ADvTECH GROUP

Revenue	^ 25%
Operating profit	^ 27%
Headline earnings per share	^ 26%
Free operating cash flow per share	^ 30%
Distributions per share	^ 25%

Investing in **human potential**



AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

ADvTECH LIMITED (Incorporated in the Republic of South Africa) Registration number: 1990/001119/06 JSE Code: ADH ISIN Number: ZAE 0000 31035

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2008

R'000	Note	Percentage increase	Audited 31 Dec 2008	Audited 31 Dec 2007
Revenue		25%	**1 197 793**	960 364
Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA)		29%	**246 315**	191 239
Operating profit		27%	**200 693**	157 757
Net interest received			**21 877**	14 321
Interest received			**22 949**	17 452
Finance costs			**(1 072)**	(3 131)
Profit before taxation		29%	**222 570**	172 078
Taxation			**(67 123)**	(52 851)
Profit for the year		30%	**155 447**	119 227
Earnings per share				
Basic (cents)		25%	**40.2**	32.1
Diluted (cents)		29%	**40.0**	31.1
Headline earnings	2		**155 463**	118 846
Headline earnings per share				
Basic (cents)		26%	**40.2**	32.0
Diluted (cents)		29%	**40.0**	31.0
Number of shares in issue ('000)			**393 665**	393 665
Diluted number of shares ('000)			**389 053**	382 979
Weighted average number of shares in issue ('000)			**386 469**	371 970
Net asset value per share (cents)		23%	**129.3**	105.4
Free operating cash flow before capex per share (cents)		30%	**52.9**	40.8
Distributions per share (cents)		25%	**20.0**	16.0

CONDENSED CONSOLIDATED BALANCE SHEET

as at 31 December 2008

R'000	Audited 31 Dec 2008	Audited 31 Dec 2007
Assets		
Non-current assets	**665 258**	478 839
Property, plant and equipment	**560 127**	441 347
Goodwill	**38 359**	–
Intangible assets	**48 200**	10 659
Deferred taxation assets	**18 572**	26 833
Current assets	**133 734**	180 178
Trade and other receivables	**89 945**	62 117
Cash and cash equivalents	**43 789**	118 061
Total assets	**798 992**	659 017
Equity and liabilities		
Equity	**508 895**	414 924
Non-current liabilities	**11 981**	3 852
Bank loans – interest bearing	**–**	3 852
Vendor claims	**11 981**	–
Current liabilities	**278 116**	240 241
Trade and other payables	**155 129**	145 607
Taxation	**39 405**	29 585
Fees received in advance	**83 582**	65 049
Total equity and liabilities	**798 992**	659 017

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2008

R'000	Audited 31 Dec 2008	Audited 31 Dec 2007
Balance at beginning of the year	**414 924**	327 246
Total recognised income and expense for the year	**163 444**	135 109
Share-based payment expense	**1 496**	1 986
Profit for the year	**155 447**	119 227
Share options exercised	**4 456**	11 697
Share awards granted	**1 008**	2 199
Foreign exchange contract reserve	**816**	–
Broad based shares granted	**221**	–
Capital distributions to shareholders	**(69 473)**	(47 431)
Balance at end of the year	**508 895**	414 924

CONDENSED SEGMENTAL REPORT

for the year ended 31 December 2008

R'000	Percentage increase	Audited 31 Dec 2008	Audited 31 Dec 2007
Revenue	25%	**1 197 793**	960 364
Education	20%	**977 288**	812 543
Resourcing	49%	**223 193**	150 168
Intra Group revenue		**(2 688)**	(2 347)
Operating profit	27%	**200 693**	157 757
Education	20%	**192 013**	160 438
Resourcing	51%	**47 322**	31 278
Central administration	13%	**(37 788)**	(33 537)
Litigation expenses		**(854)**	(422)

SUPPLEMENTARY INFORMATION

for the year ended 31 December 2008

R'000	Audited 31 Dec 2008	Audited 31 Dec 2007
Capital expenditure – current year	**97 840**	78 406
Capital commitments – future years	**195 087**	170 013
Operating lease commitments in cash – future years	**362 910**	184 003

