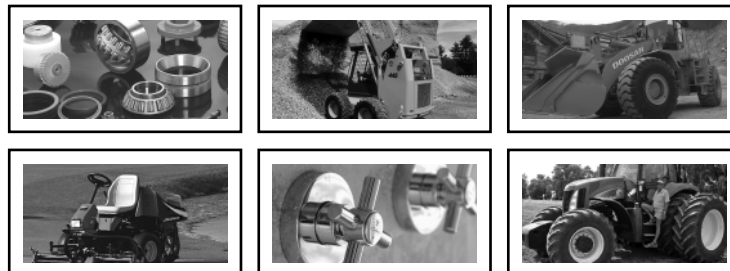


# UNAUDITED INTERIM RESULTS

for the six months ended  
30 September 2009



**Revenue ▼ 11% • Profit for the period ▼ 9% • Earnings per share ▼ 7% • Dividend ▼ 8%**

## Consolidated condensed INCOME STATEMENT

	Unaudited 6 months ended 30 Sept 2009 R'000	Unaudited 6 months ended 30 Sept 2008 R'000	Audited year ended 31 Mar 2009 R'000
Revenue	(11) 1 985 960	2 228 987	4 523 535
Operating income	(18) 174 134	212 222	497 356
Interest and dividends received	182 171	179 900	360 115
Finance costs	175 093	181 967	382 719
Equity accounted earnings	594	-	-
Profit before taxation	(13) 181 806	210 155	474 752
Taxation	42 184	57 324	111 940
Profit for the period	(9) 139 622	152 831	362 812
Minority interest	17 868	20 946	50 000
Attributable to ordinary shareholders	(8) 121 754	131 885	312 812
<b>Earnings per share (cents)</b>	(7) 172	184	437
<b>Diluted earnings per share (cents)</b>	(6) 172	183	437
<b>Determination of headline earnings</b>			
Attributable earnings	121 754	131 885	312 812
Adjustments – after taxation and minority interest where applicable			
– Profit on disposal of property, plant and equipment	(331)	(3 201)	(1 862)
– Profit on disposal of investment	-	-	(160)
– Negative goodwill	(4 379)	-	-
– Profit on issue of shares by subsidiaries	-	-	(3 246)
– Impairment loss on property, plant and equipment	-	3 200	2 752
– Impairment of goodwill	-	-	510
<b>Headline earnings</b>	<b>117 044</b>	<b>131 884</b>	<b>310 806</b>
<b>Shares in issue</b>			
Weighted average (000's)	70 780	71 536	71 536
At the end of the period (000's)	70 774	70 801	70 801
Number of shares used for diluted earnings per share (000's)	70 780	71 989	71 536
<b>Headline earnings per share (cents)</b>	(10) 165	184	434
<b>Diluted headline earnings per share (cents)</b>	(10) 165	183	434
<b>Dividends per share* (cents)</b>			
– Interim	(8) 49	53	53
– Final	-	-	85

\* In accordance with IAS 10 the interim dividend of 49 cents per share proposed by the directors has not been reflected in the interim results.

