# Summarised unaudited consolidated financial results for the six months ended 31 December 2015

(Incorporated in the Republic of South Africa)
(Registration number 1987/070161/06) Share code: MST
ISIN: ZAE000012373 ("Mustek" or "the Group")

www.mustek.co.za

## SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited 6 months 31 December 2015 R000 | Unaudited 6 months 31 December 2014 R000 (Re-presented) | Audited year-end 30 June 2015 R000 (Re-presented) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 149 628 | 167 972 | 174 709 |
| Intangible assets | 67 710 | 61 726 | 62 843 |
| Investments in associates | 67 093 | 57 192 | 61 478 |
| Other investments and loans | 76 897 | 87 636 | 77 653 |
| Deferred tax asset | 19 937 | 23 931 | 29 593 |
| | 381 265 | 398 457 | 406 276 |
| **Current assets** | | | |
| Inventories | 1 320 835 | 1 021 930 | 1 129 663 |
| Inventories in transit | 113 539 | 243 655 | 206 035 |
| Trade and other receivables | 1 280 130 | 1 027 044 | 1 246 139 |
| Foreign currency assets | 32 247 | 11 252 | 8 179 |
| Tax assets | 8 978 | 21 979 | 2 059 |
| Bank balances and cash | 196 558 | 341 997 | 459 832 |
| | 2 952 287 | 2 667 857 | 3 051 907 |
| Assets classified as held-for-sale | 164 427 | – | – |
| **TOTAL ASSETS** | 3 497 979 | 3 066 314 | 3 458 183 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | | |
| Ordinary stated capital | 62 458 | 120 067 | 93 354 |
| Retained earnings | 911 374 | 818 614 | 894 636 |
| Non-distributable reserve | 809 | 809 | 809 |
| Foreign currency translation reserve | 8 831 | 3 056 | 4 949 |
| Equity attributable to owners of the parent | 983 472 | 942 546 | 993 748 |
| Non-controlling interest | 14 302 | 18 307 | 19 268 |
| **Total equity** | 997 774 | 960 853 | 1 013 016 |
| **Non-current liabilities** | | | |
| Long-term borrowings | 1 464 | 34 587 | 23 127 |
| Deferred tax liabilities | 4 571 | 3 688 | 4 576 |
| Deferred income | 13 706 | 12 297 | 15 627 |
| | 19 741 | 50 572 | 43 330 |
| **Current liabilities** | | | |
| Short-term borrowings | 752 | 1 571 | 2 687 |
| Trade and other payables | 1 647 127 | 1 460 517 | 2 011 195 |
| Foreign currency liabilities | – | 366 | 1 373 |
| Deferred income | 16 382 | 25 396 | 22 238 |
| Tax liabilities | 4 749 | 1 083 | 2 595 |
| Bank overdrafts | 674 393 | 565 956 | 361 749 |
| | 2 343 403 | 2 054 889 | 2 401 837 |
| Liabilities directly associated with assets classified as held for sale | 137 061 | – | – |
| **Total liabilities** | 2 500 205 | 2 105 461 | 2 445 167 |
| **TOTAL EQUITY AND LIABILITIES** | 3 497 979 | 3 066 314 | 3 458 183 |

## SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Unaudited 6 months 31 December 2015 R000 | Unaudited 6 months 31 December 2014 R000 (Re-presented) | Audited year-end 30 June 2015 R000 (Re-presented) |
|---|---|---|---|
| **Continuing operations** | | | |
| **Revenue** | 2 468 276 | 2 240 893 | 5 042 119 |
| Cost of sales | (2 113 411) | (1 916 059) | (4 377 405) |
| **Gross profit** | 354 865 | 324 834 | 664 714 |
| Other income | 2 354 | 4 558 | 35 461 |
| Foreign currency losses | (6 857) | (10 376) | (1 680) |
| Distribution, administrative and other operating expenses | (242 262) | (222 145) | (462 351) |
| **Profit from operations** | 108 100 | 96 871 | 236 144 |
| Investment revenues | 6 864 | 7 495 | 17 319 |
| Finance costs | (46 960) | (30 587) | (76 014) |
| Share of profit of associates | 7 586 | 5 923 | 10 813 |
| **Profit before tax** | 75 590 | 79 702 | 188 262 |
| Income tax expense | (19 383) | (20 185) | (50 155) |
| Profit for the period from continuing operations | 56 207 | 59 517 | 138 107 |
| **Discontinued operations** | | | |
| Loss for the period from discontinued operations | (2 225) | (2 560) | (4 000) |
| **Profit for the period** | 53 982 | 56 957 | 134 107 |
| **Other comprehensive income** | | | |
| Exchange profits (losses) on translation of foreign operations | 3 882 | (1 186) | 540 |
| Other comprehensive income for the period, net of tax | 3 882 | (1 186) | 540 |
| **Total comprehensive income for the period** | 57 864 | 55 771 | 134 647 |
| **Profit attributable to:** | | | |
| Owners of the parent | 52 343 | 56 698 | 132 720 |
| Non-controlling interest | 1 639 | 259 | 1 387 |
| | 53 982 | 56 957 | 134 107 |
| **Total comprehensive income attributable to:** | | | |
| Owners of the parent | 56 225 | 55 925 | 133 840 |
| Non-controlling interest | 1 639 | (154) | 807 |
| | 57 864 | 55 771 | 134 647 |
| **Earnings and dividend per share** | | | |
| Weighted number of ordinary shares in issue | 102 005 806 | 106 875 829 | 106 228 765 |
| Ordinary shares in issue | 100 000 000 | 106 623 471 | 103 623 471 |
| Dividend per ordinary share (cents) | 35.00 | 28.00 | 35.00 |
| **From continuing and discontinued operations (cents)** | | | |
| Headline earnings per ordinary share | 51.67 | 53.26 | 125.05 |
| Basic earnings per ordinary share | 51.31 | 53.05 | 124.94 |
| **From continuing operations (cents)** | | | |
| Headline earnings per ordinary share | 53.54 | 54.45 | 126.93 |
| Basic earnings per ordinary share | 53.19 | 54.24 | 126.82 |
| **From discontinued operations (cents)** | | | |
| Headline losses per ordinary share | (1.87) | (1.19) | (1.88) |
| Basic losses per ordinary share | (1.87) | (1.19) | (1.88) |
| **Reconciliation between basic and headline earnings** | | | |
| **Basic earnings attributable to owners of the parent** | 52 343 | 56 698 | 132 720 |
| Group's share of loss on disposal of property, plant and equipment | 362 | 219 | 118 |
| **Headline earnings from continuing and discontinued operations** | 52 705 | 56 917 | 132 838 |
| Less Group's share of loss for the year from discontinued operations | 1 909 | 1 273 | 2 000 |
| **Headline earnings from continuing operations** | 54 614 | 58 190 | 134 838 |
| **Basic earnings attributable to owners of the parent** | 52 343 | 56 698 | 132 720 |
| Less Group's share of loss for the year from discontinued operations | 1 909 | 1 273 | 2 000 |
| **Basic earnings from continuing operations** | 54 252 | 57 971 | 134 720 |
| **Net asset value per share (cents)** | 983.47 | 883.99 | 959.00 |

## SUMMARISED CONSOLIDATED CASH FLOW STATEMENT

| | Unaudited 6 months 31 December 2015 R000 | Unaudited 6 months 31 December 2014 R000 | Audited year-end 30 June 2015 R000 |
|---|---|---|---|
| **Operating activities** | | | |
| Cash receipts from customers | 2 527 970 | 2 314 598 | 4 902 999 |
| Cash paid to suppliers and employees | (2 946 674) | (2 357 604) | (4 528 976) |
| **Net cash (used in) from operations** | (418 704) | (43 006) | 374 023 |
| Investment revenues received | 6 867 | 7 540 | 17 364 |
| Finance costs paid | (47 803) | (31 371) | (77 416) |
| Dividends paid | (35 605) | (29 871) | (29 871) |
| Income taxes paid | (20 153) | (14 768) | (29 329) |
| **Net cash (used in) from operating activities** | (515 398) | (111 476) | 254 771 |
| **Net cash used in investing activities** | (23 490) | (36 248) | (46 726) |
| **Net cash from financing activities** | 276 886 | 286 558 | 48 624 |
| **Net (decrease) increase in cash and cash equivalents** | (262 002) | 138 834 | 256 669 |
| Cash and cash equivalents at the beginning of the period | 459 832 | 203 163 | 203 163 |
| **Cash and cash equivalents at the end of the period** | 197 830 | 341 997 | 459 832 |

## Commentary

### Corporate information

Mustek is a public company incorporated and domiciled in South Africa. The main business of Mustek, its subsidiaries and associates is the assembling, marketing and distribution of Information Communication Technology (ICT) products and services.

