



MVELAPHANDA GROUP LIMITED

(Incorporated in the Republic of South Africa)
 Registration number 1995/004153/06
 ("Mvela Group" or "the company")
 Ordinary share code: MVG Preference share code: MVGP
 Ordinary share: ISIN: ZAE000060737 Preference share: ISIN: ZAE000073540

REVIEWED RESULTS FOR THE YEAR ENDED 30 JUNE 2007

The following are the reviewed results of Mvela Group and its subsidiaries ("the Group") for the year ended 30 June 2007 with comparative figures:

SUMMARISED GROUP BALANCE SHEET

	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000
ASSETS		
Non-current assets	6 002 052	5 216 779
Property, plant and equipment	389 618	349 468
Intangible assets	799 591	763 329
Investments in associates	11 215	1 174 396
Other investments	4 751 455	2 898 614
Deferred taxation	50 173	30 972
Current assets	1 997 238	1 092 872
Liquid funds	1 355 431	525 412
Short-term investments	16 101	–
Other current assets	625 706	567 460
TOTAL ASSETS	7 999 290	6 309 651
EQUITY AND LIABILITIES		
Capital and reserves	6 000 490	4 793 810
Share capital and reserves	5 689 390	4 576 270
Minority interests	311 100	217 540
Non-current liabilities	1 038 148	710 822
Interest bearing liabilities	407 970	325 402
Non-interest bearing liabilities	1 400	7 066
Deferred taxation	628 778	378 354
Current liabilities	960 652	805 019
Interest bearing liabilities	101 620	127 676
Non-interest bearing liabilities	859 032	677 343
TOTAL EQUITY AND LIABILITIES	7 999 290	6 309 651
Net number of ordinary shares in issue (000)	433 178	442 320
Diluted net number of ordinary shares in issue (000)*	487 878	497 020
Fully diluted net number of ordinary shares in issue (000)**	612 303	497 020
Net asset value per ordinary share (cents)	1 166,2	920,7
Net tangible asset value per ordinary share (cents)	992,0	760,9
Fully diluted net asset value per ordinary share (cents)	1 284,8	920,7
Fully diluted net tangible asset value per ordinary share (cents)	1 146,0	760,9

* Calculated on the basis that all preference shares will be converted into ordinary shares after November 2009.

** Calculated on the basis that all preference shares and BEE shares will be converted into ordinary shares in accordance with their terms.

SUMMARISED GROUP INCOME STATEMENT

	Reviewed Year ended 30 June 2007 R'000	% change	Audited Year ended 30 June 2006 R'000
Revenue	3 461 586	11,6	3 102 432
Profit from operations	241 625	(7,9)	262 204
Fair value adjustments and net profit from investments	1 499 523	75,7	853 352
Income from associates	669		279 716
Net interest received/(paid)	80 905		(9 726)
Cost of BEE transaction and share options	(72 328)		–
Net profit before taxation	1 750 394	26,3	1 385 546
Taxation expense	(382 943)		(223 246)
Normal, deferred, capital gains and foreign tax	(378 826)		(213 965)
Secondary tax on companies	(4 117)		(9 281)
Net profit after taxation	1 367 451	17,7	1 162 300
Attributable to:			
Ordinary shareholders	1 237 092	8,0	1 144 933
Other shareholders	130 359		17 367
– Preference shareholders	30 085		4 781
– Minority interests	100 274		12 586
	1 367 451	17,7	1 162 300
Weighted average net number of ordinary shares in issue (000)	441 518		423 407
Diluted weighted average net number of ordinary shares in issue (000) *	496 218		478 107
Fully diluted weighted average net number of ordinary shares in issue (000) **	620 643		478 107
Earnings per ordinary share (cents)	280,2	3,6	270,4
Headline earnings per ordinary share (cents)	304,8	(5,4)	322,1
Diluted earnings per ordinary share (cents)	255,4	6,6	239,5
Diluted headline earnings per ordinary share (cents)	277,2	(2,8)	285,3
Fully diluted earnings per ordinary share (cents)	225,3	(5,9)	239,5
Fully diluted headline earnings per ordinary share (cents)	242,8	(14,9)	285,3
Distributions/dividends per ordinary share (cents)	22,0		18,0
– Interim	6,0		5,0
– Final	16,0		13,0
Dividends per preference share (cents)	55,0		36,0
– Interim	27,7		8,7
– Final	27,3		27,3

* Calculated on the basis that all preference shares will be converted into ordinary shares after November 2009.

