unaudited results

for the six months ended 30 June 2005

ADvTECH GROUP

Headline earnings per share **up** 43%

Operating profit **up** 25%

Free operating cash flow before capex per share **up** 26%

abridged income statement

for the six months ended 30 June 2005

(R'000)	Note	Percentage increase	**Unaudited 6 months to 30 June 2005**	Restated unaudited 6 months to 30 June 2004	Restated unaudited 12 months to 31 Dec 2004
CONTINUING OPERATIONS					
Revenue		20%	**332 646**	276 890	554 869
Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA)		21%	**48 261**	40 036	79 078
Profit from operations		25%	**36 691**	29 331	57 268
Investment income – interest earned			**3 383**	1 019	4 043
Finance costs			**2 680**	2 153	4 677
Profit before taxation		33%	**37 394**	28 197	56 634
Taxation			**10 899**	8 158	12 141
Profit for the period from continuing operations		32%	**26 495**	20 039	44 493
DISCONTINUING OPERATIONS					
Loss for the period from discontinuing operations			**–**	5 738	5 738
PROFIT FOR THE PERIOD			**26 495**	14 301	38 755
Attributable to:					
Equity holders of the Company			**25 704**	13 717	37 309
Minority interest			**791**	584	1 446
			26 495	14 301	38 755
EARNINGS PER SHARE					
From continuing operations					
Basic (cents)		29%	**7,1**	5,5	12,1
Diluted (cents)		30%	**6,8**	5,2	11,6
From continuing and discontinuing operations					
Basic (cents)			**7,1**	3,9	10,5
Diluted (cents)			**6,8**	3,7	10,1
HEADLINE EARNINGS PER SHARE					
Basic (cents)	3	43%	**7,0**	4,9	11,5
Diluted (cents)		43%	**6,7**	4,7	11,0
Number of shares in issue ('000)			**393 665**	393 665	393 665
Diluted number of shares ('000)			**380 249**	371 078	370 174
Weighted average number of shares in issue ('000)			**361 948**	353 503	355 702
Free operating cash flow before capex per share (cents)		26%	**31,1**	24,6	23,8
Net asset value per share (cents)		14%	**69,7**	61,1	68,0
Distribution per share (cents)			**4,5**	1,0	1,0

abridged cash flow statement

for the six months ended 30 June 2005

(R'000)	Note	Percentage increase	**Unaudited 6 months to 30 June 2005**	Restated unaudited 6 months to 30 June 2004	Restated unaudited 12 months to 31 Dec 2004
Cash from operations	5	79%	**53 337**	29 874	69 834
Working capital changes		29%	**73 843**	57 370	19 325
Net cash from operating activities		46%	**127 180**	87 244	89 159
Net cash used in investing activities			**(38 564)**	(15 958)	(42 474)
Net cash used in financing activities			**(16 433)**	(25 800)	(12 856)
Net increase in cash and cash equivalents			**72 183**	45 486	33 829
Cash and cash equivalents at beginning of period			**(11 988)**	(45 817)	(45 817)
Cash and cash equivalents at end of period			**60 195**	(331)	(11 988)
Free operating cashflow before capex per share (cents)					
Net operating profit after taxation			**26 495**	14 301	38 755
Adjust for non cash IFRS and lease adjustments (after taxation)			**957**	503	1 004
IFRS2 – Share based payments			**71**	98	195
IAS17 – Operating lease adjustment			**886**	405	809
Net operating profit after taxation – adjusted for non cash IFRS and lease adjustments			**27 452**	14 804	39 759
Exceptional items			**(135)**	3 553	3 526
Plus: depreciation and amortisation			**11 570**	11 198	22 224
Operating cash flow after taxation			**38 887**	29 555	65 509
Plus: working capital changes			**73 843**	57 370	19 325
Free operating cash flow before capex			**112 730**	86 925	84 834
Weighted average number of shares in issue ('000)			**361 948**	353 503	355 702
Free operating cash flow before capex per share (cents)		26%	**31,1**	24,6	23,8

