Invicta HOLDINGS LIMITED

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

FINANCIAL HIGHLIGHTS

Revenue	▲ 35,6%
Profit before taxation	▲ 30,6%
Headline earnings per share	▲ 25,8%
Annual dividend maintained	

AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 MARCH 2009

Consolidated condensed INCOME STATEMENT
for the year ended 31 March

	% change	2009 R'000	2008 R'000
Revenue	35,6	**4 523 535**	3 335 496
Operating income	38,0	**497 356**	360 379
Interest and preference dividends received		**360 115**	212 270
Finance costs		**382 719**	209 147
Profit before taxation	30,6	**474 752**	363 502
Taxation		**111 940**	62 646
Profit for the year	20,6	**362 812**	300 856
Minority interest		**50 000**	37 491
Attributable to ordinary shareholders	18,8	**312 812**	263 365
Earnings per share (cents)	22,8	**437**	356
Diluted earnings per share (cents)	23,4	**437**	354
Determination of headline earnings			
Attributable earnings		**312 812**	263 365
Adjustments – after taxation and minority interest where applicable			
– Negative goodwill on business combination		**–**	(70)
– Impairment of property, plant and equipment		**2 752**	–
– Impairment of goodwill		**510**	–
– Profit on issue of shares by subsidiaries		**(3 246)**	(3 246)
– Profit on disposal of investment		**(160)**	–
– Profit on disposal of branch		**–**	(599)
– Profit on disposal of property, plant and equipment		**(1 862)**	(4 294)
Headline earnings	21,8	**310 806**	255 156
Shares in issue			
Weighted average (000's)		**71 536**	74 007
At the end of the year (000's)		**70 801**	72 703
Number of shares used for diluted earnings per share (000's)		**71 536**	74 325
Headline earnings per share (cents)	25,8	**434**	345
Diluted headline earnings per share (cents)	26,5	**434**	343
Dividends per share* (cents)	0,0	**138**	138
– Interim	12,8	**53**	47
– Final	(6,6)	**85**	91

** In accordance with IAS 10 the final dividend of 85 cents per share proposed by the directors has not been reflected in the year-end results.*

SEGMENT INFORMATION
for the year ended 31 March

	Engineering consumables R'000	Capital equipment and spares R'000	Group, financing and other operations R'000	Total R'000
2009				
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**
2008				
Revenue	1 542 741	1 700 909	91 846	3 335 496
Operating income	220 649	120 854	18 876	360 379
Total assets	941 163	1 055 135	3 219 935	5 216 233
Total liabilities	316 559	909 867	2 872 069	4 098 495

NOTES TO THE FINANCIAL INFORMATION

Basis of Preparation
The consolidated condensed financial statements have been prepared in accordance with IAS 34 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 applied consistently throughout the year ended 31 March 2009.

Consolidated condensed BALANCE SHEET
as at 31 March

	2009 R'000	2008 R'000
ASSETS		
Non-current assets	**3 495 310**	3 183 780
Property, plant and equipment	**228 997**	154 996
Investments	**1 195 100**	1 195 303
Goodwill and other intangible assets	**253 649**	230 414
Loan receivable and financial assets	**1 760 387**	1 568 273
Deferred taxation	**57 177**	34 794
Current assets	**2 509 420**	2 032 453
Inventories	**1 645 913**	1 073 812
Trade and other receivables	**688 106**	728 082
Tax prepaid	**50 340**	5 384
Bank balances and cash	**125 061**	225 175
Total assets	**6 004 730**	5 216 233
EQUITY AND LIABILITIES		
Capital and reserves	**1 336 251**	1 117 738
Attributable to ordinary shareholders	**1 206 055**	1 025 591
Minority interest	**130 196**	92 147
Non-current liabilities	**3 096 348**	2 776 809
Long-term borrowings and financial liabilities	**3 083 072**	2 764 662
Deferred taxation	**13 276**	12 147
Current liabilities	**1 572 131**	1 321 686
Short-term borrowings	**5 546**	7 325
Trade, other payables and provisions	**1 295 130**	1 267 748
Tax liabilities	**14 935**	31 309
Bank overdrafts and bankers' acceptances	**256 520**	15 304
Total equity and liabilities	**6 004 730**	5 216 233

Consolidated condensed CASH FLOW STATEMENT
for the year ended 31 March

	2009 R'000	2008 R'000
Cash flows from operating activities		
Cash generated from operations	**87 972**	292 574
Finance costs	**(382 719)**	(209 147)
Dividends paid	**(112 626)**	(93 972)
Taxation paid	**(194 445)**	(58 317)
Interest and preference dividends received	**360 115**	212 270
Net cash (outflow) inflow from operating activities	**(241 703)**	143 408
Cash flows from investing activities		
Net cash effects of asset acquisitions	**(82 816)**	(39 985)
Net cash effects of other investing activities	**(266 763)**	(1 378 118)
Net cash effects of treasury share investments	**(44 854)**	(49 393)
Net cash outflow from investing activities	**(394 433)**	(1 467 496)
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	**294 806**	1 337 070
Net cash inflow from financing activities	**294 806**	1 338 558
Net (decrease) increase in cash and cash equivalents	**(341 330)**	14 470
Cash and cash equivalents at the beginning of the year	**209 871**	195 401
Cash and cash equivalents at the end of the year	**(131 459)**	209 871