** Calculated on the basis that all preference shares and BEE shares will be converted into ordinary shares in accordance with their terms.

SUMMARISED GROUP CASH FLOW STATEMENT

	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000
Profit from operations	241 625	262 204
Non-cash items	128 578	97 728
Working capital changes	(41 930)	(23 357)
Cash generated from operations	328 273	336 575
Net interest received/(paid)	80 905	(9 726)
Investment income	11 590	3 575
Taxation paid	(80 951)	(80 660)
Cash available from operating activities	339 817	249 764
Cash effects of investing activities	734 420	(375 877)
Cash effects of financing activities	(217 858)	541 465
Dividends paid	(30 885)	(67 316)
Net movement in cash and cash equivalents	826 294	348 036
Cash and cash equivalents at the beginning of the year	525 412	177 376
Cash and cash equivalents at the end of the year	1 351 706	525 412

Key Features

- Revenue increased by 11,6% to R3,462 billion (2006: R3,102 billion)
- Net profit from investments (including fair value adjustments) up 75,7% to R1,500 billion (2006: R853 million)
- Profit from operations R242 million (2006: R262 million)
- Net profit attributable to ordinary shareholders increased by 8,0% to R1,237 billion (2006: R1,145 billion)
- Headline earnings per ordinary share 304,8 cents (2006: 322,1 cents)
- Cash available from operating activities R340 million (2006: R250 million)
- Ordinary dividend per share for the year up 22,2% to 22 cents per share
- Intrinsic net asset value at 30 June 2007 R6,882 billion (R14,10 per ordinary share)

SUMMARISED GROUP STATEMENT OF CHANGES IN EQUITY

	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000
Balance at the beginning of the year	4 793 810	2 670 430
(Disposal)/acquisition of investments, subsidiaries and businesses	(480)	478 923
Shares issued/(bought back)	(105 175)	553 339
Cost of BEE transaction non-distributable reserve	65 375	–
Net profit after taxation	1 367 451	1 162 300
Distribution/dividends	(120 491)	(71 182)
Balance at the end of the year	6 000 490	4 793 810

RECONCILIATION BETWEEN NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS AND HEADLINE NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000
Net profit attributable to ordinary shareholders	1 237 092	1 144 933
Goodwill impaired/written off	–	356
Disposal/impairment of investments and subsidiaries	109 698	336 185
Negative goodwill (discount) on acquisition of subsidiaries and investments	–	(111 733)
Profit on sale of property, plant and equipment	(1 212)	(5 788)
Headline net profit attributable to ordinary shareholders	1 345 578	1 363 953

SEGMENTAL INFORMATION

	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000
NET ASSETS		
Operations	946 296	1 210 090
Investments	5 054 194	3 583 720
	6 000 490	4 793 810
NET PROFIT AFTER TAXATION		
Operations	158 857	180 526
Investments	1 280 922	981 774
Cost of BEE transaction and share options	(72 328)	–
	1 367 451	1 162 300

COMMENTARY

Overview

Revenue increased by 11,6% to R3,462 billion, net profit after taxation increased by 17,7% to R1,367 billion and intrinsic net asset value per ordinary share increased by 19,8% to R14,10.

The Group's investments performed exceptionally well as a result of the buoyant market conditions experienced during the year. Profit from investments, including income from associates, for the current year exceeded R1,500 billion.

Profit from operations decreased by 7,9% from R262 million for the year ended 30 June 2006 to R242 million for the current year. The decrease is attributable to the decrease in profitability in Coin Security, notwithstanding the steady growth achieved by the Group's other operations.

Net profit attributable to ordinary shareholders for the current year was R1,237 billion, up 8,0% from R1,145 billion for the year ended 30 June 2006.

Intrinsic net asset value per ordinary share increased by 19,8%, from R11,77 at 30 June 2006, to R14,10 at 30 June 2007. Details of the calculation of the intrinsic net asset value per share are set out below:

	30 June 2007		30 June 2006	
	Intrinsic net asset value Rm ⁽¹⁾	Per share R ^{(2), (3)}	Intrinsic net asset value Rm ⁽¹⁾	Per share R ^{(2), (4)}
Absa	1 786	3,66	1 256	2,53
Life Healthcare	1 502	3,08	812	1,63
Group Five	465	0,95	102	0,21
Other	38	0,08	26	0,05
Operations	1 787	3,66	2 081	4,19
Net cash	1 304	2,67	1 571	3,16
Total	6 882	14,10	5 848	11,77

1 Intrinsic net asset value is calculated based on the market value or directors' valuation of investments and operations, net of capital gains tax and associated debt.

