ADvTECH GROUP

Revenue	↑ 7%
Operating profit	↓ 3%
Headline earnings per share	↓ 7%
Free operating cash flow per share	↑ 4%
Distributions per share	↑ 7%

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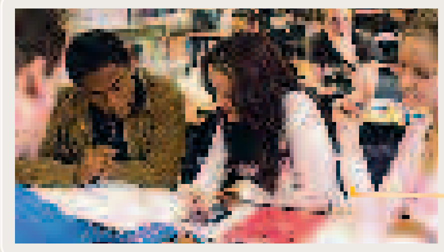

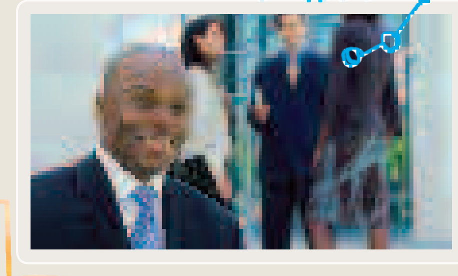

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ADvTECH Limited (Incorporated in the Republic of South Africa)
Registration number: 1990/001119/06
JSE code: ADH ISIN number: ZAE 0000 31035

Interim results for the six months ended 30 June 2010

Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2010

R'm	Note	Percentage increase/ (decrease)	Unaudited 6 months to 30 June 2010	Unaudited 6 months to 30 June 2009	Audited 12 months to 31 December 2009
Revenue		7%	740,2	693,2	1 376,0
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)		2%	133,9	131,3	277,7
Operating profit before interest		(3%)	100,5	103,3	218,9
Net interest received			6,1	8,4	10,9
Interest received			6,4	8,9	11,0
Finance costs			(0,3)	(0,5)	(0,1)
Profit before taxation		(5%)	106,6	111,7	229,8
Taxation			(33,6)	(33,0)	(69,6)
Profit for the period		(7%)	73,0	78,7	160,2
Earnings per share					
Basic (cents)		(7%)	18.3	19.6	40.1
Diluted (cents)		(7%)	18.2	19.6	40.1
Headline earnings	2		72,9	78,6	160,3
Headline earnings per share					
Basic (cents)		(7%)	18.2	19.6	40.1
Diluted (cents)		(7%)	18.2	19.6	40.1
Number of shares in issue (million)			400,8	400,8	400,8
Weighted average number of shares in issue (million)			399,7	400,9	401,0
Weighted average number of shares for purposes of diluted earnings per share (million)			401,2	400,9	399,7
Weighted average number of shares for purposes of basic earnings per share (million)			399,7	400,9	399,4
Net asset value per share (cents)		14%	157.1	138.4	152.3
Free operating cash flow before capex per share (cents)		4%	58.7	56.2	63.8
Distributions per share (cents)		7%	8.0	7.5	21.0

Condensed consolidated statement of financial position

as at 30 June 2010

R'm	Unaudited 30 June 2010	Unaudited 30 June 2009	Audited 31 December 2009
Assets			
Non-current assets	848,0	776,7	787,9
Property, plant and equipment	646,7	590,0	636,5
Goodwill	97,6	84,6	80,9
Intangible assets	53,5	53,2	49,8
Deferred taxation assets	50,2	48,9	20,7
Current assets	250,9	249,0	140,8
Trade and other receivables	120,1	119,3	84,9
Other current assets	12,9	13,0	16,3
Cash and cash equivalents	117,9	116,7	39,6
Total assets	1 098,9	1 025,7	928,7
Equity and liabilities			
Equity	629,6	554,8	610,6
Non-current liabilities			
Vendor claims	–	11,9	–
Current liabilities	469,3	459,0	318,1
Trade and other payables	177,0	165,2	181,8
Taxation	19,8	65,1	35,7
Fees received in advance	272,5	228,7	100,6
Total equity and liabilities	1 098,9	1 025,7	928,7

Supplementary information

for the six months ended 30 June 2010

R'm	Unaudited 6 months to 30 June 2010	Unaudited 6 months to 30 June 2009	Audited 12 months to 31 December 2009
Capital expenditure – current period	40,0	55,3	128,9
Capital commitments – remainder of the year	108,6	103,2	–
– future years	–	–	122,6
Operating lease commitments in cash – future years	295,1	305,0	356,3