## Consolidated condensed STATEMENT OF CHANGES IN EQUITY

	Unaudited 6 months ended 30 Sept 2009 R'000	Unaudited 6 months ended 30 Sept 2008 R'000	Audited year ended 31 Mar 2009 R'000
<b>Share capital</b>			
Balance at beginning of the period	3 724	3 724	3 724
Closing balance	3 724	3 724	3 724
<b>Share premium</b>			
Balance at beginning of the period	282 715	282 715	282 715
Closing balance	282 715	282 715	282 715
<b>Treasury shares</b>			
Balance at beginning of the period	(94 247)	(49 393)	(49 393)
Treasury shares acquired	(596)	(44 854)	(44 854)
Closing balance	(94 843)	(94 247)	(94 247)
<b>Retained earnings</b>			
Balance at beginning of the period	972 824	763 697	763 697
Earnings attributable to ordinary shareholders	121 754	131 885	312 812
Dividends paid	(61 805)	(66 160)	(103 685)
Closing balance	1 032 773	829 422	972 824
<b>Other reserves</b>			
Balance at beginning of the period	41 039	24 848	24 848
Arising from the issue of share appreciation rights	11 910	6 420	19 270
Arising on translation of foreign operations	(7 103)	758	(3 079)
Closing balance	45 846	32 026	41 039
	1 270 215	1 053 640	1 206 055
<b>Minority interest</b>			
Balance at beginning of the period	130 196	92 147	92 147
Earnings attributable to outside shareholders	17 868	20 946	50 000
Net acquisition of minorities	-	-	(2 952)
Net investment in subsidiaries	2 112	-	-
Dividends paid	(462)	(3 130)	(8 999)
Closing balance	149 714	109 963	130 196

## Consolidated condensed CASH FLOW STATEMENT

	Unaudited 6 months ended 30 Sept 2009 R'000	Unaudited 6 months ended 30 Sept 2008 R'000	Audited year ended 31 Mar 2009 R'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	38 751	163 422	87 972
Finance costs	(175 093)	(181 967)	(382 719)
Dividends paid	(62 267)	(69 290)	(112 626)
Taxation paid	(9 004)	(86 694)	(194 445)
Interest and dividends received	182 171	179 900	360 115
Net cash (outflow) inflow from operating activities	(25 442)	5 371	(241 703)
<b>Cash flows from investing activities</b>			
Net cash effects of asset acquisitions	(3 078)	(48 252)	(82 816)
Net cash effects of other investing activities	(108 559)	(80 355)	(266 763)
Net cash effects of treasury share investments	(596)	(44 854)	(44 854)
<b>Cash flows from financing activities</b>			
Net cash effects of borrowings raised	55 934	24 057	294 806
Net decrease in cash and cash equivalents	(81 741)	(144 033)	(341 330)
Cash and cash equivalents at the beginning of the period	(131 459)	209 871	209 871
Cash and cash equivalents at the end of the period	(213 200)	65 838	(131 459)

## OTHER INFORMATION

	Unaudited 6 months ended 30 Sept 2009 R'000	Unaudited 6 months ended 30 Sept 2008 R'000	Audited year ended 31 Mar 2009 R'000
Debt-equity ratio (excluding the long-term funding debt secured by investments and loans) (%)	12	2	10
Depreciation and amortisation (R'000)	16 601	12 449	28 612
Net asset value per share (cents)	1 794,6	1 488,2	1 703,4
Tangible net asset value per share (cents)	1 706,9	1 131,0	1 345,2
Capital expenditure (R'000)	10 972	54 946	91 984
Contingent liabilities (R'000)	1 428	1 505	1 428
Capital commitments (R'000)	1 000	32 390	7 026

## Consolidated condensed BALANCE SHEET

	Unaudited 30 Sept 2009 R'000	Unaudited 30 Sept 2008 R'000	Audited 31 Mar 2009 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>3 611 694</b>	<b>3 385 789</b>	<b>3 495 310</b>
Property, plant and equipment	255 828	197 251	228 997
Investments	1 197 608	1 195 100	1 195 100
Goodwill and other intangible assets	293 043	252 908	253 649
Financial assets	231 463	226 074	232 512
Long-term assets	1 611 659	1 458 081	1 527 875
Deferred taxation	62 093	56 375	57 177
<b>Current assets</b>	<b>2 048 192</b>	<b>2 351 512</b>	<b>2 509 420</b>
Inventories	1 305 475	1 360 111	1 645 913
Trade and other receivables	665 819	910 749	688 106
Taxation prepaid	6 776	-	50 340
Bank balances and cash	70 122	80 652	125 061
Total assets	5 659 886	5 737 301	6 004 730
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>	<b>1 419 929</b>	<b>1 163 603</b>	<b>1 336 251</b>
Attributable to ordinary shareholders	1 270 215	1 053 640	1 206 055
Minority interest	149 714	109 963	130 196
<b>Non-current liabilities</b>	<b>3 181 184</b>	<b>2 913 274</b>	<b>3 096 348</b>
Long-term borrowings	2 933 810	2 675 032	2 846 638
Financial liabilities	234 753	226 074	236 434
Deferred taxation	12 621	12 168	13 276
<b>Current liabilities</b>	<b>1 058 773</b>	<b>1 660 424</b>	<b>1 572 131</b>
Trade, other payables and provisions	756 458	1 622 670	1 295 130
Tax liabilities	9 348	16 147	14 935
Short-term borrowings	9 645	6 793	5 546
Bank overdrafts and bankers' acceptances	283 322	14 814	256 520
Total equity and liabilities	5 659 886	5 737 301	6 004 730

