704 |
| Actual number of shares in issue at end of period (net of treasury shares) ('000) | 122 882 | 117 997 |
| Diluted earnings per share (cents) | | |

| | | |
|---|---|---|
| - Basic | 188,39 | 511,66 |
| - Headline | 171,38 | 297,87 |
| - Adjusted headline | 265,70 | 164,11 |
| Weighted average number of shares in issue ('000) | 122 722 | 118 299 |

ABRIDGED CONSOLIDATED BALANCE SHEET

| | 31 March 2006 R'000 (reviewed) | 31 March 2005 R'000 (audited restated) |
|---|---|---|
| ASSETS | | |
| Non-current assets | 7 099 468 | 7 593 216 |
| Property, plant and equipment | 795 130 | 460 166 |
| Investment properties | 154 235 | 13 729 |
| Goodwill | 82 683 | - |
| Interest in associated companies | 904 769 | 314 014 |
| Investments | 120 270 | 447 130 |
| Intangibles | 1 876 | - |
| Deferred taxation | 357 664 | 415 538 |
| Financial assets | 4 622 921 | 5 928 846 |
| Operating lease equalisation asset | 3 400 | - |
| Long-term receivables | 56 520 | 13 793 |
| Current assets | 3 441 241 | 6 661 292 |
| Trade and other receivables | 1 090 590 | 588 081 |
| Financial assets | 1 568 572 | 5 526 574 |
| Cash and cash equivalents | 782 079 | 546 637 |
| Total assets | 10 540 709 | 14 254 508 |
| EQUITY AND LIABILITIES | | |
| Equity | 2 586 291 | 1 516 314 |
| Equity attributable to equity holders of the parent | 1 751 429 | 1 389 513 |
| Minority interest | 834 862 | 126 801 |
| Non-current liabilities | 5 431 328 | 6 217 409 |
| Financial liabilities | 4 666 651 | 5 987 449 |
| Deferred taxation | 53 737 | 33 907 |
| Long-term borrowings | 688 640 | 196 053 |
| Operating lease equalisation liability | 22 300 | - |
| Current liabilities | 2 523 090 | 6 520 785 |
| Trade and other payables | 951 765 | 990 796 |
| Financial liabilities | 1 571 325 | 5 529 989 |
| Total equity and liabilities | 10 540 709 | 14 254 508 |
| Net asset carrying value per share (cents) | 1,425 | 1,177 |

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

| | 31 March 2006 R'000 (reviewed) | 31 March 2005 R'000 (audited restated) |
|---|---|---|
| Cash flows from operating activities | 315 261 | 157 002 |
| Cash flows from investing activities | (1 461 743) | (364 503) |
| Cash flows from financing activities | 594 572 | 137 445 |
| Decrease in cash and cash equivalents | (551 910) | (70 056) |
| Cash and cash equivalents | | |
| At beginning of period | 544 404 | 404 082 |
| On acquisition/disposal of subsidiaries | 776 261 | 210 378 |
| At end of period | 768 755 | 544 404 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Share premium | Non-distributable reserves |
|---|---|---|---|

| | | | |
|---|---|---|---|
| | R'000 | R'000 | R'000 |
| Balances at 31 March 2004 | 25 755 | 484 493 | 84 071 |
| Share capital and premium | | | |
| Shares issued | 3 749 | 52 381 | - |
| Treasury shares acquired by subsidiary | (5) | (2 088) | - |
| Share issue costs | - | (101) | - |
| Current operations | | | |
| Profit for the year | - | - | - |
| Equity settled share-based payments | - | - | - |
| Currency translation differences | - | - | 224 |
| Negative goodwill on acquisition of subsidiary | - | - | - |
| Transfer of fair value adjustments on realisation | - | - | - |
| Effects of changes in holding | - | - | - |
| Ordinary dividend | - | - | - |
| Transfers on realisation | - | - | (84 295) |
| Balances at 31 March 2005 | 29 499 | 534 685 | - |
| Share capital and premium | | | |
| Shares issued | 1 813 | 149 894 | - |
| Shares repurchased | (500) | (53 500) | - |
| Treasury shares acquired by subsidiary | (91) | (1 749) | - |
| Share issue costs | - | (379) | - |
| Current operations | | | |
| Profit for the year | - | - | - |
| Share of pre-acquisition profit of subsidiary | - | - | - |
| Equity settled share-based payments | - | - | - |
| Foreign currency translation differences | - | - | (2 202) |
| Minority interest on acquisition of subsidiaries | - | - | - |
| Capital reductions and dividends | - | - | |
| Balances at 31 March 2006 | 30 721 | 628 951 | (2 202) |