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2010

R'm	Unaudited 6 months to 30 June 2010	Unaudited 6 months to 30 June 2009	Audited 12 months to 31 December 2009
Balance at beginning of the period	610,6	508,9	508,9
Total comprehensive income for the period	73,0	77,6	159,4
Profit for the period	73,0	78,7	160,2
Other comprehensive expenses	–	(1,1)	(0,8)
Share-based payment expense	0,7	0,7	1,6
Shares issued for business acquisition	–	35,6	35,6
Share buy-back	–	(7,6)	(7,6)
Shares purchased by the Share Incentive Trust	(2,1)	(12,5)	(12,5)
Share awards granted	–	–	2,1
Broad-based scheme shares granted	1,0	–	0,5
Share options exercised	–	2,9	2,9
Capital distributions to shareholders	(53,6)	(50,8)	(80,3)
Balance at end of the period	629,6	554,8	610,6

Directors: MI Sacks* (Chairman), FR Thompson (CEO), JDR Oesch (Financial), BD Buckham*, DK Ferreira*, BM Gourley*, JD Jansen*, HR Levin*, JC Livingstone*, LW Maasdorp*, 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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Condensed consolidated segmental report

for the six months ended 30 June 2010

R'm	Percentage increase/ (decrease)	Unaudited 6 months to 30 June 2010	Unaudited 6 months to 30 June 2009	Audited 12 months to 31 December 2009
Revenue	7%	740,2	693,2	1 376,0
Education	9%	635,2	583,2	1 169,9
Resourcing	(5%)	105,9	111,2	208,3
Intra Group revenue		(0,9)	(1,2)	(2,2)
Operating profit before interest	(3%)	100,5	103,3	218,9
Education	(2%)	105,1	107,5	231,4
Resourcing	10%	17,6	16,0	28,8
Central administration	8%	(21,7)	(20,1)	(41,2)
Litigation expenses		(0,5)	(0,1)	(0,1)

Condensed consolidated statement of cash flows

for the six months ended 30 June 2010

R'm	Note	Percentage increase/ (decrease)	Unaudited 6 months to 30 June 2010	Unaudited 6 months to 30 June 2009	Audited 12 months to 31 December 2009
Cash generated from operations	4	2%	137,2	134,9	284,2
Movement in working capital			125,9	115,8	30,6
Cash generated by operating activities		5%	263,1	250,7	314,8
Net interest received			6,1	8,4	10,9
Taxation paid			(78,9)	(37,7)	(75,5)
Capital distributions paid			(53,0)	(49,3)	(80,2)
Net cash inflow from operating activities			137,3	172,1	170,0
Net cash outflow from investing activities			(65,2)	(119,0)	(155,7)
Net cash inflow/(outflow) from financing activities			6,2	19,8	(18,5)
Net increase/(decrease) in cash and cash equivalents			78,3	72,9	(4,2)
Cash and cash equivalents at beginning of the period			39,6	43,8	43,8
Cash and cash equivalents at end of the period			117,9	116,7	39,6
Free operating cash flow before capex per share (cents)					
Profit for the period			73,0	78,7	160,2
Adjusted for non-cash IFRS and lease adjustments (after taxation)			2,5	2,8	5,0
Net operating profit after taxation – adjusted for non-cash IFRS and lease adjustments			75,5	81,5	165,2
Depreciation and amortisation			33,4	28,0	58,8
Other non-cash flow income statement items (after taxation)			(0,1)	(0,1)	0,1
Operating cash flow after taxation		(1%)	108,8	109,4	224,1
Movement in working capital			125,9	115,8	30,6
Free operating cash flow before capex		4%	234,7	225,2	254,7
Weighted average number of shares in issue for purposes of basic earnings per share (million)			399,7	400,9	399,4
Free operating cash flow before capex per share (cents)		4%	58.7	56.2	63.8

Notes to condensed consolidated financial statements

for the six months ended 30 June 2010

1. **Statement of compliance**

The financial statements have been prepared using accounting policies that comply with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and are presented in accordance with IAS 34 'Interim Financial Reporting'.

The accounting policies and methods of computation are consistent with those applied in the previous year. These interim results have not been audited.

