



InfoWave

INFOWAVE HOLDINGS LIMITED

(Registration number 1998/017276/06)
Share code: IFW ISIN: ZAE000016440
("InfoWave")

- Profit before tax up
- Attributable earnings up
- Headline earnings per share up

INTERIM RESULTS

for the 6 months ended 31 August 2002

Consolidated Income Statement

	6 months ended 31 August 2002 (unaudited) R'000	6 months ended 31 August 2001 (unaudited) R'000	Year ended 28 February 2002 (audited) R'000
Revenue		15 406	14 454
Operating profit before interest		3 267	3 010
Net interest received		614	266
Profit before taxation		3 881	3 267
Taxation		(9 200)	(1 086)
Profit attributable to ordinary shareholders		2 961	2 190
Headline profit		2 961	2 190
Profit attributable to ordinary shareholders		2 961	2 190
Loss on disposal of plant and equipment		–	193
Write-down of share incentive trust loan (Recovery)/Write-down of investments		– (991)	– –
Headline profit		2 870	2 383

Consolidated Cash Flow Information

	6 months ended 31 August 2002 (unaudited) R'000	6 months ended 31 August 2001 (unaudited) R'000	Year ended 28 February 2002 (audited) R'000
Net cash inflows from operating activities		3 935	2 895
Net cash (outflows)/inflows from investing activities		(191)	(142)
Net cash (outflows)/inflows from financing activities		(125)	(125)
Net increase in cash resources		3 619	2 628
Cash and cash equivalents at beginning of period		10 736	4 598
Cash and cash equivalents at end of period		14 355	7 226

Group Supplementary Information

	6 months ended 31 August 2002 (unaudited) R'000	6 months ended 31 August 2001 (unaudited) R'000	Year ended 28 February 2002 (audited) R'000
Capital expenditure for the period		191	79
Capital expenditure authorised		409	388
Operating lease expenses		359	305

Directors' comment

These results have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice and these have been consistently applied in comparison to the previous year.

The Directors endorse the aims of the King Report 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 and accountability in its dealings with all its stakeholders.

Chairman's report

InfoWave has delivered another set of solid results for the first half of the year. Turnover increased 6,6% and an operating profit margin of 21% was delivered. Headline earnings per ordinary share increased 18% from 2,76 cents to 3,28 cents. The company anticipated tougher trading conditions and focused on consolidation and improved efficiencies.

Prospects for the second half of the year are positive. The company has recently secured considerable new business that will take effect during the next six months, and will roll over well into the next financial year.

The board recently revised the company's strategic intent due to negative market conditions and improved prospects as a standalone company, and is no longer seeking a strategic partner. The company has re-enforced its business-as-usual strategy of organic growth with sustainable annuity income. The board also revised its application of cash reserves, and has called a special general meeting to pass a resolution to pay back excess reserves to its shareholders.

Based on the new strategy, it is the board's intention to pay dividends on an annual basis.

The remaining six months of this financial year promise to be an exciting period and we look forward to another year of satisfying results.

Capital distribution

The board has resolved to make a capital distribution of 10 cents per share in lieu of a dividend for the half year ended 31 August 2002 ("the capital distribution"). Such capital distributions are subject to the JSE Securities Exchange SA Listings Requirements and shareholder approval.

The last day to trade in InfoWave shares for the purpose of entitlement to the capital distribution will be the close of business on Friday, 22 November 2002 and shares will trade ex-distribution with effect from Monday, 25 November 2002.

Consolidated Balance Sheet

	6 months ended 31 August 2002 (unaudited) R'000	6 months ended 31 August 2001 (unaudited) R'000	Year ended 28 February 2002 (audited) R'000
Assets			
Non-current assets			
Plant and equipment		706	721
Current assets			
Trade and other receivables		4 383	5 908
Cash and cash equivalents		14 355	7 226
		18 738	13 134
Total assets		19 444	13 855
Equity and liabilities			
Capital reserves			
Issued share capital		9	9
Share premium		9 020	9 020
Accumulated profit/(loss)		4 943	(374)
		13 972	8 655
Non-current liabilities			
Long-term borrowings		188	437
Current liabilities			
Trade and other payables		5 284	4 763
Total equity and liabilities		19 444	13 855

Group Statement of Changes in Equity

	Share Capital R'000	Share Premium R'000	Retained Income R'000	Total R'000
Balance at 28 February 2001	9	8 943	(2 562)	6 389
Net profit for the year	–	–	4 544	4 544
Shares issued during the year	–	78	–	78
Balance at 28 February 2002	9	9 020	1 983	11 012
Net profit for the period	–	–	2 961	2 961
Balance at 31 August 2002	9	9 020	4 943	13 972

Statistics

	6 months ended 31 August 2002 (unaudited) R'000	6 months ended 31 August 2001 (unaudited) R'000	Year ended 28 February 2002 (audited) R'000
Number of ordinary shares in issue ('000)	87 455	87 455	87 455
Weighted average ordinary shares in issue ('000)	87 455	86 155	86 805
Earnings per ordinary share: fully diluted (cents)	3,29	2,50	5,16
Earnings per ordinary share: weighted average (cents)	3,39	2,54	5,24
Headline earnings per ordinary share: fully diluted (cents)	3,19	2,73	5,24
Headline earnings per ordinary share: weighted average (cents)	3,28	2,76	5,32
Net asset value per ordinary share (cents)	15,98	9,89	12,59
Debt:Equity ratio (%)	1,34	5,05	2,83

The record date for the capital distribution will be the close of business on Friday, 29 November 2002. Central Securities Depository Participants and broker accounts will be credited and capital distribution cheques posted on Monday, 2 December 2002, where applicable. Share certificates may not be dematerialised or rematerialised between Monday, 25 November 2002 and Friday, 29 November 2002, both days inclusive.

A circular relating to the distribution will be posted to shareholders on or about Friday, 25 October 2002, and a general meeting will be held on or about Monday, 11 November 2002 for shareholders to approve the capital distribution.

The above dates are subject to amendment. Any amendment will be published in the press and on the Stock Exchange News Service.

R P Collis

Executive Chairman

Durban

23 October 2002

Note to our shareholders:

The insurance cover provided by The Dispossessed Members' Fund ("DMF"), established to provide alternative compensation against the threat of a successful action for rectification and the possible liability of various stakeholders involved in the dematerialisation process, expired on 29 September 2002. A further 12-month discovery period is provided under the policy. You are advised that there is an element of risk should you not dematerialise your certificates before 29 September 2003 and they are later found to be invalid or tainted.



Directors	Registered office	Transfer secretaries	Sponsor
R P Collis (<i>Chairman and Chief Executive Officer</i>), T Dunsdon, M C B Lionnet, P Naicker, C L von Pannier	Gleneagles Park, 10 Flanders Drive, Mount Edgecombe, 4300	Computershare Investor Services Limited, 2nd Floor, Edura House, Ground floor, 70 Marshall Street, Johannesburg, 2001	Sasfin Bank Limited, Sasfin Place, North Block, 13 – 15 Scott Street, Waverley, 2090