| | Accu-mulated profits R'000 | Share-based payment reserves R'000 | Minority interest R'000 | Total R'000 |
|---|---|---|---|---|
| Balances at 31 March 2004 | 184 725 | - | 133 528 | 912 572 |
| Share capital and premium | | | | |
| Shares issued | - | - | - | 56 130 |
| Treasury shares acquired by subsidiary | - | - | - | (2 093) |
| Share issue costs | - | - | - | (101) |
| Current operations | | | | |
| Profit for the year | 605 286 | - | 119 113 | 724 399 |
| Equity settled share-based payments | - | 1 476 | - | 1 476 |
| Currency translation differences | - | - | - | 224 |
| Negative goodwill on acquisition of subsidiary | 49 126 | - | - | 49 126 |
| Transfer of fair value adjustments on realisation | 13 750 | - | - | 13 750 |
| Effects of changes in holding | - | | (125 840) | (125 840) |
| Ordinary dividend | (113 329) | - | - | (113 329) |
| Transfers on realisation | 84 295 | - | - | - |

| | | | | |
|---|---|---|---|---|
| Balances at 31 March 2005 | 823 853 | 1 476 | 126 801 | 1 516 314 |
| Share capital and premium | | | | |
| Shares issued | - | - | - | 151 707 |
| Shares repurchased | - | - | - | (54 000) |
| Treasury shares acquired by subsidiary | - | - | - | (1 840) |
| Share issue costs | - | - | - | (379) |
| Current operations | | | | |
| Profit for the year | 231 195 | - | 55 287 | 286 482 |
| Share of pre-acquisition profit of subsidiary | 34 904 | - | - | 34 904 |
| Equity settled share-based payments | - | 2 531 | - | 2 531 |
| Foreign currency translation differences | - | - | - | (2 202) |
| Minority interest on acquisition of subsidiaries | - | - | 660 473 | 660 473 |
| Capital reductions and dividends | - | - | (7 699) | (7 699) |
| Balances at 31 March 2006 | 1 089 952 | 4 007 | 834 862 | 2 586 291 |

SEGMENT REPORT

The following are the summarised results for the various primary group segments:

| | Revenue R'000 | Results R'000 | Assets R'000 |
|---|---|---|---|
| Media and broadcasting | 669 786 | 178 245 | 544 196 |
| Financial services | 129 498 | 69 368 | 6 479 582 |
| Gaming, hotels and leisure | 90 016 | 103 763 | 754 465 |
| Information technology | 56 842 | 13 444 | 73 827 |
| Transport | 664 238 | 107 018 | 491 736 |
| Industrial | 431 592 | 36 781 | 251 379 |
| Food and beverage | - | 15 525 | 137 768 |
| Gallagher Estate and properties | 67 000 | 22 000 | 266 000 |
| Other | 3 010 | (259 662) | 1 541 756 |
| | 2 111 982 | 286 482 | 10 540 709 |

| | Liabilities R'000 | Fixed asset additions R'000 | Depreciation R'000 |
|---|---|---|---|
| Media and broadcasting | 250 836 | 68 194 | 17 988 |
| Financial services | 6 381 247 | 1 618 | 1 602 |
| Gaming, hotels and leisure | 6 380 | 22 525 | 5 137 |
| Information technology | 35 199 | 5 626 | 2 437 |
| Transport | 352 599 | 100 045 | 27 481 |
| Industrial | 155 536 | 29 043 | 13 284 |
| Food and beverage | 24 446 | - | - |
| Gallagher Estate and properties | 51 000 | 4 200 | - |
| Other | 698 175 | 62 | - |
| | 7 955 418 | 231 313 | 67 929 |

Taxation is included in other as follows: Assets R363,7 million, liabilities R70,6 million and results R200,9 million.

