Allied Electronics Corporation Limited

(Incorporated in the Republic of South Africa)
(Registration number 1947/024583/06)
(Share code: ATN) (ISIN: ZAE000029658)
(Share code: ATNP) (ISIN: ZAE000029666)
("Altron" or "the Company")

Unaudited abridged consolidated interim results for the six months ended 31 August 2005

Message to our shareholders

Highlights

Revenue 17% ↑

Operating income14% ↑

Headline earnings per share 16% ↑

Return on equity increases to 17.2%

Your directors are pleased to report that the Altron group has again posted good results for the financial half year ended 31 August 2005.

Business environment

Business confidence levels remain positive in South Africa driven by a sound economic climate. Domestic growth is accelerating, the rand remains stable against major currencies and interest rates and inflation have remained under control. This has created positive trading conditions for the Altron group. Strong consumer spending has stimulated growth within the Altech operations whereas an increase in public sector spending and a buoyant building and construction industry has driven demand for Powertech group products and services. The successful integration of the CS Holdings and Digital Healthcare Solutions (DHS) acquisitions coupled with a recovering ICT market, has resulted in strong growth at BTG.

Within the **Telecommunications** sector, the move to a more liberalised market is gaining momentum with the introduction of new products and services such as voice-over-internet-protocol. This liberalisation is expected to continue with the introduction of the Second Network Operator and the finalisation of the Convergence Bill. The Altron group, particularly through Altech, is well positioned to benefit from this situation. The mobile market, both in South Africa and in Africa, continues to grow above market expectations.

The **Power Electronics and Multi-media** sector is buoyant due to increasing capital expenditure spending in infrastructure projects by both the public and private sector. This is expected to continue as a result of, amongst others, the recently announced capex plans of Eskom and Transnet, Soccer World Cup 2010 and the Gautrain project. The Powertech operations are set to benefit from the above, and significant internal investment has taken place to increase capacity and improve efficiencies. This is essential to combat the threat of imported products.

The outlook for the **Information Technology** sector is improving with clear indications of a recovery in spending taking place in this market. The ongoing conversion of the financial sector to the Europay Mastercard Visa (EMV) standard has seen some delays but continues to offer good opportunities to the Altech and BTG groups in the medium term.

Financial overview

In accordance with JSE Limited requirements the Altron group is operating in terms of International Financial Reporting Standards (IFRS) and has restated the prior year's half year and full year results to comply with IFRS.

The interim results for the Altron group for the six months ended 31 August 2005 have shown good growth with a 16% increase in headline earnings per share.

Revenue increased by 17% from R6.0 billion for the prior period to R7.0 billion with operating income increasing by 14% from R442 million to R502 million which reflects a slight margin decrease from 7.4% to 7.2%. This was mainly attributable to the inclusion of losses from our telecom cable operations which were subsequently mothballed in early September 2005 as well as losses incurred in Econet Satellite Services. Furthermore, NamITech experienced a reduction in margins resulting from delays in the delivery of capital equipment which has now been commissioned. Taxation, including STC, has decreased marginally from 36.9% (before goodwill and capital items) to 36.1%.

Altron's annualised return on equity improved to 17.2% with return on net assets improving to 24.4% from 15.9% in the prior period. The balance sheet remains strong with cash at R875 million.

Altech delivered a sound set of results for the financial half year ended 31 August 2005, reporting improved headline earnings per share of 15.3% to 181 cents per share. This was driven by better than expected performances from most of its operating companies including Autopage Cellular, Netstar, Altech Card Solutions and Isis. Revenue increased by 11% percent to R2.9 billion from R2.6 billion for the prior period with operating income at R250 million. On 10 October 2005, a 5-year agreement with an option to renew for a further five years was signed between Autopage Cellular and Vodacom renewing their service provider and incentive agreement. Agreements with Cell C are already in place and discussions with MTN in this regard are at an advanced stage.

