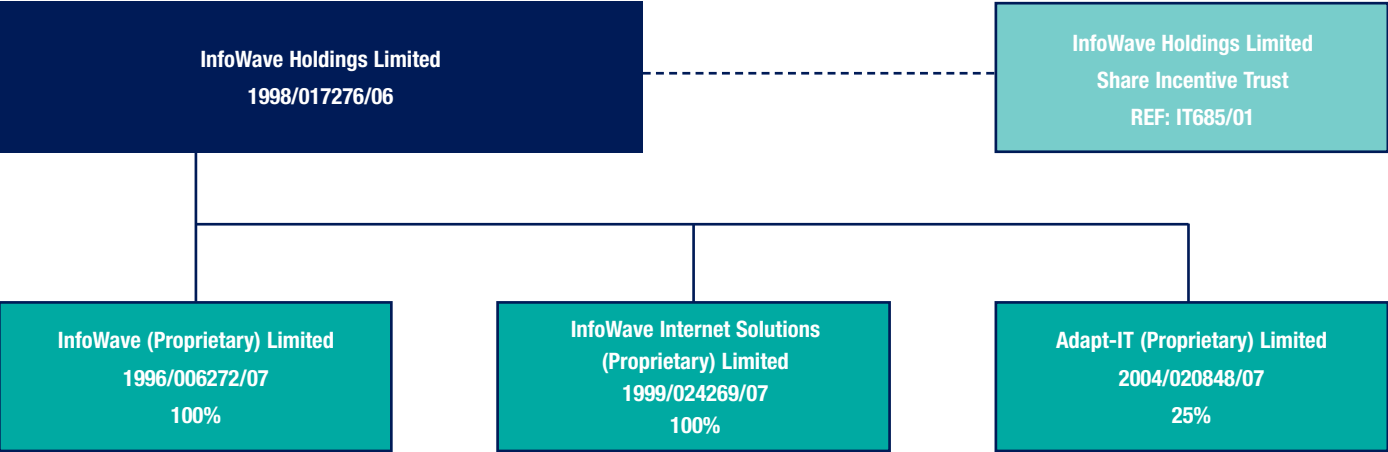


GROUP STRUCTURE



## PRODUCTS

InfoWave's software products are all registered as Proudly South African, embracing the spirit of advancement and promoting the information technology industry in South Africa.



### **Tranquillity ERP application suite of products**

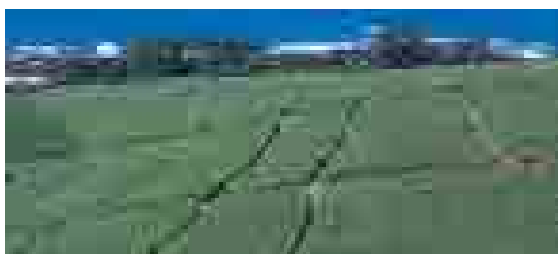
#### **Product development**

This software suite addresses the financial, logistics, human resource and agricultural needs typical of sugar producing organisations.

Tranquillity has had significant development during this past year with the introduction of workflow and several new modules to extend the functionality and value to the sugar industry. New developments planned for later this year include more business intelligence for management and business alerts to improve the managers' effectiveness in using the package. Plans are underway to commence with the next technology and functional upgrade of the product to give further value to our clients.

#### **Market sector**

Tranquillity is being actively marketed to the sugar industry in Africa and other parts of the world. Existing customers are within the SADC region, to which support is provided remotely from InfoWave's offices in Mount Edgecombe, South Africa via satellite or diginet connectivity.



canelab®



### CaneLab application suite of products

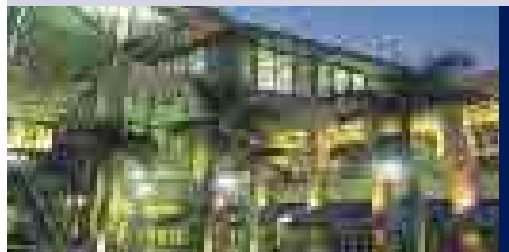
#### Product development

This software addresses business needs in the sugar industry in the areas of factory and process management through the CaneLab modules comprising laboratory, cane testing, weighbridge and access control facilities.

InfoWave's CaneLab product has grown to include a web-browser based management reporting facility for business intelligence. This innovation is providing real-time information based on weighbridge and laboratory transactions to improve factory efficiencies, management control and reduce fraud. A product extension developed specifically for the African market, through collaboration with partners, provides our clients with cost-effective full access control in the weighbridge environment.

#### Market sector

CaneLab is currently being extensively marketed in Africa, the USA and the Caribbean sugar-growing countries with further focus planned in the Philippines. Any sugar factory can benefit from this innovative, sophisticated yet simple to use product to obtain real bottom line value.



devman®



### DevMan property management application suite of products

#### Product development

This software suite addresses the management needs for property developments from the raw land state, to the finished sold product.

DevMan has grown from the initial basic modules to manage a property development, to a fully-fledged product including all aspects of the property development cycle. The product also has an innovative management reporting facility provided via web browser allowing managers to access information real-time at any remote location.

#### Market sector

DevMan is targeted for the public and private sectors – any organisation that manages large-scale development projects such as mass housing, office parks, resorts, estate housing complexes, roads and commercial property. The focus is currently on KwaZulu-Natal, Gauteng and the Eastern Cape where recent initiatives have proved successful.

## BUSINESS CONCEPT

InfoWave's business concept is to:

- **Identify** and address niche markets where we are able to provide solutions to fulfil customers' speciality business process needs.
- **Focus** on the health and growth of the current core business whilst simultaneously identifying other repeatable development opportunities for organic and acquisitive growth.
- **Support** the strategy with appropriately structured, separate business units with dedicated management that share a common administrative platform.
- **Listen** to, understand and interpret the expressed and unexpressed needs of our clients through focused research, market intelligence and information gathering in order to obtain penetrative insights that will identify how we can best structure our business and solutions to meet these needs.
- **Deliver** these solutions, with a passion for service excellence, supported by appropriate and client aligned support services, into our current and selected new markets.
- **Reflect** the demographics and characteristics of the countries in which we operate.
- **Build** and maintain an exciting environment that encourages vigorous debate, commitment and a "can do" attitude characterised by an entrepreneurial culture where there is freedom with responsibility.

The effective implementation of our strategy, supported by our skilled and committed people, will give InfoWave a sustainable market position, reduce our reliance on a single industry, generating sustainable growth enabling the expectations of our stakeholders to be met.

## MANAGEMENT TEAM



Back row from left: Cindy von Pannier, Bev Carrilho, Bruno Lionnet, Swedesh Mooruth

Middle row from left: Pat Naicker, Tiffany Dunsdon, Dalene Mordecai-Jones

Front row from left: Stuart Jack, Debbie Raine, Carol Jessop, Nadine Swinford-Meyer

## SERVICES

### Technical services

The Technical business unit focuses on providing supporting services to InfoWave's application solutions with services such as database management, performance monitoring and tuning, business continuity management and recovery services as well as operating system management.

InfoWave's Technical Business Unit continues to research and develop new service offerings. Current initiatives include providing Linux operating system support through our existing service agreement methodology.

### Application implementation and support services

InfoWave's key areas of excellence include the ability to understand our clients' business, enhance processes with the implementation of our solutions, train users effectively, and provide dedicated support once our solution is in place. Our support services include full outsource management, service delivery management and support facilities through our call centre for specialised service requirements for larger clients.

### Technology

The core components of our technology continue to be based primarily on the Oracle database, Oracle internet application server and development tools, including JDeveloper, Oracle's Java development tool. InfoWave's commitment to Oracle as a Certified Oracle Partner, provides a robust enterprise-scalable product development environment suitable for our blue-chip clients to feel absolutely confident investing in our software to ensure sustainable streamlined efficient management of their businesses.

### Research and development

InfoWave invests in continuous research, specifically in the Oracle technology as our primary development environment. This ensures that our products are upgraded and updated regularly with new features and technology improvements to add value to our clients' investments. Further investment is consistently allocated to new product development using java and internet-based development technologies.

### Sales and marketing

The Sales and Marketing team has been strengthened and a strong focus on building product brands has been introduced into InfoWave, reinforcing our strategic focus in the sugar, property and new niche markets.

Products are currently sold primarily through client references, direct sales and relationship-based selling strategies, while being actively marketed through selective narrow-cast advertising and specific industry focused trade shows, particularly for the DevMan and CaneLab software products. The introduction of sales agents and distributors is being considered as an expansion tactic, particularly in new remote geographies.



## PROFILE OF THE GROUP

### InfoWave Holdings Limited

InfoWave Holdings Limited is listed on the Development Capital Market of the JSE Securities Exchange South Africa, and operates through its wholly-owned subsidiary companies, namely InfoWave (Proprietary) Limited and InfoWave Internet Solutions (Proprietary) Limited. It also holds 25% of Adapt-IT (Proprietary) Limited, a black-owned IT company. The group is primarily involved in the provision and support of IT application solutions. The Share Incentive Trust provides employees with the opportunity to participate as shareholders.

### InfoWave (Pty) Limited

InfoWave (Pty) Limited has undertaken a reorganisation in order to focus on its chosen strategy of reinforcing and growing its successful sugar business, aggressively marketing and selling to the property industry as its second niche market, and nurturing its fledgling business unit responsible for developing or acquiring new software products and services for niche markets.

This company focuses on understanding business processes and developing integrated solutions using a combination of InfoWave's software products and custom-built enhancements or add-ons to meet the specific needs of each customer. Outsourcing of application services and long-term contracts and relationships are fundamental to this entity's value proposition.

Many of InfoWave's consultants are Oracle Certified Professionals, highlighting InfoWave's commitment to quality solutions and delivery to our customers.

### InfoWave Internet Solutions (Pty) Limited

The focus of InfoWave Internet Solutions remains in the internet solution environment, utilising a variety of development tools and techniques to deliver web-based solutions, particularly in the business intelligence area. This company provides clients with internet feeds and internet-related software products to improve efficiencies and add value to clients.

### Adapt-IT (Pty) Limited

InfoWave Holdings Limited holds 25% in this black-owned company, which provides web solutions on Microsoft and open source technology.



From left: Deane Hiine, Sbu Shabalala  
(Managing director and Adapt-IT's founding member)  
and Angela Shandu

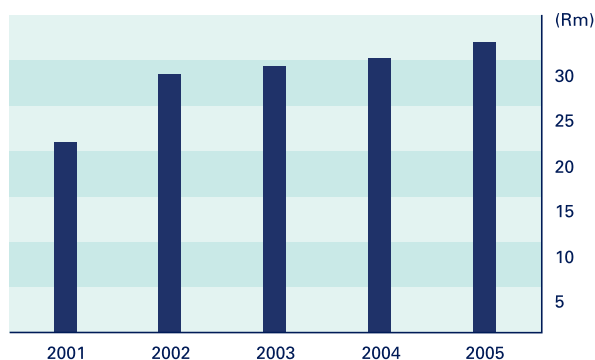
## STATISTICAL REVIEW

### Schedule of statistics

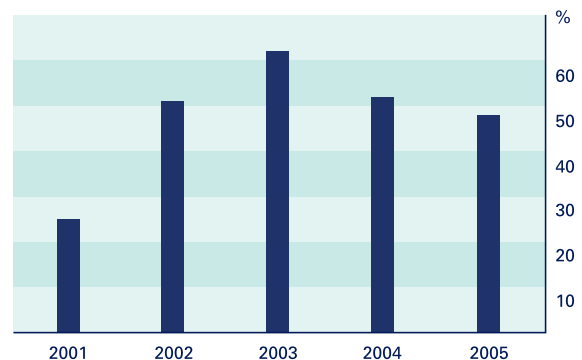
		Year 2005	Year 2004	Year 2003	Year 2002	Year 2001
Turnover	(rand)	<b>31 852 965</b>	30 353 101	28 790 007	26 902 750	21 881 556
Number of shares in issue		<b>84 053 755</b>	90 605 345	89 094 945	87 454 545	86 154 545
Net asset value	(rand)	<b>10 253 622</b>	10 568 065	8 248 223	11 011 807	6 389 384
Net asset value per share	(cents)	<b>12,20</b>	11,66	9,26	12,59	7,42
Headline earnings per share	(cents)	<b>5,81</b>	5,50	6,76	5,32	1,93
Earnings per share	(cents)	<b>5,81</b>	5,50	6,76	5,24	1,64
Return on equity*	(%)	<b>49,25</b>	52,50	61,80	52,20	24,90
Return on assets	(%)	<b>38,06</b>	37,70	45,60	40,10	17,80
Liquidity ratio	(times)	<b>3,59</b>	4,78	2,43	3,90	1,73
Solvency ratio	(times)	<b>3,93</b>	5,29	2,66	3,76	2,25
Market price per share						
Close	(cents)	<b>35</b>	25	22	20	20
High	(cents)	<b>43</b>	35	40	23	21
Low	(cents)	<b>26</b>	15	15	5	7
Capital reduction	(cents)			10		
Dividend	(cents)	<b>3</b>	3			

\* Profit after taxation expressed as a percentage of average shareholders' funds.

