

UNAUDITED GROUP RESULTS

for the six months ended 31 August 2007



ABRIDGED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	6 months ended 31 August 2007 R'000	6 months ended 31 August 2006 R'000	Year ended 28 February 2007 R'000
Revenue	27 384	25 958	49 300
Profit from operations (before interest)	4 109	3 984	8 084
Net interest income	154	95	184
Preference dividends received	149	134	267
Revaluation of listed preference shares	(36)	(436)	(906)
Profit from associate	367	297	535
Profit before taxation	4 743	4 074	8 164
Taxation	(1 771)	(1 588)	(2 378)
Normal tax	(1 342)	(1 223)	(2 013)
Secondary taxation on companies	(429)	(365)	(365)
Profit for the period	2 972	2 486	5 786
Attributable to minorities	95	155	151
Attributable to ordinary shareholders	3 067	2 641	5 937
Headline profit			
Profit attributable to ordinary shareholders	3 067	2 641	5 937
Profit on sale of property and equipment			(27)
Headline profit	3 067	2 641	5 910
Number of ordinary shares in issue ('000)	86 501	86 906	86 217
Weighted average ordinary shares in issue ('000)	86 407	86 546	86 396
Headline earnings per ordinary share (cents)	3,55	3,05	6,84
Earnings per ordinary share (cents)	3,55	3,05	6,87
Fully diluted earnings per share (cents)	3,53	3,02	6,85
Return on equity (%)	21,26	22,12	39,90
Return on assets (%)	15,70	13,51	31,90

ABRIDGED CONSOLIDATED BALANCE SHEET (UNAUDITED)

	31 August 2007 R'000	31 August 2006 R'000	28 February 2007 R'000
Assets			
Non-current assets			
Property and equipment	1 644	936	1 092
Intangible assets	797	545	1 344
Goodwill	59	44	59
Investment in associated company	1 051	647	793
Deferred taxation asset	830	215	716
	4 381	2 387	4 004
Current assets			
Trade and other receivables	7 280	10 640	8 216
Listed preference shares*	3 624	4 131	3 660
Cash resources	4 245	2 395	3 872
	15 149	17 166	15 748
Total assets	19 530	19 553	19 752
Equity and liabilities			
Capital reserves			
Issued capital	9	9	9
Share premium	358	671	262
Share-based payment reserve	597	624	478
Accumulated profit	14 515	12 066	15 194
Equity attributable to ordinary shareholders	15 479	13 370	15 943
Minority interest	345	436	440
Total equity	15 824	13 806	16 383
Non-current liabilities			
Deferred taxation liability		77	
Current liabilities			
Trade and other payables	3 706	5 670	3 369
Total equity and liabilities	19 530	19 553	19 752
Net asset value (R'000)	15 479	13 370	15 943
Net asset value per ordinary share (cents)	17,89	15,38	18,49
Liquidity ratio (times)	4,09	3,03	4,67
Solvency ratio (times)	5,27	3,40	5,86
Market price per share			
Close (cents)	69	55	66
High (cents)	89	72	80
Low (cents)	62	50	50
Capital expenditure for the period	602	268	752
Capital expenditure authorised	822	891	1 144

* These comprise an investment in Standard Bank preference shares and have a coupon rate of 70% of prime.

ABRIDGED CONSOLIDATED CASH FLOW INFORMATION (UNAUDITED)

	6 months ended 31 August 2007 R'000	6 months ended 31 August 2006 R'000	Year ended 28 February 2007 R'000
Cash flows from operating activities			
Profit from operations (before interest and dividends)	4 109	3 984	8 084
Adjustment for:			
Share-based payment expense	119	161	15
Profit on sale of equipment			(27)
Depreciation and amortisation	596	494	848
Cash generated from operations, before working capital changes	4 824	4 639	8 920
Working capital changes			
Decrease/(increase) in receivables	936	(2 551)	(212)
(Decrease)/increase in payables	(235)	665	(1 628)
Cash generated from operations	5 525	2 753	7 080
Taxation paid	(1 312)	(1 507)	(2 793)
Net interest income	154	95	184
Preference dividend received	149	134	267
Dividend paid to shareholders	(3 746)	(3 021)	(3 189)
Net cash inflow/(outflow) from operating activities	770	(1 546)	1 549
Cash flow from investing activities			
Acquisition of equipment	(602)	(268)	(752)
Investment in intangible assets			(834)
Proceeds on disposal of equipment			38
Decrease/(increase) in investment in associated company	109	(137)	(52)
Acquisition of subsidiary		(626)	(640)
Proceeds on issue of subsidiary shares		261	261
Net cash outflow from investing activities	(493)	(770)	(1 979)
Cash flow from financing activities			
Repurchase of company's shares			(447)
Proceeds from share issues	96	210	248
Net cash inflow/(outflow) from financing activities	96	210	(199)
Net increase/(decrease) in cash resources	373	(2 106)	(629)
Cash resources at beginning of period	3 872	4 254	4 254
Cash resources on acquisition of subsidiaries		247	247
Cash resources at end of period	4 245	2 395	3 872