Altech's balance sheet remains strong with a net asset value of 1528 cents per share and cash of R564 million. Cash has been utilised in the current period in the funding of working capital. Return on shareholder's equity is in excess of 23%. On 1 September 2005, Altech disposed of its 50% plus 1 share in Econet Wireless Global Limited (EWG) for a cash consideration of US$87.5 million plus interest representing a R155 million profit on its investment. These funds were received in September and all relevant litigation and claims between the parties have been settled in full.

BTG performed above expectations with revenues increasing 23% to R1.7 billion which reflects, for the first time, the inclusion of the businesses acquired from CS Holdings and the consolidation of 100% of DHS. Operating income improved by 36% from R94 million to R128 million when compared to the prior period.

Headline earnings improved by 31% to 46.5 cents over the IFRS restated earnings of 35.4 cents for the corresponding period of the prior year. BTG moved from a net cash position of R61 million at financial year end to a net borrowing position of R171 million at 31 August 2005 due to acquisitions totaling R143 million, the payment of a dividend of R55 million, increased tax payments and an investment in working capital.

Powertech reported a good increase in revenue of 22% to R2.3 billion despite the continuing strong rand, depressed conditions in the telecoms cabling industry and increased competition from foreign imports which impacted on margins. Operating income increased by 28% to R131.1 million from R102.7 million on the back of good results produced by ABB Powertech Transformers, Aberdare Power Cables, the Battery Group and the Industrial Group.

The return to profitability of Aberdare Cable's offshore operations has had a beneficial impact on headline earnings. This has also been enhanced by an improved performance from the power cables division when compared to the previous corresponding period which was impacted by the erratic supply of copper. The downturn in the telecoms sector has resulted in the mothballing by Aberdare Cables of its copper and fibre telecom cables manufacturing plant in Port Elizabeth during the month of September. Copper and other base metal prices continue to remain high, placing additional pressure on working capital requirements.

Fintech increased new business written for the first six months of the current financial year by 39% to R327.5 million from R235.6 million for the prior corresponding period. Discussions are being held with Fintech for a buy-back of the Altron shares in accordance with their call option in order to issue these to a BEE partner. If successful, Altron will divest from Fintech (Pty) Ltd, but will retain its investment in Fintech Receivables 1.

Black Economic Empowerment (BEE)

The Altron group's associations with BEE partners are firmly in place and consist of three "anchor" partners namely Kagiso within BTG SA, Izingwe within Powertech, and Pamodzi within Altech.

Following the launch of the Altron Transformation Vision 2010 document earlier this year, the last six months saw the commencement of the implementation phase of the Altron group's internal scorecard with a pleasing and significant improvement registered in terms of most of the broad-based BEE indicators throughout the operations.

Corporate activity

During the period under review the following significant transactions and developments took place:

- BTG's purchase of Altron's interest in the lease financing business relating to products marketed by BTG for a purchase consideration of R43 million, was effective on 1 March 2005.
- BTG SA acquired a further 61% interest in DHS for R85 million from Business Connexion, Netcare and USAP, and BTG sold its 39% interest in DHS to BTG SA, effective 1 March 2004. Following the acquisition and restructure, BTG SA now holds a 100% interest in DHS.
- Powertech acquired Calidus Von Roll Isola (Pty) Ltd, a leader in the electrical insulation business, effective 2 August 2005, for a purchase consideration of R32 million.
- In September 2005, Altech disposed of its 50% plus 1 share in EWG to the remaining EWG shareholders for a purchase consideration of US$87.5 million, plus interest.
- NamITech's West African pre-paid cellular voucher facility in Lagos, Nigeria was commissioned and will be operating to full production levels early in the second half of the this year. Volumes are expected to increase to 30 million vouchers per month by year end.

Directorate

On 10 October 2005, Buddy Hawton, an independent non-executive director of Altron resigned from the board of the Company. The board wishes to record its appreciation to Buddy for his valuable contribution over the past 16 years and wishes him well for the future.