## REVENUE



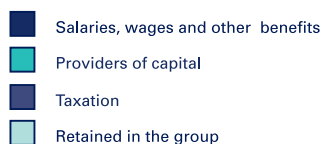
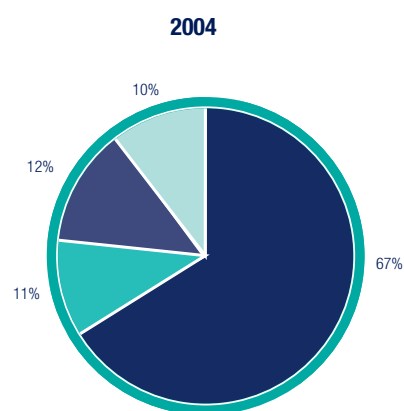
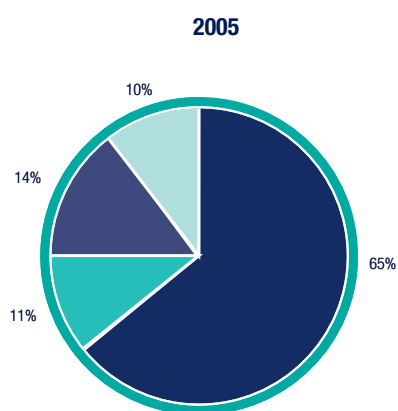
## RETURN ON EQUITY



## VALUE ADDED STATEMENT

for the year ended 28 February 2005

	GROUP 2005		GROUP 2004	
	R	%	R	%
Revenue	31 852 965		30 353 101	
Less: Net cost of products and services	7 956 200		7 477 300	
Value added	23 896 765		22 875 801	
Add: Income from investments and associate	732 333		806 567	
<b>Wealth created</b>	<b>24 629 098</b>		<b>23 682 368</b>	
Applied to:				
Employees				
Salaries, wages and other benefits	16 133 812	65	15 890 786	67
Providers of capital	2 746 202	11	2 702 071	11
Interest on borrowings	2 139	0	27 110	0
Dividends to shareholders	2 744 063	11	2 674 961	11
Government				
Taxation	3 366 303	14	2 824 951	12
Income taxation	3 165 680	13	2 683 092	11
Levies and other statutory contributions	200 623	1	141 859	1
Retained in the group	2 382 781	10	2 264 560	10
	<b>24 629 098</b>	<b>100</b>	<b>23 682 368</b>	<b>100</b>





## REPORT TO STAKEHOLDERS

for the year ended 28 February 2005

### Financial results

Revenue grew 5% over the prior year with growth of 12% in the second half compensating for the 2% decline in revenue reported for the first half. There was an increase in the contribution from niche software products, CaneLab and DevMan. During the year the company repurchased and cancelled 9,8% of its shares in the open market in terms of the general authority granted by shareholders. Headline earnings per share increased by 5,6% to 5,81 cents.

### Dividends

Dividend number 2 of 3 cents per share was paid to shareholders on 14 June 2004.

The board considers that its dividend policy remains appropriate and has declared dividend number 3 of 3 cents per share which will be payable to shareholders on 13 June 2005. This represents a dividend cover of 1.94 times.

### Strategy

The group revised its strategy to place additional dedicated focus on the core business with specific emphasis on understanding our clients' business needs and responding with excellent products and services. In parallel, property and further niche software business will be pursued with dedicated focus. The group has been reorganised accordingly. The group will invest in additional sales and marketing. The company is considering both organic and acquisitive growth to deliver on the growth and diversification strategy.

### The board

On 1 June 2004 Ralph Collis became non-executive chairman. He expressed his ongoing commitment to InfoWave and remains a major shareholder of the company. This change is consistent with the board's aim to increase the ratio of non-executive directors to executive directors in accordance with King II guidelines on corporate governance. InfoWave appointed Carol Jessop an executive director and Beveleane Carrilho as financial director on 1 March 2005. Pat Naicker retires by rotation at the Annual General Meeting and has chosen not to offer himself for re-election due to personal reasons. The board would like to extend its sincere thanks to Pat for his service and contribution to the board over the past five years. The board plans to appoint a further non-executive director pursuant to an ownership equity BEE transaction. The board has reviewed certain of the executive directors' portfolios which can be viewed on pages 36 and 37.

### The listing

The JSE rescinded its decision to close the Development Capital Market. InfoWave has achieved the key requirement for a main board listing of a pre-tax profit in excess of R8 million and intends to pursue a main board listing in due course.



Ralph Collis



Tiffany Dunsdon

## REPORT TO STAKEHOLDERS

for the year ended 28 February 2005 (continued)

### Broad based black economic empowerment

The group's strategy reinforces that BEE transformation is both a moral imperative and essential to protect the business and create new avenues for growth available to the company.

#### The ICT charter

InfoWave was involved in the KwaZulu-Natal working committee of the ICT BEE Charter which was due to become effective on 1 March 2005, but which has been delayed. InfoWave is addressing all elements of the Charter Scorecard and will seek ICT Council accreditation as soon as it believes it qualifies for accreditation.

#### Ownership equity

InfoWave is currently 25% black-owned mainly by virtue of employee share ownership. The funding of an equity deal with a third party remains a challenge.

#### Enterprise development

InfoWave assisted in founding Adapt-IT (Pty) Limited a black-owned SMME, by providing loan capital, facilities and services. InfoWave holds 25% of Adapt-IT and continues to provide financial and advisory services to Adapt-IT. Adapt-IT provides internet and intranet application solutions.

### Social investment

The company continues with its long term commitment to assist a rural secondary school, the Ebuta Trust. The corporate social investment budget for the year ahead has been significantly increased in line with the aims of the ICT Charter. This includes both general corporate social investment and social investment targeted at bridging the digital divide by assisting projects which aim to broaden access to information and communications technology.

### Outlook

The clear strategy identifies good prospects for the year ahead in the core sugar business and the niche property business. Dedicated resources will pursue the new niche business aspect of the strategy. The executive and management are focused and committed to the successful implementation of the strategy.

### Appreciation

We would like to thank our customers for their ongoing loyalty to InfoWave and our employees for their dedication to our customers and to InfoWave.



**RP Collis**

Non-executive chairman



**T Dunsdon**

Chief executive officer

## CORPORATE GOVERNANCE

The directors endorse the aims of the King Code on Corporate Governance in conducting the affairs of the company with integrity and in accordance with the highest standards of corporate practice. The company is committed to the principles of openness, integrity, accountability and social responsibility in its dealings with all its stakeholders.

### Composition of the board

The company has a unitary board which comprises six executive directors, a non-executive chairman and two independent non-executive directors. The board possesses a blend of different skills, industry experience, financial and commercial expertise. The independent directors are of a very high calibre and bring to bear independent judgment and experience on board deliberations and decisions. The board will continue to seek further non-executive directors with the aim of obtaining a majority of non-executive directors and in particular, obtaining black representation as a priority. The key committees of the board which by their nature require independence comprise a majority of independent directors. The composition of these committees is set out on the inside back cover.

The board has a charter which sets out its responsibility to approve strategy, monitor operational performance and management, determine policy and processes to ensure the integrity of the company's risk management and internal controls. The charter also sets out the board's responsibilities in respect of effective communications with all stakeholders, director selection through a nomination policy, orientation for new directors, evaluation of directors and succession planning in respect of the board and executive management.

All directors of the company have access to the advice and services of the company secretary and in appropriate circumstances may, at the company's expense, seek independent professional advice concerning its affairs.

The board has delegated authority for specific matters to a number of committees which have formal terms of reference and report to the board on a regular basis.

### Executive committee

The executive committee comprises all the executive directors. The executive team meets regularly and monitors the performance of the management team of the operating subsidiaries. There are comprehensive management reporting disciplines in place, which include the preparation of annual budgets by all business units. The group budget is reviewed and approved by the directors of the company. Monthly results and the financial status of business units are reported against approved budgets and compared to the prior year. Profit projections are updated monthly while working capital and cash levels are monitored on an ongoing basis.

### Audit committee

The audit committee has formal terms of reference set by the board. The external auditors have unrestricted access to this committee. The audit committee reviews the effectiveness of internal controls in the group with reference to the findings of the external auditors and reviews important accounting issues, including specific disclosures in the financial statements and any recommendations by the auditors. The audit committee meets prior to the interim and annual financial statements being presented to the board of directors for final approval. The group does not have any formal internal audit processes due to the size and nature of the group.

## CORPORATE GOVERNANCE (continued)

The only material asset at risk of misappropriation is cash, over which strict controls exist. Any internal audit activities would be undertaken by a third party on the instruction of the audit committee. Increased levels of management review and strict payment authorisation procedures are in place to compensate for not having an internal audit function. The provision of non-audit services by the auditors is reviewed by the audit committee and is only condoned where this does not present the auditor with a conflict of interest. No non-audit services were provided during the year. Fees paid to the auditors for non-audit services are separately disclosed in note 2 to the annual financial statements. The audit committee has satisfied its responsibilities for the year in compliance with its terms of reference.

### Remuneration committee

The remuneration committee is responsible for establishing a formal and transparent procedure for developing a policy on executive directors' remuneration and performance appraisals and establishing remuneration packages for individual directors. External market surveys and other relevant information sources are considered in determining levels of remuneration that appropriately reward directors and staff for their contributions to the group's performance. Non-executive directors' remuneration is determined by the executive directors, with reference to independent benchmarks. During the year the non-executive chairman became a member of this committee and the committee's terms of reference were amended to give the committee chairman (an independent director) a casting vote.

### Risk management committee

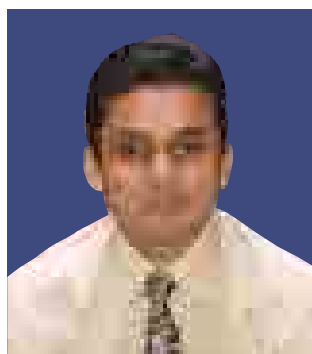
The risk management committee is accountable for the process of risk management and internal control systems and reviewing the effectiveness thereof. It is also responsible for establishing risk and control policies and communicating these throughout the group. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the company, which has been in place for the year under review and up to the date of approval of this annual report. There are adequate systems of internal control in place to mitigate the significant risks faced by the group to an acceptable level. The internal control systems are designed to manage, rather than eliminate risk and provide reasonable, not absolute assurance. There is a documented and tested business continuity process in place to allow business critical processes to be resumed in a reasonable amount of time should a disaster occur. During the year the non-executive chairman became a member of this committee and the committee's terms of reference were amended to give the committee chairman (an independent director) a casting vote.

### Black economic empowerment and employment equity committees

The BEE committee comprises two executive directors and the chairman who are focusing on all aspects of transformation. This committee drives equity transformation, board and management transformation, black enterprise investment spending, social investment spending and procurement. A separate committee addresses employment equity specifically. Membership of the employment equity committee is set out on page 14.

### Employee team

The employee team (ET) is a committee representative of the company's employees. Employee participation through improved communication with employee representatives, particularly in matters of common concern and mutual interest, is addressed in an active policy that also encourages self-development, the promotion of equal opportunity, the elimination of discrimination and the sustainability of the group. ET's vision and mission is to promote, facilitate and uphold InfoWave's culture and values to maintain a positive working environment for all InfoWavers.



Vishal Ulassi, employee team chairman and member of the employment equity committee

#### Employee team

From left: Colin Casalis, Monde Quvane, Michelle Lambert and Sajit Kalidas



## Relations with stakeholders

The board has a constructive dialogue with investors at all times observing statutory, regulatory and other directives regarding the dissemination of information. The board acknowledges its responsibility to communicate a balanced and understandable assessment of the group's position to its stakeholders covering both financial and non-financial information and addressing material matters of significant interest and concern.

## Code of ethics

The group requires adherence to a high standard of conduct which includes:

- being non-sectional and non-political in business dealings
- protecting the group's reputation with regard to integrity and credibility
- consistently honouring obligations
- actively promoting the development of employees
- showing respect for each individual with whom we deal
- maintaining the quality of products, services and ensuring customer satisfaction

The directors believe that the code of ethics has been maintained throughout the year under review.

## Health

The group contributes to medical aid cover in respect of its permanent employees. It has been noted that a high incidence of stress is experienced in the ICT industry. The group provides insured risk benefits which include dread disease cover in respect of all permanent employees over and above the income continuation cover already in place in respect of disabilities. The group continues to espouse one of its most important values being that of promoting a healthy balance between home and work activities. To date the HIV/ AIDS pandemic has had no direct impact on the group. The board is aware that InfoWave cannot be immune to effects thereof, and is committed to assisting employees in this regard.

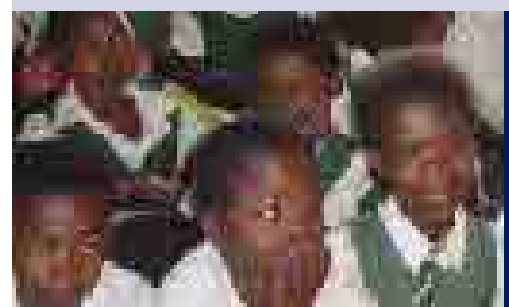
## Environmental and social activities

As a service organisation, the group's business does not have any significant negative impact on the immediate environment. We operate a paper recycling programme.

The group and its employees assist with the funding of the Ebuta Junior Secondary School, situated in the Umzimkulu district. This project was initiated in 1998 by a former employee. The Ebuta Junior Secondary School, established many years ago, has approximately 500 scholars, from Grade one to Grade nine and 12 educators. With InfoWave's assistance a block of four classrooms have been built.



