

A decorative graphic on the left side of the page consisting of a complex network of grey lines and dots, resembling a circuit board or a neural network.

▲  
38%  
TURNOVER

▲  
58%  
OPERATING PROFIT

▲  
36%  
HEADLINE EARNINGS PER SHARE

PRELIMINARY SUMMARISED  
CONSOLIDATED AUDITED RESULTS  
FOR THE YEAR ENDED 30 JUNE 2016,  
FINAL DIVIDEND DECLARATION AND  
NOTICE OF ANNUAL GENERAL MEETING

# SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Group 2016 R	Group 2015* R	Company 2016 R	Company 2015 R
Revenue	803 337 834	578 049 095	37 001 209	7 267 700
Turnover	796 178 409	575 323 868	-	-
Cost of sales	(343 573 374)	(299 108 714)	-	-
Gross profit	452 605 035	276 215 154	-	-
Administrative, selling and other costs	(316 216 126)	(189 715 331)	(2 945 285)	(6 134 407)
Sundry revenue	-	-	5 000 000	7 267 700
Profit from operations	136 388 909	86 499 823	2 054 715	1 133 293
Dividend received	-	-	32 000 000	-
Finance income	7 159 425	2 725 227	1 209	-
Finance costs	(22 297 839)	(11 247 056)	-	(2 641)
Share of profits of equity accounted investment after tax	1 636 095	168 200	-	-
Profit before taxation	122 886 590	78 146 194	34 055 924	1 130 652
Income tax expense	(41 929 718)	(25 467 619)	(489 289)	(407 860)
Profit for the year	80 956 872	52 678 575	33 566 635	722 792
Attributable to:				
Equity holders of the parent	78 357 135	52 678 575	33 566 635	722 792
Non-controlling interests	2 599 737	-	-	-
Other comprehensive income				
Items that will not be reclassified to profit and loss	-	1 942 462	-	-
Revaluation of land and building	-	1 406 984	-	-
Income tax effect	-	535 478	-	-
Items that may be reclassified subsequently to profit and loss	789 408	529 847	-	-
Exchange differences arising from translation of foreign operations	789 408	529 847	-	-
<b>Total comprehensive income</b>	<b>81 746 280</b>	<b>55 150 884</b>	<b>33 566 635</b>	<b>722 792</b>
Attributable to:				
Equity holders of the parent	79 146 543	55 150 884	33 566 635	722 792
Non-controlling interests	2 599 737	-	-	-
Basic earnings per share (cents)	57,61	42,34		
Basic diluted earnings per share (cents)	55,28	41,33		

\* Restated for measurement period adjustment as announced on SENS on 28 January 2016 and 8 February 2016.