GROUP STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital R'000	Share premium R'000	Accumulated profit R'000	Share-based payment reserve R'000	Attributable to equity holders of Infowave R'000	Minority interest R'000	Total R'000
Balance at 28 February 2006	9	461	12 446	463	13 379		13 379
Subsidiary acquired						591	591
Profit for the year			5 937		5 937	(151)	5 786
Shares issued during the year	1	248			249		249
Shares repurchased during the year	(1)	(447)			(448)		(448)
Recognition of share-based payment				15	15		15
Dividend paid			(3 189)		(3 189)		(3 189)
Balance at 28 February 2007	9	262	15 194	478	15 943	440	16 383
Profit for the year			3 067		3 067	(95)	2 972
Shares issued during the period		96			96		96
Recognition of share-based payment				119	119		119
Dividend paid			(3 746)		(3 746)		(3 746)
Balance at 31 August 2007	9	358	14 515	597	15 479	345	15 824

DIRECTORS' COMMENT

These results have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 on Interim Financial Reporting.

There have been no changes in accounting policies.

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.

REPORT TO STAKEHOLDERS RESULTS OF OPERATIONS

Revenue grew 5,5% over the comparative period in the prior year to R27,4 million. A continued shortage of IT skills in the market has constrained growth whilst we have significant demand for project work. A high level of focus is being placed on resourcing solutions to ensure delivery to our clients. Profit attributable to ordinary shareholders grew 16% to R3,1 million (R2,6 million) as well as earnings per share which grew to 3,55 cents per share (3,05 cents) on the comparative period in the prior year. This was affected by a devaluation on listed preference shares in the comparative period. Subsequent to the end of the reporting period these shares have been sold. ApplyIT contributed a loss of R0,1 million to the group.

Associated company Adapt-IT, which focuses predominantly in the public sector, performed well, growing profit by 24%. The group's share of profit after tax was R0,37 million.

The group has a strong balance sheet and has surplus cash retained for future investment opportunities.

DIVIDEND

Ordinary dividend number 5 of 4,29 cents per share was paid to shareholders on 11 June 2007. This represented a dividend cover of 1,6 times. The company has a policy to declare dividends at the end of the financial year and not at the interim reporting date.

STRATEGY

In parallel with driving organic growth of the core business, it continues to be the group's strategy to diversify by acquisitive growth.

THE BOARD

C Jessop resigned as a director in August 2007. The board expresses its thanks to her for her contribution to the group over the past three years. Her responsibilities have been assumed by C von Pannier and B Lionnet. There have been no other changes to the board in the period.

BEE

InfoWave (Pty) Limited obtained a broad-based BEE rating. It is a level 4 contributor which gives customers 100% procurement spend recognition for their BEE scorecards. ApplyIT is a level 3 contributor as a Qualifying Small Enterprise (QSE) which gives customers 110% procurement spend recognition for their BEE scorecards. InfoWave remains committed to genuine broad-based transformation across all aspects of the Department of Trade and Industry's Codes of Good Practice.

PROSPECTS

The prospects of the group for the remainder of the financial year are sound. We will focus on the performance of ApplyIT to ensure its success, sustainability and positive contribution to the group. We will pursue further acquisitive growth and diversification opportunities in line with our strategy.

APPRECIATION

We express our thanks to our customers for the success of our longstanding relationships with them. We also recognise all employees of the group for their dedication and hard work in serving our customers.

RP Collis

Non-executive Chairman

T Dunsdon

Chief Executive Officer

INFOWAVE HOLDINGS LIMITED

Registration number 1998/017276/06

Share code: IFW

ISIN: ZAE000016440

"InfoWave" or "the company"

DIRECTORS

RP Collis (Non-executive Chairman)

T Dunsdon (Chief Executive Officer)

MCB Lionnet, CL von Pannier, BR Carrilho

W Shuenyane (Non-executive Director)

P Aposporis*, Dr AB Ravno*

*Independent Non-executive Directors

REGISTERED OFFICE

Gleneagles Park, 10 Flanders Drive, Mount Edgecombe, 4300

PO Box 2225, MECC, Mount Edgecombe, 4301

TRANSFER SECRETARY

Computershare Investor Services 2004 (Pty) Limited

70 Marshall Street, Johannesburg, 2001

PO Box 61051, Marshalltown, 2107

SPONSOR

Sasfin Corporate Finance

a division of Sasfin Bank Limited

Sasfin Place, North Block

13-15 Scott Street, Waverley, 2090

Ukuze uthole imphumela yesingisi uyacelwa ukuba ubheke kwi "website" ethi **www.infowave.co.za**