Ebuta Junior Secondary School

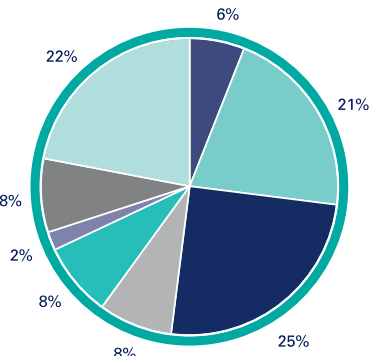




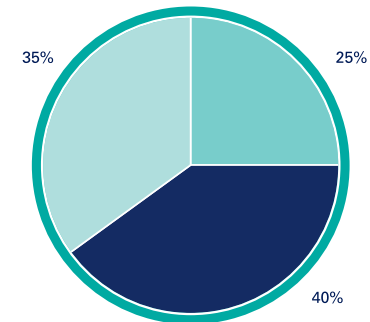
Employment equity committee

Back row from left: Sandy Hall and Monde Quvane  
Front row from left: Bev Carrilho, Cindy von Pannier, Tiffany Dunsdon  
(missing from picture – Vishal Ulassi – refer page 12)

Employment equity status



At 28 February 2005  
Number of employees: 63



At 25 June 1996  
Number of employees: 22

- |              |                 |
|--------------|-----------------|
| White Male   | Coloured Male   |
| White Female | Coloured Female |
| Black Male   | Indian Male     |
| Black Female | Indian Female   |

EMPLOYMENT EQUITY

Employment equity committee

The group has formed an employment equity committee to drive the employee empowerment process, ensure transformation at all levels and review progress. The committee meets on a quarterly basis and reports to the board. The employment equity committee comprises

Chairman	Cindy von Pannier
Director responsible for human resources	Tiffany Dunsdon
Executive director	Beveane Carrilho
Recruitment manager	Sandy Hall
Chairperson of employee representative body	Vishal Ulassi
Elected employee representative	Monde Quvane

Employment equity plan

In November 2000, InfoWave formulated an Employment Equity Plan that defined the objectives for the ensuing five years. InfoWave has complied with the Department of Labour regulations and has submitted all the required returns. InfoWave has made significant progress since its inception, with a noticeable increase in the number of black employees (as per pie chart opposite).

During the 2005 financial year InfoWave revised its EE goals for internal purposes. Although we will continue to report on our original plan as per our EE goal, our new internal goals were implemented with a view to a more accelerated EE progress.

Employment equity policy

Recruitment

Black candidates will be given first preference for all employment vacancies within InfoWave and our recruitment policy is to employ black candidates in so far as this is possible.

Advancement

Black employees are considered for promotion and once identified, they are given accelerated training in order to acquire the skills for the next promotional level. Our policies support access to further education at no cost to employees.

Communication

The group encourages effective employer/employee communication with the objective of the early identification and resolution of potential areas of conflict. The legislative requirements for expanded worker participation have been accommodated within the existing structures.

Skills development

InfoWave is committed to providing optimum opportunities for all employees to develop their skills and ensure that they have up-to-date knowledge. This financial year has seen the continuation of the weekly training session for all InfoWavers, which covers many different disciplines from both a technical and business perspective. This is in addition to existing mentorship programmes and the specific skills training, which enables employees to stay up to date with the latest software and hardware technology developments. InfoWave actively encourages and sponsors employees to obtain Oracle certification and tertiary qualifications where appropriate. InfoWave has adhered to the ISETT SETA requirements and is up to date with the submission of annual returns for its Workplace Skills Plan and Annual Training Report.

## REPORT OF THE INDEPENDENT AUDITORS

to the members of InfoWave Holdings Limited

We have audited the annual financial statements and group annual financial statements of InfoWave Holdings Limited set out on pages 17 to 34 for the year ended 28 February 2005. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

### Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

### Audit opinion

In our opinion, these annual financial statements fairly present, in all material respects, the financial position of the company and the group at 28 February 2005 and the results of their operations and cash flow information for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.



### Deloitte & Touche

Registered accountants and auditors  
Chartered Accountants (SA)

Durban  
22 April 2005

## COMPANY SECRETARY'S CERTIFICATE

I, Nadine Catherine Swinford-Meyer, being the company secretary of InfoWave Holdings Limited and its subsidiaries, certify that, to the best of my knowledge and belief, all returns required of a public listed company have, in respect of the year under review, been lodged with the Registrar of Companies and that all such returns are true, correct and up-to-date.



Nadine Swinford-Meyer

**N C Swinford-Meyer**

Company secretary

Durban

22 April 2005

## SHAREHOLDERS' DIARY

Annual general meeting	31 May 2005
------------------------	-------------

Ordinary dividend number 3

Last date to trade "cum" dividend	3 June 2005
-----------------------------------	-------------

Shares commence trading "ex" dividend	6 June 2005
---------------------------------------	-------------

Record date	10 June 2005
-------------	--------------

Payment date	13 June 2005
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### Report

Interim report to 31 August 2005 to be published	6 October 2005
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2006 annual report to be published	4 May 2006
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Financial year-end	28 February 2006
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### Note

The above are anticipated dates published as a guide for the benefit of shareholders.

The company cannot accept any responsibility should it become necessary to alter the dates mentioned above.



## DIRECTORS' REPORT

### Responsibility for annual financial statements

The directors are responsible for the preparation, integrity and objectivity of annual financial statements and other information contained in this annual report. The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and have been reported on by the company's auditors whose duty this is.

In discharging this responsibility, the group maintains suitable internal control systems and adequate accounting records to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with group policies. Appropriate accounting policies supported by reasonable and prudent judgements have been applied consistently with those of the prior year.

To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operating of the systems of internal control has occurred during the year under review, and the directors believe that the business will be a going concern for the year ahead.

### Financial results

The financial results of the company and the group are disclosed in these financial statements.



#### Directors

Back row from left:

Bruno Lionnet, Paris Asposporis

Bernard Ravnö, Carol Jessop

and Pat Naicker

Front row from left:

Bev Carrilho, Tiffany Dunsdon

Ralph Collis and Cindy von Pannier

## DIRECTORS' REPORT (continued)

### Dividends

#### Ordinary dividend number 2

The company declared a dividend of 3 cents per share which was paid to shareholders on 14 June 2004.

#### Ordinary dividend number 3

The board has set a policy of considering a dividend once annually after the year-end. The board has decided to maintain the dividend at the same level as that of the prior year as the group will have sufficient working capital to meet its requirements after the dividend payment. Notice is hereby given that a cash dividend of 3 cents per share ("the dividend") has been declared, payable to shareholders recorded in the books of the company at close of business on Friday, 10 June 2005.

Shareholders are advised that the last day to trade "cum" the dividend will be Friday, 3 June 2005. Shares will trade "ex" dividend as from Monday, 6 June 2005, and the record date will be Friday, 10 June 2005. Payment will be made on Monday, 13 June 2005. Share certificates may not be dematerialised or rematerialised during the period Monday, 6 June 2005 to Friday, 10 June 2005, both days inclusive. This dividend, having been declared after the year end, has not been provided for in the financial statements.

### Share capital

2 215 883 shares were issued in respect of share options exercised by current employees in the year under review. In addition, an allotment of shares was made for 131 623 shares issued in terms of a contract for services rendered.

Pursuant to a special resolution passed at the annual general meeting held on 28 May 2004, in terms of which general authority was granted for the company to repurchase a maximum of 20% of its own shares, 8 899 096 shares were purchased by the company, at a total cost of R2,9 million. These shares were subsequently cancelled.

The number of issued shares consequently decreased, as a net result of the above transactions, from 90 605 345 to 84 053 755 shares.

### Investment in subsidiaries and associates

Details of the subsidiaries and associates appear in notes 8 and 9 to the financial statements respectively.

### Share incentive trust

The InfoWave Holdings Limited Share Incentive Trust gives employees an opportunity to participate in the growth of the group. An analysis of this scheme follows on pages 33 and 34.

### Directorate

The names of the directors are set out on pages 36 and 37.

The following changes to the board of directors took place during the period:

- Retiring directors – Mrs T Dunsdon and Mr M C B Lionnet were re-appointed to the board effective 28 May 2004;
- Mr P Asposporis and Dr A B Ravnö were re-appointed to the board as independent non-executive directors, effective 28 May 2004;
- Effective 1 June 2004, Mr R P Collis became non-executive chairman;
- Mrs C L Jessop and Mrs B R Carrilho were appointed as executive director and financial director respectively, effective 1 March 2005.

### Company secretary

The name of the secretary appears on page 37.

### Directors' and officers' share dealings

Directors and officers are not permitted to deal, directly or indirectly, in the shares of the company between the period-end and the announcement of the interim or final results and during other sensitive periods. They are required to obtain the prior approval of the chairman to deal in the company's shares. Immediately after any transaction they are to notify the secretary in writing, giving full details thereof. These notifications are released on the Securities Exchange News Service (SENS), and tabled at the next board meeting.

## Special resolutions passed by the company

The following special resolution was passed by the company:

- 28 May 2004, the members granted the directors authority to repurchase a maximum of 20% of the company's shares, valid until the next annual general meeting.

## Special resolutions passed by the company's subsidiaries

- Special resolution passed by InfoWave (Proprietary) Limited  
28 May 2004, the members granted the directors authority to repurchase the company's shares and the shares of the holding company, valid until the next annual general meeting. No shares were purchased during the year under review.
- Special resolution passed by InfoWave Internet Solutions (Proprietary) Limited  
28 May 2004, the members granted the directors authority to repurchase the company's shares and the shares of the holding company, valid until the next annual general meeting. No shares were purchased during the year under review.

## Approval of the annual financial statements

The annual financial statements, which appear on pages 17 to 34 were approved by the board of directors on 22 April 2005 and are signed on its behalf by:



**R P Collis**

Non-executive chairman



**T Dunsdon**

Chief executive officer

## ATTENDANCE REGISTER

The board normally meets five times per annum. Attendance at meetings of the board and key committees during the year ended 28 February 2005 is set out below:

Director	Board		Audit committee		Remuneration		Risk management	
	A	B	A	B	A	B	A	B
R P Collis	5	5						
T Dunsdon	5	5					1	1
M C B Lionnet	5	5						
C L von Pannier	5	5						
P Naicker	5	4						
P Aposporis	5	2 + 3 *	2	2 *	1	1	1	1
A B Ravno	5	5	2	2	1	1	1	1

A Indicates the number of meetings which the director could have attended

B Indicates the number of meetings which the director actually attended

\* Conference telephone

## INCOME STATEMENTS

for the year ended 28 February 2005

	Note	<b>GROUP</b> <b>2005</b> <b>R</b>	GROUP 2004 R	<b>COMPANY</b> <b>2005</b> <b>R</b>	COMPANY 2004 R
Revenue		<b>31 852 965</b>	30 353 101	<b>702 629</b>	427 774
Cost of sales		<b>(15 469 372)</b>	(15 758 491)	–	–
Gross profit		<b>16 383 593</b>	14 594 610	<b>702 629</b>	427 774
Administrative, selling and other costs		<b>(8 821 263)</b>	(7 751 454)	<b>(702 629)</b>	(397 029)
Dividend from subsidiary		–	–	<b>3 000 000</b>	3 100 000
Profit from operations	2	<b>7 562 330</b>	6 843 156	<b>3 000 000</b>	3 130 745
Interest income		<b>347 888</b>	806 567	<b>7 487</b>	1 403
Revaluation of listed preference shares		<b>392 070</b>	–	<b>392 070</b>	–
Finance costs		<b>(2 139)</b>	(27 110)	–	(461)
Profit before taxation		<b>8 300 149</b>	7 622 613	<b>3 399 557</b>	3 131 687
Taxation	4	<b>(3 165 680)</b>	(2 683 092)	<b>(767 122)</b>	(339 216)
Profit for the year after taxation		<b>5 134 469</b>	4 939 521	<b>2 632 435</b>	2 792 471
Loss from associate		<b>(7 625)</b>	–		
Profit for the year		<b>5 126 844</b>	4 939 521	<b>2 632 435</b>	2 792 471
<b>Earnings per share</b> (cents)	5	<b>5,81</b>	5,50		
<b>Headline earnings per share</b> (cents)	5	<b>5,81</b>	5,50		
<b>Fully diluted earnings per share</b> (cents)	5	<b>5,71</b>	5,34		
<b>Dividends per share</b> (cents)		<b>3,00</b>	3,00		

## BALANCE SHEETS

as at 28 February 2005

	Note	<b>GROUP 2005 R</b>	GROUP 2004 R	<b>COMPANY 2005 R</b>	COMPANY 2004 R
<b>ASSETS</b>					
<b>Non-current assets</b>		<b>1 203 337</b>	1 257 737	<b>6 238 551</b>	10 588 554
Property and equipment	6	<b>578 077</b>	712 515	—	—
Intangible assets	7	<b>24 340</b>	225 274	—	—
Interest in subsidiaries and share trust	8	—	—	<b>6 230 926</b>	10 588 554
Investment in associated company	9	<b>305 000</b>	—	<b>7 625</b>	—
Deferred taxation asset	10	<b>295 920</b>	319 948	—	—
<b>Current assets</b>		<b>12 700 276</b>	11 776 072	<b>4 297 186</b>	30 342
Accounts receivable		<b>6 669 475</b>	3 951 173	<b>25 998</b>	19 075
Taxation paid in advance		—	—	—	90
Listed preference shares		<b>4 258 670</b>	—	<b>4 258 670</b>	—
Cash resources		<b>1 772 131</b>	7 824 899	<b>12 517</b>	11 177
<b>Total assets</b>		<b>13 903 613</b>	13 033 809	<b>10 535 737</b>	10 618 896
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>		<b>10 253 622</b>	10 568 065	<b>10 260 966</b>	10 568 065
Issued capital	11	<b>8 405</b>	9 061	<b>8 405</b>	9 061
Share premium	12	<b>105 190</b>	338 194	<b>105 190</b>	338 194
Accumulated profit		<b>10 140 027</b>	10 220 810	<b>10 147 371</b>	10 220 810
<b>Non-current liabilities</b>					
Deferred taxation liability	13	<b>113 700</b>	—	<b>113 700</b>	—
<b>Current liabilities</b>		<b>3 536 291</b>	2 465 744	<b>161 071</b>	50 831
Accounts payable		<b>3 268 973</b>	2 204 591	<b>160 559</b>	50 831
Taxation payable		<b>267 318</b>	199 851	<b>512</b>	—
Current portion of long-term borrowings		—	61 302	—	—
<b>Total equity and liabilities</b>		<b>13 903 613</b>	13 033 809	<b>10 535 737</b>	10 618 896