2 Based on the fully diluted net number of 488 million ordinary shares after share buy-backs and assuming that all the preference shares will be converted into ordinary shares after November 2009.

3 The redeemable option-holding shares issued in June 2007 have not been taken into account in calculating the intrinsic net asset value per ordinary share as the minimum option strike price of R17,50 is greater than the current Mvela Group ordinary share price.

4 Calculated on the assumption that the disposal of the Mvelaphanda Resources interest had been implemented on 30 June 2006 and the net cash proceeds received on that date.

Investments

Mvela Group's investments performed extremely well in the year under review. Profit from investments, which includes the unrealised gains on the revaluation of investments (net of costs relating to the investment activities), increased by 75,7% from R853 million for the year ended 30 June 2006 to R1,500 billion for the current year.

This performance was largely as a result of the strong share price appreciation of the Group's strategic investments in Absa and Group Five, and the growth in profitability and reduction in gearing at Life Healthcare.

Mvela Group disposed of its 22,9% interest in Mvelaphanda Resources Limited in August 2006 for R1,183 billion (before costs) in cash. The disposal of the Mvela Resources interest resulted in a realised profit of approximately R400 million for Mvela Group, which was accounted for in the previous financial year as a result of having equity accounted for this investment.

In September 2006 Mvela Group acquired an additional 4% effective economic interest in Life Healthcare for a net purchase price of R182 million, paid in cash from existing cash resources. Mvela Group's effective interest in Life Healthcare has increased from 18% to 22%.

In March 2007, as part of an equity capital raising undertaken by Group Five, Mvela Group subscribed for a further 2 million Group Five ordinary shares at R43 per Group Five ordinary share. The net purchase price of R86 million was paid in cash from existing cash resources. At 30 June 2007 Mvela Group held 12,7 million Group Five shares, equivalent to a 10,7% interest.

Operations

Revenue increased by 11,6% from R3,102 billion for the year ended 30 June 2006 to R3,462 billion for the current year. Profit from operations decreased by 7,9% from R262 million for the year ended 30 June 2006 to R242 million for the current year.

Coin Security continued to be impacted by a high level of armed attacks on operators in the assets-in-transit industry and concomitant costs, including cash losses.

Operational changes at Coin Security, particularly in the assets-in-transit division, are expected to improve profitability.

Mvela Group has implemented a strategy to merge Coin Security and Protea Security. This merger will ensure that the Group's security division offers a more focused range of services to clients and is able to compete more aggressively in the market.

Profit from operations for the operating subsidiaries excluding Coin Security increased by 18%, which includes TFMC whose profit from operations was in line with the previous year, as expected. Excellent growth in profit from operations was achieved by Protea Security Services, Trollope Mining Services, Novare and Zonke Monitoring Systems.

Cash generated from operations remained strong. Net capital expenditure in the current period increased to R170 million to fund future growth initiatives.

Broad-based BEE ownership initiative

At the general meeting of Mvela Group shareholders held on 6 June 2007, Mvela Group ordinary shareholders approved an initiative to broaden the Group's broad-based BEE ownership to maximise the BEE scorecard points achieved by Mvela Group and its subsidiaries in terms of the Codes of Good Practice on Black Economic Empowerment and further implement the Group's commitment to promoting BEE at all levels of the South African economy.

Mvela Group issued 124 425 055 redeemable option-holding shares ("BEE shares") on 19 June 2007 at par value to broad based BEE groups, including directors and employees of the Group. Each BEE share has an option attached to it allowing the holder of the BEE share to subscribe for one Mvela Group ordinary share at a minimum subscription price of R17,50 between the fourth and fifth anniversaries of the date of issue of the BEE shares.

The cost to Mvela Group of the options attached to the BEE shares is R65 million and has been recognised in the income statement in accordance with AC 503, Accounting for BEE Transactions, and IFRS 2, Share-based Payments.

