



▲ DIVIDEND UP 17%

▲ EARNINGS PER SHARE UP 16%

Incorporated in the Republic of South Africa  
(Registration number 1966/002182/06)  
(Share code: IVT)  
(ISIN code: ZAE000029773)  
("Invicta" or "the group")



## AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 MARCH 2005 AND FURTHER CAUTIONARY ANNOUNCEMENT

### INCOME STATEMENT

	2005 R'000	2004 R'000	% change
Revenue	1 937 593	2 069 163	(6)
Operating profit	231 117	229 451	1
Interest received	8 758	6 093	
Finance costs	15 506	26 607	
Profit before taxation	224 369	208 937	7
Taxation	75 166	70 787	
Profit after taxation	149 203	138 150	8
Outside shareholders' interest	40 446	38 519	
Earnings attributable to ordinary shareholders	108 757	99 631	9
<b>Determination of headline earnings</b>			
<b>Attributable earnings</b>	108 757	99 631	
Adjustments – after taxation and minority interests where applicable			
– Goodwill amortisation	–	1 733	
– Profit on disposal of investment	(5 882)	(1 583)	
– Profit on disposal of property, plant and equipment	(444)	(839)	
<b>Headline earnings</b>	102 431	98 942	
<b>Shares in issue</b>			
Weighted average (000s)	57 258	60 571	
At the end of the year (000s)	57 884	57 463	
Weighted average including diluted shares (000s)	57 258	62 619	
<b>Headline earnings per share (cents)</b>	179	163	10
<b>Earnings per share (cents)</b>	190	164	16
<b>Diluted headline earnings per share (cents)</b>	179	159	13
<b>Diluted earnings per share (cents)</b>	190	160	19
<b>Dividends per share* (cents)</b>	77	66	17
Interim	31	20	55
Final	46	46	–

\* In accordance with AC107, the final dividend of 46 cents per share proposed by the directors has not been reflected in the annual financial statements.

### BALANCE SHEET

	2005 R'000	2004 R'000
<b>ASSETS</b>		
<b>Non-current assets</b>	164 393	142 719
Property, plant and equipment	105 791	102 922
Investments	202	–
Intangible assets	30 103	11 454
Deferred taxation	22 609	22 655
Long-term receivables	5 688	5 688
<b>Current assets</b>	813 703	825 127
Inventories	553 030	501 476
Accounts receivable	224 889	247 718
Cash and cash equivalents	35 784	75 933
	978 096	967 846
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	510 899	483 257
Ordinary shareholders' funds	354 568	312 339
Outside shareholders' interest	156 331	170 918
<b>Non-current liabilities</b>	12 821	11 642
Long-term borrowings	12 821	11 642
<b>Current liabilities</b>	454 376	472 947
Bank borrowings	9 681	41 745
Short-term borrowings	6 421	3 027
Other payables	438 274	428 175
	978 096	967 846

### CASH FLOW STATEMENT

	2005 R'000	2004 R'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	197 169	285 247
Finance costs	(15 506)	(26 607)
Dividends paid	(63 228)	(48 904)
Taxation paid	(91 810)	(96 961)
Interest received	8 758	6 093
Net cash inflow from operating activities	35 383	118 868
<b>Cash flows from investing activities</b>		
Net cash effects of asset acquisitions	(24 302)	(21 310)
Net cash effects of investing activities	(1 753)	5 453
<b>Cash flows from financing activities</b>		
Net cash effects of share capital repurchased	(30 608)	(103 054)
Net cash effects of shares issued	8 944	5 286
Net cash effects of borrowings raised	4 251	6 344
Net (decrease) increase in cash and cash equivalents	(8 085)	11 587
Cash and cash equivalents at the beginning of the year	34 188	22 601
Cash and cash equivalents at the end of the year	26 103	34 188

Segment information on these businesses is presented below:

	Engineering consumables R'000		Automotive spares R'000		Capital equipment and spares R'000		Non-segment allocations R'000		Consolidated R'000	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Revenue	1 048 087	1 009 305	–	295 890	889 506	763 968	–	–	1 937 593	2 069 163
Operating income before finance costs and interest received	153 879	148 356	–	24 920	76 806	63 040	432	(6 865)	231 117	229 451
<b>Balance sheet</b>										
Assets	579 743	529 587	–	131 625	557 439	396 524	(158 306)	(89 890)	978 876	967 846
Liabilities	246 799	196 626	–	128 018	311 408	218 644	(90 230)	(58 699)	467 977	484 589

No segment information is reported for the Automotive spares segment for the current year due to the sale of Engineparts (Pty) Ltd and due to the change in the nature of other segmentee's operations.

Geographical segments:

The group has not reported segment information by geographical location as the operations occur substantially within Southern Africa.