## STATEMENTS OF CHANGES IN EQUITY

for the year ended 28 February 2005

	GROUP			
	Share capital R	Share premium R	Accumulated profit R	Total R
Balance at 28 February 2003	8 910	283 063	7 956 250	8 248 223
Profit for the year	–	–	4 939 521	4 939 521
Shares issued during the year	151	55 131	–	55 282
Dividend paid	–	–	(2 674 961)	(2 674 961)
Balance at 29 February 2004	9 061	338 194	10 220 810	10 568 065
Profit for the year	–	–	5 126 844	5 126 844
Shares issued during the year	234	239 243	–	239 477
Shares repurchased during the year	(890)	(472 247)	(2 463 564)	(2 936 701)
Dividend paid	–	–	(2 744 063)	(2 744 063)
<b>Balance at 28 February 2005</b>	<b>8 405</b>	<b>105 190</b>	<b>10 140 027</b>	<b>10 253 622</b>

	COMPANY			
	Share capital R	Share premium R	Accumulated profit R	Total R
Balance at 28 February 2003	8 910	283 063	7 956 250	8 248 223
Subsidiary companies – share of after tax profit retained	–	–	2 147 050	2 147 050
Profit for the year	–	–	2 792 471	2 792 471
Shares issued during the year	151	55 131	–	55 282
Dividend paid	–	–	(2 674 961)	(2 674 961)
Balance at 29 February 2004	9 061	338 194	10 220 810	10 568 065
Subsidiary companies – share of after tax profit retained	–	–	2 501 753	2 501 753
Profit for the year	–	–	2 632 435	2 632 435
Shares issued during the year	234	239 243	–	239 477
Shares repurchased during the year	(890)	(472 247)	(2 463 564)	(2 936 701)
Dividend paid	–	–	(2 744 063)	(2 744 063)
<b>Balance at 28 February 2005</b>	<b>8 405</b>	<b>105 190</b>	<b>10 147 371</b>	<b>10 260 966</b>

## CASH FLOW STATEMENTS

for the year ended 28 February 2005

	<b>GROUP</b> <b>2005</b> <b>R</b>	GROUP 2004 R	<b>COMPANY</b> <b>2005</b> <b>R</b>	COMPANY 2004 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit from operations (before interest and dividends)	<b>7 562 330</b>	6 843 156	—	30 745
Adjustment for:				
Depreciation and amortisation	<b>699 263</b>	654 993	—	—
Cash generated from operations, before working capital changes	<b>8 261 593</b>	7 498 149	—	30 745
Working capital changes				
Increase in receivables	<b>(2 718 302)</b>	(556 586)	<b>(6 923)</b>	(19 075)
Increase/(decrease) in payables	<b>1 064 382</b>	(1 687 446)	<b>109 728</b>	(458 131)
Cash generated from/(utilised by) operations	<b>6 607 673</b>	5 254 117	<b>102 805</b>	(446 461)
Taxation paid	<b>(2 960 485)</b>	(3 090 017)	<b>(652 820)</b>	(339 856)
Interest income	<b>347 888</b>	806 567	<b>7 487</b>	1 403
Finance costs	<b>(2 139)</b>	(27 110)	—	(461)
Dividend received from subsidiary	—	—	<b>3 000 000</b>	3 100 000
Dividend paid to shareholders	<b>(2 744 063)</b>	(2 674 961)	<b>(2 744 063)</b>	(2 674 961)
Net cash inflow/(outflow) from operating activities	<b>1 248 874</b>	268 596	<b>(286 592)</b>	(360 336)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of equipment	<b>(356 827)</b>	(342 124)	—	—
Investment in intangible assets	<b>(7 064)</b>	(432 277)	—	—
Purchase of listed preference shares	<b>(3 866 600)</b>	—	<b>(3 866 600)</b>	—
Investment in associated company	<b>(312 625)</b>	—	<b>(7 625)</b>	—
Decrease in interest in subsidiaries	—	—	<b>6 859 381</b>	279 920
Net cash (outflow)/inflow from investing activities	<b>(4 543 116)</b>	(774 401)	<b>2 985 156</b>	279 920
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repurchase of company's shares	<b>(2 936 701)</b>	—	<b>(2 936 701)</b>	—
Proceeds of share issues	<b>239 477</b>	55 282	<b>239 477</b>	55 282
Long-term loan repaid	<b>(61 302)</b>	(224 192)	—	—
Net cash (outflow)/inflow from financing activities	<b>(2 758 526)</b>	(168 910)	<b>(2 697 224)</b>	55 282
<b>Net (decrease)/increase in cash resources</b>	<b>(6 052 768)</b>	(674 715)	<b>1 340</b>	(25 134)
<b>Cash resources at beginning of year</b>	<b>7 824 899</b>	8 499 614	<b>11 177</b>	36 311
<b>Cash resources at end of year</b>	<b>1 772 131</b>	7 824 899	<b>12 517</b>	11 177

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2005

## 1. Accounting policies

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. They incorporate the following principal accounting policies and have been consistently applied in all material respects.

### 1.1 Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company, its subsidiaries, its associate and the InfoWave Holdings Limited Share Incentive Trust. The operating results of the subsidiaries are included from the effective date of acquisition. All significant intra-group transactions and balances are eliminated.

Differences between the cost of investments in the subsidiaries and the fair value of their attributable net assets at date of acquisition are treated as goodwill, which is written off over a period appropriate to each transaction.

In the company, subsidiaries are accounted for on the equity method from the date of acquisition.

### 1.2 Investments in associates

Investments in associates are recorded at cost and if impaired, the carrying value of the company's share of the underlying assets of the associate is written down to its estimated recoverable amount.

The operating results of the associate are included in the group's results according to the equity method from the effective date of acquisition.

### 1.3 Property and equipment and depreciation

Property and equipment is originally recorded at cost. Assets costing less than R2 000 are written off on purchase.

Depreciation is provided on the straight-line basis at rates considered appropriate to reduce book values over their expected useful lives to estimated residual values.

Category	Rates of depreciation per annum %
Computer hardware	33,3
Computer software	50,0
Telephone equipment	16,7
Office equipment	16,7
Furniture and fittings	16,7
Leasehold improvements	period of lease

### 1.4 Intangibles and amortisation

#### Inhouse developed software

Development costs pertaining to inhouse developed software are generally expensed in the period in which they are incurred. Development costs that relate to an identifiable product or process that is demonstrated to be technically and commercially feasible which the group has sufficient resources to bring to market and which is expected to result in future economic benefits, are recognised as assets. The expenditure capitalised includes the cost of material, direct labour and an appropriate portion of overheads. Capitalised development expenditure is shown at cost less accumulated amortisation and impairment losses. The amount of capitalised development cost recognised as an asset is amortised over the estimated useful life of the asset (but for no greater a period than five years).

Category	Rates of amortisation per annum %
Inhouse developed software	100,0



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2005

## 1. Accounting policies (continued)

### 1.5 Intangibles and amortisation (continued)

#### Trademarks

The group ensures that all its proprietary software is protected by national trademarks which are valid for 10 years from date of registration, the cost of which is amortised over that period.

Category	Rates of amortisation per annum %
Trademarks	10,0

### 1.6 Deferred taxation

Deferred taxation is provided on the comprehensive basis using the liability method. Where the effect of temporary differences, including those arising from tax losses, gives rise to a deferred tax asset, the asset is recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

### 1.7 Revenue

Revenue comprises the invoiced value of information services provided and technology and product sales, excluding value added taxation. The various stages of invoicing are usually formalised in a service contract or brief, prior to commencement of any work. In terms of fixed price contracts, clients are invoiced a fixed amount monthly and revenue recognised accordingly. In terms of variable contracts, clients are invoiced according to the state of completion and revenue is recognised accordingly.

Where revenue is received in respect of product development on fixed price contracts and the work has not been performed, the revenue attributable thereto is not recognised.

### 1.8 Pension and employee benefit contributions

The group provides for pensions for all permanent employees (excluding contract staff) by means of an independent defined contribution pension fund governed by the Pensions Funds Act, 1956. All contributions to the defined contribution pension fund and employee benefits are charged against income in the year to which they relate.

### 1.9 Operating rentals

Rentals payable under operating leases are charged to income when due.

### 1.10 Research expenditure

Research costs incurred with the prospect of gaining new scientific or technical knowledge and understanding are charged as an expense in the income statement in the period in which they are incurred.

### 1.11 Financial instruments

#### Recognition

A financial asset or financial liability is recognised on the balance sheet for as long as the group is a party to the contractual provisions of the instrument. Gains or losses on derecognition of financial assets or liabilities are recognised in earnings.

#### Measurement

Financial instruments are initially measured at cost, including directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as follows:

- Trade and other receivables originated by the group are held at amortised cost, using the effective interest rate method, after deducting accumulated impairment losses.
- Held-for-trading investments are held at fair value.
- Financial liabilities are measured at amortised cost.

#### Gains or losses on subsequent measurement

Gains or losses on subsequent measurement of financial instruments that are held-for-trading are recognised in earnings for the year.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2005

	<b>GROUP</b> <b>2005</b> <b>R</b>	GROUP 2004 R	<b>COMPANY</b> <b>2005</b> <b>R</b>	COMPANY 2004 R
<b>2. Profit from operations</b>				
Profit from operations is arrived at after taking into account:				
Auditors' remuneration				
– audit fees – current	<b>120 000</b>	117 000	<b>14 000</b>	13 000
– prior year under/(over) provision	<b>20 800</b>	(120)	–	–
– other services	–	11 300	–	–
Depreciation				
– computer hardware	<b>262 184</b>	223 071	–	–
– computer software	<b>116 443</b>	74 240	–	–
– telephone equipment	<b>27 715</b>	51 636	–	–
– office equipment	<b>6 331</b>	847	–	–
– furniture and fittings	<b>73 492</b>	76 185	–	–
– leasehold improvements	<b>5 100</b>	22 011	–	–
Amortisation of intangible assets				
– inhouse developed software	<b>206 766</b>	206 769	–	–
– trademarks	<b>1 232</b>	234	–	–
Employee costs	<b>16 133 812</b>	15 890 786	–	–
Operating lease charges				
– equipment	<b>19 609</b>	114 649	–	68 885
– property	<b>753 036</b>	701 117	–	–
Pension fund contributions	<b>1 003 234</b>	969 025	–	–
Write-off of assets under R2 000	<b>20 144</b>	4 683	–	–
Total staff complement at year-end	<b>63</b>	67		

### 3. Directors' emoluments

The directors' remuneration for the year ended 28 February 2005 was as follows:

Name	Contributions				Other benefits		Total emoluments 2005	Total emoluments 2004
	Salary	Retirement	Medical aid	Bonus	Share options current	deferred		
R P Collis*	72 296	10 381	3 021	–	3 544	–	<b>89 242</b>	555 178
T Dunsdon	396 153	33 507	12 084	27 300	–	6 999	<b>476 044</b>	701 564
M C B Lionnet	409 527	34 368	12 084	21 100	–	4 691	<b>481 770</b>	588 091
P Naicker	315 528	26 838	12 084	13 600	–	3 491	<b>371 541</b>	342 528
C L von Pannier	402 359	33 771	12 084	17 200	24 420	–	<b>489 834</b>	463 089
			<b>Directors' fees</b>	Directors' fees	<b>Fees for other services</b>	Fees for other services	<b>Total emoluments</b>	Total emoluments
			<b>2005</b>	2004	<b>2005</b>	2004	<b>2005</b>	2004
Non-executive directors:								
R P Collis*			<b>45 000</b>	–	<b>52 500</b>	–	<b>97 500</b>	–
P Aposporis			<b>30 000</b>	30 000			<b>30 000</b>	30 000
A B Ravno			<b>30 000</b>	30 000			<b>30 000</b>	30 000

\* R P Collis became non-executive chairman on 1 June 2004. He was executive chairman prior to that date.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2005

	<b>GROUP</b> <b>2005</b> <b>R</b>	GROUP 2004 R	<b>COMPANY</b> <b>2005</b> <b>R</b>	COMPANY 2004 R
<b>4. Taxation</b>				
<b>South African normal taxation</b>				
Current year	<b>2 363 518</b>	2 165 962	<b>2 246</b>	1 731
Prior year	<b>13 258</b>	32 741	–	2 893
Deferred taxation current year	<b>137 728</b>	149 787	<b>113 700</b>	–
Secondary tax on companies	<b>651 176 *</b>	334 592	<b>651 176</b>	334 592
Total taxation	<b>3 165 680</b>	2 683 082	<b>767 122</b>	339 216
<b>Tax rate reconciliation</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Statutory rate	<b>30,0</b>	30,0	<b>30,0</b>	30,0
Adjustment from prior years	<b>0,2</b>	0,4	–	0,1
Exempt income	–	–	<b>(26,6)</b>	(29,7)
Non-deductible expenses	<b>0,1</b>	0,2	–	–
Utilisation of assessed losses where no deferred taxation asset raised	–	(0,1)	–	(0,3)
Change in deferred taxation rate	<b>0,1</b>	–	–	–
Taxation rate differential – Share Incentive Trust	–	0,3	–	–
Secondary tax on companies	<b>7,8</b>	4,4	<b>19,2</b>	10,7
Effective rate	<b>38,2</b>	35,2	<b>22,6</b>	10,8
* Secondary tax on companies includes R307 945 in respect of the deemed dividend component being that portion of the share repurchase which utilised distributable reserves.				
<b>5. Earnings per share</b>				
The calculation of earnings per share is based on the profit of R5 126 844 (2004: R4 939 521) and the weighted average number of ordinary shares in issue during the year of 88 250 734 (2004: 89 798 050).				
The calculation of fully diluted earnings per share is based on the profit of R5 126 844 (2004: R4 939 521) and the weighted average number of 89 723 972 (2004: 92 551 651) shares. The dilution is a result of 2 580 753 (2004: 5 287 146) options granted by the Share Incentive Trust at an average price of 15 (2004: 12) cents per share.				
Reconciliation between earnings and headline earnings:				
Profit for the year			<b>5 126 844</b>	4 939 521
Headline earnings			<b>5 126 844</b>	4 939 521