R'm	Unaudited 6 months to 30 June 2010	Unaudited 6 months to 30 June 2009	Audited 12 months to 31 December 2009
2. Determination of headline earnings			
Profit for the period	73,0	78,7	160,2
Items excluded from headline earnings per share	(0,1)	(0,1)	0,1
(Profit)/loss on sale of property, plant and equipment	(0,1)	(0,1)	0,2
Taxation effects on adjustments	–	–	(0,1)
Headline earnings	72,9	78,6	160,3
3. Determination of total comprehensive income			
Profit for the period	73,0	78,7	160,2
Other comprehensive expenses			
Cash flow hedge revaluation	–	(1,1)	(0,8)
Loss arising during the period	–	(1,1)	–
Reclassification adjustment for amounts transferred to the initial carrying amount of hedged items	–	–	(0,8)
Total comprehensive income for the period	73,0	77,6	159,4
4. Note to the statement of cash flows			
Reconciliation of profit before taxation to cash generated from operations			
Profit before taxation	106,6	111,7	229,8
Adjust for non-cash IFRS and lease adjustments (before taxation)	3,3	3,6	6,3
	109,9	115,3	236,1
Adjust:	27,3	19,6	48,1
Depreciation and amortisation	33,4	28,0	58,8
Net interest received	(6,1)	(8,4)	(10,9)
Other non-cash flow income statement items	–	–	0,2
Cash generated from operations	137,2	134,9	284,2
5. Business combination			
The Design School Southern Africa was acquired on 1 January 2010 for consideration amounting to R24,1 million.			
Fair value of assets acquired			
Intangible assets	7,4		
Goodwill	16,7		
Purchase price	24,1		

Commentary

Overview

The directors report satisfactory results for the six months ended 30 June 2010, with a small earnings decline contrasting with a pleasing advance in both free operating cash flow and net asset value per share. These results have been achieved against a background of a continued recession and job losses which posed a challenging operating environment. The Education division continued to display solid growth in core revenues while the Resourcing division made a welcome return to profit growth.

Driven by a 9% increase in revenue from the education business Group revenue increased by 7% (2009: 23%), notwithstanding a decline of 5% in revenue from the Resourcing division. There was no material impact from acquisitions in the period.

Operating profit declined by 3% to R101 million (2009: R103 million) in this period. The enrolling of new students and securing of revenue streams has not matched fully the roll out of new infrastructure flowing from the Group's ongoing investment in capacity to enable future growth. These investments generally have to be planned several years in advance and, as a result, rental costs increased by 18% and depreciation and amortisation by 19%. Net interest received on the Group's sizeable cash balances declined by 27% as a result of reduced interest rates. The effective taxation rate increased to 31.5% compared to the previous period's 29.5% and the normal tax rate of 28.0%. This is the result of non-deductible expenses, which are mainly non-cash accounting adjustments relating to depreciation and amortisation. Accordingly, profit for the period declined by 7% to R73 million (2009: R79 million). Basic and diluted headline earnings per share declined by 7% to 18.2 cents (2009: 19.6 cents). The strength of the Group's underlying operations and cash flow enabled the directors to declare an increased capital distribution of 8.0 cents (2009: 7.5 cents) per share.

Education

The Education division is a leader in the independent education sector and operates under the academic direction and guidance of The Independent Institute of Education (IIE), which encompasses 26 registered Higher Education campuses as well as 31 school sites. The education brands include Abbotts College, CrawfordSchools™, College Campus, Forbes Lever Baker, Junior Colleges, Rosebank College, Trinityhouse, Varsity College, Vega (incorporating The National College of Photography), Imfundo (incorporating Corporate College International), and the recently acquired Design School Southern Africa, a specialist school of design at undergraduate level.

The Education division achieved organic growth of 8% compared to the 15% for the previous comparable period. The slowdown in organic growth occurred both as a result of the impact of the recession in sectors of the tertiary brands which attract a portion of revenue through discretionary spending on education and because of delays in the roll-over and award of tenders for adult basic education. The Education division contributed 86% (2009: 84%) to Group revenue, with revenue increasing by 9% to R635 million (2009: R583 million). Operating profit declined by 2% to R105 million (2009: R108 million) with the operating margin declining slightly as a result of the abovementioned factors.

Resourcing

The Resourcing division's activities include recruitment, placement, temporary staffing, response handling and HR contracting. Its portfolio of brands includes Brent Personnel, Cassel & Company, Communicate Personnel, Insource.ICT, IT Edge, Network Recruitment, Pro Rec Recruitment, Tech-Pro Personnel, Inkokheli HR Appointments, Vertex-Kapele and The Working Earth.

Revenue in the Resourcing division was affected by the tough employment market and as a consequence of corrective action taken in regard to underperforming branches but this was more than offset by expense savings achieved in the same period. The Resourcing division contributed 14% (2009: 16%) to Group revenue, with revenue declining by 5% to R106 million (2009: R111 million). However, operating profit improved by 10% to R18 million (2009: R16 million) and resulted in an improved operating margin over the period. This improvement is a reflection of the Division's unremitting focus in its key niche markets which service areas of high demand scarce skills.