## SEGMENT INFORMATION

	Engineering consumables R'000	Capital equipment and spares R'000	Group, financing and other operations R'000	Total R'000
<b>Unaudited six months ended 30 September 2009</b>				
Revenue	943 748	938 899	103 313	1 985 960
Operating income	106 921	48 191	19 022	174 134
Total assets	993 834	1 038 256	3 627 796	5 659 886
Total liabilities	229 354	742 691	3 267 912	4 239 957
<b>Unaudited six months ended 30 September 2008</b>				
Revenue	1 004 633	1 149 713	74 641	2 228 987
Operating income	144 245	59 700	8 277	212 222
Total assets	1 040 081	1 095 908	3 601 312	5 737 301
Total liabilities	389 044	926 537	3 258 117	4 573 698
<b>Audited year ended 31 March 2009</b>				
Revenue	2 056 754	2 334 424	132 357	4 523 535
Operating income	318 619	155 919	22 818	497 356
Total assets	1 212 328	1 211 360	3 581 042	6 004 730
Total liabilities	516 846	971 929	3 179 704	4 668 479

## NOTES TO THE FINANCIAL INFORMATION

**Basis of Preparation**  
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards including IAS 34: Interim Financial Reporting, the JSE Limited's Listings Requirements and in the manner required by the Companies Act of South Africa. The principal accounting policies as set out in the Group's 2009 annual report have been consistently applied throughout the six-month period under review.

## NOTES TO THE FINANCIAL STATEMENTS

**Acquisitions**  
The following acquisitions were made during the period ended 30 September 2009:  
• On 1 June 2009 Humulani Investments (Pty) Limited acquired 100% of Criterion Equipment (Pty) Limited.  
• On 1 April 2009 the Group acquired 40% of Compact Computer Solutions (Pty) Limited.

**Post-balance sheet events**  
Morgan Stanley Vaal LLC gave notice of exercising the forward sale agreement on the long-term receivable. The settlement took place on 15 October 2009. A transaction was entered into with Gryphon Asset Managers on the same day to invest the proceeds from the settlement.

## COMMENTS

Group activities fall within the following Group operating divisions:  
• Bearing Man Group ("BMG") in bearings, belts, seals, power transmission products, geared motors, fasteners and hydraulics.  
• Capital Equipment Division ("CED") in agricultural, earthmoving, construction, turf grooming, material handling equipment and golf utility cars.  
• Other businesses include automotive and motorcycle parts and a floor and wall tile business.

**Financial Overview**  
The Group has produced a most satisfactory result for the six-month period, considering the challenging economic environment. The market was characterised by weak demand for product, a strong Rand and generally tough economic conditions.

Turnover was maintained at acceptable levels with a modest decline of 11% to R1 986 million. Operating income declined by 18% to R174 million with earnings attributable to ordinary shareholders down by 8% to R122 million. Earnings per share declined by 7% to 172 cents per share.

Plans which were put in place at the prior year-end to improve the Group's working capital position, have started to show positive results. Inventory was reduced by R340 million, which was offset by a similar reduction in accounts payable. Cash generated from operations was R39 million. Management's focus will continue to be on maximising cash generation and the second half of the year should yield good cash flow.