### Basis of preparation

The summarised unaudited financial information for the period ended 31 December 2015 has been prepared in accordance with the framework concepts and measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the information as required by IAS 34 Interim Financial Reporting, the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa. This set of summarised financial information, which is based on reasonable judgements and estimates, have been prepared using accounting policies that comply with IFRS. These are consistent with those applied in the audited annual financial statements for the year ended 30 June 2015.

### Audit report

Neither the consolidated financial results for the six months ended 31 December 2015, nor this set of summarised financial information has been audited by the Group's auditors, and thus no audit report was issued.

The directors take full responsibility for the preparation of this summarised report. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

### Fair value measurement of financial instruments

Fair value measurements of financial assets and liabilities are analysed as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| Financial assets and liabilities | Level | Unaudited 6 months 31 December 2015 R000 | Unaudited 6 months 31 December 2014 R000 | Audited year-end 30 June 2015 R000 |
|---|---|---|---|---|
| **Held-for-trading: Foreign currency assets** | | | | |
| These financial assets consist of foreign currency forward contracts and options, and are measured using discounted cash flows. Future cash flows are estimated based on the observable yield curves of forward interest rates at the end of the reporting period, as well as contract interest rates. The revaluation of these assets are included in foreign currency losses. | 2 | 32 247 | 1 252 | 8 179 |
| **Held-for-trading: Foreign currency liabilities** | | | | |
| These financial liabilities consist of foreign currency forward contracts and options, and are measured using discounted cash flows. Future cash flows are estimated based on the observable yield curves of forward interest rates at the end of the reporting period, as well as contract interest rates. The revaluation of these assets are included in foreign currency losses. | 2 | – | 366 | 1 373 |
| **Available-for-sale: Other investments and loans** | | | | |
| This financial asset consists of shares held in Zinox Technologies Limited. The inputs used to measure the fair value of this investment are the Group's share of the net asset value of Zinox Technologies Limited. As the fair value approximates the carrying value of this asset, no revaluation was done during the reporting periods presented. | 3 | 18 741 | 18 741 | 18 741 |

### Discontinued operations and re-presentation of comparative numbers

The company announced on 12 February 2016 that Rectron Holdings Limited, a wholly owned subsidiary of Mustek, has disposed of its 100% stake in Rectron Electronics Proprietary Limited (Rectron Australia). As a result, the comparative statement of comprehensive income has been re-presented to include the results of Rectron Australia BV as part of discontinued operations.

The loss for the period from discontinued operations is as follows:

| | 31 December 2015 | 31 December 2014 | 30 June 2015 |
|---|---|---|---|
| Revenue | 146 233 | 140 592 | 268 696 |
| Cost of sales | (129 725) | (130 032) | (247 491) |
| Gross profit | 16 508 | 10 560 | 21 205 |
| Other income | 555 | – | 3 498 |
| Foreign currency losses | (514) | (2 865) | – |
| Distribution, administrative and other operating expenses | (19 450) | (10 619) | (27 345) |
| Loss from operations | (2 901) | (2 924) | (2 642) |
| Investment revenue | (843) | (784) | (1 402) |
| Finance cost | 3 | 45 | 44 |
| Loss before tax | (3 741) | (3 663) | (4 000) |
| Income tax benefit | 1 516 | 1 103 | – |
| Loss for the year | (2 225) | (2 560) | (4 000) |
| Plus loss attributable to outside shareholders | 316 | 1 287 | 2 000 |
| Group's share of loss for the year from discontinued operations | (1 909) | (1 273) | (2 000) |

### Operating results

The Group is pleased to report that revenue from continuing operations grew by 10.1% to R2.468 billion (31 December 2014: R2.241 billion).