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2005

### 6. Property and equipment

Group	2005			2004		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Computer hardware	1 792 927	1 397 408	395 519	2 078 461	1 688 255	390 206
Computer software	449 414	369 740	79 674	425 884	253 297	172 587
Telephone equipment	309 756	304 949	4 807	309 756	277 234	32 522
Office equipment	70 879	7 742	63 137	5 079	1 411	3 668
Furniture and fittings	492 564	458 902	33 662	492 564	385 410	107 154
Leasehold improvements	96 663	95 385	1 278	96 663	90 285	6 378
Total	3 212 203	2 634 126	578 077	3 408 407	2 695 892	712 515

	Net book value at beginning of year	Additions	Disposals	Depreciation	Net book value at end of year
Computer hardware	390 206	267 497	—	(262 184)	395 519
Computer software	172 587	23 530	—	(116 443)	79 674
Telephone equipment	32 522	—	—	(27 715)	4 807
Office equipment	3 668	65 800	—	(6 331)	63 137
Furniture and fittings	107 154	—	—	(73 492)	33 662
Leasehold improvements	6 378	—	—	(5 100)	1 278
	712 515	356 827	—	(491 265)	578 077

### 7. Intangible assets

Group	2005			2004		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Inhouse developed software	413 537	413 535	2	413 537	206 769	206 768
Trademarks	25 804	1 466	24 338	18 740	234	18 506
Total	439 341	415 001	24 340	432 277	207 003	225 274

	Net book value at beginning of year	Additions	Disposals	Depreciation	Net book value at end of year
Inhouse developed software	206 768	—	—	(206 766)	2
Trademarks	18 506	7 064	—	(1 232)	24 338
Totals	225 274	7 064	—	(207 998)	24 340

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2005

### 8. Interest in subsidiaries and share trust

Details of the company's subsidiaries and Share Trust at 28 February 2005 are as follows:

Name of subsidiary	Country of incorporation/ registration	Ownership interest %	Voting power %	Principal activity
InfoWave (Pty) Limited	RSA	100	100	Application solutions
InfoWave Internet Solutions (Pty) Limited	RSA	100	100	Internet solutions
InfoWave Holdings Limited Share Incentive Trust	RSA	*	*	Employee share participation

\* 100% consolidation

	COMPANY 2005 R	COMPANY 2004 R
<b>InfoWave (Pty) Limited</b>		
Shares at cost less amounts written off	3 916 100	3 916 100
Indebtedness (to)/of subsidiary	(6 159 905)	700 952
Share of post acquisition reserves	8 596 704	6 358 023
	<b>6 352 899</b>	<b>10 975 075</b>
<b>InfoWave Internet Solutions (Pty) Limited</b>		
Shares at cost less amounts written off	100	100
Indebtedness to subsidiary	(295 269)	(295 269)
Share of post acquisition reserves/(deficit)	12 997	(252 536)
	<b>(282 172)</b>	<b>(547 705)</b>
<b>InfoWave Holdings Limited Share Incentive Trust</b>		
Indebtedness of Trust	36 029	36 331
Share of post acquisition reserves	124 170	124 853
	<b>160 199</b>	<b>161 184</b>
Total interest	<b>6 230 926</b>	<b>10 588 554</b>

	GROUP 2005 R	GROUP 2004 R	COMPANY 2005 R	COMPANY 2004 R
<b>9. Investment in associated company</b>				
Unlisted, at cost (25%)	7 625	—	7 625	—
Share of accumulated losses since acquisition	(7 625)	—	—	—
Indebtedness of associated company	305 000	—	—	—
Total investment	<b>305 000</b>	<b>—</b>	<b>7 625</b>	<b>—</b>
Directors' valuation of investment in associate company	<b>305 000</b>	<b>—</b>	<b>7 625</b>	<b>—</b>

The assets of the associated company amount to R370 592, most of which are current assets and the liabilities amount to R387 403, most of which is the loan from InfoWave (Pty) Limited.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2005

### 10. Deferred taxation asset

The major components of the deferred taxation asset balance are as follows:

	<b>GROUP 2005 R</b>	GROUP 2004 R	<b>COMPANY 2005 R</b>	COMPANY 2004 R
Taxation losses to be offset against future taxable income	—	13 885	—	—
Temporary difference to be offset against future income:				
Leave pay and other provisions	<b>300 882</b>	281 903	—	—
Other	<b>(4 962)</b>	24 160	—	—
	<b>295 920</b>	319 948	—	—
The movement in the deferred taxation asset balance for the year:				
Balance at beginning of year	<b>319 948</b>	469 745	—	—
Charge to the income statement	<b>(24 028)</b>	(149 797)	—	—
Balance at end of year	<b>295 920</b>	319 948	—	—

### 11. Share capital

Authorised				
200 000 000 ordinary shares of 0,01 cent each	<b>20 000</b>	20 000	<b>20 000</b>	20 000
Issued				
84 053 755 (2004: 90 605 345) ordinary shares of 0,01 cent each	<b>8 405</b>	9 061	<b>8 405</b>	9 061

On 3 June 2004, 760 000 new shares were allotted at 16,1 cents per share, 118 300 shares at 4,3 cents per share and 44 400 shares at 3,6 cents per share to participants of the InfoWave Holdings Limited Share Incentive Trust. A further allotment of 24 300 was made on 20 October 2004 at 21 cents per share; 1 221 083 at 3,6 cents per share and 47 800 at 21 cents per share on 29 October 2004 to participants of the InfoWave Holdings Limited Share Incentive Trust. Details of directors' participation in these allotments are set out on pages 33 and 34.

2 580 753 shares have been reserved in respect of share options granted in terms of the Share Option Scheme as set out on pages 33 and 34.

A further 131 623 shares were allotted on 7 February 2005 in terms of a contract for services rendered.

The remaining unissued shares are under the control of the directors subject to the provisions of sections 221 and 222 of the Companies Act and the Rules and Regulations of the JSE Securities Exchange South Africa.

At the annual general meeting held on 28 May 2004, the members granted the directors authority for the repurchase of a maximum of 20% of the company's shares, valid until the next annual general meeting. Pursuant to this special resolution passed, 8 899 096 shares were repurchased in August and October 2004 at 33 cents per share and were cancelled.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2005

	<b>GROUP 2005 R</b>	GROUP 2004 R	<b>COMPANY 2005 R</b>	COMPANY 2004 R
<b>12. Share premium</b>				
At beginning of year	<b>338 194</b>	283 063	<b>338 194</b>	283 063
On shares allotted during the year	<b>239 243</b>	55 131	<b>239 243</b>	55 131
On shares repurchased	<b>(472 247)</b>	–	<b>(472 247)</b>	–
Balance at end of year	<b>105 190</b>	338 194	<b>105 190</b>	338 194
<b>13. Deferred taxation liability</b>				
The deferred taxation liability comprises:				
Revaluation of listed preference shares	<b>113 700</b>	–	<b>113 700</b>	–
	<b>113 700</b>	–	<b>113 700</b>	–
The movement in the deferred taxation liability for the year:				
Balance at beginning of year	–	–	–	–
Charge to the income statement	<b>113 700</b>	–	<b>113 700</b>	–
Balance at end of year	<b>113 700</b>	–	<b>113 700</b>	–
<b>14. Commitments</b>				
Property operating lease commitments				
Due not later than one year	<b>804 783</b>	703 188	–	–
Due later than one year but not later than five years	<b>2 703 770</b>	3 297 601	–	–
	<b>3 508 553</b>	4 000 789	–	–
Capital commitments				
Authorised but not contracted for	<b>714 050</b>	446 000	–	–
Capital commitments will be funded from cash resources				

### 15. Borrowing limits

The directors may from time to time at their discretion raise or borrow monies for the purpose of the group as they deem fit. There are no borrowing limits in the articles of association of the company or its subsidiaries.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2005

### 16. Pension fund and risk benefit information

The group established the InfoWave Pension Fund on 1 July 1996. The Fund is a defined contribution plan in terms of the Pension Funds Act, 1956, and all of the permanent salaried employees are members. The average age of the members as at 28 February 2005 was 37 (2004: 36).

The assets of the scheme are held separately from those of the group in funds under the control of the Trustees.

### 17. Financial risk management

Financial instruments reflected on the balance sheet include cash resources, listed preference shares, accounts receivable and accounts payable.

In the normal course of operations, the group manages financial risk as follows:

#### 17.1 Interest rate risk

The group does not have interest bearing debt. The group is subject to interest rate fluctuations on short-term cash investments and listed preference shares.

#### 17.2 Currency risk

Almost all transactions are rand based with a minimal exposure to US dollars resulting in a foreign exchange loss of R5 757 for the year ended 28 February 2005, with negligible exposure at year-end. Should the volume of foreign business increase, forward cover contracts would be utilised to minimise exposure to currency fluctuations.

#### 17.3 Credit risk management

Trade debtors comprise a widespread customer base. The granting of credit is controlled by well-established criteria, which are reviewed and updated on an ongoing basis. The credit risk on cash deposits and listed preference shares is limited as it is the group's policy to invest only with the major banks which have high credit ratings.

#### 17.4 Liquidity risk

The liquidity risk is proactively managed by regularly addressing working capital requirements and monitoring cash flows. The group's cash resources are significantly in excess of working capital requirements at 28 February 2005.



## SHARE OPTION SCHEME

### 1. Shares available to the scheme

The aggregate number of shares available to the scheme in accordance with the rules of the scheme and in accordance with a variation registered in 2004 by the Master of the High Court is 17 675 988 shares.

	Shares
Number of shares available to the Trust	<b>17 675 988</b>
Number of options granted but unexercised at 28 February 2005	<b>(2 580 753)</b>
Number of options exercised at 28 February 2005	<b>(5 231 583)</b>
Balance of shares available to the Trust in the future at date of approval of the annual financial statements	<b>9 863 652</b>

### 2. Movement in share options for the year

Option price cents	Expiring 4 years from	Number of options at 29 February 2004	Options granted during the year	Options exercised during the year	Options forfeited during the year	Number of options at 28 February 2005
3,6	October 2001	1 668 645	—	1 265 483	131 861	<b>271 301</b>
4,3	May 2002	236 720	—	118 300	—	<b>118 420</b>
11	October 2002	23 967	—	—	23 967	<b>—</b>
16,1	May 2003	2 798 455	—	760 000	235 445	<b>1 803 010</b>
21,0	October 2003	403 898	—	72 100	186 768	<b>145 030</b>
16,8	May 2004	155 461	—	—	58 024	<b>97 437</b>
24,5	October 2004	—	145 555	—	—	<b>145 555</b>
		5 287 146	145 555	2 215 883	636 065	<b>2 580 753</b>

All share options are exercisable in tranches of one third per annum on the anniversary of the acceptance date but no later than four years thereafter.