Central administration and litigation

Central administration costs increased in line with inflation by 8% to R22 million (2009: R20 million).

Legal proceedings against Marina and Andry Welihockyj remain in progress with the discovery and trial preparation phases well under way. Increased activity in this regard is expected to result in a modest increase in the level of litigation expenditure.

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

Financial

The directors are pleased to report that, notwithstanding the decline in earnings, there has been continued growth in free operating cash flow before capex, which amounted to R235 million (2009: R225 million). At the same time the balance sheet has continued to strengthen with net asset value increasing by 14% to R630 million (2009: R555 million) and cash on hand amounting to R118 million (2009: R117 million). It is pleasing to note that debtors are at the same level as last year notwithstanding the growth in revenue. This reflects the Group's continued emphasis on tight control over working capital. Fees in advance have increased to R273 million (2009: R229 million), which can be considered a positive indicator in regard to cash flow and, to some extent, revenues.

Cash generated by operating activities of R263 million (2009: R251 million) has enabled the Group to fund investment activities of R65 million (2009: R119 million) and pay a capital distribution of R53 million (2009: R49 million) from its own resources.

Capital reduction out of share premium ("distribution")

The Board has resolved to declare an interim distribution to shareholders by way of a capital reduction out of share premium of 8.0 cents (2009: 7.5 cents) per share for the period ended 30 June 2010. The authority to make this payment to shareholders was obtained at the Annual General Meeting held on 18 May 2010.

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 unaudited financial results for the period ended 30 June 2010 are set out in the table below. The pro-forma financial effects have been prepared for illustrative purposes only and, because of their nature, may not provide a true reflection of the Group's financial position or results.

	Before the distribution[1]	After the distribution	Percentage change
Earnings per share (cents)	18.3	18.1[2]	(1%)
Headline earnings per share (cents)	18.2	18.0[2]	(1%)
Weighted average number of shares for purposes of basic earnings per share (million)	399,7	399,7	
Net asset value per share (cents)	157.1	149.1[3]	(5%)
Net tangible asset value per share (cents)	119.4	111.4[3]	(7%)
Number of shares in issue (million)	400,8	400,8	

Notes:

1. Extracted from the unaudited financial results for the period ended 30 June 2010.
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 2010; and
   - interest, at an average before taxation rate of 6.6% per annum, was forfeited on the cash distributed.
3. The net asset value and net tangible asset value per share figures in the "After the distribution" column have been based on the assumption that the distribution was made on 30 June 2010.

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

	2010
Last day to trade in order to participate in the distribution	Friday, 10 September
Trading commences ex distribution	Monday, 13 September
Record date	Friday, 17 September
Payment date	Monday, 20 September

Share certificates may not be dematerialised or rematerialised between Monday, 13 September 2010 and Friday, 17 September 2010, both days inclusive.

Directorate

Mr Michael Sacks retired as non-Executive Chairman in December 2007, and pending the completion of the Board's nomination processes for a replacement, Mr Sacks continued to act in that capacity. The Board is pleased to advise shareholders that Mr Leslie Maasdorp will be appointed as Chairman of the Group with effect from 1 September 2010 when Mr Sacks resigns as a member of the Board.

Mr Brian Buckham, who founded the Group in 1978 and has served as Executive Chairman for some 15 years and as a director for 23 years in total, has announced his retirement as a director with effect from 1 September 2010. Mr Buckham was responsible for the originating vision which resulted in the creation of ADvTECH and led the Group in many of the strategic investments which form its core today.

The Board expresses its sincere appreciation of the significant commitment and contribution made by Messrs Sacks and Buckham.

Prospects

The Group's management, cash flow and balance sheet remain strong and enable the well-proven business model and longer term investment planning to be sustained. Management will continue to manage resources and expenditure carefully without compromise to quality and service.

ADvTECH remains dedicated to a strategy of investing in quality education service provision. The Group's high academic standards and the growth in demand for the educational offerings continue to provide confidence in the Group's sustainability. The Resourcing division has demonstrated its ability to address the challenges of a difficult market and this, together with its niche market focus, bodes well for the future.

The Group's core businesses have continued to demonstrate clearly their sustainability and resilience under trying conditions. Certain revenues and activities have understandably been affected by the challenges of the recession and affordability. The Board is confident that the Group's underlying strength and strategic positioning will stand it in good stead.

On behalf of the Board

Motty Sacks	**Frank Thompson**
Chairman	*Chief Executive Officer*

23 August 2010

BASTION GRAPHICS 14019