Mark Lamberti, the Deputy Chairman and Chief Executive Officer of Massmart Holdings Limited, was appointed to the board of Altron as an independent non-executive director with effect from 12 October 2005.

Norbert Claussen, the Chief Executive Officer of Power Technologies (Pty) Limited was appointed to the board of Altron as an executive director with effect from 12 October 2005.

As announced on 21 July 2005, former executive director, Dali Mpofu, remains on the Altron board as a non-executive director following his recent appointment as chief executive officer of the SABC. The board takes this opportunity of welcoming Messrs Lamberti and Claussen to the Altron board.

Outlook

The outlook for the sectors in which the Altron group operates remains positive, especially in terms of continued infrastructure spending, the increased activity in the building and construction industries, the opportunities available in a liberalised and deregulated telecoms market and recovering IT market conditions. These factors position the Altron group well to achieve acceptable growth in headline earnings and dividends for the financial year ending 28 February 2006.

On behalf of the board

Dr Bill Venter	Robert Venter	Diane Radley
Chairman	*Chief Executive*	*Chief Financial Officer*

11 October 2005

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Unaudited abridged consolidated interim financial results for the six months ended 31 August 2005

Abridged income statements

Figures in R millions

	% Change	**Six months ended 31.08.05 (Unaudited)**	Six months ended 31.08.04 (IFRS restated)	Year ended 28.02.05 (IFRS restated)
Revenue	17%	**6,989**	5,959	12,206
Operating income before goodwill impaired/adjusted and capital items	14%	**502**	442	967
Investment income		**49**	51	100
Finance costs		**(31)**	(22)	(62)
Income from associates		**29**	6	24
Goodwill impaired/adjusted		**(3)**	(134)	(205)
Capital items (Note 1)		**12**	34	114
Income before taxation	48%	**558**	377	938
Taxation		**(201)**	(177)	(339)
Income for the period	79%	**357**	200	599
Attributable to minority shareholders		**122**	49	148
Attributable to Altron equity shareholders	56%	**235**	151	451
		357	200	599
Basic earnings per share (cents)	54%	**84**	55	163
Headline earnings per share (cents)	16%	**81**	70	162
Diluted basic earnings per share (cents)		**78**	49	152
Weighted average number of shares (millions)		**279**	275	276
- ordinary shares		**94**	94	94
- participating preference shares		**185**	181	182
Diluted average number of shares (millions)		**284**	**280**	**282**

Abridged balance sheets

Figures in R millions

	31.08.05	31.08.04	28.02.05
		(IFRS	(IFRS
Assets	**(Unaudited)**	restated)	restated)
Non-current assets	**2,627**	1,880	2,456
Property, plant, equipment	**901**	795	848
Goodwill and intangible assets	**1,042**	724	928
Rental finance advances	**89**	128	106
Associates and other investments	**497**	136	458
Deferred taxation	**98**	97	116
Current assets	**4,409**	4,397	4,457
Inventories	**1,231**	1,165	1,158
Accounts receivable	**2,303**	1,822	1,779
Net cash and cash equivalents	**875**	1,410	1,520
Total assets	**7,036**	6,277	6,913
Equity and liabilities			
Total equity	**3,793**	3,287	3,692
Shareholders equity	**2,748**	2,437	2,694
Minority interest	**1,045**	850	998
Non-current liabilities	**514**	620	714
Long-term liabilities	**291**	420	489
Empowerment funding obligation	**173**	170	172
Deferred taxation	**50**	30	53
Current liabilities	**2,729**	2,370	2,507
Total equity and liabilities	**7,036**	6,277	6,913
Net asset value per share (cents)	**983**	884	968
Shares in issue at end of period (millions)	**280**	276	278
- ordinary shares	**94**	94	94
- participating preference shares	**186**	182	184

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Abridged statements of changes in equity — Figures in R millions