No secondary segment report has been included as the group derives substantially all its revenues and income from within the Republic of South Africa.

COMMENTARY

INVESTMENTS

Media and Broadcasting

Midi TV (Pty) Limited ("e-TV")
The buoyant advertising spend market and strict cost controls continue to assist e-TV, with the station reporting a 36% growth in operating profits for the current year in comparison to the prior year.

The drop in audience share commented on in our 2005 annual report has been reversed and is now strengthening with news and local soaps leading the way.

The station has grown to become a strong cash generating business with a strong market presence since turning profitable a few years ago. Future growth areas lie in the station's expansion into Africa with the acquisition of broadcasting licences in East and West Africa during the current year without major cost. It is anticipated that the African venture will provide new markets for the sale of e-TV's intellectual properties and programming rights without substantial cash resources being committed.

Yired (Pty) Limited ("YFM")
During the year under review, the group acquired an effective 77,5% interest in YFM. YFM is a Gauteng-based radio station focusing mainly on the black urban youth market and has a weekly audience in excess of 1,2 million listeners.

The radio station generated R14 million profits after tax during the current year. The group has consolidated R5,3 million of these profits in these results since the date of acquisition.

Gaming, hotels and leisure
Vukani Gaming Corporation (Pty) Limited ("Vukani")
Vukani has been awarded licences to operate limited payout gambling machines as a route operator from five provincial gaming boards in South Africa. The company is presently operational in Mpumalanga, Western Cape and Eastern Cape. Operations are expected to commence in KwaZulu-Natal and Limpopo during this financial year, though the roll out of machines in these regions is likely to commence late in the financial year.

The roll out of machines has been slower than we had anticipated but continue at approximately 60 machines per month. Gross gaming revenue per machine continues to grow steadily on a month on month basis as more sites are rolled out.

During the year under review, the business turned profitable on a monthly basis with rapid growth in profitability being projected as further machines are rolled out.

It is expected that as this investment matures over the next two years it will add significant value to the group.

Tsogo Investment Holding Company (Pty) Limited ("TIH")
During the year under review the groups 32,07% effective interest in TIH was increased to 41,76% as a result of the acquisition of 51% of Johnnic. The group has entered into an agreement with the Fabcos Group to acquire a further 19% effective interest in TIH ("the Fabvest acquisition"). Shareholders are referred to announcements made for details of this acquisition, which remains subject to approvals from certain Provincial Gaming Regulators. Approval has been obtained from the KwaZulu-Natal Gaming Board. Approvals from the other Gaming Boards are expected during the current financial year.

During the year under review the group equity accounted its share of TIH's earnings. Once the above transaction becomes unconditional, the group will have effective control of the entire Tsogo Sun Group, whose results will in future be fully consolidated into the group's results.

Johnnic Holdings Limited ("Johnnic")
In December 2005 the group successfully acquired control of Johnnic by

increasing its interest in Johnnic to 51%. During the year under review, the group increased its interest in Johnnic from an initial 20% to 39%. The group was required by the Securities Regulation Panel to extend an offer to the Johnnic minorities to acquire all of their shares.

The group made an offer to the Johnnic minorities to acquire all their shares in Johnnic for a consideration of R10,70 per share in cash or 1 HCI share for every 2,57 Johnnic shares surrendered, subject to a maximum of 15 million new HCI shares being issued. 11,082 million Johnnic shares were tendered in the offer resulting in the group increasing its interest in Johnnic to 46%. Immediately thereafter, the group acquired control of Johnnic by increasing its stake to 51%. The Board of Johnnic is now controlled by HCI representatives.

