UNAUDITED GROUP RESULTS
for the six months ended 30 September 2008

Invicta HOLDINGS LIMITED

Revenue up 39%
Profit for the period up 30%
Earnings per share up 30%
Dividend up 13%

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

Condensed income statement

	Unaudited six months ended 30 Sept 2008 R'000	Unaudited six months ended 30 Sept 2007 R'000	% change	Audited year ended 31 March 2008 R'000
Revenue	**2 228 987**	1 598 960	39	3 335 496
Operating income	**212 222**	141 447	50	360 379
Interest and preference dividend received	**179 900**	70 006		212 270
Finance costs	**181 967**	79 982		209 147
Profit before taxation	**210 155**	131 471	60	363 502
Taxation	**57 324**	13 842		62 646
Profit for the period	**152 831**	117 629	30	300 856
Minority interest	**20 946**	12 664		37 491
Attributable to ordinary shareholders	**131 885**	104 965	26	263 365
Earnings per share (cents)	**184**	141	30	356
Diluted earnings per share (cents)	**183**	139	32	354
Determination of headline earnings				
Attributable earnings	**131 885**	104 965		263 365
Adjustments - after taxation and minority interest where applicable				
- Negative goodwill on business combination	**–**	(88)		(70)
- Profit on issue of shares by subsidiaries	**–**	–		(3 246)
- Impairment loss on property, plant and equipment	**3 200**	–		–
- Profit on disposal of branch	**–**	–		(599)
- Profit on disposal of property, plant and equipment	**(3 201)**	(410)		(4 294)
Headline earnings	**131 884**	104 467		255 156
Shares in issue				
Weighted average (000s)	**71 536**	74 341		74 007
At the end of the period (000s)	**70 801**	74 341		74 007
Number of shares used for diluted earnings per share (000s)	**71 989**	75 604		74 325
Headline earnings per share (cents)	**184**	141	30	345
Diluted headline earnings per share (cents)	**183**	139	32	343
Dividends per share* (cents)				138
Interim	**53**	47	13	47
Final	**–**	–		91

**In accordance with IAS10 the interim dividend of 53 cents per share proposed by the directors has not been reflected in the interim results.*

Condensed balance sheet

	Unaudited six months ended 30 Sept 2008 R'000	Unaudited six months ended 30 Sept 2007 R'000	Audited year ended 31 March 2008 R'000
ASSETS			
Non-current assets	**3 385 789**	1 591 563	3 183 780
Property, plant and equipment	**197 251**	138 789	154 996
Deferred taxation	**56 375**	30 914	34 794
Investments	**1 195 100**	1 195 303	1 195 303
Goodwill and other intangible assets	**252 908**	225 070	230 414
Loan receivable and financial assets	**1 684 155**	1 487	1 568 273
Current assets	**2 351 512**	1 477 611	2 032 453
Inventories	**1 360 111**	822 785	1 073 812
Trade and other receivables	**910 749**	500 299	733 466
Bank balances and cash	**80 652**	154 527	225 175
Total assets	**5 737 301**	3 069 174	5 216 233
EQUITY AND LIABILITIES			
Capital and reserves	**1 163 603**	1 014 405	1 117 738
Attributable to ordinary shareholders	**1 053 640**	940 494	1 025 591
Minority interest	**109 963**	73 911	92 147
Non-current liabilities	**2 913 274**	1 208 238	2 776 809
Long-term borrowings	**2 901 106**	1 199 894	2 764 662
Deferred taxation	**12 168**	8 344	12 147
Current liabilities	**1 660 424**	846 531	1 321 686
Short-term borrowings	**6 793**	12 121	7 325
Trade, other payables and provisions	**1 622 670**	815 371	1 267 748
Tax liabilities	**16 147**	13 912	31 309
Bank overdrafts and banker's acceptances	**14 814**	5 127	15 304
Total equity and liabilities	**5 737 301**	3 069 174	5 216 233