OTHER INFORMATION

	2009	2008
Debt-equity ratio (excluding the long-term funding debt secured by investments and loans) (%)	**10**	1
Depreciation and amortisation (R'000)	**28 612**	22 918
Net asset value per share (cents)	**1 703,4**	1 410,7
Tangible net asset value per share (cents)	**1 345,2**	1 093,7
Capital expenditure (R'000)	**91 984**	39 985
Contingent liabilities (R'000)	**1 428**	1 724
Capital commitments (R'000)	**7 026**	623

Consolidated condensed STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March

	2009 R'000	2008 R'000
Share capital		
Balance at beginning of the year	**3 724**	3 717
Shares issued in terms of Bearing Man debenture scheme	**–**	7
Balance at end of the year	**3 724**	3 724
Share premium		
Balance at beginning of the year	**282 715**	281 234
Shares issued in terms of Bearing Man debenture scheme	**–**	1 481
Balance at end of the year	**282 715**	282 715
Treasury shares		
Balance at beginning of the year	**(49 393)**	–
Treasury shares bought	**(44 854)**	(49 393)
Balance at end of the year	**(94 247)**	(49 393)
Retained earnings		
Balance at beginning of the year	**763 697**	588 011
Earnings attributable to ordinary shareholders	**312 812**	263 365
Dividends paid	**(103 685)**	(87 679)
Balance at end of the year	**972 824**	763 697
Other reserves		
Balance at beginning of the year	**24 848**	13 199
Arising from the issue of share appreciation rights	**19 270**	9 672
Arising on translation of foreign operations	**(3 079)**	1 977
Balance at end of the year	**41 039**	24 848
	1 206 055	1 025 591
Minority interest		
Balance at beginning of the year	**92 147**	44 685
Earnings attributable to outside shareholders	**50 000**	37 491
Net investment in subsidiaries	**(2 952)**	16 375
Dividends paid	**(8 999)**	(6 404)
Balance at end of the year	**130 196**	92 147

BUSINESS ACQUISITIONS

	Disa Equipment (Pty) Limited R'000	Goldquest International Hydraulics (Pty) Limited and others R'000	Total R'000
Acquired 100% effective	1 April 2008	1 August 2008	
Property, plant and equipment	1 546	18 849	**20 395**
Deferred taxation	6 814	(1 209)	**5 605**
Long-term liabilities	–	(7 585)	**(7 585)**
Trade and other receivables	11 392	17 924	**29 316**
Cash and cash equivalents	5 960	2 774	**8 734**
Inventories	137 565	41 267	**178 832**
Trade and other payables	(141 353)	(11 169)	**(152 522)**
Provisions	(3 939)	(2 247)	**(6 186)**
Taxation	(4 606)	(920)	**(5 526)**
Fair value of assets acquired	13 379	57 684	**71 063**
Goodwill on acquisition	11 793	5 259	**17 052**
Cost of acquisitions	25 172	62 943	**88 115**
Cash and cash equivalents acquired	5 960	2 774	**8 734**
Net cash effect of acquisition of subsidiaries	19 212	60 169	**79 381**
Profit after tax since acquisition date included in the consolidated condensed results for the year	15 138	9 870	**25 008**
Profit after tax should the above business combinations have been included for the entire year	15 138	14 687	**29 825**
Revenue should the above business combinations have been included for the entire year	247 727	125 183	**372 910**

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 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 in a challenging year which was overshadowed by the global financial crisis.

The first eight months of trading were buoyant, followed by four months of poorer trading and declining confidence evident in the Group's trading sectors. Although the financial crisis hit globally in about July 2008, its effects were only felt in South Africa from October 2008 onwards, when demand for mineral resources fell in earnest and the banks felt the liquidity crunch and started tightening credit severely. The high interest rates in South Africa at the time further compounded the situation. Notwithstanding, Group turnover grew by a most pleasing 35,6% to exceed R4,5 billion for the first time. Organic growth in turnover was 25,7%, with acquisitions contributing 9,9%. Improved margins and tight cost controls resulted in operating profits increasing by 38,0% to R497 million, yielding an operating margin of 11,0%, marginally higher than the prior year. The Group tax rate increased to 23,6%, resulting in after tax profit for the year of R363 million, up 20,6% on last year.