abridged balance sheet

as at 30 June 2005

(R'000)	**Unaudited as at 30 June 2005**	Restated unaudited as at 30 June 2004	Restated unaudited as at 31 Dec 2004
NON-CURRENT ASSETS	**400 624**	355 985	375 534
Intangible assets	**1**	1	1
Property, plant and equipment	**355 996**	312 015	328 721
Investment	**495**	495	495
Deferred taxation assets	**44 132**	43 474	46 317
NON-CURRENT LIABILITIES	**(22 888)**	(9 771)	(22 976)
Bank loans	**(20 000)**	(6 497)	(20 000)
Obligations under finance leases	**(2 888)**	(3 274)	(2 976)
Net cash on hand/(short-term borrowings)	**60 195**	(331)	(11 988)
Net current liabilities	**(184 949)**	(129 442)	(97 359)
Current assets	**48 333**	54 225	42 052
Current liabilities	**(233 282)**	(183 667)	(139 411)
NET ASSETS	**252 982**	216 441	243 211
EQUITY			
Attributable to equity holders of the Company	**252 191**	215 857	241 765
Minority interest	**791**	584	1 446
TOTAL EQUITY	**252 982**	216 441	243 211
Gearing	**–**	5%	15%

segmental report

for the six months ended 30 June 2005

(R'000)	Percentage increase	**Unaudited 6 months to 30 June 2005**	Restated unaudited 6 months to 30 June 2004	Restated unaudited 12 months to 31 Dec 2004
CONTINUING OPERATIONS				
Revenue	20%	**332 646**	276 890	554 869
Education	20%	**292 738**	243 704	486 849
Resourcing	20%	**39 908**	33 186	68 020
Profit from operations	25%	**36 691**	29 331	57 268
Education	26%	**47 006**	37 272	75 218
Resourcing	34%	**5 328**	3 987	8 870
Central administration	20%	**(12 170)**	(10 122)	(22 090)
Litigation costs	92%	**(3 473)**	(1 806)	(4 730)

supplementary information

for the six months ended 30 June 2005

(R'000)	**Unaudited 6 months to 30 June 2005**	Restated unaudited 6 months to 30 June 2004	Restated unaudited 12 months to 31 Dec 2004
Capital expenditure – current period	**39 634**	14 210	43 510
Capital commitments – remainder of the year	**41 895**	20 657	–
– future years	**2 200**	27 143	82 416
Operating lease commitments in cash – future years	**103 216**	96 384	109 952

notes to financial statements

for the six months ended 30 June 2005

1. The interim report complies with International Accounting Standard 34 – Interim Financial Reporting and South African Statement of Generally Accepted Accounting Practice, AC127, with the same title as well as with Schedule 4 of the South African Companies Act and the disclosure requirements of the JSE Limited's listings requirements.

2. This unaudited interim report has been prepared using accounting policies that comply with South African Statements of Generally Accepted Accounting Practice and International Financial Reporting Standards. The accounting policies are consistent with those applied in the previous financial period, except for the changes which are described in Note 4. The audited results for the 12 months ended 31 December 2004 have been restated as unaudited due to the IFRS adjustments not having been audited by the external auditors.

(R'000)	Percentage increase	**Unaudited 6 months to 30 June 2005**	Restated unaudited 6 months to 30 June 2004	Restated unaudited 12 months to 31 Dec 2004
3. DETERMINATION OF HEADLINE EARNINGS				
Profit attributable to ordinary shareholders per Income Statement		**25 704**	13 717	37 309
Exceptional items after taxation (included in income)/expensed		**(135)**	3 553	3 526
HEADLINE EARNINGS		**25 569**	17 270	40 835
HEADLINE EARNINGS PREVIOUSLY DISCLOSED			18 240	42 776
DIFFERENCE			970	1 941
After taxation effect of accelerated depreciation (IFRS – IAS16)			467	937
After taxation effect of share incentive scheme (IFRS2)			98	195
After taxation effect of operating lease adjustment (IAS17)			405	809
			970	1 941