	Share capital and premium	Treasury shares	Reserves	Retained earnings	**Shareholders' equity**	Minority interest	**Total equity**
Balance at 29 February 2004 (IFRS restated)	**789**	**(238)**	**221**	**1,717**	**2,489**	**1,082**	**3,571**
Issue of share capital	7				**7**		**7**
Attributable earnings				151	**151**	49	**200**
Dividends				(143)	**(143)**	(81)	**(224)**
Transfer between reserves			(22)	22	**-**		**-**
Foreign currency translation differences			(30)		**(30)**	(3)	**(33)**
Cash flow hedging reserve			2		**2**		**2**
Share based payments			1		**1**		**1**
Fair value of investments			8		**8**		**8**
Change in shareholding of subsidiaries			(63)		**(63)**	(178)	**(241)**
Movement in minority shareholders balance					**-**	(19)	**(19)**
Balance at 31 August 2004 (IFRS restated)	**796**	**(238)**	**135**	**1,744**	**2,437**	**850**	**3,287**
Issue of share capital	10				**10**		**10**
Attributable earnings				300	**300**	99	**399**
Foreign currency translation differences			(4)		**(4)**		**(4)**
Release of translation surpluses			(67)		**(67)**		**(67)**
Cash flow hedging reserve			(1)		**(1)**		**(1)**
Fair value of investments			9		**9**		**9**
Change in shareholding of subsidiaries			10		**10**	50	**60**
Movement in minority shareholders balance					**-**	(1)	**(1)**
Balance at 28 February 2005 (IFRS restated)	**806**	**(238)**	**82**	**2,044**	**2,694**	**998**	**3,692**
Issue of share capital	7				**7**		**7**
Attributable earnings				235	**235**	122	**357**
Dividends				(176)	**(176)**	(110)	**(286)**
Foreign currency translation differences			1		**1**		**1**
Share based payments			1		**1**		**1**
Fair value of investments			(4)		**(4)**		**(4)**
Change in shareholding of subsidiaries			(10)		**(10)**	20	**10**
Movement in minority shareholders balance					**-**	15	**15**
Balance at 31 August 2005 (unaudited)	**813**	**(238)**	**70**	**2,103**	**2,748**	**1,045**	**3,793**

Abridged cash flow statements

Figures in R millions

	31.08.05 (Unaudited)	31.08.04 (IFRS restated)	28.02.05 (IFRS restated)
Operating activities	**(210)**	49	750
Cash generated by operations	**611**	523	1,122
Net investment income	**19**	34	40
Changes in working capital	**(369)**	(154)	78
Taxation paid	**(185)**	(136)	(266)
Cash available from operating activities	**76**	267	974
Dividends paid, including to minority shareholders	**(286)**	(218)	(224)
Investing activities	**(269)**	(822)	(1,381)
Financing activities	**(166)**	181	155
Net funds utilised	**(645)**	(592)	(476)
Cash and cash equivalents - beginning of period	**1,520**	2,004	2,004
Translation differences of foreign cash	**-**	(2)	(8)
Cash and cash equivalents - end of period	**875**	1,410	1,520

Notes

Figures in R millions

	Six months ended 31.08.05 (Unaudited)	Six months ended 31.08.04 (IFRS restated)	Year ended 28.02.05 (IFRS restated)
1. Capital items			
Net gain on disposal of property, plant and equipment	**4**	1	7
Foreign currency gain on capital loan	**8**	-	-
Release of restructure provision	**-**	33	44
Foreign currency translation reserve realised	**-**	-	67
Impairment reversal	**-**	-	5
Net loss on disposal and closure of businesses	**-**	-	(9)
	12	34	114
2. Reconciliation between earnings and headline earnings			
Attributable to Altron shareholders	**235**	151	451
Goodwill adjusted/impaired	**3**	134	205
Capital items - gross	**(12)**	(34)	(114)
Tax effect of above adjustments	**2**	1	(10)
Minority interest in adjustments	**(1)**	(59)	(86)
Headline earnings	**227**	193	446
3. Reconciliation between attributable earnings and diluted earnings			
Attributable to Altron shareholders	**235**	151	451
Interest earned on proceeds	**4**	7	13
Additional earnings attributable to minorities in subsidiaries	**(23)**	(24)	(44)
Minority interest in adjustments	**5**	4	8
Diluted earnings	**221**	138	428

Fully diluted earnings have been calculated on the basis that:

- Kagiso Strategic Investments Pty) Ltd exercised its full option on 22% of the shares in Bytes Technology Group South Africa (Pty) Ltd effective 1 March 2004. It is assumed that the proceeds of the issue of these shares of R198 million would have attracted interest at 6.65% after tax for the full year under review.