## SUMMARISED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Group 2016 R	Group 2015* R	Company 2016 R	Company 2015 R
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>705 320 773</b>	<b>408 046 994</b>	<b>48 147 559</b>	<b>50 010 248</b>
Property and equipment	37 366 544	31 705 928	-	-
Intangible assets	170 031 438	86 231 757	-	-
Goodwill	472 515 143	276 525 230	-	-
Interest in subsidiaries and share trust	-	-	48 115 401	48 115 401
Loans to subsidiaries	-	-	32 158	1 390 006
Equity accounted investment	1 804 295	168 200	-	-
Deferred taxation asset	23 603 353	13 415 879	-	504 841
<b>Current assets</b>	<b>259 556 272</b>	<b>153 804 606</b>	<b>184 137 891</b>	<b>71 120 533</b>
Trade and other receivables	170 600 288	112 111 658	217 335	890 765
Amounts owing by subsidiaries	-	-	183 719 243	70 141 692
Current tax receivable	11 231 616	12 720 662	71 870	-
Cash and cash equivalents	77 724 368	28 972 286	129 443	88 076
<b>Total assets</b>	<b>964 877 045</b>	<b>561 851 600</b>	<b>232 285 450</b>	<b>121 130 781</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	14 006	12 920	14 006	12 920
Share premium	200 831 266	128 819 663	196 116 254	124 104 651
Other capital reserves	34 574 504	26 594 829	34 574 504	12 860 454
Equity compensation reserve	5 724 817	530 517	-	-
Foreign currency translation reserve	3 208 520	2 419 112	-	-
Revaluation reserve	3 544 400	3 544 400	-	-
Retained earnings	218 782 518	159 172 199	585 580	(18 499 864)
Equity attributable to shareholders of the company	466 680 031	321 093 640	231 290 344	118 478 161
Non-controlling interests	6 007 925	-	-	-
<b>Total equity</b>	<b>472 687 956</b>	<b>321 093 640</b>	<b>231 290 344</b>	<b>118 478 161</b>
<b>Non-current liabilities</b>	<b>190 766 634</b>	<b>98 948 817</b>	<b>16 878</b>	<b>-</b>
Interest-bearing borrowings	145 790 502	8 521 023	-	-
Financial liabilities	-	69 224 164	-	-
Deferred taxation liability	44 976 132	21 203 630	16 878	-
<b>Current liabilities</b>	<b>301 422 455</b>	<b>141 809 143</b>	<b>978 228</b>	<b>2 652 620</b>
Trade and other payables	105 551 855	33 614 633	978 228	754 225
Provisions	42 937 636	26 466 046	-	1 859 116
Deferred income	67 271 122	65 287 590	-	-
Current tax payable	6 811 480	618 838	-	39 279
Financial liabilities	59 476 533	-	-	-
Current portion of interest-bearing borrowings	19 373 829	15 822 036	-	-
<b>Total equity and liabilities</b>	<b>964 877 045</b>	<b>561 851 600</b>	<b>232 285 450</b>	<b>121 130 781</b>
Number of ordinary shares in issue (cents)	140 061 814	129 201 421		
Net asset value per share (cents)	337,49	248,52		
Tangible net asset value per share (cents)	(34,18)	47,70		

\* Restated for measurement period adjustment as announced on SENS on 28 January 2016 and 8 February 2016.

At 30 June 2016, the carrying values of the financial assets and financial liabilities are considered by management to approximate their fair value, due to their short-term nature. All financial assets and liabilities are carried at amortised cost and hence no fair value disclosure is necessary, in terms of the fair value hierarchy requirements of IFRS 7 Financial Instruments: Disclosures.

## SUMMARISED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Group 2016 R	Group 2015 R	Company 2016 R	Company 2015 R
<b>OPERATING ACTIVITIES</b>				
Cash generated from/(utilised in) operations	173 602 262	105 387 069	1 093 032	(731 556)
Finance income	5 091 400	1 018 543	1 209	-
Finance costs	(15 376 527)	(4 425 757)	-	(2 641)
Dividends received	-	-	32 000 000	-
Dividends paid	(18 630 671)	(9 528 391)	(14 481 191)	(9 528 391)
Taxation paid	(55 029 679)	(44 191 308)	(78 719)	(158 559)
<b>Net cash flow from/(utilised in) operating activities</b>	<b>89 656 785</b>	<b>48 260 156</b>	<b>18 534 331</b>	<b>(10 421 147)</b>
<b>INVESTING ACTIVITIES</b>				
Property and equipment acquired	(7 934 021)	(4 322 657)	-	-
Intangible assets acquired and developed	(2 544 560)	(6 083 953)	-	-
Proceeds on disposal of property and equipment	177 949	67 525	-	-
Proceeds on disposal of asset held for sale	9 733 141	-	-	-
Net cash outflow on acquisition of subsidiaries	(137 790 705)	(63 877 413)	-	-
<b>Net cash utilised in investment activities</b>	<b>(138 358 196)</b>	<b>(74 216 498)</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from borrowings	267 431 000	132 120 285	-	-
Repayment of borrowings	(173 011 364)	(135 265 514)	-	-
Issue of shares for cash	2 216 450	41 839 999	-	-
Issue of company's shares	-	-	72 012 689	104 895 843
Increase in amounts owing by subsidiaries	-	-	(90 505 653)	(94 420 867)
Repayment of vendor loans	-	(439 174)	-	-
<b>Net cash flows from/(utilised in) financing activities</b>	<b>96 636 086</b>	<b>38 255 596</b>	<b>(18 492 964)</b>	<b>10 474 976</b>
Net increase in cash resources	47 934 675	12 299 254	41 367	53 829
Exchange differences on translation	817 407	756 253	-	-
Cash and cash equivalents at beginning of year	28 972 286	15 916 779	88 076	34 247
<b>Cash and cash equivalents at end of year</b>	<b>77 724 368</b>	<b>28 972 286</b>	<b>129 443</b>	<b>88 076</b>