REGISTERED OFFICE: Invicta Holdings Limited, Unit 1A, Ground Floor, Seardele House, Alphen Park, Constantia Main Road, Constantia 7806 • PO Box 89, Constantia 7848

TRANSFER SECRETARIES: Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg 2001. PO Box 61051, Marshalltown, 2107

DIRECTORS: Dr CH Wiese\*, A Goldstone, M Rose-Innes\*, DI Samuels\*

SPONSOR: Deloitte & Touche Sponsor Services (Pty) Ltd

AUDITOR: Deloitte & Touche Registered Accountants and Auditors, Chartered Accountants (SA)

\* Non-executive

### STATEMENT OF CHANGES IN EQUITY

	2005 R'000	2004 R'000
<b>Share capital</b>		
Balance at the beginning of the year	2 873	3 642
Net shares issued (repurchased)	21	(769)
Balance at the end of the year	2 894	2 873
<b>Share premium</b>		
Balance at the beginning of the year	28 037	125 036
Net shares repurchased	(21 685)	(96 999)
Balance at the end of the year	6 352	28 037
<b>Accumulated profits</b>		
Balance at the beginning of the year	281 429	214 987
Earnings attributable to ordinary shareholders	108 757	99 631
Dividends paid	(44 864)	(33 189)
Balance at the end of the year	345 322	281 429

### Accounting policies

The principal accounting policies, except as set out below, as outlined in the 2004 annual report have been consistently applied. The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. These results have been prepared in terms of AC127.

### Change in accounting policy

In accordance with AC140, goodwill arising from business combinations is not amortised. This change has been applied prospectively.

### Other information

	2005	2004
Depreciation and amortisation (R'000)	22 156	23 273
Net asset value per share (cents)	612,5	543,5
Tangible net asset value per share (cents)	560,5	523,6

### GROUP ACTIVITIES

The Invicta group is a major regional importer and distributor of:

- Bearings, belts, seals, power transmission products and geared motors (Bearing Man)
- Agricultural machinery and equipment (Northmec)
- Construction and earthmoving equipment, turf grooming equipment and golf utility cars (CSE)
- Automotive engine spares (Autobax)

### FINANCIAL OVERVIEW

We are pleased to announce another solid set of results for the Invicta group. Turnover in continuing operations increased by 5%, although aggregate turnover declined by 6%, attributable to the disposal of Engineparts on 1 April 2004. Operating profit grew by 7% to R231 million and earnings attributable to ordinary shareholders increased by 9% to R109 million. Headline earnings per share increased by 10% to 179 cps.

All divisions traded satisfactorily with an outstanding performance by our agricultural machinery division. Bearing Man Limited ("Bearing Man") grew its net profit after tax by 10%, a good performance in a difficult market.

The year was characterised by the continuing strong Rand, but the group was able to counter this with an overall increase in volumes sold. Cash generated by operations was lower than the prior year, as a result of greater investment in working capital.

### PROSPECTS

Invicta anticipates a challenging year. Group companies are trading satisfactorily, although we are beginning to feel the effects of the expected downturn in the agricultural machinery sector. The Rand is expected to remain strong in the next 12 to 18 months.

The group recently announced its intention to make an offer to minorities in Bearing Man (see further cautionary announcement below). The transaction will make it possible to restructure and streamline the companies in the group, and introduce a Black Economic Empowerment partner. These factors, coupled with the group's continual search for suitable acquisitions, should balance the effects of the anticipated challenging trading conditions.

### BLACK ECONOMIC EMPOWERMENT

On 25 February 2005, Bearing Man withdrew its cautionary announcement relating to the proposed investment by a Black Economic Empowerment ("BEE") partner. Invicta's offer to minorities in Bearing Man will enable Invicta to empower the entire group. Immediately after all the formalities have been finalised in regard to the Bearing Man minorities, priority will be given to speeding up the introduction of BEE partners. A staff empowerment scheme will form part of this initiative, and will be finalised as soon as possible.

For and on behalf of the board

CH Wiese

Chairman

A Goldstone

Managing Director

Cape Town

18 May 2005

### DIVIDEND

Notice is hereby given that a final dividend of 46 cents per share has been declared. The last day to trade ("CUM" the dividend) in order to participate in the dividend will be Friday, 3 June 2005.

The shares of Invicta Holdings Limited will commence trading "EX" the dividend from Monday, 6 June 2005 and the record date will be Friday, 10 June 2005. The dividend will be paid to members on Monday, 13 June 2005.

Share certificates may not be dematerialised or rematerialised between Monday, 6 June 2005 and Friday, 10 June 2005, both days inclusive.

In accordance with AC 107, the final dividend of 46 cents per share proposed by the directors as shown in the share information, has not been reflected in the financial statements.

### FURTHER CAUTIONARY ANNOUNCEMENT

Further to the cautionary announcement dated 13 April 2005 in respect of the company's firm intention to make an offer to acquire all the Bearing Man shares that it does not already own, shareholders are advised to continue to exercise caution when dealing in the securities of Invicta until a further announcement is made.

By order of the board

C Barnard

Secretary

Johannesburg

18 May 2005

### AUDIT REPORT

The auditors, Deloitte & Touche, have issued their opinion on the group's financial statements for the year ended 31 March 2005. A copy of their unqualified report and these results are available for inspection at the company's registered office.