### 3. Interest of directors of the company in share options

	Market price cents	Option 1	Market price cents	Option 2	Options summary
Shareholders					
Strike price cents per share		<b>3,60</b>		<b>16,10</b>	
<b>Cindy-Lou von Pannier</b> (current options)		196 864		110 493	
Date granted		September 2001		March 2003	
Exercised	25	65 600	30	36 800	
Date exercised		7 October 2002		5 May 2004	
Exercised	27	65 600			
Date exercised		16 October 2003			
Exercised	33	65 664			
Date exercised		12 October 2004			
Balance to be exercised				73 693	
Final exercise date				May 2007	
Total options					307 357
Total exercised					233 664
Total balance still to be exercised					73 693

## SHARE OPTION SCHEME (continued)

### 3. Interest of directors of the company in share options (continued)

Shareholders	Market price cents	Option 1	Market price cents	Option 2	Options summary
Strike price cents per share		<b>3,60</b>		<b>16,10</b>	
<b>Padhmaseelan Naicker</b> (deferred options)		70 809		86 041	
Date granted		September 2001		March 2003	
Exercised	10	70 809	23	86 041	
Date exercised		5 October 2001		24 March 2003	
Delivered		23 600		28 700	
Date delivered		25 October 2002		3 June 2004	
Delivered		23 600			
Date delivered		29 October 2004			
Delivered		23 609			
Date delivered		29 October 2004			
Balance to be delivered				57 341	
Final delivery date				May 2007	
Total options					156 850
Total delivered					99 509
Total balance still to be delivered					57 341
Strike price cents per share		<b>3,60</b>		<b>16,10</b>	
<b>Bruno Lionnet</b> (deferred options)		220 097		123 389	
Date granted		September 2001		March 2003	
Exercised	10	220 097	15	123 389	
Date exercised		5 October 2001		24 March 2003	
Delivered		73 400		41 100	
Date delivered		25 November 2002		3 June 2004	
Delivered		73 400			
Date delivered		17 October 2003			
Delivered		73 297			
Date delivered		29 October 2004			
Balance to be delivered				82 289	
Final delivery date				May 2007	
Total options					343 486
Total delivered					261 197
Total balance still to be delivered					82 289
Strike price cents per share		<b>3,60</b>		<b>16,10</b>	
<b>Tiffany Dunsdon</b> (deferred options)		196 487		122 155	
Date granted		September 2001		March 2003	
Exercised	10	196 497	23	122 155	
Date exercised		5 October 2001		19 March 2003	
Delivered		65 500		40 700	
Date delivered		25 October 2002		3 June 2004	
Delivered		65 500			
Date delivered		6 October 2003			
Delivered		65 487			
Date delivered		29 October 2004			
Balance to be delivered				81 455	
Final delivery date				May 2007	
Total options					318 642
Total delivered					237 187
Total balance still to be delivered					81 455

## SHARES AND SHAREHOLDERS

		2005	2004
<b>Performance on the JSE Securities Exchange South Africa*</b>			
Total number of shares traded ('000)		<b>13 411</b>	15 686
Total number of shares traded as a percentage of total issue shares (liquidity) (%)		<b>16</b>	17
Total value of shares traded (R'000)		<b>4 551</b>	4 119
Prices (cents)	Closing	<b>35</b>	25
	High	<b>43</b>	35
	Low	<b>26</b>	15
*Includes share buy-back transactions			
<b>Spread (number of shareholders)</b>			
With less than 10 000 shares		<b>96</b>	80
10 001 to 100 000 shares		<b>104</b>	129
100 001 to 200 000 shares		<b>14</b>	16
Over 200 000 shares		<b>39</b>	37
Total		<b>253</b>	262
		Number	Shares
<b>Shareholder distribution</b>			
Public		237	<b>49 843 951</b>
Non-public		16	<b>34 209 804</b>
Directors		6	<b>21 407 937</b>
Associates of directors		9	<b>783 709</b>
Shareholders with more than 10% shareholding		1	<b>12 018 158</b>

### Principal shareholders

The following are the principal shareholders whose holdings in the company total more than 5% of the total issued share capital as at 28 February 2005:

	%	Shares
iCapital Growth Fund Investment Trust/Advisors	14	<b>12 018 158</b>
The Collis Clan Trust/R P Collis	10	<b>8 227 339</b>
The von Pannier Family Trust/C L von Pannier	6	<b>4 711 613</b>

### Directors' direct and indirect beneficial interest in the company

As at 28 February 2005, the directors of the company held in aggregate direct and indirect beneficial interest of 21 407 937 (2004: 21 093 280) of the ordinary shares of the company as set out below:

	2005				2004			
	Direct	Indirect	Total	%	Direct	Indirect	Total	%
<b>Executive directors</b>								
T Dunsdon	<b>3 859 519</b>		<b>3 859 519</b>	<b>5</b>	3 357 832		3 357 832	4
M C B Lionnet	<b>1 056 414</b>		<b>1 056 414</b>	<b>1</b>	1 242 017		1 242 017	1
P Naicker	<b>3 199 752</b>		<b>3 199 752</b>	<b>4</b>	3 247 443		3 247 443	4
C L von Pannier	<b>732 603</b>	<b>3 979 010</b>	<b>4 711 613</b>	<b>6</b>	480 139	4 221 010	4 701 149	5
<b>Non-executive directors</b>								
R P Collis	<b>1 024 082</b>	<b>7 203 257</b>	<b>8 227 339</b>	<b>10</b>	988 282	7 203 257	8 191 539	9
P Aposporis	<b>353 300</b>		<b>353 300</b>	<b>0</b>	353 300		353 300	0
Total	<b>10 225 670</b>	<b>11 182 267</b>	<b>21 407 937</b>	<b>25</b>	9 669 013	11 424 267	21 093 280	23

C L Jessop's appointment as a director with effect from 1 March 2005 requires that her shareholding of 131 623 shares be declared.

There have been no other changes in the directors' shareholdings since the year-end. There were no non-beneficial interests held by the directors at the year-end.

## DIRECTORS AND OFFICERS

### Ralph Collis (49)

**Non-executive chairman; Date of appointment 1 June 2004**

Ralph has been involved in the IT industry since 1975 and has valuable experience in the implementation and support of software solutions in the retail, mining and milling industries. In 1981, he joined CG Smith Sugar Limited (now Illovo Sugar Limited). Ralph was instrumental in researching and implementing Oracle technology and in 1996, established InfoWave (Proprietary) Limited as one of the founding directors.

Ralph retired from the company at the end of May 2004 as an executive and now continues his relationship with the group as the company's non-executive chairman.



### Tiffany Dunsdon CA(SA) (34)

**CEO; Date of appointment 18 April 2002**

Tiffany served her traineeship with Deloitte and thereafter joined British Airways in the UK where she was involved with several major business re-engineering and IT outsourcing projects. On her return to South Africa, she was contracted by Computer Services Corporation on the due diligence of outsourcing the Old Mutual's IT infrastructure services. Tiffany joined InfoWave in a consulting capacity in 2000 and was appointed as financial director in April 2002 and CEO in December 2003. Tiffany took responsibility for the strategic management and business development of the group from 1 June 2004.



### Beveane Carrilho CA(SA) (39)

**Financial director; Date of appointment 1 March 2005**

Bev was appointed as the company's financial director on 1 March 2005. Bev qualified as a CA with Deloitte and became a senior manager. She then spent four years as financial director of Consumer Credit Holdings Limited, a listed entity later sold to BoE, whereafter she spent two years with ABSA Corporate and Merchant Bank.



### Carol Jessop (BSc Hons) (40)

**Executive director; Date of appointment 1 March 2005**

Carol was employed by Andersen Consulting from 1987 to 1998. She was a senior manager responsible for the development and implementation of large-scale information systems to meet new business requirements, business re-engineering and change initiatives. Carol then joined NBS where she progressed from strategy programme manager to become the general manager: client retention and administration for NBS Homeloans. Carol joined InfoWave in July 2004 in a consulting capacity in the Systems Development business unit and was appointed to the board as an executive director, effective 1 March 2005. Carol is responsible for the operations of the Sugar and Downstream business unit.



### Bruno Lionnet (46)

**Executive director; Date of appointment 30 June 2000**

Bruno joined the Portnet finance department before transferring into the IT division in the early 1980s, where he assisted with the development and implementation of a financial solution and IT strategy for all South African ports. He was responsible for the cross-functional architecture for Portnet's suite of applications. Bruno joined InfoWave as project manager in 1999 and was appointed a director of InfoWave Holdings Limited in June 2000. He is responsible for the new niche solutions business unit, in terms of the new strategy.



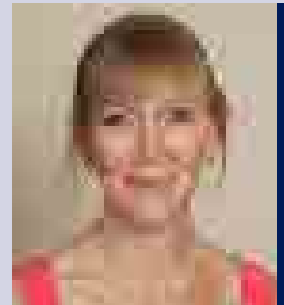
### Pat Naicker (48)

**Pat Naicker (48)****Executive director; Date of appointment 30 June 2000**

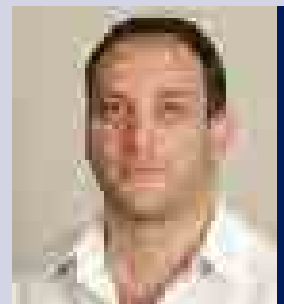
Pat has been involved in IT since 1972, progressing through the ranks from data capture clerk to computershift leader when he joined CG Smith Sugar Limited (now Illovo Sugar Limited) in 1986. He was subsequently promoted to technical team leader and given control of the local and wide area network of the group. Pat was also involved in the rightsizing of the mainframe computer system to a UNIX platform, running on an Oracle database. In 1996, he helped form InfoWave (Proprietary) Limited and was appointed a director of InfoWave Holdings Limited in June 2000 assisting with the technical offering of the group. Pat retires by rotation on 31 May 2005 and has chosen not to stand for re-election.

**Cindy von Pannier (BCom) (Information Systems) (41)****Sales and marketing director; Date of appointment 1 September 1998**

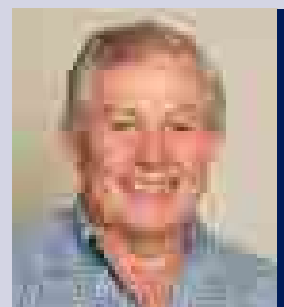
Cindy has been directly involved in the IT industry for 23 years in all fields of system development, project management, IT strategy and business management. Cindy is one of the founding directors of InfoWave (Proprietary) Limited and since its inception in 1996, has held key positions in macro resource planning, business management, key account management and business development. Cindy is responsible for the sales and marketing portfolio for the group.

**Paris Asposporis (BCom, LLB, MBA) (39)****Independent non-executive director; Date of appointment 18 June 2003**

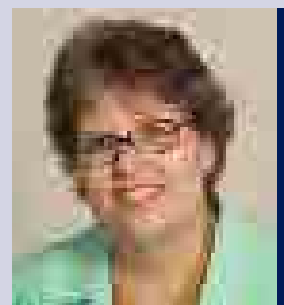
Paris was re-appointed to the board as an independent non-executive director effective 18 June 2003 and was re-elected 28 May 2004. He served as a non-executive director from 1 September 1998 to 31 December 2001 when he was required to resign due to taking up a position with the JSE Securities Exchange South Africa. He has since joined a financial institution as a corporate advisor and his knowledge of InfoWave's business, together with his expertise, is extremely valuable in guiding the board.

**Dr Albert Bernard Ravnö (PhD, AMP Harvard) (65)****Independent non-executive director; Date of appointment 26 May 2003**

Bernard has been involved in the sugar industry for over 30 years. In 2002 he retired from the position of technical director of the Illovo Sugar Group. One of his responsibilities there was to oversee the application and upgrading of the process control and automation systems at all 18 of the factory sites. From 1979 to 1986 he was the director of the Sugar Milling Research Institute, before joining CG Smith Sugar (now Illovo Sugar) as general manager of their Sezela mill and estates on the South Coast. He was appointed to the board of Illovo Sugar Limited in January 1992 and to the board of InfoWave Holdings Limited in May 2003 and re-elected on 28 May 2004.

**Nadine Swinford-Meyer (ACIS) (46)****Group financial manager and company secretary; Date of appointment 1 March 2000**

Nadine joined the group in March 2000 after relinquishing the position of company secretary for the Grincor group, which she had held since 1992. Prior to that, she had administered the management accounting, financial and treasury divisions of certain of the group's subsidiaries. Nadine had also held the positions of divisional accountant for Metal Box Central Africa Limited (Zimbabwe) and administration accountant for the Dairy Marketing Board (Zimbabwe). She is an associate member of the Institute of Chartered Secretaries and Administrators and is the group's source of guidance on corporate governance matters.



## ISSUE OF RETENTION SHARES

### Introduction

The Board of Directors of the company has decided to award Mrs C L Jessop and Mrs B R Carrilho 300 000 shares each ("retention shares") by way of a specific issue of shares for cash as defined by the JSE Securities Exchange South Africa ("JSE") at an issue price of 33 cents per share being the weighted average trading price of InfoWave securities for the thirty business days ending 21 April 2005 ("the specific issue"). The specific issue has been categorised as a related party transaction by the JSE as both Mrs C L Jessop and Mrs B R Carrilho are directors of the company.

### Rationale

As part of the company's retention and reward strategy since listing, and separate from the share option scheme, the board from time to time reviews the interest of key employees in the company and seeks to place shares in the hands of new key people in recognition of those who have proven their strategic value to the business in order to retain their skills. The shares granted through this programme are subject to forfeiture in whole or in part should the employee leave InfoWave before the specified restraint period expires. These shares will be forfeited at zero benefit to the employee and will be cancelled immediately by the company. During the year, the disinterested members of the board identified the above named to whom they wished such shares to be awarded. Where recipients are directors, the board seeks shareholder approval for the award in terms of the JSE Listings Requirements. The shares to be issued in terms of the specific issue will be a fresh issue.

### Condition precedent

The only outstanding condition precedent is the approval by not less than 75% of the votes cast by those shareholders present or represented by proxy at the annual general meeting for the specific issue as per ordinary resolution number 12 of the attached notice of annual general meeting as set out on page 45.

### Salient dates and times of the specific issue

- Notice of annual general meeting posted to InfoWave shareholders on Friday, 6 May 2005
- Forms of proxy for the annual general meeting to be lodged by no later than 15h30 on Friday, 27 May 2005
- Annual general meeting to be held at 15h30 on Tuesday, 31 May 2005
- Results of annual general meeting to be announced on SENS on Tuesday, 31 May 2005
- Results of annual general meeting to be published in the press on Wednesday, 1 June 2005

The above dates and times are subject to amendment. Any such amendment will be published on SENS and in the press.

### Issue, allotment and listing of the shares on the JSE

InfoWave will issue and allot the retention shares on 1 June 2005 ("the issue date"). The share price history of InfoWave appears on page 41. Application has been made to the JSE for the listing of the retention shares, subject to the fulfilment of the condition precedent in the paragraph above, with effect from the commencement of business on the issue date.

### InfoWave's shares issued in the preceding three years

The following issues of shares have taken place since 1 January 2002

Date of issue	Price of issue	Reason for issue	Number of shares
31/10/2002	10,5 cents	Exercised share options	1 640 400
12/03/2003	4,3 cents	Exercised share options	129 700
6/10/2003	3,6 cents	Exercised share options	1 380 700
3/06/2004	16,1 cents	Exercised share options	760 000
3/06/2004	4,3 cents	Exercised share options	118 300
3/06/2004	3,6 cents	Exercised share options	44 400
20/08/2004	21,0 cents	Exercised share options	24 300
29/10/2004	3,6 cents	Exercised share options	1 221 083
29/10/2004	21,0 cents	Exercised share options	47 800
7/02/2005	39,0 cents	Services rendered	131 623

## Financial effects

The financial effects of the specific issue are immaterial as per the JSE Listings Requirements and therefore no financial effects are included herein.