Financial review

Income from associates decreased to R0,7 million from R280 million for the year ended 30 June 2006 following the sale of the Mvela Resources interest.

Net interest received increased to R81 million due to the Group's increased cash balances mainly as a result of the receipt of the cash proceeds of R1,183 billion (before transaction costs and capital gains tax) on the sale of the Mvela Resources interest in August 2006.

The net profit attributable to outside shareholders of R100 million includes the net profit attributable to the outside shareholders in the Batho Bonke consortium and the outside shareholders in certain of the operating subsidiaries.

A provision for capital gains tax of approximately R70 million arising on the disposal of the Mvela Resources interest is included in the taxation expense in the current year, and is included in the adjustments for the calculation of headline net profit attributable to ordinary shareholders.

During the year under review Mvela Group acquired 9,3 million Mvela Group ordinary shares at a cost of approximately R100 million.

The weighted average net number of ordinary shares in issue increased by 4,3% from 423 million ordinary shares for the year ended 30 June 2006 to 442 million ordinary shares for the current year, as a result of the inclusion for the full year of the ordinary shares issued in partial settlement of the purchase consideration for the acquisition of the additional effective interest of 2,47% in Absa in December 2005, net of the effect of share buy-backs.

Mvela Group CEO, Yolanda Cuba, today announced a pleasing set of overall results for Mvela Group for the year ended 30 June 2007.

“Our investments in Absa, Group Five and Life Healthcare performed exceptionally well. On the operations front, good steady growth was experienced other than in Coin Security whose results were exceptionally disappointing. Operational changes have been implemented in this regard. Profit from operations excluding Coin Security increased by 18%. As a result of our strong balance sheet, quality investments and cash generative operations, we are well placed to capitalise on investment opportunities available and increase the intrinsic net asset value for the Group”

The fully diluted weighted average number of ordinary shares in issue increased from 478 million to 621 million as a result of the implementation of the BEE transaction, and is the main reason for the decrease in the fully diluted earnings per ordinary share and the fully diluted headline earnings per ordinary share, as was anticipated at the time of announcing the BEE transaction.

Outstanding capital balances in respect of non-recourse funding contained in special purpose vehicles (which are not classified as subsidiaries of Mvela Group) relating to the original acquisition of certain investments by Mvela Group, decreased from R535 million at 30 June 2006, to R468 million at 30 June 2007.

Strategic review and objectives

Mvela Group is committed to its strategy of growing shareholder value (as measured primarily by intrinsic net asset value) through the combination of quality investments and cash generative operations.

To achieve this strategy the Group seeks to maintain a balanced exposure through its investments and operations in the following five key growth sectors of the South African economy which it believes will outperform the market in the medium to long term:

- Financial Services
- Consumer Services
- Construction and Infrastructure
- Non-Mining Resources and Energy
- Telecoms, Media and Technology

These five pillars will underpin the Group's growth strategy going forward.

Mvela Group is in a strong financial position with cash resources of more than R1,15 billion available for investing in appropriate opportunities. The Group continues to identify and pursue potential investment targets in its targeted sectors with a view to concluding one or two material, value enhancing investment transactions per annum. In the context of the current buoyant market conditions, securing such targets at appropriate prices has been difficult.

The Group is committed to achieve an optimal return on capital employed by ways of organic and acquisitive means in pursuit of its strategic objectives.

The Group's operations are a key element of the Group's overall strategy and will provide the Group with free cash flow which can be used by the Group in its investing activities. Each operating subsidiary is evaluated in terms of its size and profitability within the context of the Group, its ability to generate free cash flow, its current performance and growth prospects, and its ability to contribute to growing the Group's intrinsic net asset value. To achieve these objectives the Group's operations may be supplemented through acquisitions or merged with other operating companies or groups, similar to the merger of Coin Security and Protea Security.

As part of the process of streamlining Mvela Group's investment portfolio, the number of investments held by Mvela Group has been reduced from seventeen in June 2005, of which the four strategic investments at that time comprised 90% of the intrinsic value of the Group's investments, to eight at 30 June 2007, of which the three strategic investments comprise 99% of the intrinsic value of the Group's investments.

During the year under review Mvela Group disposed of its effective interests of 30% in Abvest Associates, 20% in Broll Property Group, 37,5% in Mvelaphanda Properties, 16,5% in Siemens Business Services and 60% in Stamford Sales. The amounts realised for these investments were in line with their intrinsic values at the time of disposal.