The gross profit percentage was marginally down from 14.5%, to 14.4%, but well up from the 13.2% reported for the year ending 30 June 2015.

Distribution, administrative and other operating expenses increased by 9.1% and represents 9.8% of revenue (31 December 2014: 9.9%).

The Group's more conservative forex hedging policy is working well considering the sharp depreciation of the Rand in the period from 30 June 2015 to 31 December 2015.

The weaker ZAR/USD exchange rate impacted the Rand value of our inventory and management is committed to reduce the inventory days in the period to June 2016. Working capital management continues to be a driver of profitability and is currently receiving management's full attention.

The contribution from our associates increased mainly as a result of the good performance of Sizwe Africa IT Group Proprietary Limited (Sizwe). Sizwe is well positioned to grow from this base over the next three to five years after concluding various long-term contracts.

Net finance costs increased from R23.1 million to R40.1 million due to high inventory levels at both Mustek and Rectron. The weaker ZAR/USD exchange rate resulted in higher inventory values and an increase in bank overdrafts. The excess inventory will be largely disposed by the end of March 2016.

Mustek's headline earnings is 3.0% lower at 51.67 cents per share (31 December 2014: 53.26 cents per share) and basic earnings is 3.3% lower at 51.31 cents per share (31 December 2014: 53.05 cents per share).

### Cash flow

The R418.7 million (31 December 2014: R43.0 million) cash used in operations was mainly due to higher forecasted revenue growth and the weaker ZAR/USD exchange rate that resulted in higher inventory values. This was funded by bank overdraft facilities and is expected to reverse in the period through to June 2016, in line with historic trends.

### Transformation

Following an audit by an accredited verification agency, Mustek retained its Level-2 BBBEE rating, using the ICT sector codes.

Management has continued to meaningfully extend its initiatives in employment equity, skills development and corporate social investment during the period. The Group is committed to a process of further transformation and economic empowerment of its stakeholders, such that an acceptable balance between the operatives and commercial benefits of such a process can be achieved, thereby ensuring the sustainability of the Group in a competitive market sector.

### Board of directors

Rev Dr Vukile Mehana was appointed as non-executive Chairman on 2 February 2016 in place of Dr Len Konar who resigned with effect from 4 December 2015. Ms Lindani Dhlamini was also appointed as independent non-executive director on 4 December 2015 following the resignation of Ms Thembisa Dingaan with effect from 13 October 2015.

The board would like to thank Dr Len Konar and Ms Thembisa Dingaan for their contributions to the board and wishes them success with their future endeavours.

### Retirement benefit plan

The Mustek Group Retirement Fund is a defined contribution fund and payments to the plan are expensed as they fall due. The majority of the Group's employees belong to this fund. The Group does not provide additional post-retirement benefits.

### Environmental, social and governance aspects

The Group subscribes to and complies in all material aspects with the Code on Corporate Governance Practices and Conduct as contained in the King III Report on Corporate Governance.

Mustek is committed to transparent and integrated reporting in the spirit of King III and the Global Reporting Initiative (GRI). We are, accordingly, continuously reviewing our corporate governance practices and are enhancing our internal information gathering systems to provide the quality and type of information required for authentically integrated annual reports.

Initiatives include the reduction in energy consumption after a target to reduce energy consumption by 20% was set in 2011. This target was reached through ongoing staff awareness programmes, the replacement of ICT equipment with energy-efficient units, installing rooftop solar panels and LED lights. These installations will pay for themselves in a relatively short time and significantly reduce our overall electricity demand and usage in addition to also demonstrating the viability of renewable energy for powering corporate infrastructure.

An Energy Management System (EnMS) based on the ISO 50001 international standard has been implemented at the Midrand facility to continually improve energy performance and management.

Mustek has successfully maintained its ISO 14001 certification since 2004 and has not been sanctioned or fined for non-compliance with environmental laws and regulations.

Mustek has a consistent record in community support and corporate social investment (CSI). The Group focuses its CSI efforts on children's needs – in particular, their education – but also supports charities, sporting events and community facilities.

For more than a decade, we have conducted a comprehensive HIV/Aids strategy and programme that also provides antiretroviral drugs to HIV-positive staff.