## Further information required in terms of the JSE Listings Requirements

Information required in terms of the JSE Listings Requirements with regard to the specific issue appears in these annual financial statements as indicated below:

• Name and registered address of InfoWave	inside back cover
• Description of InfoWave business	pages 2 to 6
• Prospects for InfoWave	pages 9 to 10
• Overview of InfoWave corporate governance	pages 11 to 13
• Directors and management of the company	pages 36 and 37
• Major shareholders	page 35
• Directors' interest in securities	page 35
• Directors interest in transactions	page 17
• Directors remuneration	page 26
• Share capital of the company	page 30

## Directors' service contracts

Mrs C L Jessop and Mrs B R Carrilho are employed by InfoWave in terms of formal contracts of employment subject to one month's notice by either party. These contracts of employment do not contain conditions of an unusual nature.

## Opinions, recommendations and voting

Sasfin Corporate Finance, a division of Sasfin Bank Limited has advised the shareholders of InfoWave that it has considered the terms and conditions of the specific issue and considers the specific issue to be fair and reasonable to InfoWave's shareholders. The text of their letter in this regard is set out on page 42.

The board has considered the terms of the specific issue and is of the opinion that the specific issue will benefit InfoWave and its shareholders, and accordingly, it recommends that shareholders vote in favour of the relevant resolution proposed in the notice of the annual general meeting attached to this annual report.

The directors intend to vote (in so far as they will be entitled to do so) all of the shares held by them in favour of the ordinary resolution to be proposed at the annual general meeting and recommend that all other shareholders do the same. Mrs C L Jessop and Mrs B R Carrilho, being related parties, will be excluded from voting on the ordinary resolution to approve the specific issue and will not be taken into account in determining a quorum at the annual general meeting.

## Material Changes

There has been no material change in the financial or trading position of InfoWave and its subsidiaries since the year end, 28 February 2005.

## Significant contracts

InfoWave has not entered into any significant contracts in the past two years, other than in the ordinary course of business. No significant contracts exist that contain unfulfilled obligations or settlements.

## Litigation statement

There are no legal or arbitration proceedings against InfoWave or any of its subsidiaries (including any proceedings that are pending or threatened) of which InfoWave is aware, which may have or have had, in the 12 months preceding the date of this annual report, a material effect on the consolidated financial position of InfoWave.

## ISSUE OF RETENTION SHARES (continued)

### Directors' responsibility statement

The directors of InfoWave, whose names are given on pages 36 and 37 of this annual report, accept, collectively and individually:

- Full responsibility for the accuracy of all the information given herein;
- Certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading;
- That they have made all reasonable enquiries to ascertain such facts; and
- That this annual report contains all information required by law and by the Listings Requirements.

### Consents

The sponsor and independent expert to InfoWave (Sasfin Corporate Finance, a division of Sasfin Bank Limited) has provided its written consent to act in the capacity stated and to their name being used in this section of the annual report which relates to the specific issue and has not withdrawn its consent prior to the publication of this annual report.

### Documents available for inspection

The following documents, or copies thereof, will be made available for inspection by shareholders of InfoWave during normal business hours at the registered office of InfoWave from Friday, 6 May 2005 to Tuesday, 31 May 2005:

- The memorandum and articles of association of InfoWave;
- The audited financial statements and unqualified audit report thereon of InfoWave for the three years ended 28 February 2005;
- Directors service contracts;
- The independent fair and reasonable statement set out on page 42;
- A signed copy of this annual report; and
- The letter of consent of the sponsor and independent expert.



## SHARE PRICE HISTORY

The high, low, closing, volume and value of InfoWave shares on the JSE were as follows:

	Closing Price (cents)	High (cents)	Low (cents)	Volume	Value
<b>Quarterly</b> since April 2002					
June 2002	30	33	16	627 045	146 722
September 2002	25	27	20	363 406	86 824
December 2002	25	40	15	479 291	121 517
March 2003	22	30	20	1 703 500	381 295
June 2003	30	35	15	616 910	139 531
September 2003	27	34	22	11 899 413	3 078 928
December 2003	31	31	25	175 700	50 393
March 2004	30	35	24	2 625 300	770 658
<b>Monthly</b> since March 2004					
March 2004	30	33	30	51 500	16 650
April 2004	26	29	26	75 000	20 550
May 2004	36	37	27	1 617 108	530 155
June 2004	37	40	28	296 425	104 494
July 2004	43	45	35	158 000	63 249
August 2004	33	41	33	1 536 346	523 928
September 2004	35	39	33	81 200	28 566
October 2004	35	37	33	7 871 252	2 602 472
November 2004	35	40	35	202 172	72 650
December 2004	37	40	34	106 500	38 005
January 2005	39	43	37	887 399	356 101
February 2005	35	38	35	534 081	194 122
March 2005	33	40	33	18 950	6 915
<b>Daily</b> since 24 February 2005					
24 February 2005	38	—	—	—	—
25 February 2005	38	—	—	—	—
28 February 2005	35	35	35	3 000	1 050
01 March 2005	35	—	—	—	—
02 March 2005	35	—	—	—	—
03 March 2005	35	—	—	—	—
04 March 2005	40	40	40	9 450	3 780
07 March 2005	40	—	—	—	—
08 March 2005	40	—	—	—	—
09 March 2005	40	—	—	—	—
10 March 2005	40	—	—	—	—
11 March 2005	40	—	—	—	—
14 March 2005	40	—	—	—	—
15 March 2005	40	—	—	—	—
16 March 2005	40	—	—	—	—
17 March 2005	40	—	—	—	—
18 March 2005	40	—	—	—	—
22 March 2005	40	—	—	—	—
23 March 2005	33	33	33	4 000	1 320
24 March 2005	33	—	—	—	—
29 March 2005	33	—	—	—	—
30 March 2005	33	33	33	5 500	1 815
31 March 2005	33	—	—	—	—
01 April 2005	33	—	—	—	—
04 April 2005	33	—	—	—	—
05 April 2005	33	—	—	—	—
06 April 2005	33	—	—	—	—
07 April 2005	33	33	32	47 653	15 585
08 April 2005	33	—	—	—	—
11 April 2005	33	—	—	—	—
12 April 2005	33	—	—	—	—
13 April 2005	33	—	—	—	—
14 April 2005	33	—	—	—	—
15 April 2005	33	—	—	—	—
18 April 2005	33	—	—	—	—
19 April 2005	33	—	—	—	—
20 April 2005	33	—	—	—	—
21 April 2005	33	—	—	—	—

## INDEPENDENT ADVICE ON THE SPECIFIC ISSUE OF SHARES

to the shareholders of InfoWave

**“26 April 2005**

InfoWave Holdings Limited  
P O Box 2225  
M.E.C.C.  
Mount Edgecombe  
4301

**For the attention of the InfoWave Board of Directors (“the board”)**

### INDEPENDENT ADVICE TO THE SHAREHOLDERS OF INFOWAVE HOLDINGS LIMITED (“INFOWAVE”) REGARDING THE SPECIFIC ISSUE OF SHARES TO CERTAIN DIRECTORS

#### Introduction

Sasfin Corporate Finance, a division of Sasfin Bank Limited (“Sasfin Corporate Finance”), has been advised that the disinterested members of the board of InfoWave have resolved to award retention shares by way of a specific issue of ordinary shares of 0,01 cent each in the share capital of the company at an issue price of 33 cents per share, based on the weighted average trading price of InfoWave securities for the thirty business days ending 21 April 2005, to the following directors of InfoWave (“the specific issue”):

Mrs C L Jessop	300 000 shares
Mrs B R Carrilho	300 000 shares

This letter and the opinion contained herein are provided solely for the benefit of the shareholders of InfoWave in connection with and for the purpose of considering and, if deemed fit, to pass, with or without modification, the ordinary resolution authorising the specific issue. Being directors, Mrs C L Jessop and Mrs B R Carrilho are related parties as defined in terms of rule 10.1(b) of the JSE Securities Exchange South Africa (“JSE”) Listings Requirements. In accordance with rule 5.51(f) of the JSE Listings Requirements governing the issue of shares to related parties, Sasfin Corporate Finance has been appointed by the board of InfoWave to advise InfoWave shareholders on whether the terms and conditions of the specific issue are fair and reasonable to shareholders.

#### Explanation of the Terms “Fair” And “Reasonable”

The term fairness can be understood to refer primarily to quantitative issues, while the term reasonableness can be understood to refer primarily to qualitative issues. For illustrative purposes, in the case of an issue for cash, such issue may be said to be fair if the benefits thereof (including the proceeds of the issue) are considered to be equal to or greater than the value (both market value and underlying value) of the business. In other instances, even though the issue price may be lower than the value of the business or asset, the specific issue may be said to be reasonable in certain circumstances after considering other significant qualitative factors.

#### Sources of Information

In arriving at our opinion we have reviewed (where applicable) and analysed the following information:

- The historical share price and trading volumes and volatility of InfoWave’s shares on the JSE;
- The historical published audited financial statements of InfoWave for the financial years ended February 2002, 2003, 2004 and 2005;
- The current financial position of InfoWave from unaudited management accounts;
- Financial forecasts of InfoWave provided by executive management;
- Information made available by and the assumptions of the executive management of InfoWave as to its financial forecasts;
- The financial effects of the specific issue, which are immaterial to InfoWave; and
- Prevailing economic and market conditions and the industry in which InfoWaves operates.

#### Procedures performed and material factors considered

In order to assess the fairness and reasonableness of the terms of the specific issue, we have performed the following procedures and considered the following material factors:

## Procedures

- Performed our own independent valuation based on historical financial statements, financial forecasts and other pertinent information, by way of the following valuation techniques:
  - Projected cash flow model discounted at an appropriate rate; and
  - Historical and forward multiple approach (collectively “the independent valuation”);
- Collated information on relevant price/earnings benchmarks for comparable companies to InfoWave and applicable indices that were used in an earnings yield valuation methodology;
- Considered and tested the assumptions of financial forecasts provided by management including the revenue growth, sustained revenue levels, increases in marketing, administrative and selling costs, tax rates, fixed costs and inflation;
- Calculated and tested the validity of all the inputs of our independent valuation models against appropriate benchmarks;
- Compared the value range per share computed from the independent valuation above with reference to the current market price, the specific issue price and the net asset value per share;
- Considered the quantum, nature, rationale and financial effects of the specific issue; and
- Completed various sensitivity analyses in both of the valuation techniques detailed above including but not limited to the variation within appropriate ranges of sustainable earnings levels, discount rates, growth rates and cost increases;
- Corroborated the reasonableness and critically analysed information provided to us where practical; and
- Held discussions with the disinterested executive management of InfoWave.

## Material factors considered

- Our independent valuation of InfoWave;
- The issue price is based on the weighted average trading price of InfoWave securities for the thirty business days ending 21 April 2005;
- The stated rationale for and the terms and conditions of the specific issue; and
- Assessment of the potential benefits to the company of the specific issue and the success of the previous similar specific issues for the company and in turn for shareholders.

## Limiting Conditions

Sasfin Corporate Finance's opinion is necessarily based upon the information available to us and the financial, regulatory, stock market and other circumstances existing and disclosed to us as at the date hereof. Accordingly, it should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

Although Sasfin Corporate Finance has critically evaluated the information provided to us by management, where possible and as detailed above, we have largely relied upon and assume the accuracy and completeness of such information. As such our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards in any way whatsoever. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of InfoWave.

Where relevant, the financial forecasts of InfoWave have been compared to past financial performance and where necessary we have requested appropriate explanations from management. Financial forecasts relate to future events and are based on assumptions that may or may not remain valid for the whole of the period concerned. As a result, such information cannot be relied upon to the same extent as audited information. We express no opinion as to how closely the actual future results for InfoWave will correspond with the financial forecasts.

## Opinion

Sasfin Corporate Finance has considered the terms and conditions of the specific issue and, based upon and subject to the foregoing, are of the opinion that the specific issue is fair and reasonable to InfoWave's shareholders.

An individual shareholder's decision may be influenced by such shareholder's particular circumstances and accordingly shareholders should consult a professional advisor if in any doubt as to the merits or otherwise of the specific issue.

Other than acting as sponsor, Sasfin Corporate Finance has no interest, direct or indirect, beneficial or non-beneficial, in InfoWave. Sasfin Corporate Finance hereby consents to the inclusion of this letter, and the references thereto, in the annual report to be issued by InfoWave on or about 6 May 2005 in the form and context in which they appear therein.

Yours faithfully

## SASFIN CORPORATE FINANCE

A DIVISION OF SASFIN BANK LIMITED"

## NOTICE OF ANNUAL GENERAL MEETING

INFOWAVE HOLDINGS LIMITED

Registration number 1998/017276/06

Share code: IFW

ISIN: ZAE000016440

("InfoWave" or "the company")

Notice is hereby given that the annual general meeting of shareholders of the company will be held at Deloitte & Touche, Deloitte Place, 2 Pencarrow Crescent, Pencarrow Park, La Lucia Ridge Office Estate, La Lucia on Tuesday, 31 May 2005 at 15h30 to receive and consider the audited financial statements of InfoWave Holdings Limited for the year ended 28 February 2005; to transact such other business as may be transacted at an annual general meeting and to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

**1. Ordinary resolution number 1**

"Resolved to receive the annual financial statements for the year ended 28 February 2005, the directors' report and the report of the auditors."