Changes in Board of Directors and Management

The considerable depth of the Group's board and management team, including the management teams of its investment companies and operations, enable the Group to execute its strategy as set out above.

During the year under review Stephen Levenberg, John Moxon, Jackie Mphafudi and Brett Till resigned from the Board. We thank the directors for their contribution over the years.

Subsequent to year-end Deputy CEO Yolanda Cuba CA (SA) was appointed as CEO with effect from 1 July 2007. Ernst Röth CA (SA) was appointed as CFO with effect from 4 September 2007. Craig Lyons has been appointed as Group Investment Executive. He previously was the founder and CEO of Mvelaphanda Strategic Investments (Mvelaphanda Holdings non-mining and non-energy investment arm) Zolani Mtshotshisa who has been with the group for more than 4 years, has been appointed as Group Executive in charge of Corporate and Public Affairs and Grant Pereira CA (SA) who joined Mvela Group in 2005 subsequent to the merger has been appointed as Group Operations Executive.

Accounting policies and International Financial Reporting Standards (IFRS)

The reviewed results for the year ended 30 June 2007 have been prepared in accordance with International Financial Reporting Standards. The accounting policies used are consistent in all respects with the accounting policies applied in the financial statements for the year ended 30 June 2006.

Audit review opinion

These results have been reviewed by Mvela Group's auditors, PKF (Jhb) Inc., and their unqualified review opinion is available for inspection at the company's registered office.

Cash distribution and dividend

Ordinary shares

As per the general authority obtained at the previous general meeting, the directors of Mvela Group resolved to declare a cash distribution out of share premium in lieu of a final ordinary dividend for the year ended 30 June 2007, of 16,0 cents per ordinary share to ordinary shareholders. The last day to trade cum the cash distribution in order to participate in the cash distribution is Friday, 12 October 2007. The ordinary shares of Mvela Group will commence trading ex the cash distribution from the commencement of business on Monday, 15 October 2007 and the record date will be Friday, 19 October 2007. The cash distribution will be paid to ordinary shareholders on Monday, 22 October 2007. Ordinary share certificates may not be dematerialised or rematerialised between Monday, 15 October 2007 and Friday, 19 October 2007, both days inclusive.

Preference shares

The directors of Mvela Group have resolved to declare a cash preference dividend (No. 4) of 27,27397 cents per preference share for the period ended 30 June 2007 to preference shareholders. The last day to trade cum the preference dividend in order to participate in the preference dividend is Friday, 12 October 2007. The preference shares of Mvela Group will commence trading ex the preference dividend from the commencement of business on Monday, 15 October 2007 and the record date will be Friday, 19 October 2007. The preference dividend will be paid to preference shareholders on Monday, 22 October 2007. Preference share certificates may not be dematerialised or rematerialised between Monday, 15 October 2007 and Friday, 19 October 2007, both days inclusive.

Prospects

Mvela Group is optimistic about the growth potential of its core operations and the prospects to conclude value enhancing investment and other transactions, which may include the consolidation of BEE interests and groups and further share buy-backs, to achieve its strategic objectives for the benefit of all stakeholders.

The Group is well placed with the required financial and human capital available to deliver long-term sustainable growth in intrinsic net asset value underpinned by the five pillars of its growth strategy.

T M G Sexwale Executive Chairman	Y Z Cuba Chief Executive Officer
--	--

5 September 2007
Sandton

Executive Directors:

TMG Sexwale (Executive Chairman), MSM Xayiya (Executive Deputy Chairman), YZ Cuba (Chief Executive Officer), E Röth (Chief Financial Officer), WV Mavimbela, MJ Willcox

Non-Executive Directors:

KD Dlamini*, BD Hopkins*, OA Mabandla*, D Moshapalo*, MZ Mpofo*, RM Patel*, CD Stein (* Independent)

Registered Office:

Hunts End, 36 Wierda Road West, Wierda Valley, Sandton, 2196 Telephone 27 11 290-4200 Telefax 27 11 783-0027

Sponsor:

Deutsche Securities SA (Proprietary) Limited

Transfer Secretaries:

Computershare Investor Services 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001

A copy of these results are available on the Mvelaphanda Group website at:

www.mvelagroup.co.za