# SUMMARISED STATEMENTS OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2016

GROUP	Attributable to equity holders of the parent									Total R
	Share capital R	Share premium R	Other capital reserves R	Equity com- pensation reserve R	Revaluation reserve R	Foreign currency translation reserve R	Retained earnings R	Attributable to equity holders of the parent R	Non- controlling interests R	
Balance at 30 June 2014	11 150	23 925 590	51 055 840	–	1 601 938	1 889 265	106 616 844	185 100 627	–	185 100 627
Total comprehensive income for the year	–	–	–	–	1 942 462	529 847	52 678 575	55 150 884	–	55 150 884
Profit for the year	–	–	–	–	–	–	52 678 575	52 678 575	–	52 678 575
Other comprehensive income for the year	–	–	–	–	1 942 462	529 847	–	2 472 309	–	2 472 309
Share-based payments	–	–	–	530 517	–	–	–	530 517	–	530 517
Purchase consideration adjustment	–	–	(9 405 171)	–	–	–	9 405 171	–	–	–
Issue of shares for business combination	1 159	63 054 685	(15 055 840)	–	–	–	–	48 000 004	–	48 000 004
Shares issued during the year	611	41 839 388	–	–	–	–	–	41 839 999	–	41 839 999
Dividend paid	–	–	–	–	–	–	(9 528 391)	(9 528 391)	–	(9 528 391)
Balance at 30 June 2015*	12 920	128 819 663	26 594 829	530 517	3 544 400	2 419 112	159 172 199	321 093 640	–	321 093 640
Total comprehensive income for the year	–	–	–	–	–	789 408	78 357 135	79 146 543	2 599 737	81 746 280
Profit for the year	–	–	–	–	–	–	78 357 135	78 357 135	2 599 737	80 956 872
Other comprehensive income for the year	–	–	–	–	–	789 408	–	789 408	–	789 408
Non controlling interest arising on the acquisition of subsidiaries	–	–	–	–	–	–	–	–	7 557 668	7 557 668
Share-based payments	–	–	–	5 194 300	–	–	–	5 194 300	–	5 194 300
Purchase consideration adjustment	–	–	4 265 625	–	–	–	(4 265 625)	–	–	–
Issue of shares for business combination	1 067	69 795 171	(12 860 454)	–	–	–	–	56 935 784	–	56 935 784
Shares issued during the year	19	2 216 432	–	–	–	–	–	2 216 451	–	2 216 451
Shares to be issued	–	–	16 574 504	–	–	–	–	16 574 504	–	16 574 504
Dividends paid	–	–	–	–	–	–	(14 481 191)	(14 481 191)	(4 149 480)	(18 630 671)
Balance at 30 June 2016	14 006	200 831 266	34 574 504	5 724 817	3 544 400	3 208 520	218 782 518	466 680 031	6 007 925	472 687 956

\* Restated for measurement period adjustment as announced on SENS on 28 January 2016 and 8 February 2016.