Condensed cash flow statement

Cash flows from operating activities			
Cash generated from operations	**163 422**	86 366	292 574
Finance costs	**(181 967)**	(79 982)	(209 147)
Dividend paid	**(69 290)**	(55 600)	(93 972)
Taxation paid	**(86 694)**	(22 222)	(58 317)
Interest and preference dividend received	**179 900**	70 006	212 270
Net cash inflow (outflow) from operating activities	**5 371**	(1 432)	143 408
Cash flows from investing activities			
Net cash effects of asset acquisitions	**(48 252)**	(7 260)	(39 985)
Net cash effects of other investing activities	**(80 355)**	(32 241)	(1 378 118)
Net cash effects of treasury share investments	**(44 854)**	–	(49 393)
Cash flows from financing activities			
Net cash effects of shares issued in terms of Bearing Man debenture scheme	**–**	–	1 488
Net cash effects of borrowings raised/(repaid)	**24 057**	(5 068)	1 337 070
Net (decrease) increase in cash and cash equivalents	**(144 033)**	(46 001)	14 470
Cash and cash equivalents at the beginning of the year	**209 871**	195 401	195 401
Cash and cash equivalents at the end of the year	**65 838**	149 400	209 871

Other information

Debt: Equity ratio (%) (excluding long-term funding debt secured by investments and loans)	**2%**	2%	1%
Depreciation and amortisation (R'000)	**12 449**	11 531	22 918
Net asset value per share (cents)	**1 488.2**	1 265.1	1 410.7
Tangible net asset value per share (cents)	**1 131.0**	962.4	1 093.7
Capital expenditure (R'000)	**54 946**	11 463	39 985
Contingent liabilities (R'000)	**1 505**	4 724	1 724
Capital commitments (R'000)	**32 390**	774	623

Business Acquisitions	Disa Equipment (Pty) Ltd	Goldquest & others	**Total R'000**
Acquired effective	1 April 2008	1 August 2008	
Property, plant and equipment	1 546	13 559	**15 105**
Deferred taxation	6 814	(1 209)	**5 605**
Long-term liabilities	–	(2 916)	**(2 916)**
Trade and other receivables	11 709	17 291	**29 000**
Cash and cash equivalents	5 960	7 154	**13 114**
Inventory	137 565	41 009	**178 574**
Trade and other payables	(145 609)	(15 859)	**(161 468)**
Taxation	(4 606)	(1 433)	**(6 039)**
Fair value of assets acquired	13 379	57 596	**70 975**
Goodwill on acquisition	11 793	10 701	**22 494**
Cost of acquisition	25 172	68 297	**93 469**
Cash and cash equivalents acquired	5 960	7 154	**13 114**
Net cash effect of acquisition of subsidiaries	19 212	61 143	**80 355**
Profit after tax since acquisition date included in the consolidated condensed results for the period	3 794	3 084	**6 878**
Profit after tax should the above business combinations have been included for the entire period	3 794	7 901	**11 695**

Condensed statement of changes in equity

	Unaudited six months ended 30 Sept 2008 R'000	Unaudited six months ended 30 Sept 2007 R'000	Audited year ended 31 March 2008 R'000
SHARE CAPITAL			
Balance at beginning of year	**3 635**	3 717	3 717
Shares issued in terms of Bearing Man debenture scheme	**–**	–	7
Treasury shares	**(95)**	–	(89)
Closing balance	**3 540**	3 717	3 635
SHARE PREMIUM			
Balance at beginning of year	**233 411**	281 234	281 234
Shares issued in terms of Bearing Man debenture scheme	**–**	–	1 481
Treasury shares	**(44 759)**	–	(49 304)
Closing balance	**188 652**	281 234	233 411
RETAINED EARNINGS			
Balance at beginning of year	**763 697**	588 011	588 011
Earnings attributable to ordinary shareholders	**131 885**	104 965	263 365
Dividends paid	**(66 160)**	(52 782)	(87 679)
Closing balance	**829 422**	640 194	763 697
OTHER RESERVES			
Balance at beginning of year	**24 848**	13 199	13 199
Arising from the issue of share appreciation rights	**6 420**	2 290	9 672
Arising on translation of foreign operations	**758**	(140)	1 977
Closing balance	**32 026**	15 349	24 848
Attributable to ordinary shareholders	**1 053 640**	940 494	1 025 591
MINORITY INTEREST			
Balance at beginning of year	**92 147**	44 685	44 685
Earnings attributable to outside shareholders	**20 946**	12 664	37 491
Net investment in subsidiaries	**–**	19 379	16 375
Dividend paid	**(3 130)**	(2 817)	(6 404)
Closing balance	**109 963**	73 911	92 147