### Industry outlook

The transition to cloud-based services has led to the Group diversifying away from just being a distributor of traditional IT hardware. With our appointment as a Microsoft volume licence distributor, we now have the ability to market and distribute a full range of cloud services to our resellers. This new division is driven both by Mustek and Rectron sales teams and with strong indications of cloud computing growth in the South African market we are confident of being able to provide the market with profitable and innovative products.

Mobility is a key differentiator in today's computing reality. Traditional computing in highly climate-controlled environments evolved to desktop computers and then to notebooks/laptops that allowed computers to be used almost anywhere. Mobility happened the moment those laptops were provided with affordable connections to the internet. The cost of mobile data keeps dropping and this is promising for a whole new category of mobility. Wearables and Internet of Things devices will bring new ways to make sense of our world. The Group is well positioned to become an enabler to our resellers in this category.

### Company outlook

The significant weakening of the ZAR against the USD in December 2015 resulted in an immediate revaluation of USD-denominated accounts payable and a corresponding foreign exchange loss. IFRS does not allow the revaluation of inventory which means that inventory is carried at a significantly lower value than its replacement value. This creates opportunities for the Group to earn higher gross profit margins during the second half of the financial year.

Mustek will continue to refine our broad-based ICT distributor status, where we expect to see growing contributions to both revenue and profit going forward in our Microsoft Volume Licensing offering, Huawei Enterprise Solutions division, Sustainable Energy division, CCTV Surveillance division and cabling products and services.

Our suite of products provides Mustek with the flexibility to switch focus to more profitable market segments. Recognising that desktop unit sales are in decline, we can push our strong variety of entry-level, mid-level and aspirational tablets.

Big Data will be a focus area for Mustek going forward. We have seen significant growth and experienced great success in this sector with our NEC Server, NEC Storage and Fujitsu Scanner ranges.

South Africa has one of the highest rates of public investment in education in the world and the government spends more on education than on any other sector. Technology and e-learning as a teaching and learning tool and enabler has been widely accepted as a way to expedite the educational progress within our country. Mustek has over the last few years been investing substantially in this particular market vertical and we believe that we are well positioned to grow our market share over the next three to five years. The amount of interest shown by various provinces during the last few months is encouraging.

Lenovo launched ThinkServer in South Africa and Mustek was appointed as a distributor. Before, Mustek has not been a significant participant in this market and we have started ramping up operations to take advantage of the opportunity presented in the local market.

In conjunction with strategic partners from across the ICT industry, Mustek is well positioned for the forthcoming years.

### Share repurchase programme

During the period under review, Mustek acquired a further 3 623 471 ordinary shares in the issued share capital of Mustek on the open market for a purchase consideration in aggregate of R30 896 041. The general repurchase commenced on 4 September 2015 and continued on a day-to-day basis as market conditions allowed and in accordance with the JSE Limited Listings Requirements until 17 December 2015. The repurchase of shares will continue to be considered by the Board in conjunction with an evaluation of current and future funding requirements in the period to 30 June 2016. This programme will be effected in accordance with the terms of the authority granted by shareholders at the annual general meeting held on 11 December 2015. It is currently intended that any shares purchased will be cancelled and delisted. The market will be notified in accordance with applicable listing rules and regulations if and when purchases are made.

### Dividend

The declaration of cash dividends will continue to be considered by the Board in conjunction with an evaluation of current and future funding requirements and opportunities to repurchase shares. It will be adjusted to levels considered appropriate at the time of declaration.

Mustek's continued commitments to optimal cash utilisation will mean that cash generated by the operations will be used to fund our growth and reduce our debt. In line with the dividend policy, no interim dividend will be paid.

### Post-balance sheet events

Rectron Holdings Limited, a wholly owned subsidiary of Mustek, has disposed of its 100% stake in Rectron Australia on 11 February 2016 for a total cash consideration of AUD1 059 476.10.

There have been no other significant events subsequent to period-end up until the date of this report that requires adjustment or disclosure.