COMPANY	Share capital R	Share premium R	Other capital reserves R	Retained earnings R	Total equity R
Balance at 30 June 2014	11 150	19 210 578	15 055 840	(9 694 265)	24 583 303
Total comprehensive income for the year	–	–	–	722 792	722 792
Issue of shares	1 770	104 894 073	(15 055 840)	–	89 840 003
Shares to be issued	–	–	12 860 454	–	12 860 454
Dividend paid	–	–	–	(9 528 391)	(9 528 391)
Balance at 30 June 2015	12 920	124 104 651	12 860 454	(18 499 864)	118 478 161
Total comprehensive profit for the year	–	–	–	33 566 635	33 566 635
Issue of shares	1 086	72 011 603	(12 860 454)	–	59 152 235
Shares to be issued	–	–	34 574 504	–	34 574 504
Dividend paid	–	–	–	(14 481 191)	(14 481 191)
Balance at 30 June 2016	14 006	196 116 254	34 574 504	585 580	231 290 344

## EARNINGS AND DIVIDENDS PER SHARE

### EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to equity holders of R78 357 135 (2015: R52 678 575) and the weighted average number of ordinary shares in issue during the year of 136 016 313 (2015: 124 427 314). The calculation of diluted earnings per share is based on the profit of R78 357 135 (2015: R52 678 575) and the weighted average number of diluted ordinary shares in issue during the year of 141 751 697 (2015: 127 460 251).

	Group 2016	Group 2015*
<b>Reconciliation between earnings and headline earnings</b>		
Earnings attributable to equity holders of the parent	78 357 135	52 678 575
Adjusted for:		
- Profit on sale of property and equipment (refer note 3)	(98 589)	(39 449)
<b>Headline earnings</b>	<b>78 258 546</b>	<b>52 639 126</b>
Basic earnings per share (cents)	57,61	42,34
Headline earnings per share (cents)	57,54	42,31
Diluted basic earnings per share (cents)	55,28	41,33
Diluted headline earnings per share (cents)	55,21	41,30
* Restated for measurement period adjustment.		
<b>DIVIDENDS PER SHARE</b>		
Dividends per share (cents)	10,90	8,23

### EVENTS AFTER THE REPORTING DATE

On 1 July 2016, Student Management Software Solutions Limited and Meta Office Limited were amalgamated into Adapt IT Australasia Limited in accordance with the provision of Section 222(1) of the New Zealand Companies Act 1993. These companies are New Zealand registered.

The reasons for the amalgamation are, *inter alia*:

- To rationalise the Adapt IT group;
- To reduce the number of Adapt IT group entities;
- To achieve efficiencies and savings in administrative and operational expenditure; and
- To simplify the Adapt IT group structure.

No other significant transactions or events have occurred between year-end date and the date of this report.

### BUSINESS COMBINATIONS

#### ACQUISITION OF SUBSIDIARY: CQS

On 31 December 2015, the group acquired the entire issued share capital of CQS Investment Holdings Proprietary Limited and its subsidiaries (CQS). CQS is South African registered.

With over 20 years in business and approximately 4 000 clients, CQS is a value added distributor of a combination of its own and third party (being CaseWare, ACL and Confirmations.com) Intellectual Property software solutions for audit, data analytics, controls monitoring, risk management and financial reporting to financial professionals, corporates and the public sector. CQS, which has the reputation of being a leader in this niche market, also services clients in Nigeria, Kenya, Zambia, Tanzania, Botswana and Zimbabwe through a direct and a distributor network.

The total purchase consideration of R216 815 000 consists of R159 879 215 in cash, funded from borrowings, paid on 14 December 2015 and R56 935 785 in shares issued on 18 December 2015.

The fair value of the net liabilities acquired amounted to R18 390 749 and non controlling interest in equity amounted to R7 557 668, resulting in goodwill of R195 989 913 at acquisition. The purchase consideration paid for the combination effectively included amounts in relation to the benefit of the expected synergies, revenue growth, new market penetration and future market development.

The acquisition, which is in line with Adapt IT's strategy of targeted acquisitive growth, will augment the group's Financial Services segment and public sector markets' representation by providing diversification into the auditing and accounting professions and will enhance its technology diversification.

