



## INFOWAVE HOLDINGS LIMITED

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

### Consolidated Income Statement

	6 months ended 31 August 2003 (unaudited) R'000	6 months ended 31 August 2002 (unaudited) R'000	Year ended 28 February 2003 (audited) R'000
Revenue	15 918	15 406	28 790
Operating profit before interest	3 918	3 267	6 011
Net interest received	497	614	1 295
Profit before taxation	4 415	3 881	7 306
Taxation	(1 711)	(920)	(1 360)
Profit attributable to ordinary shareholders	2 704	2 961	5 946
Headline profit			
Profit attributable to ordinary shareholders	2 704	2 961	5 946
Loss on disposal of equipment	–	–	(2)
Recovery of write-down of investments	(42)	(91)	–
Headline profit	2 662	2 870	5 944

### Consolidated Cash Flow Information

	6 months ended 31 August 2003 (unaudited) R'000	6 months ended 31 August 2002 (unaudited) R'000	Year ended 28 February 2003 (audited) R'000
<b>Net cash (outflows)/inflows from operating activities</b>			
Cash inflows			
from operations	3 488	4 435	9 108
Normal taxation paid	(1 356)	(500)	(1 884)
Dividend paid	(2 675)	–	–
Net cash (outflows)/inflows from operating activities	(543)	3 935	7 224
Net cash outflows			
from investing activities	(546)	(191)	(473)
Net cash outflows from financing activities	(57)	(125)	(8 987)
Net (decrease)/increase in cash resources	(1 146)	3 619	(2 236)
Cash and cash equivalents at beginning of period	8 500	10 736	10 736
Cash and cash equivalents at end of period	7 354	14 355	8 500

### Group Supplementary Information

	6 months ended 31 August 2003 (unaudited) R'000	6 months ended 31 August 2002 (unaudited) R'000	Year ended 28 February 2003 (audited) R'000
Capital expenditure for the period	133	191	475
Capital expenditure authorised	350	409	500
Operating lease expenses	353	359	724

### Directors' Comment

These results have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice and the accounting policies 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

Trading conditions have been difficult during the first half of the year with turnover increasing marginally by 3% to R15,918 million. Although operating profit was 20% higher than that of the comparable period, this was offset by an increase in the effective taxation rate from 23,7% to 38,8%. This is due to the recognition of deferred taxation as well as the payment of secondary taxation on companies on the dividend paid to shareholders on 23 June 2003. Headline profit declined by 7,2%.

We have undertaken the development of two niche products during the period. While it is early in the lifecycle of taking these to market, a keen interest has been shown and we have won new business with both of these products. We continue to research future core technologies, which underpin our strategic technology decisions for both existing customers and new product development.

Dr. Bernard Ravnó (Ph.D., A.M.P Harvard) was appointed to the board as an independent non-executive director effective 26 May 2003. His extensive knowledge of the sugar industry is invaluable in relation to our core business. This, together with 10 years' experience as a listed company director, provides us with excellent stewardship. We extend our sincere appreciation to him for his willingness to serve on the board and look forward to a long association with him in this role.

Mr Paris Aposporis (B.Com, LLB, MBA) was re-appointed to the board as

## UNAUDITED GROUP RESULTS

### for the 6 months ended 31 August 2003

For a Zulu translation of this text, please refer to our website [www.infowave.co.za](http://www.infowave.co.za).

### Consolidated Balance Sheet

	31 August 2003 (unaudited) R'000	31 August 2002 (unaudited) R'000	28 February 2003 (audited) R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed and intangible assets	1 144	706	818
<b>Current assets</b>			
Trade and other receivables	3 908	4 383	3 395
Cash and cash equivalents	7 354	14 355	8 500
Deferred taxation asset	332	–	470
	11 594	18 738	12 365
<b>Total assets</b>	<b>12 738</b>	<b>19 444</b>	<b>13 183</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Issued share capital	9	9	9
Share premium	289	9 020	283
Accumulated profit	7 959	4 943	7 929
	8 257	13 972	8 221
<b>Non-current liabilities</b>			
Long-term borrowings	–	188	63
<b>Current liabilities</b>			
Trade and other payables	4 481	5 284	4 899
<b>Total equity and liabilities</b>	<b>12 738</b>	<b>19 444</b>	<b>13 183</b>

### Group Statement of Changes in Equity

	Share capital R'000	Share premium R'000	Accumulated profit R'000	Total R'000
Balance at 28 February 2002	9	9 020	1 983	11 012
Net profit for the year	–	–	5 947	5 947
Shares issued during the year	–	172	–	172
Repayment of share premium	–	(8 909)	–	(8 909)
Balance at 28 February 2003	9	283	7 930	8 222
Dividend paid	–	–	(2 675)	(2 675)
Shares issued during the period	–	6	–	6
Net profit for the period	–	–	2 704	2 704
Balance at 31 August 2003	9	289	7 959	8 257

### Statistics

	6 months ended 31 August 2003 (unaudited)	6 months ended 31 August 2002 (unaudited)	Year ended 28 February 2003 (audited)
Number of ordinary shares in issue ('000)	89 225	87 455	89 095
Weighted average number of ordinary shares in issue ('000)	89 225	87 455	88 001
Earnings per ordinary share: weighted average (cents)	3,03	3,39	6,76
Earnings per ordinary share: fully diluted (cents)	2,88	3,29	6,48
Headline earnings per ordinary share: weighted average (cents)	2,98	3,28	6,76
Headline earnings per ordinary share: fully diluted (cents)	2,84	3,19	6,48
Net asset value per ordinary share (cents)	9,25	15,98	9,23
Debt: Equity ratio (%)	0,00	1,34	2,43

an independent non-executive director effective 18 June 2003. 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. His knowledge of InfoWave's business, together with his expertise, is extremely valuable in guiding the board.

At 31 August 2003, InfoWave had black shareholding of 24%. This is far in excess of many companies, significantly those in the Information Communication and Technology (ICT) industry. This is attributed to one of InfoWave's founding principles, being equity participation for all employees. InfoWave is in the early stages of identifying an appropriate Black Economic Empowerment partner. We are currently looking at all areas for opportunity to improve our empowerment.

We continue to face challenging trading conditions. This, together with the full tax charge and secondary tax on companies, means the outlook to 28 February 2004 is less favourable than anticipated. We persistently focus on operational efficiency while ensuring we do not prejudice investment for future growth.

The board will consider the declaration of a dividend after year end.

I would like to thank my fellow board members and all InfoWavers for their continued commitment and dedication to InfoWave's goals, customers and shareholders.

#### RP Collis

Executive Chairman  
2 October 2003



<b>Directors</b> RP Collis ( <i>Chairman and Chief Executive Officer</i> ), T Dunsdon, MCB Lionnet, P Naicker, CL von Pannier, P Aposporis*, Dr AB Ravnó* (*Independent non-executive directors), NC Swinford-Meyer ( <i>Company Secretary</i> )	<b>Registered office</b> Gleneagles Park, 10 Flanders Drive, Mount Edgecombe, 4300 PO Box 2225, M.E.C.C., Mount Edgecombe, 4301	<b>Transfer secretaries</b> Computershare Limited, 70 Marshall Street, Johannesburg, 2001 PO Box 61051, Marshalltown, 2107	<b>Sponsor</b> Sasfin Corporate Finance a division of Sasfin Bank Limited, Sasfin Place, North Block, 13 – 15 Scott Street, Waverley, 2090
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