On behalf of the Board of directors

**David Kan**
*Chief Executive Officer*

**Neels Coetzee**
*Financial Director (preparer of summarised Group results)*

23 February 2016

## SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Ordinary stated capital R000 | Retained earnings R000 | Non-distributable reserve R000 | Foreign currency translation reserve R000 | Attributable to owners of the parent R000 | Non-controlling interest R000 | Total R000 |
|---|---|---|---|---|---|---|---|
| **Balance at 30 June 2014** | 119 627 | 791 787 | 809 | 3 829 | 916 052 | 18 461 | 934 513 |
| Net profit for the period | – | 56 698 | – | – | 56 698 | 259 | 56 957 |
| Other comprehensive income | – | – | – | (773) | (773) | (413) | (1 186) |
| Dividends paid | – | (29 871) | – | – | (29 871) | – | (29 871) |
| Buy-back of shares | (15 778) | – | – | – | (15 778) | – | (15 778) |
| Share capital issued | 16 218 | – | – | – | 16 218 | – | 16 218 |
| **Balance at 31 December 2014** | 120 067 | 818 614 | 809 | 3 056 | 942 546 | 18 307 | 960 853 |
| Net profit for the period | – | 76 022 | – | – | 76 022 | 1 128 | 77 150 |
| Other comprehensive income | – | – | – | 1 893 | 1 893 | (167) | 1 726 |
| Buy-back of shares | (26 713) | – | – | – | (26 713) | – | (26 713) |
| Share capital issued | – | – | – | – | – | – | – |
| **Balance at 30 June 2015** | 93 354 | 894 636 | 809 | 4 949 | 993 748 | 19 268 | 1 013 016 |
| Net profit for the period | – | 52 343 | – | – | 52 343 | 1 639 | 53 982 |
| Other comprehensive income | – | – | – | 3 882 | 3 882 | – | 3 882 |
| Dividends paid | – | (35 605) | – | – | (35 605) | – | (35 605) |
| Buy-back of shares | (30 896) | – | – | – | (30 896) | – | (30 896) |
| Investment in subsidiary | – | – | – | – | – | (6 605) | (6 605) |
| **Balance at 31 December 2015** | 62 458 | 911 374 | 809 | 8 831 | 983 472 | 14 302 | 997 774 |

## SUMMARISED SEGMENT ANALYSIS

| Business segments | Total: Unaudited 6 months 31 December 2015 R000 | Total: Unaudited 6 months 31 December 2014 R000 (Re-presented) | Mustek: Unaudited 6 months 31 December 2015 R000 | Mustek: Unaudited 6 months 31 December 2014 R000 | Rectron: Unaudited 6 months 31 December 2015 R000 | Rectron: Unaudited 6 months 31 December 2014 R000 (Re-presented) | Group: Unaudited 6 months 31 December 2015 R000 | Group: Unaudited 6 months 31 December 2014 R000 | Eliminations: Unaudited 6 months 31 December 2015 R000 | Eliminations: Unaudited 6 months 31 December 2014 R000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | 2 468 276 | 2 240 893 | 1 523 663 | 1 337 638 | 1 099 630 | 1 043 693 | – | – | (155 017) | (140 438) |
| **EBITDA*** | 121 584 | 105 810 | 82 047 | 81 087 | 48 062 | 32 084 | (8 525) | (7 361) | – | – |
| Depreciation and amortisation | (13 483) | (8 939) | (9 714) | (8 172) | (3 769) | (767) | – | – | – | – |
| **Profit (loss) from operations** | 108 101 | 96 871 | 72 333 | 72 915 | 44 293 | 31 317 | (8 525) | (7 361) | – | – |
| Investment revenues | 6 864 | 7 495 | 6 213 | 5 142 | 1 101 | 4 221 | 2 779 | 1 259 | (3 229) | (3 127) |
| Finance costs | (46 960) | (30 587) | (28 188) | (15 671) | (18 772) | (14 916) | (3 229) | (3 127) | 3 229 | 3 127 |
| Share of profit of associates | 7 586 | 5 923 | – | – | – | – | 7 586 | 5 923 | – | – |
| **Profit (loss) before tax** | 75 591 | 79 702 | 50 358 | 62 386 | 26 622 | 20 622 | (1 389) | (3 306) | – | – |
| Income tax (expense) benefit | (19 383) | (20 185) | (13 646) | (17 017) | (7 346) | (5 752) | 1 609 | 2 584 | – | – |
| **Profit (loss) for the period from continuing operations** | 56 208 | 59 517 | 36 712 | 45 369 | 19 276 | 14 870 | 220 | (722) | – | – |
| **Discontinued operations** | | | | | | | | | | |
| Loss for the period from discontinued operations | (2 225) | (2 560) | – | – | (2 225) | (2 560) | – | – | – | – |
| **Profit (loss) for the period** | 53 983 | 56 957 | 36 712 | 45 369 | 17 051 | 12 310 | 220 | (722) | – | – |
| **Attributable to:** | | | | | | | | | | |
| Owners of the parent | 52 344 | 56 698 | 36 712 | 45 369 | 17 367 | 13 597 | (1 735) | (2 268) | – | – |
| Non-controlling interest | 1 639 | 259 | – | – | (316) | (1 287) | 1 955 | 1 546 | – | – |
| | 53 983 | 56 957 | 36 712 | 45 369 | 17 051 | 12 310 | 220 | (722) | – | – |