**BUSINESS COMBINATIONS CONTINUED****ACQUISITION OF SUBSIDIARY CONTINUED**

The fair values of the identifiable net assets and liabilities of CQS as at the date of acquisition were:

	Fair value recognised on acquisition R'000
<b>Assets</b>	
Property and equipment	4 291 989
Intangible assets	89 298 605
Asset held for sale	9 733 141
Trade and other receivables	35 509 158
Cash and cash equivalents	31 352 776
<b>Total assets</b>	<b>170 185 669</b>
<b>Liabilities</b>	
Shareholders loan	46 773 504
Long term portion of interest-bearing borrowings	37 820 625
Current portion of interest-bearing borrowings	8 581 011
Deferred tax liability	17 349 066
Trade and other payables	64 360 360
Current tax payable	13 691 852
<b>Total liabilities</b>	<b>188 576 418</b>
<b>Total identifiable net liabilities</b>	<b>(18 390 749)</b>
Non controlling interest	(7 557 668)
Goodwill arising on acquisition	195 989 913
<b>Fair value of consideration payable</b>	<b>170 041 496</b>
<b>Fair value of consideration paid:</b>	
Cash paid	159 879 215
Shares issued in December 2015	56 935 785
Shareholders loan settled	(46 773 504)
<b>Fair value of consideration paid</b>	<b>170 041 496</b>
<b>Cash outflow on acquisition:</b>	
Net cash acquired with the subsidiary	31 352 776
Cash paid	(159 879 215)
<b>Net cash outflow on acquisition</b>	<b>(128 526 439)</b>

Fair value of the assets acquired approximates their carrying value at the acquisition date.

From the date of acquisition, CQS has contributed R32 933 773 to the profit after tax of the group.

Acquired receivables represent the gross contractual amounts which approximates fair value and which is further estimated to be fully recoverable.

Acquisition related costs of R2 685 563 have been expensed and are included in administrative, selling and other costs on the statement of profit or loss and other comprehensive income.

**BUSINESS COMBINATIONS CONTINUED****ACQUISITION OF SUBSIDIARIES: META OFFICE AND MULTIMATICS**

On 1 January 2016, the group acquired the entire share capital of Meta Office Limited (Meta Office) and Multimatics Proprietary Limited (Multimatics), for a purchase consideration of R3 416 388 and R7 000 000 respectively. Meta Office is a New Zealand registered company and Multimatics is a South African registered company.

The acquisition of Meta Office extends the product set for the higher education segment and geographic reach of Adapt IT in foreign markets.

Multimatics specialises in business intelligence solutions relating to telecommunications.

The fair values of the identifiable net assets and liabilities of these companies as at the date of acquisition were:

	Fair value recognised on acquisition R
<b>Assets</b>	
Property and equipment	141 025
Intangible assets	14 056 276
Trade and other receivables	1 193 910
Current tax receivable	53 917
Cash and cash equivalents	1 152 122
<b>Total assets</b>	<b>16 597 250</b>
<b>Liabilities</b>	
Deferred taxation	3 327 798
Trade and other payables	887 269
Deferred income	2 029 442
Provisions	30 790
<b>Total liabilities</b>	<b>6 275 299</b>
<b>Total identifiable net assets</b>	<b>10 321 951</b>
Cash paid	6 916 389
Fair value at acquisition of cash paid on 1 April 2016	3 405 562
<b>Fair value of consideration payable</b>	<b>10 321 951</b>
<b>Cash outflow on acquisition:</b>	
Net cash acquired with the subsidiaries	1 152 122
Cash paid	(10 416 388)
<b>Net cash outflow on acquisition</b>	<b>(9 264 266)</b>

Fair value of the assets acquired approximates their carrying value at the acquisition date.

From the date of acquisition, Meta Office and Multimatics have contributed R1 064 460 to the profit after tax of the group.