Segment information

	Engineering consumables R'000	Capital equipment and spares R'000	Non segment allocations R'000	**Total R'000**
Unaudited six months ended 30 September				
Revenue – 2008	**1 004 633**	**1 149 713**	**74 641**	**2 228 987**
Revenue – 2007	761 717	801 290	35 953	1 598 960
Profit from operations before finance costs interest and preference dividend received – 2008	**144 245**	**59 700**	**8 277**	**212 222**
Profit from operations before finance costs interest and preference dividend received – 2007	98 035	46 478	(3 066)	141 447
Total assets – 2008	**1 040 081**	**1 095 908**	**3 601 312**	**5 737 301**
Total assets – 2007	723 669	732 236	1 613 269	3 069 174
Total liabilities – 2008	**389 044**	**926 537**	**3 258 117**	**4 573 698**
Total liabilities – 2007	184 537	627 245	1 242 987	2 054 769

Notes to the financial information

Basis of preparation

The consolidated financial statements have been prepared in accordance with IAS34 Interim Financial Reporting, International Financial Reporting Standards, 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 2008 annual report have been consistently applied throughout the six months period under review.

Comments

Group Activities

The Invicta Group continues to be a major regional player in the importation and distribution of:

- Bearings, belts, seals, power transmission products, geared motors, fasteners and hydraulics ("BMG")
- Agricultural machinery and equipment ("Northmec") and New Holland SA ("New Holland")
- Construction and earthmoving equipment, turf grooming equipment and golf utility cars ("CSE and Doosan SA")
- Automotive and motorcycle parts ("Autobax")
- Floor tiles, wall tiles and sanitary ware ("Tiletoria")

Financial Overview

The Group has again delivered excellent results. The period under review was characterised by a weaker Rand and strong demand for most group products, driven largely by high demand from the mineral and agricultural resource sectors. Turmoil in the global financial markets was beginning to surface by the end of the interim period, but it had no marked effect on the Group performance during the period. Turnover increased by a healthy 39% to R2.229 billion (2007: R1.599 billion). Organic growth in turnover was 27%, while turnover growth due to acquisitions was 12%. Indications are that the Group's annual turnover should comfortably exceed R4 billion for the full year, which will be a new milestone. Improved margins and tight cost controls resulted in operating profits increasing by 50% to R212 million (2007: R141 million). The Group tax rate increased to 27%, resulting in Profit for the period of R153 million (2007: R118 million), up 30%. The Group also made key strategic acquisitions in the hydraulics and construction machinery industries, as well as repurchasing its own shares for R45million.

BMG (Bearing Man Group)

BMG continued its excellent growth record. Revenue grew by R243 million (32%) to R1.005 billion (2007: R762 million). Organic growth was 29% and 3% was due to acquisitions. Good margin management and cost control resulted in operating profit improving by 47% to R144 million (2007: R98 million), which translates into an operating profit margin of 14.3%, up from the 12.9% achieved in last year's interim period. All divisions performed well except for the automotive division which suffered from reduced demand in line with the decline in the automotive industry as a whole. BMG continues to be the major contributor to group profits and is bearing the fruits of initiatives undertaken last year to improve sustainable profit growth. On 1 August 2008 BMG acquired 100% of Goldquest Hydraulics for cash in a transaction valued at between R60 million and R65 million (dependant on profit warranties and other performance criteria), R60 million of which was paid by 30 September 2008, with the balance being payable within the next 12 months. This strategic acquisition will enable BMG to grow into the hydraulics market in a meaningful way.