- The recognition of the deferred 30% interest of the Izingwe Consortium in Aberdare Cables less dividends utilised to repay the funding obligation.

4. Subsequent event

Subsequent to the results for the period ended 31 August 2005, Altech has successfully concluded the sale of its fifty percent plus 1 share in Econet Wireless Global Limited (EWG) effective 1 September 2005. EWG's contribution to headline earnings for the six month period ended 31 August 2005 is nil. The net asset value of EWG, included in the balance sheet is R409 million which comprises of the following assets and liabilities:

Non-current assets	**465**
Current assets	**126**
TOTAL ASSETS	**591**
Non-current liabilities	**70**
Current liabilities	**112**
TOTAL LIABILITIES	**182**

5. It is group policy for a dividend to be declared after the end of the financial year.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. Basis of preparation

The Group has adopted International Financial Reporting Standards (IFRS) for the year ending 28 February 2006. The interim results have been prepared and presented in accordance with IAS 34 - Interim financial reporting.

The financial statements for the year ending 28 February 2006 will be the group's first consolidated IFRS-compliant financial statements and hence IFRS 1 First time adoption of IFRS has been applied in preparing this interim report.

2. Significant changes to the group's accounting policies as a result of the adoption of IFRS

Financial statements of foreign operations
The assets and liabilities of all foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Rands at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Rands at rates approximating the foreign exchange rates ruling at the date of the transactions. Foreign exchange differences arising on translation are recognised directly in a separate component of equity - foreign currency translation reserve. The foreign currency translation reserve applicable to a foreign operation is released to the income statement upon disposal of that foreign operation.

Previously, the non-monetary assets and liabilities of all foreign subsidiaries considered to be integrated foreign operations were translated at historic exchange rates, and the foreign exchange gains and losses arising on translation of monetary assets and liabilities were recognised in operating income.

Goodwill
All business combinations are accounted for by applying the "purchase method". Goodwill represents amounts arising on acquisition of subsidiaries and associates. In respect of business combinations that have occurred since the IFRS transition date, 1 March 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets and contingent liabilities acquired.

The group made an election in terms of IFRS 1 that in respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under SA GAAP. The classification and accounting treatment of business combinations that occurred prior to 1 March 2004 has not been reconsidered in preparing the groups opening IFRS balance sheet at 1 March 2004.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but tested annually for impairment.

Previously goodwill arising on each acquisition was amortised over its useful life on a straight line basis and subjected to annual impairment testing.

Premium on disposal of minority interests in subsidiaries

Following the presentation of minority interests in equity any increase or decrease in ownership interests in subsidiaries without a change in control are recognised as equity transactions in the consolidated financial statements. Accordingly any premium on subsequent sales of equity instruments to minority interests are recognised directly in the equity of the parent shareholder.

Previously premiums on subsequent sales of equity instruments to minorities were taken to profit as a capital item in the income statement.

Intangible assets

Intangible assets other than goodwill that are acquired by the group are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are tested systematically for impairment at each balance sheet date.

Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Patents and trademarks	5 years
Distribution rights	term of distribution agreements

Previously distribution rights were classified as goodwill on the balance sheet and amortised to the income statement as goodwill amortisation on a straight line basis over the useful life of the intangible asset.