Acquired receivables represent the gross contractual amounts which approximates fair value and which is further estimated to be fully recoverable.

Acquisition related costs of R292 768 have been expensed and are included in administrative, selling and other costs on the statement of profit or loss and other comprehensive income.



## SEGMENT ANALYSIS

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Monthly management meetings are held to evaluate segment performance against budget and forecast.

Management does not monitor assets and liabilities by segment.

The following tables present turnover and profit information (after Shared Services cost allocation) regarding the group's operating segments for the year ended 30 June 2016 and 30 June 2015 respectively:

	Education R	Manufacturing R	Financial Services R	Energy R	Other R	Total R
<b>2016</b>						
Turnover	170 806 274	242 200 530	223 249 140	159 922 465	-	796 178 409
Segment profit/(loss) from operations	29 809 003	37 651 833	34 232 099	37 857 837	(3 161 863)	136 388 909
Operating profit margin (%)	17	16	15	24		17
<b>2015*</b>						
Turnover	155 955 376	215 421 755	94 774 959	109 171 778	-	575 323 868
Segment profit/(loss) from operations	27 049 586	27 865 151	14 241 624	24 282 145	(6 938 683)	86 499 823
Operating profit margin (%)	17	13	15	22		15

\* Restated for measurement period adjustment as announced on SENS on 28 January 2016 and 8 February 2016.

## SEGMENT ANALYSIS CONTINUED

The following table presents turnover by geographic area of the group's operating segments as at 30 June 2016 and 30 June 2015:

	Education R	Manufacturing R	Financial Services R	Energy R	Other R	Total R
<b>2016</b>						
Turnover from external customers by geographic area*	170 806 274	242 200 530	223 249 140	159 922 465	-	796 178 409
South Africa	114 182 877	191 991 807	188 157 940	83 416 883	-	577 749 507
African Countries**	25 216 549	34 995 812	32 807 301	12 983 498	-	106 003 160
United Kingdom	-	-	-	649 115	-	649 115
Europe	9 695 431	-	5 240	5 393 355	-	15 094 026
Asia	-	-	-	3 756 326	-	3 756 326
North America	-	391 196	2 278 659	47 900 209	-	50 570 064
South America	-	-	-	4 415 985	-	4 415 985
Australasia	21 711 417	14 821 715	-	1 407 094	-	37 940 226
<b>2015</b>						
Turnover from external customers by geographic area*	155 955 376	215 421 755	94 774 959	109 171 778	-	575 323 868
South Africa	116 058 874	170 620 007	94 612 107	63 526 746	-	444 817 734
African Countries**	20 552 340	35 435 433	162 852	587 464	-	56 738 089
United Kingdom	-	-	-	276 012	-	276 012
Europe	4 424 093	-	-	1 402 054	-	5 826 147
Asia	-	-	-	1 201 899	-	1 201 899
North America	-	2 234 809	-	39 825 530	-	42 060 339
South America	-	-	-	1 578 613	-	1 578 613
Australasia	14 920 069	7 131 506	-	773 460	-	22 825 035

\* The turnover information above is based on the location of the customer

\*\* African countries are: Ghana, Zambia, Tanzania, Mozambique, Namibia, Malawi, Swaziland, Lesotho, Botswana, Nigeria, Sierra Leone, Zimbabwe, Kenya, Burundi, Congo, Rwanda, Uganda, Cameroon, Gambia and Senegal.

# COMMENTARY

## BASIS OF PREPARATION

The accounting policies applied in the preparation of these preliminary summarised consolidated audited financial statements, which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards (IFRS) and are consistent with those applied in the consolidated annual financial statements for the year ended 30 June 2016. All amendments to IFRS were considered insignificant to the current year. These preliminary summarised consolidated audited financial statements as set out in this report have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The consolidated annual financial statements have been prepared under the historical cost method, except for certain financial instruments at fair value and property measured at fair value. The consolidated annual financial statements have been prepared on the going-concern basis and have been prepared under the supervision of Ms Tiffany Dunsdon CA (SA), the financial director.