The group's acquisition of Johnnic shares required various regulatory approvals which have all been obtained.

As stated in the group interim results for the six months ended 30 September 2005, the investment in Johnnic at that date was accounted for as an available for sale asset as the group did not have control of Johnnic or representation on the Johnnic Board. The group had accordingly fair valued the investment at that date resulting in a fair value gain of R108,9 million, net of tax being included in the group's interim headline earnings.

On the group acquiring control of Johnnic, this fair value gain was reversed and the group's share of Johnnic's profit after tax for the nine months ended 31 December 2005, amounting to R34,9 million, was taken directly to equity in the group's statement of changes in equity in accordance with IFRS 3: Business Combinations.

The group has fully consolidated the results of Johnnic with effect from 1 January 2006. The group's share of Johnnic's profit after tax for the period 1 January 2006 to 31 March 2006 amounted to R4 million which has been included in the group's consolidated income statement. Shareholders are referred to Johnnic's results for its performance and activities.

Transaction costs and raising fees amounting to R72 million incurred by the group in respect of the Johnnic offer and the Fabvest acquisition have been disclosed separately in the income statement for the year under review. These costs, which are non-recurring and relate specifically to these transactions, have been written off in computing headline earnings for the year.

Financial Services

Mettle Limited ("Mettle")

As reported in our interim report, Mettle is in the process of building substantial new businesses under its wing. These include two new start up businesses: Mettle Motor Loans which provides loan finance to purchasers of motor vehicles and Mettle Factors which provides bridging loans to facilitate, inter alia, fixed property transactions. The debtors books in these businesses are geared and have grown rapidly in the second half of the year under review. Mettle Factors has just recently become profitable. It is expected that these businesses will have excellent growth potential in the coming years and are expected to become meaningful contributors to group profits in future years. Mettle's traditional business performed well during the year contributing R31 million to group headline earnings due mainly to increased deal flow and substantial cost reductions.

Transport

Golden Arrow Bus Services (Pty) Limited ("GABS")

GABS had continued its exceptional performance during the current year reporting profits after tax of R84 million which represents a 56,7% increase when compared to GABS contribution to the group for the nine month period ending 31 March 2005. Passenger numbers have increased by approximately 5% over the last year. Despite substantial increases in fuel costs during the year, costs have been contained.

As part of its commitment to providing a modernised fleet, the company had invested in 84 new buses during the current financial year and has committed to acquiring a further 25 during the next financial year.

The continued increases in the fuel price in recent months do remain a concern. However, we are confident that this company will continue to deliver satisfactory returns.

Food and beverages

Clover Industries Limited ("Clover")

During the second half of the year, the group subscribed for 25,1% of the total issued ordinary share capital of Clover, as well as 25 million Clover preference shares, for an aggregate subscription consideration of R91,8 million. The group has secured an indefinite option to acquire a further 9,8% of the ordinary share capital in Clover. This investment broadens the group's strategic investment interests into the food and beverages sector.

The group holds a further 10,6 million preference shares in Clover giving it an effective 43% economic interest in the company and has secured three seats on the Clover Board.

Clover's results for the six months ending 31 December 2005, reflect a turnover of R2,38 billion and an attributable profit of R65,3 million. Due to the historically seasonal dairy market the next six months are expected to be less profitable. As part of the transformation of Clover from a co-operative to a commercial venture, the company is in the process of being restructured to contain costs and improve profitability. In addition, trading in a low inflationary environment requires a revised strategy which management is in the process of implementing.

Clover has been classified as an associate company of the group with its results accordingly being equity accounted. It is expected that this investment will generate meaningful returns for the group in the coming years.

Information technology

Syntell (Pty) Limited ("Syntell")

During the year under review, the group acquired an effective 50,01% interest in Syntell, a company providing electronic monitoring of traffic and traffic violations to municipalities throughout South Africa.

The group has fully consolidated the profits of this company from 1 September 2005 in these results.