Share-based payment transactions

The fair value of share options and deferred delivery shares granted to employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employee becomes unconditionally entitled to the equity instruments. The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. This accounting policy has been applied to all equity instruments granted after 7 November 2002 that had not yet vested at 1 January 2005. The fair value of share based payments was not recognised under the group's previous accounting policies.

Application of IFRS 2 to Black Economic Empowerment (BEE) transactions

The sale of 30% Aberdare Cables to the Izingwe Consortium and the 27% of BTG SA to Kagiso were equity instruments that was considered to have fully vested in the hands of the participants before 1 January 2005. Under the exemption offered by IFRS 1: First time adoption of IFRS the transactions were not accounted for as share based payments.

The Group continues to account for the BEE transaction in Namitech with Pamodzi on the same basis as disclosed in the 2005 annual financial statements, pending the finalisation of the accounting standards relating to these transactions.
On the assumption that Pamodzi had acquired their full economic interest in Namitech in 2005, an amount of R 114 million would have been reflected as their minority interest in the company.

Straight-lining of operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.
Past practice, whereby operating lease payments were expensed on a payments basis, was based on an interpretation that was generally accepted in the South African community. This interpretation considered the contractual payments basis as being most representative of the time pattern of the entity's benefit obtained from the leased property. The global spotlight has led to the view that the entity is obliged to adopt the straight-line basis of accounting for all lease payments. The adjustment has been made as required by IAS 8 with the necessary restatement of comparative figures.

Fair valuing of held-to-maturity investments

Investments held-to maturity are non-derivative financial assets, with fixed or determinable payments and fixed maturity, that the group has the positive intention and ability to hold to maturity other than:

(a) those that the group upon initial recognition designates as at fair value through profit or loss;
(b) those that the group designates as available for sale; and
(c) those that meet the definition of loans and receivables.

Gains or losses from fair valuing these investments shall be recognised directly in equity, through the statement of changes in equity
The investment in Fintech Receivables One meets this criteria and as such has been fair valued. The comparative figures have been restated.

3. Reconciliation of equity

In R millions	28-Feb 2005	31-Aug 2004	01-Mar 2004
Equity previously reported under SA GAAP	3,566	3,393	3,571
Adjustment upon adoption of IFRS	126	(106)	15
Equity reported under IFRS	3,692	3,287	3,586
Equity adjustments			
Retained earnings:			
Net reversal of goodwill amortised and impaired	95	43	-
Expensing of share based payments	(2)	(1)	-
Foreign operations	3	1	-
PPE and intangible assets	2	1	-
Operating leases	(4)	(2)	(3)
Derecognition of Izingwe minorities *	-	55	-
Reversal of premium on minority equity transactions	-	(14)	
Share based payment reserve	2	1	-
Foreign currency translation reserve	(3)	(1)	-
Derecognition of Izingwe minorities *	-	(225)	-
Premium on minority equity transactions	-	14	
Revaluation reserve	35	26	18
Minorities	(2)	(4)	
	126	(106)	15
Assets and liabilities adjustments			
PPE and intangible assets	2	1	-
Goodwill	95	43	-
Associates and other investments	35	26	18
Deferred tax	3	1	-
Empowerment funding obligation *	-	(170)	-
Accounts payable	(9)	(7)	(3)
	126	(106)	15

* The Izingwe deal was derecognised in the February 2005 accounts.

4. Reconciliation of profit for the year ended 28 February 2005

	As reported previously (Audited)	Effect of IFRS	IFRS restated
Operating income before goodwill amortisation and capital items	968	(1)	967
Investment income	100	-	100
Finance costs	(62)	-	(62)
Income from associates	24	-	24
Goodwill amortised and impaired	(300)	95	(205)
Capital items	114	-	114
Income before taxation	844	94	938
Taxation	(340)	1	(339)
Income for the period	504	95	599
Attributable to :			
Altron shareholders	400	51	451
Minority shareholders	104	44	148
	504	95	599
EPS	145	18	163
HEPS	161	1	162