statement of changes in equity

for the six months ended 30 June 2005

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							
(R'000)	Notes	Ordinary share capital	Share premium	Shares held by Share Incentive Trust	Share option reserve	Non-distributable reserves	Accumulated loss	Outside shareholders' interest	Total
GAAP reported balance at 1 January 2004		3 937	355 100	(13 026)	–	15 944	(148 837)	823	213 941
IFRS opening balance adjustment	4.1 & 4.2				157		(4 834)		(4 677)
Operating lease adjustment	4.3						(3 048)		(3 048)
IFRS balance at 1 January 2004		3 937	355 100	(13 026)	157	15 944	(156 719)	823	206 216
Net profit for the year	4.1				279		37 309	1 446	39 034
As previously reported							39 250		–
IFRS transition and lease adjustments							(1 941)		–
Outside shareholders distribution								(823)	(823)
Share options exercised				2 316					2 316
Distribution to shareholders							(3 532)		(3 532)
Balance at 31 December 2004		3 937	355 100	(10 710)	436	15 944	(122 942)	1 446	243 211
Net profit for the period	4.1				101		25 704	791	26 596
Outside shareholders distribution								(1 446)	(1 446)
Transfer from NDR to DR						(2 794)	2 794		–
Share options exercised				950					950
Distribution to shareholders			(16 329)						(16 329)
BALANCE AT 30 JUNE 2005		**3 937**	**338 771**	**(9 760)**	**537**	**13 150**	**(94 444)**	**791**	**252 982**

notes to financial statements *(continued)*

for the six months ended 30 June 2005

(R'000)	Percentage increase	**Unaudited 6 months to 30 June 2005**	Restated unaudited 6 months to 30 June 2004	Restated unaudited 12 months to 31 Dec 2004
3. RECONCILIATION OF HEADLINE EARNINGS PER SHARE (HEPS)				
HEPS as per GAAP requirements in 2004 *(2005 estimated)*	40%	**7,3**	5,2	12,0
IAS16 adjustment		**(0,1)**	(0,2)	(0,3)
IFRS2 adjustment		**(0,0)**	(0,0)	(0,0)
IAS17 adjustment		**(0,2)**	(0,1)	(0,2)
HEPS as per IFRS requirements	43%	**7,0**	4,9	11,5

4. NEW ACCOUNTING POLICIES ADOPTED

4.1 IFRS 2 – Share-based payments

In terms of IFRS all share-based awards granted after 7 November 2002 result in a deemed charge to the Income Statement on a straight line basis over the term of the award. The effect of these adjustments for the current reporting period is set out in the table below.

The Share Incentive Trust owns 30,7 million shares, sufficient to cover 98% of outstanding share options. Consequently there will be no material dilution of economic substance for shareholders arising from the exercising of the options as the actual costs to the Group have already been borne.

(R'000)	**Unaudited 6 months to 30 June 2005**	Restated unaudited 12 months to 31 Dec 2004	Restated unaudited opening balance Prior years
Summary of the after taxation adjustments of the above:			
BALANCE SHEET			
Opening accumulated loss			110
Deferred taxation asset	**30**	84	47
Provision for share option cost	**(101)**	(279)	(157)
INCOME STATEMENT	**71**	195	–
Finance cost – share options	**101**	279	–
Taxation credit	**(30)**	(84)	–

4.2 IAS 16 – Accelerated depreciation of separately identifiable assets

Under SA GAAP, an item of property, plant and equipment was depreciated as a single unit. IAS 16 requires each part of an item of property, plant and equipment with a cost significant in relation to the total cost of the item to be depreciated separately. A significant part of an item of property, plant and equipment may have a useful life and a depreciation method that is different from the useful life and the depreciation method of another significant part of that same item. The application of this statement resulted in accelerated depreciation being charged to the current period's Income Statement, to the previous year's Income Statement and in the restatement of the opening balance accumulated loss for 2004.

(R'000)	**Unaudited 6 months to 30 June 2005**	Restated unaudited 12 months to 31 Dec 2004	Restated unaudited opening balance Prior years
Summary of the after taxation adjustments of the above:			
BALANCE SHEET			
Opening accumulated loss			4 724
Accumulated depreciation	**(309)**	(937)	(4 724)
INCOME STATEMENT	**309**	937	–
Depreciation	**309**	937	–

4.3 IAS 17 – Operating Leases – expense on a straight line basis

In accordance with Circular 7/2005 of SAICA in respect of the accounting treatment of operating leases, ADvTECH is now reporting all operating lease payments as an expense on a straight line basis over the period of the lease, notwithstanding the true underlying nature of the lease arrangements which have not changed.