Industrial

The group had previously acquired a number of companies in leveraged buyouts primarily financed by ringfenced debt in each company. These companies include Johnson Crane Hire, Tylon, Johnson Access and Formex Industries. The growth in the construction and automotive components industries has enabled many of these businesses to perform well-above expectation with this debt having been significantly reduced. It is anticipated that this debt will be paid off from the earnings of these companies on average over the next two years whereafter the group will receive contributions to its cash flow.

Other

The group disposed of its interests in Sukyae Land (Pty) Limited and the IQ Business Group (Pty) Limited during the year under review for R25 million and R19 million respectively. The profits on these disposals are included in the investment surplus.

OPERATIONS AND RESULTS FOR THE YEAR

Business operations

The business operations of HCI include the making of investments in opportunities as identified by the board of directors and to add value to these investments over time. As such, HCI has consciously established itself and pursued an investment policy in terms of which it has endeavoured to maintain significant equity and capital participation in entrepreneurially run companies with significant growth potential. The investments are constantly reviewed and new ones sought to complement them.

Basis of preparation and accounting policies

The results for the year ended 31 March 2006 have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the South African Companies Act and the Listings Requirements of the JSE Limited. The group's consolidated financial statements for the year ended 31 March 2006 are the first annual financial statements that comply with IFRS.

The group has applied IFRS 1 in preparing these financial statements. The date of the group's transition to IFRS is 1 April 2004, and the financial statements for the year ended 31 March 2005 have been restated accordingly.

The accounting policies of the group have been consistently applied with those of the previous financial year except for the effects of changes in respect of IFRS.

The following are the significant IFRS 1 exemptions which the group elected to utilise:

- Financial instruments previously designated as available for sale were redesignated as financial assets or financial liabilities at fair value through profit and loss.
- The fair value or revaluation of certain items of plant and equipment at, or before the transition date was deemed to be its cost.
- IFRS 3 - Business Combinations, was not applied retrospectively to business combinations which occurred prior to the group's transition to IFRS. The adoption of IFRS has not resulted in any material adjustments to the opening retained earnings balances at 1 April 2004. Certain of the comparative figures have been restated to take into account the effects of the adoption of the following:
- IFRS 2 - Share-based Payments. Share options previously granted and exercised have been valued using the Black Scholes method. This value is amortised on a straight line basis and recognised as an expense over the vesting periods.
- IAS 32 - Financial Instruments: Disclosure and Presentation. The gross value of financial assets and financial liabilities, which had previous been set off, have now been disclosed separately to comply with this standard. IAS 32 now requires that a legal enforceable right of set-off must currently exist at the reporting date for set-off to occur.
- IAS 17 - Leases. Operating leases with fixed escalation clauses are now accounted for on a straight-line basis over the period of the lease. The reconciliation of group profit as previously reported to group profit as restated in this report is set out below:

| | Year ended 31 March 2005 R'000 |
|---|---|
| Profit attributable to equity holders of the parent as previously reported | 622 664 |
| IFRS | |
| Effects of share-based payments - IFRS 2 | (1 476) |
| Effects of IFRS adjustments by associate | (12 903) |
| Other restatements | |
| Depreciation | 461 |
| Operating leases previously accounted for on straight-line basis | (1 570) |
| Other restatements by associate | (1 890) |
| Profit attributable to equity holders of the parent as restated | 605 286 |

The reconciliation of group equity as previously reported to group equity as restated in this report is set out below:

| | Year ended 31 March 2005 R'000 |
|---|---|
| Group equity as previously reported | 1 405 415 |
| IFRS | |
| Effects of IFRS adjustments by associate | (12 903) |
| Other restatements | |
| Depreciation | 461 |
| Operating leases previously accounted for on straight-line basis | (1 570) |
| Other restatements by associate | (1 890) |
| Group equity as restated | 1 389 513 |

AC 501

As reported in the group annual results for the year ended 31 March 2005 ("March 2005 results"), the group had adopted AC 501 with effect from 1 April 2004. In terms of the provisions of AC 501, a deferred tax asset should be recognised for unused STC credits to the extent that it is probable that future taxable profit will be generated against which the STC credits can be utilised.