These preliminary summarised consolidated audited financial statements, which have been derived from the consolidated annual financial statements and with which they are consistent in all material respects, have been audited by Deloitte & Touche. Their unmodified audit opinions on the consolidated annual financial statements and on the preliminary summarised consolidated audited financial statements (ISA 810) are available for inspection at the registered office of the company. The board of directors of Adapt IT (the Board) takes full responsibility for the preparation of this report and that the financial information has been correctly extracted from the underlying consolidated audited annual financial statements, which is available for inspection at the registered office of the company.

## AUDIT REPORT

The annual financial statements for the year ended 30 June 2016 have been audited by the group's auditors, Deloitte & Touche and their unmodified audit report is available for inspection at the company's registered office.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the audit report together with the accompanying financial information from the company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditor.

## FINANCIAL REVIEW

Turnover for the year ended 30 June 2016 increased 38% to R796,2 million (2015: R575,3 million), organic growth was 9% and acquisitive growth was 29%.

Profit from operations increased 58% to R136,4 million (2015: R86,5 million), representing an improved operating profit margin of 17% (2015: 15%). All segments of the business grew turnover and operating profit.

Adapt IT acquired CQS effective 31 December 2015, in line with the acquisitive growth strategy. CQS is a value added distributor of a combination of its own and third party (being CaseWare, ACL and Confirmations.com) Intellectual Property software solutions. On 1 January 2016, the group acquired Multimatics, a company specialising in business intelligence solutions relating to telecommunications. A smaller offshore company, Meta Office, in New Zealand was acquired on 1 January 2016.

Earnings per share (EPS) improved by 36% to 57,61 cents per share (cps) from 42,34 cps and headline EPS (HEPS) improved by 36% to 57,54 cps from 42,31 cps.

The Board declared its **14th ordinary dividend of 13,40 cents per share**, payable in September 2016, which represents a four times dividend cover ratio and a 23% increase on the prior year's dividend. The company has a policy of declaring a dividend at the end of the financial year and not at the interim reporting date.

## COMMENTARY CONTINUED

### RESTATEMENT OF FINANCIAL INFORMATION

Shareholders are referred to the "Restatement of Financial Information and Trading Statement" announcement released on SENS on 28 January 2016 and the subsequent "Interim Group Results for the six months ended 31 December 2015" released on SENS on 8 February 2016 wherein shareholders were advised that, in accounting for the business combination of AspiviaUnison Proprietary Limited for the year ended 30 June 2015, no fair value was placed on intangible assets other than goodwill, as the valuation of these intangible assets in terms of IFRS 3 had not been determined. The valuation of these intangible assets, namely customer relationships and internally generated software, had been finalised.

The 30 June 2015 results were restated retrospectively in this regard, to increase the value of intangible assets acquired and to increase the related deferred tax liability, resulting in a decrease in goodwill.

### CHANGES TO THE BOARD DURING THE YEAR UNDER REVIEW

During the period under review, there were no changes to the composition of the Board. On the 18th of August 2016, and following a six month induction period, Nombali Mbambo was appointed, effective on this date, to the Board as Chief Financial Officer. The Board looks forward to her valuable contribution to Adapt IT in the years to come. Tiffany Dunsdon's role reverts to the one she held previously, namely, Commercial Director.

### APPRECIATION

The Board extends its sincere thanks to Adapt IT's longstanding and new customers, suppliers, partners, shareholders and service providers for their ongoing support of Adapt IT. In addition, the Board thanks Adapt IT's staff, without whose dedication, hard work, enthusiasm, team spirit, skills and appetite for growth and change, the group would not be the industry leader it is today.

### DIVIDENDS: ORDINARY DIVIDEND NUMBER 14

The Board has set a policy of considering a dividend once annually, after the year-end. The Board has declared a dividend on a dividend cover ratio of four times as the group wishes to retain a significant proportion of profits for future growth activities.