(R'000)	**Unaudited 6 months to 30 June 2005**	Restated unaudited 12 months to 31 Dec 2004	Restated unaudited opening balance Prior years
Summary of the after taxation adjustments of the above:			
BALANCE SHEET			
Opening accumulated loss			3 048
Deferred taxation asset	**380**	347	1 307
Rental provision	**(1 266)**	(1 156)	(4 355)
INCOME STATEMENT	**886**	809	–
Rent	**1 266**	1 156	–
Taxation credit	**(380)**	(347)	–

5. NOTES TO THE CASH FLOW STATEMENT

(R'000)	**Unaudited 6 months to 30 June 2005**	Restated unaudited 6 months to 30 June 2004	Restated unaudited 12 months to 31 Dec 2004
Reconciliation of profit before taxation to cash from operations			
Profit before taxation (from continuing operations)	**37 394**	28 197	56 634
Loss before taxation (from discontinuing operations)	**–**	8 188	8 206
Loss after taxation (from discontinuing operations)	**–**	5 738	5 738
Taxation credit (from discontinuing operations)	**–**	2 450	2 468
Profit before taxation	**37 394**	20 009	48 428
Adjust for non cash IFRS and lease adjustments (before taxation)	**1 676**	1 186	2 372
IAS16 adjustment	**309**	468	937
IFRS2 adjustment	**101**	140	279
IAS17 adjustment	**1 266**	578	1 156
Sub total	**39 070**	21 195	50 800
Add back:	**10 484**	16 760	27 200
Depreciation net of profit and loss on disposal of property, plant and equipment	**11 723**	10 730	21 770
(Net investment income)/finance costs (excluding IFRS2 adjustment)	**(1 046)**	955	376
Exceptional items (as previously disclosed under GAAP)	**(193)**	5 075	5 054
Sub total	**49 554**	37 955	78 000
Taxation refunded/(paid)	**3 783**	(8 081)	(8 166)
CASH FROM OPERATIONS	**53 337**	29 874	69 834

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

enriching human capital

(Directors' comment on results)

Overview

The directors are pleased to report another strong set of results for the Group for the six months to 30 June 2005. The continuing improvement in the financial and operating performance enabled headline earnings per share to grow by 43% to 7,0 cents and free cash flow per share to grow by 26% to 31,1 cents. The balance sheet reflects a net cash position of R40,2 million compared to net borrowings of R6,8 million in June 2004. Despite the capital distribution of 4,5 cents per share in June, net asset value per share increased by 14% to 69,7 cents.

The Education division increased revenue by 20%, mainly through increases in enrolments, which reflects the growing recognition and appeal of the Group's educational services and new infrastructure. The Resourcing division similarly increased revenue by 20%. Group operating profit increased by 25% to R36,7 million, resulting in an improvement in the overall operating margin from 10,6% to 11,0%.

Net interest earned of R0,7 million (2004 – expense of R1,1 million) and an increased tax charge of R10,9 million (2004 – R8,2 million) saw the Group deliver a 32% increase in profit from continuing operations to R26,5 million. The effective tax rate remained in line with the normal tax rate of 29% and is expected to remain at that level for the full year.

Adoption of International Financial Reporting Standards (IFRS)

The Group's financial statements for the year ending 31 December 2005 will be the first set of audited annual financial statements to comply with IFRS. Advtech's transition date is 1 January 2004. The Group's opening IFRS balance sheet has accordingly been restated to reflect those IFRS statements to be applicable at 31 December 2005.

The main (after tax) adjustments to the opening retained earnings, the 2004 income statement and the current period income statement are:

(R'000)	**Income statement 6 months to June 2005**	Income statement 12 months to December 2004	Opening retained earnings 1 January 2004
IFRS – accelerated depreciation (IAS16)	**309**	937	4 724
Operating lease adjustment (IAS17)	**886**	809	3 048
IFRS2 – share based payments	**71**	195	110
Total reduction in retained earnings	**1 266**	1 941	7 882

A feature of the retained earnings adjustments is the 'recycling' of previously reported profits into the future, i.e. the reversal of these provisions into income recognised in future years.

None of the adjustments are substantive and they have no cash flow effect. They are not recognised for tax purposes and the tax effect is an increase of R2,2 million in the Group's deferred tax asset.