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2008

R'000	Note	Percentage increase	Audited 31 Dec 2008	Audited 31 Dec 2007
Cash generated by operations	3	30%	**251 492**	193 514
Utilised to increase working capital			**(982)**	(3 098)
Cash generated by operating activities		32%	**250 510**	190 416
Net interest received			**21 877**	14 321
Taxation paid			**(49 042)**	(21 657)
Capital distributions			**(69 316)**	(47 294)
Net cash inflow from operating activities			**154 029**	135 786
Net cash outflow from investing activities			**(234 929)**	(71 763)
Net cash inflow/(outflow) from financing activities			**6 623**	(5 397)
Net (decrease)/increase in cash and cash equivalents			**(74 277)**	58 626
Cash and cash equivalents at beginning of the year			**118 061**	59 462
Net foreign exchange differences on cash and cash equivalents			**5**	(27)
Cash and cash equivalents at end of the year			**43 789**	118 061
Free operating cash flow before capex per share (cents)				
Net operating profit after taxation			**155 447**	119 227
Adjust for non-cash IFRS and lease adjustments (after taxation)			**4 365**	2 558
Net operating profit after taxation – adjusted for non-cash IFRS and lease adjustments			**159 812**	121 785
Depreciation and amortisation			**45 622**	33 482
Other non-cash flow income statement items (after taxation)			**16**	(381)
Operating cash flow after taxation		33%	**205 450**	154 886
Working capital changes			**(982)**	(3 098)
Free operating cash flow before capex			**204 468**	151 788
Weighted average number of shares in issue ('000)			**386 469**	371 970
Free operating cash flow before capex per share (cents)		30%	**52.9**	40.8

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2008

1. ***Statement of compliance***

The financial statements have been prepared using accounting policies that comply with International Financial Reporting Standards and are presented in accordance with IAS 34. The accounting policies and methods of computation are consistent with those applied in the previous year.

The Group auditors, Deloitte & Touche, have completed the audit of the Annual Financial Statements on which this announcement has been based.

Their unmodified report is available at the registered office of the Company.

R'000	Audited 31 Dec 2008	Audited 31 Dec 2007
2. Determination of headline earnings		
Earnings attributable to equity holders per the income statement	**155 447**	119 227
Items excluded from headline earnings per share	**16**	(381)
Loss/(profit) on sale of assets	**15**	(561)
Loss on sale and impairment of investment	**5**	18
	20	(543)
Taxation effects on adjustments	**(4)**	162
Headline earnings	**155 463**	118 846
3. Notes to the cash flow statement		
Reconciliation of profit before taxation to cash generated by operations		
Profit before taxation	**222 570**	172 078
Non-cash IFRS and lease adjustments (before taxation)	**5 161**	2 789
	227 731	174 867
Add back:	**23 761**	18 647
Depreciation and amortisation	**45 622**	33 482
Net interest received	**(21 877)**	(14 321)
Other non-cash flow income statement items	**16**	(514)
Cash generated by operations	**251 492**	193 514

	Trinityhouse	Other	Total
4. Business combinations			
Date acquired	1 Aug 08	Various	
Fair value of assets			
Plant and equipment	1 487	618	2 105
Land and buildings	61 513	–	61 513
Total net assets acquired	63 000	618	63 618
Intangible assets	20 540	20 374	40 914
Goodwill	20 285	18 074	38 359
Purchase price	**103 825**	**39 066**	**142 891**

DIRECTORS' COMMENT ON RESULTS

Overview

ADvTECH achieved excellent academic, operational and financial results for the year ended December 2008, in line with the trend reported at mid-year. A reflection of the value and quality offered by the Group is the continued strong growth in demand. The enduring worth of the Group's core operations and the annuity nature of much of the revenue continues to underpin the sustainability of the Group's business model.

One of the more visible measures of the success of the Group's education offering is the 100% pass rate achieved by the 1 043 matric candidates in the new Outcomes Based Education curriculum. The class of 2008 obtained distinctions in a third of all subjects written, 2 332 A's in total, and average scores of 75% in Mathematics, 66% in Physical Science and 70% in English.

At tertiary level, 12 graduation ceremonies were held during the year at which 2 156 (2007: 2 049) students graduated with accredited Higher Education qualifications, at certificate, diploma, degree or honours level, conferred by The Independent Institute of Education (IIE). Our Varsity College final year UNISA students once again achieved excellent results with an overall pass rate of above 80%, including a 95% pass rate in English. In the UNISA CTA examinations, five Varsity College students were placed in the top 20 overall. At Imfundo, over 5 000 candidates wrote the Insurance Industry FAIS examinations, with a 65% success rate.

These statistics provide an indication of the quality of education offered across the Education division and exemplify the continuing contribution to the personal development and empowerment of the student body each year. Tens of thousands of ADvTECH graduates are active in the South African economy, including 266 alumni employed within the Group itself.