As a result of the first time application of AC 501 in the March 2005 results, Mettle, a wholly owned subsidiary of the group, had recognised a deferred tax asset in respect of STC credits held by its subsidiaries, as a prior year adjustment. These subsidiaries have historical contractual obligations to on-declare all such dividends received to third party clients, with the result that these credits are not available to the group for any other purpose. A margin is earned over the term of the contracts and the asset does not reflect the economic benefit arising from these transactions to the group. The income on these transactions (dividends) is accounted for on the yield to maturity basis and not on the declaration basis as is implicit in the application of the statement. The effect is that the asset raised and the income statement impact of the fluctuations in the value of the asset over time severely distort the economic reality of the group's results. Therefore, the group has in the March 2005 results presented adjusted headline earnings, which negate the effects of deferred tax assets raised or expensed, as additional disclosure, to more accurately reflect the economic reality of the group's results. Accordingly, adjusted headline earnings has, once again, been presented in these results.

Deferred tax assets in respect of STC credits expensed in the current year amount to R67,2 million which have been included in headline earnings. Deferred tax assets in respect of STC credits previously raised and not expensed at the reporting date amount to R48 million.

## RESULTS FOR THE YEAR

### Basic earnings

Basic earnings per share amounted to 192,9 cents for the year. Basic earnings per share includes the net earnings after investment surpluses, negative goodwill released and impairment of investments and goodwill. This has decreased when compared to the prior year as the comparative figures include the profit on disposal of the group's interest in Africa-on-Air and the negative goodwill released on the acquisition of GABS.

### Headline earnings

Headline earnings decreased during the year from R352,3 million to R210,3 million. The comparative year included net deferred tax assets raised of R159 million mainly due to the initial recognition of a deferred tax asset in respect of unutilised tax losses in e-TV, as compared to net deferred tax assets of R43,3 million expensed in the current year. Headline earnings also include non-recurring transaction costs and raising fees amounting to R72 million in respect of the Johnnic offer and Fabvest acquisition. Due to these large abnormal items being included in headline earnings, headline earnings is not comparable to that of the prior year.

Adjusted headline earnings

Adjusted headline earnings has once again been disclosed so as to more accurately reflect the economic reality of the group's results. Adjusted headline earnings exclude all abnormal profits and losses including non recurring transaction costs and raising fees and the effects of net deferred tax assets raised or expensed in respect of unused tax losses and available STC credits. Adjusted headline earnings increased from R194,1 million to R326,1 million. Adjusted headline earnings per share also incre'ased significantly from 183,66 cents to 272,06 cents. This increase is mainly due to the continued improved overall performance of the group's major investments during the year.

DISTRIBUTION TO SHAREHOLDERS

Due to the need to retain funds for the acquisitions and operations of the group the directors have decided not to declare any dividends for the year under review.

AUDITORS' REVIEW

The abridged consolidated balance sheet, income statement, cash flow statement and statement of changes in equity have been reviewed by the company's auditors, PKF (Jhb) Inc. Their unqualified review opinion is available for inspection at the registered office of the company.

For and on behalf of the board of directors

| | |
|---|---|
| MJA Golding | JA Copelyn |
| Chairman | Chief Executive Officer |
| Durban | 26 June 2006 |

Registered office

Suite 624, Office Tower, Overport City, 430 Ridge Road, Durban, 4001
PO Box 70874, Overport City, 4067

Transfer secretaries

Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 PO Box 61051, Marshalltown, Johannesburg, 2107

Directors

MA Golding (Chairman), JA Copelyn (Chief Executive Officer)
VE Mphande, JG Ngcobo*, VM Engel*, MF Magugu*
AM Ntuli*, Y Shaik*, A van der Veen *(non-executive)

Company secretary

TG Govender

Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)