All of these adjustments are correct in terms of current IFRS practice in South Africa. Accounting statements and reporting requirements are, however, subject to ongoing review and further changes in financial reporting requirements can be expected. Having regard to the expected changes, the numbers for prior periods may not be comparable. It is recommended that for an appropriate comparison of performance shareholders should focus on cash flow.

(Operations)

Education

Advtech's Education division is a leader in the private education sector. The division includes such leading brands as Abbotts, Crawford-Schools, College Campus, Rosebank College, Varsity College, Vega – The Brand Communications School and our adult education and skills unit, Imfundo. The division provides comprehensive education services from infancy through schooling, Further and Higher education to adult education and skills development.

The division increased revenue by 20% to R292,7 million and profit from operations by 26% to R47,0 million, reflecting an improvement in the divisional operating margin from 15,3% to 16,1%. The division also began to realise the benefits of the increased capacity and new infrastructure.

A solid improvement in enrolments was achieved across all campuses with a particular highlight being the encouraging commencing enrolments in Imfundo.

A further strengthening of the Group's academic expertise and governance has arisen through the work of the Independent Institute of Education and the Group's commitment to the regulatory and developmental processes of the Department of Education.

Resourcing

The Resourcing division comprises mainly the Group's recruitment, placement, temporary staffing and contracting activities. The recruitment brand portfolio includes Brent, Cassel, Communicate, Insource, Kapele, Network and Pro-Rec.

The division increased revenue by 20% to R39,9 million and profit from operations by 34% to R5,3 million, highlighting an improvement in operating margin from 12,0% to 13,4%. The most significant contribution towards this performance came from the Group's Recruitment business in an increasingly more positive economic environment.

Central administration and litigation

Central administration costs increased in line with revenue as further qualified staff were recruited to strengthen management and sharpen the Group's strategic focus. Litigation expenses amounted to R3,5 million, this amount being applicable to the Group's continuing legal dispute with the Welihockyj's. The board is resolute in proceeding in this matter and is pleased to report recent preliminary issue judgements granted in Advtech's favour.

(Balance sheet and cash flow)

The Group's balance sheet is sound and ungeared. Improved working capital management and the seasonal nature of the Group's cash flow generated a reduction in working capital of R73,8 million, a particular feature being an increase of R49,6 million (27%) in current liabilities due mainly to organic growth in fees in advance and trade payables. This, together with cash generated from operations of R53,3 million, has enabled the Group to fund its capex programme of R39,6 million (2004 – R14,2 million) and pay a capital distribution of R16,3 million (2004 – dividend of R3,5 million) from its own accumulated resources.

The weighted average number of shares in issue after consolidation of the Share Incentive Trust increased from 353,5 million to 361,9 million as a result of employee share options being exercised. The actual number of shares in issue was unaltered at 393,7 million.

(Dividend)

The Group policy is to make one distribution to shareholders per annum, after completion of the annual financial results. Accordingly, no interim distribution is proposed.

(Directorate)

Professor Dolina Dowling has resigned as an alternate director although she remains a senior member of management responsible, *inter alia*, for Bond South Africa. There have been no other changes to the Board's composition and responsibilities.

(Prospects)

All Advtech's operational units are profitable and, after a period of reorganisation and strategic refocus, the sound business model will ensure continued sustainable growth. The Group's debt free status also enables Advtech to consider an orderly expansion of its education networks and further growth through acquisition opportunities that may present themselves.

Accordingly, in the absence of any material adverse change in economic conditions, the Group expects to deliver improved results and cash flow for the full year.

HF BROWN
Chairman

FR THOMPSON
Chief Executive Officer

Johannesburg
31 August 2005

Directors: HF Brown* (Chairman), FR Thompson (CEO), JNP Booyens, JJ Deeb (Financial), CN Duff, DL Honey, BD Buckham*, DK Ferreira*, JD Jansen*, HR Levin*, MI Sacks*, Alternate Director: A Isaakidis
*Non Executive Group Company Secretary: MJ Lämmle

Registered office: 364 Kent Avenue, Ferndale, Randburg 2194 PO Box 2369, Randburg 2125

Transfer secretaries: Ultra Registrars (Pty) Ltd, 11 Diagonal Street, Johannesburg 2001

Sponsor: Bridge Capital Services (Pty) Ltd