Resolute focus on selected key market niches, where high demand for skills has persisted, helped to drive demand and activity at our recruitment businesses. This, coupled with an increased branch network and staff numbers, generated excellent real growth during the year. New career placements were obtained for approximately 4 900 candidates (2007: 4 300).

More information about the individual and collective achievements of students, staff and clients across the programmes, campuses and branches of the Group is contained in the ADvTECH annual report.

Financial

The directors are pleased to report a 25% increase in revenue to R1,2 billion, a 27% increase in operating profit to R201 million, a 26% increase in headline earnings per share to 40.2 cents and a 25% increase in distributions per share for the full year to 20.0 cents.

These results flow from good performances in both operating divisions, with growth being enhanced by successful contributions from new investments, whether organic capital expenditure or through acquisition. Operating margin increased marginally to 17% (2007: 16%) as a result of improved economies of scale arising from continued real growth.

Both revenue and operating profit in the Education division increased by 20% to R977 million and R192 million respectively. These results reflect continued enrolment growth and efficiency improvements in the division. The Resourcing division, comprising the recruitment businesses, had an outstanding year of growth with revenue growing by 49% to R223 million and operating profit by 51% to R47 million. Central administration costs increased by 13% (2007: 23%) reflecting mainly an inflation linked increase after the completion of the increase in resources and capacity referred to last year.

Free operating cash flow before capex per share increased by 30% to 52.9 cents per share. This increase matches closely the growth in operating profits and EBITDA and reflects continued good cash flow conversion of profits at 132% of headline earnings per share.

As a result of the challenging economic and financial environment, management kept focus on debt collections throughout the year and are satisfied that the strength of the outstanding book remains adequate, notwithstanding the increase in net trade and other receivables to R90 million from R62 million last year. The increase in debtors was driven by organic growth, acquisitions and the longer term contract nature of certain new business.

Strong cash generation enabled the Group to remain in a net cash position throughout the year after funding capital expenditure of R98 million (2007: R78 million), acquisitions of R143 million, corporate taxation of R49 million (2007: R22 million), and capital distributions of R69 million (2007: R47 million). This achievement enabled the Group to maintain its sound financial position with more than adequate capital capacity for planned investments and also resulted in a significant increase in net interest received.

The inherent nature of the Group's working capital is based on payments for educational fees received in advance compared to arrear payments for services rendered to the Group. This gives rise to a structure in which current liabilities usually exceed current assets. This situation resolves itself in the normal course of trading on an ongoing basis.

Investment

As referred to above, during 2008 the Group invested R98 million in capital expenditure, mainly to increase student capacity in the school and tertiary businesses. The Group also invested R143 million in acquisitions already reported, of which Trinityhouse was the largest at R104 million. These acquisitions resulted in the increase in goodwill and intangible assets.

The operating lease commitments have increased significantly due to the renewal of several existing leases and the entering into of new agreements for additional premises in order to accommodate the growing capacity needs of the Group.

Transformation

The Group's business in education, training and placement in careers is itself inherently transformational. 67% of students and over 50% of placements are historically disadvantaged individuals (HDI). The Group's total HDI staff complement increased by 21% (total staff: 17%), resulting in an increased HDI staff component of 39%. Restructuring of senior management structures led to a slight reduction in the HDI component of management to 23% (2007: 25%), notwithstanding continued progress in real HDI appointments at management level. With the guidance of the Board Transformation Committee, the Group continues to benchmark itself against the relevant DTI codes and the JSE SRI index, of which it is a member.

Education

The Education division under the academic guidance and governance of The Independent Institute of Education (IIE), houses the Group's educational brands and institutions including Abbotts College, College Campus, Corporate College International, CrawfordSchools™, Imfundo, Junior Colleges, Rosebank College, The National College of Photography, Trinityhouse, Varsity College and Vega, The Brand Communication School. Collectively, they provide a full range of educational services from pre-school to matric, certificates, diplomas, undergraduate and postgraduate degrees, as well as skills development, learnerships and Adult Basic Education and Training. These activities addressed the needs of 46 500 students (2007: 45 000) at the 52 sites and campuses across South Africa from which the Group operates.

The IIE, guided and supported by the Academic Advisory Council, Senate and various specialist advisory committees, provides the Education division with academic governance, leadership and quality assurance. With 35 higher education programmes accredited across 19 campuses between NQF levels 5 and 7, the Group holds the largest base of accredited Higher Education programmes in the independent sector.

