

# Audited results

## for the year ended 30 June 2004

- **Attributable earnings +45%**
- **Turnover +13%**
- **Operating profit +26%**
- **HEPS +53%**
- **Cash on hand +27%**

**DigiCore**  
HOLDINGS LIMITED

Registration number 1998/012601/06  
JSE code: DGC ISIN code: ZAE 000016945  
("the Group")

### Comments

Management is pleased to announce the group's annual results for the year 30 June 2004, having achieved almost all the goals set at the beginning of the financial year. DigiCore Holdings recorded a 45% improvement in attributable earnings to R24,3 million (June 2003: R16,7 million). Improved levels of customer satisfaction, a rigorous marketing campaign, and the launch of new technology solutions drove turnover 13% higher to R193,9 million (2003: R172,2 million).

Improved margins lifted operating profit by 26%, rising from R22,8 million to R28,8 million. Margin growth is attributable to continued investment in research and development as well as a lower imported component cost base.

The 20 866 108 shares repurchased through a buy-back offer to shareholders at a price of 60 cents per share, have been delisted and are now included in the unissued authorised ordinary share capital. A further 2 990 564 shares were purchased on the open market under the general authority to repurchase shares and are held as treasury shares. The group intends to continue buying shares on the open market.

Notwithstanding earnings per share rising from 7,6 cents to 11,7 cents per share or 54%, the full impact of the repurchase on earnings per share will only be fully reflected in the coming year.

The balance sheet strengthened further, with net asset value growing from 56,8 to 63,8 cents per share. Net tangible asset value per share is up by 14% to 53,2 cents per share.

Cash on hand improved from R36 million to R46 million even after the 2c dividend payout (R4,8 million) and the R12,5 million outflow in terms of the specific share buyback. Cash value per share has increased from 17,4 cents per share in 2003 to 24,3 cents per share.

A foreign exchange loss of R2,9 million was recorded with regards to foreign currency held and outstanding offshore debtors. With the rand expected to weaken, some of these losses could be recovered.

The group benefited from lower imported costs for components due to the strength of the rand and the resultant impact it had on margins and profits generated in its largest market, ie South Africa.

### Prospects

We are becoming world leaders in the supply of not only fleet management information technology systems, but have migrated to a technological platform where we can adapt our hardware and software to cater for different international markets, as well as different market segments.

The recognition London-based Thames Water bestowed on DigiCore by choosing our C-Track GPRS driven product over other world players, will stand the group in good stead in the UK market, and as growth accelerates in other European markets.

Geographic expansion continues with at least five more countries to become operational in the next twelve months. The group also aims to expand its current markets by targeting new segments such as stolen vehicle recovery for light commercial and passenger vehicles.

### Dividend

Notice is hereby given that the board has declared a final dividend of 3 cents per share (2003: 2 cents). The board also declared a 5 cent per share special dividend for this year.

In order to comply with the requirements from STRATE the relevant details of the final and special dividends are:

Event	Date
Last day to trade (cum-dividend)	Friday 15 October
Shares to commence trading (ex-dividend)	Monday 18 October
Record date	Friday 22 October
Payment date	Monday 25 October

No share certificates may be dematerialised or rematerialised between Monday, 18 October 2004 and Friday, 22 October 2004, both dates inclusive.

### Audit opinion

The group's auditors Fisher Hoffman PKF, registered accountants and auditors has signed an unqualified audit opinion on the financial statements for the year. These have been approved by the board and abridged for the purposes of this report. Both the auditor's opinion and the financial statements are available for inspection at the company's registered office.

### Accounting policies

These consolidated abridged financial statements for the year ended 30 June 2004 are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The accounting policies used are consistent with those used in the annual financial statements for the year ended 30 June 2003 except for the consolidation of the DigiCore Holdings Limited Share Trust. The 2003 comparatives have been appropriately restated.

### Withdrawal of cautionary

Shareholders are referred to the trading statement and cautionary announcement published on SENS on 6 August 2004, which is hereby withdrawn with the publication of these results.