The group will have sufficient working capital to meet its requirements after the dividend payment. Notice is hereby given that a gross cash dividend of 13,40 cents per share (the dividend) has been declared for the year ended 30 June 2016, payable to shareholders recorded in the books of the company at close of business on 16 September 2016.

In terms of the Listings Requirements of the JSE Limited regarding the following additional information is disclosed:

- This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves;
- The South African dividend tax (DT) rate is 15%;
- The DT to be withheld by the company amounts to 2,01 cents per share;
- Therefore, the net dividend payable to shareholders who are not exempt from DT is 11,39 cents per share, while the gross dividend of 13,40 cents per share is payable to those shareholders who are exempt from DT;
- The issued share capital of Adapt IT at the declaration date comprises 140 061 814 ordinary shares;
- Adapt IT's registration number is 1998/017276/06; and
- Adapt IT's income tax reference number is 9410/002/71/2.

Shareholders are advised that the last day to trade cum-dividend will be Tuesday, 13 September 2016. Shares will trade ex-dividend as from Wednesday, 14 September 2016, and the record date will be Friday, 16 September 2016. Payment will be made on Monday, 19 September 2016. Share certificates may not be dematerialised or rematerialised during the period Wednesday, 14 September 2016 to Friday, 16 September 2016, both days inclusive. This dividend, having been declared after 30 June 2016, has not been provided for in the financial statements for the year ended 30 June 2016.

## NOTICE OF THE ANNUAL GENERAL MEETING AND POSTING OF INTEGRATED ANNUAL REPORT

The integrated annual report will be mailed to shareholders on 1 September 2016 and is available on the group's website: [www.adaptit.co.za](http://www.adaptit.co.za), on 18 August 2016.

Notice is hereby given that the 17th annual general meeting of shareholders of Adapt IT will be held on Friday, 25 November 2016 at 09:00 at the company's offices at 5 Rydall Vale Office Park, Rydall Vale Crescent, La Lucia Ridge, KwaZulu-Natal.

The Board of the company has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, No 71 of 2008, the record date for the purposes of determining which shareholders of the company are entitled to participate in and vote at the annual general meeting is Friday, 18 November 2016. Accordingly, the last date to trade in order to be registered in the register of shareholders of the company and therefore be eligible to participate in and vote at the annual general meeting is Tuesday, 15 November 2016.

## CORPORATE INFORMATION

### ADAPT IT HOLDINGS LIMITED

Incorporated in the Republic of South Africa  
Registration number 1998/017276/06  
Share code: ADI  
ISIN: ZAE000113163  
("Adapt IT" or "the company" or "the group")

### DIRECTORS

Craig Chambers\* (*Chairman*)  
Sbu Shabalala (*Chief Executive Officer*)  
Tiffany Dunsdon (*Commercial Director*)  
Nombali Mbambo (*Chief Financial Officer*)  
Bongiwe Ntuli\*  
Catherine Koffman\*  
Oliver Fortuin\*

\* Independent non-executive director

### REGISTERED OFFICE

5 Rydall Vale Office Park  
Rydall Vale Crescent  
La Lucia Ridge  
4019  
KwaZulu-Natal  
South Africa

### POSTAL ADDRESS

PO Box 5207  
Rydall Vale Park  
La Lucia Ridge Office Estate  
Durban 4019

### TRANSFER SECRETARY

Computershare Investor Services Proprietary Limited  
PO Box 61051, Marshalltown, 2107  
T +27 (0) 11 370 5000  
F +27 (0) 11 688 5200

### SPONSOR

Merchantec Capital

### COMPANY SECRETARY

Statucor Proprietary Limited  
22 Wellington Road  
Parktown  
2193

### AUDITORS

Deloitte & Touche

### ADAPT IT WEBSITE

[www.adaptit.co.za](http://www.adaptit.co.za)

Durban  
18 August 2016