Resourcing

The Resourcing division includes Brent Personnel, Cassel & Company, Communicate Personnel, Inkokheli HR Appointments, Insource.ICT, Network Recruitment, Pro Rec Recruitment, Vertex-Kapele, IT Edge, Tech-Pro Personnel and The Working Earth. The division's major activities are recruitment, permanent, temporary and contract staffing solutions, and advertising response handling.

The Resourcing division maintained a strong focus on the key niche markets of IT, Finance and Engineering, while also growing new sectors in Sales, Freight and HR. With further development of human capital and physical assets, the division was able to strengthen and grow its brands markedly during the year, increasing consultant numbers by 20%.

Litigation

Legal proceedings against Marina and Andry Welihockyj remain in process.

The Group's legal counsel remains satisfied with the merits of the claims in this manner and that, save for legal costs, the Group has no further exposure.

Capital reduction out of share premium ("distribution")

The Board has resolved to declare a final distribution to shareholders by way of capital distribution out of share premium of 13.0 cents per share (2007: 11.0 cents) for the year ended 31 December 2008. This would bring total distributions for the year to 20.0 cents per share (2007: 16.0 cents). The authority to make this payment to shareholders was obtained at the Annual General Meeting held on 20 May 2008.

Set out in the table below are the pro-forma financial effects of the distribution on the Group's earnings per share, headline earnings per share, net asset value per share and tangible net asset value per share based on the Group's audited financial results for the year ended 31 December 2008. The pro-forma financial effects have been prepared for illustrative purposes only and, because of their nature, they may not give a true reflection of the Group's financial position or results. The pro-forma financial information is the responsibility of the Company's directors and has not been audited.

	Before the distribution[1]	After the distribution	Percentage change
Earnings per share (cents)	40.2	39.1[2]	(3%)
Headline earnings per share (cents)	40.2	39.1[2]	(3%)
Weighted average number of shares in issue ('000)	386 469	386 469	–
Net asset value per share (cents)	129.3	116.4[3]	(10%)
Tangible net asset value per share (cents)	107.3	94.4[3]	(12%)
Number of shares in issue ('000)	393 665	393 665	–

Notes:

1. Extracted from the audited financial results for the year ended 31 December 2008.
2. The earnings and headline earnings per share figures in the "After the distribution" column have been based on the following assumptions:
   - the distribution was made on 1 January 2008; and
   - interest, at an average before taxation rate of 11.5% per annum, was forfeited on the cash distributed.
3. The net asset value and tangible net asset value per share figures in the "After the distribution" column have been based on the assumption that the distribution was made on 31 December 2008.

Set out in the table below are the salient dates and times applicable to the distribution:

	2009
Last day to trade in order to participate in the distribution	Wednesday, 8 April
Trading commences ex-distribution	Thursday, 9 April
Record date	Friday, 17 April
Payment date	Monday, 20 April

Share certificates may not be dematerialised or rematerialised between Thursday, 9 April 2009 and Friday, 17 April 2009, both days inclusive.

Prospects

Given the Group's robust and resilient business model and its ability to contribute to the vital needs and aspirations of our society, the Group has budgeted for continued real growth in 2009. As a result of a more testing operating environment as well as the continued broadening of the base off which increases are measured, it is anticipated that rates of growth will reduce but remain substantial and positive in real terms. Activity levels in recruitment and student enrolment, both in terms of returning students and new registrations, provide a level of confidence in setting operational and infrastructural growth objectives.

Accordingly, barring unforeseen developments or a significant further deterioration in the economy, the Group expects to report real growth in earnings and positive cash flows in 2009.

Michael Sacks
Chairman

Frank Thompson
Chief Executive Officer

Johannesburg
23 March 2009

Directors: MI Sacks* (Acting Chairman), FR Thompson (CEO), JDR Oesch (Financial), BD Buckham*, DK Ferreira*, BM Gourley*, JD Jansen*, HR Levin*, JC Livingstone*, F Titi* *Non-Executive

Group Company Secretary: SC O'Connor

Registered office: ADvTECH House, Inanda Greens, 54 Wierda Road West, Wierda Valley, Sandton, 2196

Transfer secretaries: Link Market Services SA (Pty) Ltd, 11 Diagonal Street, Johannesburg, 2001

Sponsor: Bridge Capital Advisors (Pty) Ltd, 27 Fricker Road, Illovo, 2196

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