For and on behalf of the board

**Nick Vlok**  
Chief Executive Officer

7 September 2004

### Condensed balance sheet

R'000	Audited	
	Year ended 30 June 2004	2003
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>41 143</b>	<b>42 325</b>
Property, plant and equipment	13 661	13 210
Intangible assets	20 016	21 287
Investment in associates	4 235	3 597
Investments	708	708
Deferred tax	2 523	3 523
<b>Current assets</b>	<b>109 208</b>	<b>94 147</b>
Inventories	21 841	28 163
Trade and other receivables	41 174	29 609
Cash and cash equivalents	46 193	36 375
<b>Total assets</b>	<b>150 351</b>	<b>136 472</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	<b>121 351</b>	<b>115 180</b>
Issued capital	15 540	29 445
Distributable reserve	105 811	85 735
<b>Non-current liabilities</b>	<b>1 825</b>	<b>3 235</b>
Borrowings	45	1 670
Provisions	1 780	1 565
<b>Current liabilities</b>	<b>27 175</b>	<b>18 057</b>
Taxation	2 893	2 055
Trade and other payables	19 957	13 345
Current portion of borrowings	1 245	1 583
Provisions	3 080	1 074
<b>Total equity and liabilities</b>	<b>150 351</b>	<b>136 472</b>

### Condensed group income statement

R'000	Audited	
	Year ended 30 June 2004	2003
Gross revenue	193 860	172 161
Operating profit	28 794	22 805
Income from associate	787	181
Net finance income/(costs)	251	(1 233)
Profit before taxation	29 832	21 753
Taxation	5 533	5 040
Profit after taxation	24 299	16 713
Number of ordinary shares in issue	190 345 802	210 579 374
Shares in issue	218 390 005	239 256 113
Less: Treasury shares	16 034 528	13 043 964
Less: Shares held by share trust	12 009 675	15 632 775
Weighted number of shares in issue	207 789 683	219 850 510
Earnings per share (cents)	11,7	7,6
Headline earnings per share (cents)	12,2	8,0
Diluted earnings per share (cents)	11,4	7,6
Final dividend per share (cents)	3,0	2,0
Special dividend per share (cents)	5,0	
Determination of headline earnings		
Net profit	24 299	16 713
Profit on disposal of property, plant and equipment	(173)	(398)
Amortisation of goodwill	1 271	1 276
<b>Headline earnings</b>	<b>25 397</b>	<b>17 591</b>

### Statement of changes in equity for the year ended 30 June 2004

R'000	Share capital	Share premium	Distributable reserve	Total
Balance at 1 July 2002	237	35 894	69 022	105 153
Net profit for the year			16 713	16 713
Treasury shares	(11)	(2 767)		(2 778)
Consolidation of share incentive trust	(15)	(3 893)		(3 908)
Balance at 1 July 2003	211	29 234	85 735	115 180
Net profit for the year			24 299	24 299
Dividends			(4 223)	(4 223)
Treasury shares	(3)	(1 538)		(1 541)
Share options exercised	4	1 026		1 030
Repurchased 20 866 108 shares	(21)	(13 373)		(13 394)
<b>Balance at 30 June 2004</b>	<b>191</b>	<b>15 349</b>	<b>105 811</b>	<b>121 351</b>

### Condensed cash flow statement

R'000	Audited	
	2004	2003
<b>Cash flows from operating activities</b>	<b>31 056</b>	<b>23 669</b>
Cash generated by operating activities	37 936	28 325
Net finance income/(cost)	251	(1 233)
Equity profit from associate	787	181
Dividends paid	(4 223)	-
Taxation paid	(3 695)	(3 604)
<b>Cash flows from investing activities</b>	<b>(5 370)</b>	<b>(7 426)</b>
<b>Cash flows from financing activities</b>	<b>(15 868)</b>	<b>(152)</b>
Increase in cash and cash equivalents	9 818	16 091
Cash and cash equivalents at beginning of the year	36 375	20 284
<b>Cash and cash equivalents at end of the year</b>	<b>46 193</b>	<b>36 375</b>

### Company secretary

AJ Voogt

### Registered office

Registered address: 20 Eddington Crescent, Highveld Park, Centurion  
Tel: 012 665 7300 Fax: 012 665 5376

### Transfer secretaries

Computershare Investor Services 2004 (Pty) Limited  
70 Marshall Street, Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

### Sponsor

PSG Capital Limited

### Directors

NH Vlok (Chief Executive Officer), NA Ntsele (Chairman)\*,  
SR Aberdein, D du Rand, BJ Richards#, KR Stanton, AJ Voogt,  
JJ du Plooy\*, NA Gasa\*, U Khumalo\*, SA Msibi\*

\* Non-executive # British

### Website

www.digicore.com