** Earnings before interest, taxation, depreciation and amortisation.*

| Geographical segments | Total: Unaudited 6 months 31 December 2015 R000 | Total: Unaudited 6 months 31 December 2014 R000 (Re-presented) | South Africa: Unaudited 6 months 31 December 2015 R000 | South Africa: Unaudited 6 months 31 December 2014 R000 | Mustek East Africa: Unaudited 6 months 31 December 2015 R000 | Mustek East Africa: Unaudited 6 months 31 December 2014 R000 | Rectron Australia: Unaudited 6 months 31 December 2015 R000 | Rectron Australia: Unaudited 6 months 31 December 2014 R000 (Re-presented) |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | 2 468 276 | 2 240 893 | 2 443 342 | 2 214 015 | 24 934 | 26 878 | – | – |
| Profit (loss) before tax | 75 591 | 79 702 | 80 673 | 79 648 | (5 082) | 54 | – | – |
| Income tax (expense) benefit | (19 383) | (20 185) | (21 314) | (20 163) | 1 931 | (22) | – | – |
| **Profit (loss) for the period from continuing operations** | 56 208 | 59 517 | 59 359 | 59 485 | (3 151) | 32 | – | – |
| **Discontinued operations** | | | | | | | | |
| Loss for the period from discontinued operations | (2 225) | (2 560) | – | – | | | (2 225) | (2 560) |
| Profit (loss) for the period | 53 983 | 56 957 | 59 359 | 59 485 | (3 151) | 32 | (2 225) | (2 560) |
| **Attributable to:** | | | | | | | | |
| Owners of the parent | 52 344 | 56 698 | 57 404 | 57 939 | (3 151) | 32 | (1 909) | (1 273) |
| Non-controlling interest | 1 639 | 259 | 1 955 | 1 546 | – | – | (316) | (1 287) |
| | 53 983 | 56 957 | 59 359 | 59 485 | (3 151) | 32 | (2 225) | (2 560) |

**CORPORATE INFORMATION:** **Company Secretary:** Sirkien van Schalkwyk. 1 Carlsberg, 430 Nieuwenhuyzen Street, Erasmuskloof Extension 2, 0181. Postal address: PO Box 4896, Rietvalleirand, 0174, South Africa. Telephone: +27 (0) 12 751 6000. **Directors:** Rev Dr VC Mehana# (Chairman), DC Kan (Chief Executive Officer), CJ Coetzee (Financial Director), H Engelbrecht, LL Dhlamini*, Dr ME Gama*, RB Patmore* *#Non-executive Director *Independent Non-executive Director* **Transfer secretaries:** Computershare Investor Services Proprietary Limited. 70 Marshall Street, Johannesburg, 2001. Postal address: PO Box 61051, Marshalltown, 2107, South Africa. Telephone: +27 (0) 11 370 5000. **Registered office:** 322 15th Road, Randjespark, Midrand, 1685. Postal address: PO Box 1638, Parklands, 2121. **Contact numbers:** Telephone: +27 (0) 11 237 1000 Facsimile: +27 (0) 11 314 5039 Email: ltd@mustek.co.za. **Sponsor:** Deloitte & Touche Sponsor Services Proprietary Limited.

BASTION GRAPHICS