5. Reconciliation of profit for the six months ended 31 August 2004

	As reported previously (Unaudited)	Effect of IFRS	IFRS restated
Operating income before goodwill amortisation and capital items	443	(1)	442
Investment income	51	-	51
Finance costs	(17)	(5)	(22)
Income from associates	6	-	6
Goodwill amortised and impaired	(177)	43	(134)
Capital items	9	25	34
Income before taxation	315	62	377
Taxation	(178)	1	(177)
Income for the period	137	63	200
Attributable to :			
Altron shareholders	89	62	151
Minority shareholders	48	1	49
	137	63	200
EPS	32	23	55
HEPS	69	1	70

6. Further to Altron's trading statement published on 12 September 2005, in restating the previous corresponding periods results to comply with IFRS, the increase in basic earnings per share compared to the restated figure for the previous year (anticipated to be 120% to 130%) is lower than originally anticipated due to the reversal of a loss on disposal of 30% of Powertech's shareholding in Aberdare to Izingwe in derecognising this transaction This has resulted in the increase in basic earnings per share being 54%.

Segmental analysis

Figures in R millions

	31.08.05 (Unaudited)	**%**	31.08.04 restated)	%	28.02.05 restated)	%
Revenue:						
Telecommunications	**2,681**	**38%**	2,169	37%	4,713	39%
Power electronics & multimedia	**2,178**	**31%**	1,965	33%	3,723	31%
Information technology	**2,155**	**31%**	1,876	31%	3,835	31%
Corporate, financial services and eliminations	**(25)**	**0%**	(51)	(1%)	(65)	(1%)
	6,989	**100%**	5,959	100%	12,206	100%
Operating income *						
Telecommunications	**191**	**38%**	156	35%	356	37%
Power electronics & multimedia	**134**	**27%**	109	25%	227	23%
Information technology	**185**	**37%**	183	41%	376	39%
Corporate and financial services	**(8)**	**(2%)**	(6)	(1%)	8	1%
	502	**100%**	442	100%	967	100%

* Operating income is stated before goodwill impaired/adjusted and capital items

Operational contribution

Figures in R millions

	% held at 31.08.05	**31.08.05 (Unaudited)**	**%**	31.08.04 (IFRS restated)	%	28.02.05 28.02.05 restated)	%
Revenue:							
Altech		**2,933**	**42%**	2,653	44%	5,552	45%
BTG		**1,747**	**25%**	1,418	24%	2,906	24%
Powertech, corporate and financial services		**2,309**	**33%**	1,888	32%	3,748	31%
		6,989	**100%**	5,959	100%	12,206	100%
Operating income *							
Altech		**250**	**50%**	248	56%	493	51%
BTG		**128**	**25%**	95	22%	225	23%
Powertech, corporate and financial services		**124**	**25%**	99	22%	249	26%
		502	**100%**	442	100%	967	100%
Headline earnings:							
Altech	**57.9%**	**102**	**45%**	96	50%	192	43%
BTG	**52.1%**	**39**	**17%**	30	15%	73	16%
Powertech, corporate and financial services	**100.0%**	**86**	**38%**	67	35%	181	41%
		227	**100%**	193	100%	446	100%

* Operating income is stated before goodwill impaired/adjusted and capital items

Supplementary information

Figures in R millions

	31.08.05 (Unaudited)	31.08.04 (IFRS restated)	28.02.05 (IFRS restated)
Borrowings	**326**	530	519
- long term	**291**	420	489
- short term	**35**	110	30
Depreciation	**100**	90	189
Capital expenditure	**150**	137	333
Contingent liabilities	**27**	27	27
Capital commitments	**79**	34	77
Lease commitments	**468**	226	442
Payable within the next 12 months:	108	80	133
- property	81	52	92
- plant, equipment and vehicles	27	28	41
Payable thereafter:	360	146	309
- property	332	117	273
- plant, equipment and vehicles	28	29	36
Unlisted investments			
- Carrying amount	**497**	136	458
- Directors' valuation	**677**	187	479