The Group took advantage of weak market conditions and made a number of relatively minor, but tactically sound acquisitions, that will add to the Group's product offering and provide a further enhanced platform for growth and profitability. The most significant of these was the acquisition of 100% of the shares in Criterion Equipment (Pty) Limited, which operates in the materials handling sector of the market with TCM forklifts being its primary product.

**Bearing Man Group (BMG)**  
BMG continues to be the core profit base of the Group. Reduced volumes and price reductions resulted in revenue declining by 6% to R944 million. Margins were under pressure, due to stock being imported at weaker exchange rates in the prior period. This was partially offset by good cost control with overheads declining by 7% resulting in profit from operations declining by 26% to R107 million. All divisions experienced declines in activity due to prevailing economic conditions. A highlight of the period was the successful re-branding of Goldquest International Hydraulics to BMG Hydraulics.

**Capital Equipment Division (CED)**  
The CED, being the more cyclical of the Group operations, showed an 18% decline in revenue to R939 million, while profit from operations declined by 19% to R48 million.

The construction equipment divisions continue to be the weaker performers. Currently there is no real demand for product materialising from infrastructural spend by government. The low level of building plans being passed further exacerbated the problem. The agricultural equipment divisions continued to perform well despite agricultural commodity product's pricing declining at a greater rate than the reciprocal input costs for farming operations.

**Other Operations**  
The Group continued to solidify its distribution base and structures in all of its smaller operations, as well as to bed down its strategic property acquisitions which took place in the previous year.

**Prospects**  
The economy and market conditions appear to have stabilised. However, the current strength of the Rand and its overall volatility continue to be risk factors going forward.

Volumes in BMG appear to have bottomed out, but there are no clear signs of a recovery yet. Trading is volatile and patchy. However the macro global environment suggests that demand for BMG's customers' products should increase in the short to medium term. This should, in turn, result in increased demand for BMG's products and services.

In the CED, agricultural machinery conditions are expected to be challenging. Confidence in the agricultural sector is declining due to low grain prices and relatively high input costs. Conditions in the construction equipment market are still depressed and management does not expect this to improve in the next 12 to 18 months. The division has taken steps to protect itself by cutting costs and it is carefully managing working capital. The acquisition of Criterion Equipment (Pty) Limited is not expected to have any material effect on the Group in the second half of the year, but it has helped to spread the construction equipment section's overheads and should start making a contribution in the next financial year.

Notwithstanding the continued market uncertainty, the board has declared an interim dividend of 49 cents at a 3,5 times dividend cover ratio, in line with last year's interim results.

The Board remains confident of the continued success of the Group and will continue to look for opportunities to increase its product range and penetrate new markets.

**Dividend**  
The Board has declared an interim dividend of 49 cents per share.

In compliance with the requirements of Strate the following dates are applicable:  
Last date to trade "CUM" dividend Friday, 27 November 2009  
First date of trading "EX" dividend Monday, 30 November 2009  
Record date Friday, 4 December 2009  
Payment date Monday, 7 December 2009

Share certificates may not be dematerialised or rematerialised between Monday, 30 November 2009 and Friday, 4 December 2009, both days inclusive.

By order of the Board  
**C Barnard** Johannesburg  
Secretary 6 November 2009

**Registered office:** Invicta Holdings Limited, 3rd Floor, Pepkor House, 36 Stellenberg Road, Parow Industria, 7493 • PO Box 6077, Parow East, 7501  
**Transfer secretaries:** Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 • PO Box 61051, Marshalltown, 2107  
**Directors:** Dr CH Wiese\*, C Barnard, A Goldstone, AK Masuku\*, J Mthimunyane, DI Samuels\*, LR Sherrill\*, RE Sherrill\*, AM Sinclair, CE Walters \* Non-executive \* Alternate  
**Sponsor:** Deloitte & Touche Sponsor Services (Pty) Limited