**2. Ordinary resolution number 2**

"Resolved to accept the resignation of Mr P Naicker". Mr P Naicker retires as a director of the company in accordance with the company's articles of association and has declared himself unavailable for re-election.

**3. Ordinary resolution number 3**

"Resolved to re-elect Mrs C L von Pannier as a director of the company." Mrs Von Pannier retires as a director of the company in accordance with the company's articles of association and is eligible and has offered herself for re-election.

**4. Ordinary resolution number 4**

"Resolved to re-elect Mr R P Collis as a non-executive director of the company." Mr Collis retires as a director of the company in accordance with the company's articles of association and is eligible and has offered himself for re-election.

**5. Ordinary resolution number 5**

"Resolved to re-elect Mrs C L Jessop as a director of the company." Mrs Jessop retires as a director of the company in accordance with the company's articles of association and is eligible and has offered herself for re-election.

**6. Ordinary resolution number 6**

"Resolved to re-elect Mrs B R Carrilho as a director of the company." Mrs Carrilho retires as a director of the company in accordance with the company's articles of association and is eligible and has offered herself for re-election.

**7. Ordinary resolution number 7**

"Resolved to authorise the directors to determine the remuneration of the auditors."

**8. Ordinary resolution number 8**

"Resolved to re-appoint the auditors for the next financial year."

**9. Ordinary resolution number 9**

"Resolved to approve the directors' fees for the past year."

**10. Ordinary resolution number 10**

"Resolved that in terms of section 221 of the Companies Act 1973 as amended ("the Act"), the company hereby extends, until the next annual general meeting, the directors' authority to allot and issue, at their discretion and in terms of the regulations of the JSE, the unissued shares of the company."

**11. Ordinary resolution number 11**

"Resolved that, subject to the passing of ordinary resolution number 10, the directors have the powers to allot and issue any shares of any class already in issue in the capital of the company for cash when the directors consider it appropriate in the circumstances, subject to the following:

- 11.1** this authority shall not endure beyond the earlier of the next annual general meeting of the company or beyond 15 (fifteen) months from the date of the meeting;
- 11.2** there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE Securities Exchange South Africa ("the JSE") in its Listings Requirements) and not to related parties;
- 11.3** upon any issue of shares which, together with prior issues during any financial year, will constitute 5% (five percent) or more of the number of shares of the class in issue, the company shall, by way of a paid press announcement in terms of 11.22 of the JSE Listings Requirements, give full details thereof, including the effect on the net asset value of the company and earnings per share, the number of securities issued and the average discount to the weighted average traded price of the securities over the 30 days prior to the date that the price of such issue was determined or agreed by the company's directors;
- 11.4** that issues in the aggregate in any one financial year may not exceed 15% (fifteen percent) of the number of that class of the company's issued shares (including instruments which are compulsorily convertible into shares of that class) at the date of application less any shares of that class issued, or to be issued in the future arising from options/convertible securities issued during the current financial year, plus any shares to be issued pursuant to an announced, irrevocable and fully underwritten rights offer or to be issued pursuant to any acquisition for which final terms have been announced;
- 11.5** the maximum discount at which securities may be issued is 10% (ten percent) of the weighted average traded price of those securities over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors, and
- 11.6** a 75% (seventy-five percent) majority is required of votes cast by the shareholders present or represented by proxy at the general meeting to approve the resolution."

**12. Ordinary resolution number 12**

"Resolved that, subject to not less than 75% (seventy-five percent) of those shareholders of the company present in person or by proxy and entitled to vote at the annual general meeting at which this resolution is proposed, voting in favour of this resolution, the board of the company be and is hereby authorised by way of a specific authority to award 600 000 ordinary shares in the share capital of the company, 300 000 ordinary shares to Mrs C L Jessop and 300 000 ordinary shares to Mrs B R Carrilho at an issue price of 33 cents per share being the weighted average trading price of InfoWave securities for the thirty business days ending 21 April 2005, as retention shares. The retention shares will be subject to forfeiture (in whole or in part at no benefit to the employee) should the employee leave InfoWave before the specified restraint period expires and will in such event be cancelled by the company."

Mrs C L Jessop and Mrs B R Carrilho, being related parties, will not be taken into account in determining the quorum nor will their votes be taken into account in determining the results of this resolution. Additional disclosures for shareholders required in terms of the Listings Requirements as set out on page 38.

**13. Special resolution number 1**

"Resolved that the company hereby approves, as a general approval contemplated in sections 85(2), 85(3) and 89 of the Act, and in terms of the company's articles of association, the acquisition by the company or any of its subsidiaries from time to time of the issued ordinary shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but, subject to the articles of association of the company, the provisions of the Act and the Listings Requirements of the JSE, as presently constituted and which may be amended from time to time, and provided:

- 13.1** that any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;
- 13.2** that this general authority shall only be valid until the company's next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution;

## NOTICE OF ANNUAL GENERAL MEETING (continued)

- 13.3** that a paid press announcement will be published as soon as the company or its subsidiaries has/have acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, prior to the acquisition pursuant to which the 3% (three percent) threshold is reached, and in respect of every 3% (three percent) thereafter, which announcement shall contain full details of such acquisitions;
- 13.4** that acquisitions by the company and its subsidiaries of ordinary shares in any one financial year may not exceed 20% (twenty percent) of the company's issued ordinary share capital from the date of the grant of this general authority;
- 13.5** that subsidiaries of the company will acquire, in aggregate, not more than 10% of the company's issued ordinary share capital at any one time;
- 13.6** that in determining the price at which the company's ordinary shares are acquired by the company in terms of this general authority, the maximum price at which such ordinary shares may be acquired will be at a premium of no more than 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares by the company;
- 13.7** that the company may at any point in time only appoint one agent to effect any repurchase(s) on its behalf;
- 13.8** that the company may only undertake a repurchase if, after such a repurchase it shall still comply with the spread requirements of the JSE Listings Requirements; and
- 13.9** that the company may not repurchase securities during a prohibited period, as defined in the JSE Listings Requirements."

The reason for the Special Resolution is to grant the company a general authority in terms of the Act for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company.

Information required in terms of the JSE Listings Requirements with regard to this general authority for the company to repurchase its securities appears in the annual financial statements, to which this notice of general meeting is annexed as indicated below:

Share capital of the company:	page 30
Major shareholders:	page 35
Directors' interest in securities:	pages 35
Directors and management of the company:	pages 36 and 37

The directors, whose names are given on pages 36 and 37 of the annual report collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and notice of general meeting contains all information required by the JSE Listings Requirements.

There has been no material change in the financial or trading position of InfoWave and its subsidiaries that has occurred since 28 February 2005.

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the company hereby state:

- (a) That the intention of the company is to utilise the authority if at some future date the cash resources of the company are in excess of its requirements. In this regard the directors will take account, *inter alia*, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and will ensure that any such utilisation is in the interest of shareholders;

- (b) That the method by which the company intends to repurchase its securities and the date on which such repurchase will take place, has not yet been determined, and
- (c) That after considering the effect of a maximum permitted repurchase of securities, the company is, as at the date of this notice convening the annual general meeting of the company, able to comply fully with the Listings Requirements of the JSE. Nevertheless, at the time that the contemplated repurchase is to take place, the directors of the company will ensure that:
- the company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the annual general meeting;
  - the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in these audited annual group financial statements;
  - the share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting;
  - the working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting; and
  - the company will provide its sponsor and the JSE with all documentation as required in Schedule 25 of the JSE Listings Requirements, and will not commence any repurchase programme until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

There are no legal or arbitration proceedings, either pending or threatened against the company or its subsidiaries, of which the directors are aware, which may have, or have had in the last 12 months, a material effect on the financial position of the company or its subsidiaries.

### Voting and proxies

All shareholders are entitled to attend and vote at the annual general meeting.

Shareholders who hold their shares in certificated form or who are own name registered dematerialised shareholders who are unable to attend the general meeting but who wish to be represented thereat, are required to complete and return the attached form of proxy so as to be received by the transfer secretary by not later than 15h30 on Friday, 27 May 2005. Shareholders who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, other than by own name registration, who wish to attend the general meeting should instruct their CSDP or broker to issue them with the necessary authority to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration, who wish to vote by way of proxy, should provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. These instructions must be provided to their CSDP or broker by the cut-off time or date advised by their CSDP or broker for instructions of this nature.

By order of the board



**N C Swinford-Meyer**

Company secretary  
22 April 2005

**Registered office**

Gleneagles Park  
10 Flanders Drive  
Mount Edgecombe  
4300

**Postal address**

PO Box 2225  
M.E.C.C.  
Mount Edgecombe  
4301

**Transfer secretaries**

Computershare Investor Services 2004 (Pty) Limited  
P O Box 61051  
Marshalltown  
2107

## NOTES TO THE PROXY FORM

Shareholders, who hold their shares in certificated form or who are own name registered dematerialised shareholders, who are unable to attend the general meeting but who wish to be represented thereat, are required to complete and return the attached form of proxy so as to be received by the transfer secretaries by not later than 15h30 on Friday, 27 May 2005. Shareholders who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, other than by own name registration, who wish to attend the general meeting, should instruct their CSDP or broker to issue them with the necessary authority to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration, who wish to vote by way of proxy, should provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. These instructions must be provided to their CSDP or broker by the cut-off time or date advised by their CSDP or broker for instructions of this nature.

### Notes

1. An InfoWave shareholder may insert the name of a proxy or the names of two alternative proxies of the InfoWave shareholder's choice in the space/s provided, with or without deleting "the chairperson of the general meeting", but any such deletion must be initialled by the InfoWave shareholder concerned. The person whose name appears first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in InfoWave, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. An InfoWave shareholder or his/her proxy is not obliged to use all the votes exercisable by the InfoWave shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstentions recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. The date must be filled in on this proxy form when it is signed.
4. The completion and lodging of this form of proxy will not preclude the relevant InfoWave shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of InfoWave or waived by the chairperson of the general meeting of InfoWave shareholders.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of InfoWave.
8. Forms of proxy must be received by the transfer secretaries, Computershare Investor Services 2004 (Pty) Limited at 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107, or by the company, InfoWave Holdings Limited at 10 Flanders Drive, Mount Edgecombe, 4301, PO Box 2225, M.E.C.C., Mount Edgecombe, 4300, by not later than 15h30 on Friday, 27 May 2005.
9. The chairperson of the general meeting may accept or reject any form of proxy, in his absolute discretion, which is completed other than in accordance with these notes.
10. If required, additional forms of proxy are available from the transfer secretaries of InfoWave.
11. Dematerialised shareholders, other than by own name registration, must NOT complete this form of proxy but must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.





## PROXY FORM

For use ONLY by certificated shareholders and own name dematerialised shareholders at the general meeting of InfoWave shareholders to be held at Deloitte & Touche, Deloitte Place, 2 Pencarrow Crescent, Pencarrow Park, La Lucia Ridge Office Estate, La Lucia on Tuesday, 31 May 2005 at 15h30 or such later time that may be applicable ("the annual general meeting").

I/We (Names in capital letters)

Being a member(s) of InfoWave Holdings Limited and entitled, on a poll, to votes hereby appoint

of or failing him

of or failing them,

the chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the company to be held on Tuesday, 31 May 2005 and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done the proxy will vote as he thinks fit.

Resolution	In favour	Against	Abstain
1 To receive the annual financial statements			
2 Resignation of director Mr P Naicker			
3 Re-election as a director Mrs C L von Pannier			
4 Re-election as a director Mr R P Collis			
5 Re-election as a director Mrs C L Jessop			
6 Re-election as a director Mrs B R Carrilho			
7 To authorise directors to determine the auditors' remuneration			
8 To re-appoint auditors for the next financial year			
9 To approve directors' fees for the past year			
10 To grant directors' control of shares in terms of section 221			
11 To grant directors a general authority to issue shares for cash			
12 To award retention shares to directors			
13 To authorise the company to acquire shares issued by itself in terms of special resolution number 1			

Signature

Date

Please read the notes on the reverse side hereof.

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## COMMITTEES AND TRUSTS

### Audit Committee members

P Aposporis	Independent non-executive chairman
Dr A B Ravnö	Independent non-executive member

### Remuneration Committee

Dr A B Ravnö	Independent non-executive chairman
P Aposporis	Independent non-executive member
R P Collis	Non-executive member

### Risk Management Committee

P Aposporis	Independent non-executive chairman
Dr A B Ravnö	Independent non-executive member
R P Collis	Non-executive member
T Dunsdon	Executive member

### InfoWave Holdings Limited Share Incentive Trust

R P Collis	Chairman
J T Russell	Trustee

## GENERAL INFORMATION

### InfoWave Holdings Limited

(Incorporated in the Republic of South Africa)

Registration number 1998/017276/06

Share code: IFW

ISIN: ZAE000016440

("InfoWave")

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

### Registered office

Gleneagles Park	P O Box 2225
10 Flanders Drive	M.E.C.C.
Mount Edgecombe	Mount Edgecombe
4300	4301

### Auditors

Deloitte & Touche  
Chartered Accountants (SA)

### Transfer secretaries

Computershare Investor Services 2004 (Pty) Limited  
PO Box 61051  
Marshalltown  
2107

### Sponsor

Sasfin Corporate Finance  
A division of Sasfin Bank Limited  
Sasfin Place  
13-15 Scott Street  
Waverley  
2090

### Commercial banker

Nedbank  
A division of Nedcor Bank Limited

### Legal representatives

#### Technical advisors:

Harty Rushmere Attorneys

#### Commercial advisors:

Mooney Ford Attorneys

### Employee relations advisors

ER-Africa Employment Relations



## NOTES

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