During the period under review, Bearing Man embarked on a rebranding exercise, which saw it consolidate its numerous trading divisional brands into one brand, BMG. This will eliminate duplication of expenditure and strengthen the market awareness of a consolidated brand which reflects the heritage and product range of the Bearing Man Group. The bulk of the costs associated with the re-branding were expensed during the period under review.

Capital Equipment

Invicta's capital equipment divisions performed exceptionally well, with turnover growing by R348 million to R1.150 billion (2007: R801 million), 43% up on last year – 27% was due to organic growth and 16% was due to acquisitions. Most of the organic growth arose from the agricultural sector which was driven largely by high grain prices. Growth in operating profit of 28% was less than the growth in turnover, due to the Group's earthmoving (and turf equipment) divisions, CSE and Doosan SA, contributing R300 million to turnover, but without a reciprocal contribution to operating profit. CSE continued to struggle with competitive pricing in the earthmoving industry and suffered in its turf equipment division with a steep decline in demand for machinery from golf courses. An improved performance is expected in the second half of the financial year. Doosan SA incurred large once-off costs in order to reduce overheads and improve profitability, which steps have been successful and should see Doosan SA making a meaningful contribution to the Group's profits in future.

Tiletoria

As anticipated, the tile industry in South Africa has declined in line with the slow-down in the housing sector due to increased interest rates and the slow-down in GDP growth. Nevertheless, Tiletoria, which was acquired effective 1 June 2007, improved its turnover and operating profit compared to the corresponding period in 2007, which is most pleasing under the circumstances. Its contribution to the Group is not yet material, but should grow substantially in the next 5 years.

General

In the second half of the last financial year, the Group entered a number of transactions aimed at reducing the Group's overall cost of funding. This has been the major reason for the interest and preference dividend received increasing by R110 million, and finance costs increasing by R102 million when compared to the same period last year.

Prospects

The recent global meltdown of financial markets has made it very difficult to predict future demand for group products. Internationally, mineral and agricultural commodity prices have reduced, which is likely to put pressure on the customers of BMG and the Group's Agricultural Machinery Divisions. Any decline in volumes is, however, likely to be partly off-set by price increases arising from a weaker Rand. Volumes in the construction equipment industry also appear to have peaked due to prevailing economic condition, which is likely to result in little growth in the Group's construction equipment divisions. Off-setting this, however, Doosan SA is expected to contribute more materially in the second half of the financial year following its restructuring since its acquisition. In view of the prevailing uncertainty in markets, management has adopted a cautious approach and will focus on working capital management and building cash resources in order to take advantage of acquisitions and other growth opportunities. In light thereof, the dividend cover for the interim period has been increased slightly to 3.5 times from the historic 3 times cover. The Board proposes that this conservative dividend cover be extended to the year-end and that the annual dividend cover be increased to 3 times from the historic 2.5 times cover.

Trading in October has been good, but the effects of the global financial turmoil and the substantial weakening of the Rand makes for uncertain times. However, given the Group's strengths of good management, solid businesses and low gearing, the Board is confident of a satisfactory performance for the remainder of the year. The Group expects the high interest rate and weak Rand environment to result in good acquisition opportunities arising. Invicta, with its good cash resources and strong balance sheet, will be well positioned to take advantage of such opportunities.

Dr DH Wiese
Chairman

A Goldstone
Managing Director

Dividend

The Board has declared an interim dividend of 53 cents per share.
The following dates are applicable:

Last date of trade cum dividend	Friday, 28 November 2008
First date of trading ex dividend	Monday, 1 December 2008
Record date	Friday, 5 December 2008
Payment date	Monday, 8 December 2008

Share certificates may not be dematerialised or rematerialised between Monday, 1 December 2008 and Friday, 5 December 2008, both days inclusive.

By order of the Board
C Barnard
Secretary

Johannesburg
7 November 2008

BMG CSE NEW HOLLAND AGRICULTURE DOOSAN NORTHMEC Tiletoria AUTOBAX

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 Mthimunye#, DI Samuels*, RE Sherrell*, AM Sinclair, CE Walters#,
* Non-executive # Alternate

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