BMG (BEARING MAN GROUP)
BMG continued its excellent growth record. Revenue grew by R514 million (33,3%) to R2,057 billion. Organic growth was 28,0% and 5,3% due to acquisitions. Good margin management and cost control resulted in operating profit improving by 44,4% to R319 million, which translates into an operating profit margin of 15,5%, up from the 14,3% achieved in the prior year. All divisions performed well except for the automotive division which suffered from reduced demand in line with the decline in the automotive industry. 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 International Hydraulics for cash in a transaction valued at R63 million. This strategic acquisition will enable BMG to grow into the hydraulics market in a meaningful way. BMG was also appointed Pall Filtration's Southern African distributor for its premium filtration products.

During the period under review, Bearing Man embarked on a major re-branding 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 costs associated with the re-branding were expensed during the year under review. The re-branding has been extremely well received in the marketplace.

CAPITAL EQUIPMENT
Invicta's capital equipment divisions performed well, with turnover growing by R633 million to R2,334 billion, 37,2% up on last year, of which 22,7% was organic growth and 14,5% due to acquisitions. Most of the organic growth arose from the agricultural sector which was driven largely by high prices and exceptional yields in the grain industry. Growth in operating profit was diluted to 29% due to the Group's earthmoving (and turf equipment) divisions (CSE and Doosan SA) contributing R663 million to turnover, but only contributing a nominal amount to operating profit. CSE continues to struggle with competitive pricing in the earthmoving industry. Its turf equipment division is also under severe pressure with a steep decline in demand for turf machinery and golf carts from golf courses. Fortunately this is a very small division. Doosan SA, acquired effective 1 April 2008, incurred large once-off costs in order to reduce overheads and improve profitability. These steps have been successful and should ensure that Doosan SA makes a meaningful contribution to the Group's profits in future when demand for construction and earthmoving machinery in South Africa normalises.

TILETORIA
As anticipated, the tile industry in South Africa has declined in line with the slowdown in the building sector due to increased interest rates and the slowdown in GDP growth. Nevertheless, Tiletoria improved its turnover by 23% year-on-year, although its operating margins were under pressure. Its contribution to the Group is not yet material, but should grow substantially in the next five years, following the expansion plans currently being undertaken.

GENERAL
In the second half of the 2008 financial year, the Group entered financial transactions aimed at reducing the Group's cost of funding operations and working capital. This has resulted in both the interest and preference dividend received and finance costs paid increasing during the year.

PROSPECTS
With the global financial crisis taking a firm hold locally towards the end of 2008, Invicta started picking up head winds. In spite thereof, due to good management and business models, the Group managed to close the year on a high note. Looking ahead, however, we expect trading to be challenging. International mineral and agricultural commodity prices are well below their peaks of last year, which is likely to keep pressure on the customers of BMG and the Group's agricultural machinery divisions. Although there has been a slight improvement in commodity prices recently, the recovery of the South African economy is likely to be gradual over the next 12 to 18 months. Volumes in the construction equipment industry are, on average, well down on last year and are not expected to recover in the short term. Group revenue so far in the new financial year has been marginally below that of last year.

In light of the aforegoing and the prevailing uncertainty in markets, management has adopted a cautious approach to the coming year. A prudent approach to the paying of a final dividend has been adopted, with the annual dividend being maintained, resulting in a dividend cover for the year of 3,14 times. It is anticipated that when markets return to normal the dividend cover will return to 2,5 times.

Current market conditions are expected to give rise to acquisition opportunities and the Group has ensured that it has access to sufficient funding to enable it to take advantage of these opportunities as and when they arise, so as to ensure the continued growth of the Group.

In view of the uncertain market conditions, no view can be expressed as to the earnings for the current year. Management is however confident that the Group is well positioned to weather the storm.

AUDIT OPINION
The auditors, Deloitte & Touche, have issued an unmodified opinion on the Group consolidated financial statements for the year ended 31 March 2009. A copy of the audit report is available for inspection at the Company's registered office.

DIVIDENDS
The Board has declared a cash dividend of 85 cents per share.

The following dates are applicable:

Last date to trade "CUM" dividend	Friday, 3 July 2009
First date to trade "EX" dividend	Monday, 6 July 2009
Record date	Friday, 10 July 2009
Payment date	Monday, 13 July 2009

Share certificates may not be dematerialised or rematerialised between Monday, 6 July 2009 and Friday, 10 July 2009, both days inclusive.

By order of the Board

C Barnard — Johannesburg
Secretary — 27 May 2009

GRAPHICULTURE 1815

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Directors: Dr CH Wiese*, C Barnard, A Goldstone, AK Masuku*, J Mthimunye#, DI Samuels*, RE Sherrell*, AM Sinclair, CE Walters# * *Non-executive # Alternate* • **Sponsor:** Deloitte & Touche Sponsor Services (Pty) Limited