



MVELAPHANDA GROUP LIMITED

(Incorporated in the Republic of South Africa) Registration number 1995/0041553/06
("Mvela Group" or "the group")
Ordinary share code: MVG Preference share code: MVGP
Ordinary share ISIN: ZAE000060737 Preference share ISIN: ZAE000073540

leaders

REVIEWED RESULTS FOR THE YEAR ENDED 30 JUNE 2008

Summarised group balance sheet

	Reviewed year ended 30 June 2008 R'000	Audited year ended 30 June 2007 R'000
ASSETS		
Non-current assets	5 521 050	6 002 052
Property, plant and equipment	268 150	389 618
Intangible assets	851 429	799 591
Investment in associates	779 995	11 215
Strategic investments	3 524 859	4 751 455
Financial asset – derivative financial instruments	3 242	—
Deferred taxation	93 375	50 173
Current assets	1 546 227	1 997 238
Cash and cash equivalents	870 013	1 355 431
Short-term investments	33 652	16 101
Other current assets	642 562	625 706
Assets in disposal group held for sale	280 295	—
TOTAL ASSETS	7 347 572	7 999 290
EQUITY AND LIABILITIES		
Capital and reserves	3 943 488	6 000 490
Share capital and reserves	3 820 259	5 689 390
Minority interests	123 229	311 100
Non-current liabilities	1 161 603	1 038 148
Interest-bearing liabilities	769 541	407 970
Non-interest-bearing liabilities	2 653	1 400
Deferred taxation	389 409	628 778
Current liabilities	2 065 586	960 652
Interest-bearing liabilities	61 545	101 620
Accrued interest-bearing liabilities ¹	1 288 943	—
Non-interest-bearing liabilities	715 098	859 032
Liabilities in disposal group held for sale	176 895	—
TOTAL EQUITY AND LIABILITIES	7 347 572	7 999 290

¹Due to the non-finalisation of the funding structure of the Avusa transaction, the debt of R1 289 million was credited to short-term interest-bearing liabilities. Subsequent to year-end, R1 010 million was financed by financial institutions.

	Reviewed year ended 30 June 2008 R'000	Audited year ended 30 June 2007 R'000
Net number of ordinary shares in issue (000)	406 665	433 178
Diluted net number of ordinary shares in issue (000)*	464 063	487 878
Fully diluted net number of ordinary shares in issue (000)**	588 488	612 303
Net asset value per ordinary share (cents)	823,2	1 166,2
Net tangible asset value per ordinary share (cents)	619,6	992,0
Fully diluted net asset value per ordinary share (cents)	649,2	1 284,8
Fully diluted net tangible asset value per ordinary share (cents)	488,6	1 146,0

*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 2008 R'000	% change	Audited year ended 30 June 2007 R'000
Revenue	3 538 918	2	3 461 586
Profit from operations	246 747	2	241 625
Impairment of goodwill	(11 486)	—	—
Fair value adjustments and net (loss)/profit from investments	(1 620 105)	(208)	1 499 523
(Loss)/profit from associates	(526 262)	—	669
Net interest received	57 128	—	80 905
Cost of BEE transaction and share appreciation rights	(16 175)	—	(72 328)
Net (loss)/profit before taxation	(1 870 153)	(207)	1 750 394
Taxation expense	184 960	—	(382 943)
Normal, deferred, capital gains and foreign tax	189 850	—	(378 826)
Secondary tax on companies	(4 890)	—	(4 117)
Net (loss)/profit after taxation	(1 685 193)	(223)	1 367 451
Attributable to:			
Ordinary shareholders	(1 532 789)	—	1 237 092
Other shareholders	(152 404)	—	130 359
– Preference shareholders	30 016	—	30 085
– Minority interests	(182 420)	—	100 274
Weighted average net number of ordinary shares in issue (000)	416 564		441 518
Diluted weighted average net number of ordinary shares in issue (000)*	473 962		496 218
Fully diluted weighted average net number of ordinary shares in issue (000)**	598 387		620 643
(Loss)/earnings per ordinary share (cents)	(368,0)	(231)	280,2
Headline (loss)/earnings per ordinary share (cents)	(362,6)	(219)	304,8
Diluted (loss)/earnings per ordinary share (cents)	(317,1)	(224)	255,4
Diluted headline (loss)/earnings per ordinary share (cents)	(312,4)	(213)	277,2
Fully diluted (loss)/earnings per ordinary share (cents)	(228,9)	(202)	225,3
Fully diluted headline (loss)/earnings per ordinary share (cents)	(225,2)	(193)	242,8
Distribution/dividend per ordinary share (cents)	27,0	—	22,0
– Interim	6,0	—	6,0
– Final	16,0	—	16,0
– Special	5,0	—	—
Dividends per preference share (cents)	55,0	—	55,0
– Interim	27,7	—	27,7
– 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 2008 R'000	Audited year ended 30 June 2007 R'000
Profit from operations	246 747	241 625
Non-cash items	144 670	128 578
Working capital changes	(120 268)	(41 930)
Cash generated from operations	271 149	328 273
Net interest received	73 134	80 905
Investment income	11 590	11 590
Normal taxation paid	(85 699)	(80 951)
Cash available from operating activities before the payment of capital gains tax	269 847	339 817
Capital gains taxation paid	(61 044)	—
Cash available from operating activities	208 803	339 817
Cash effects of investing activities	(1 904 183)	734 420
Cash effects of financing activities	1 244 770	(217 858)
Dividends paid	(30 016)	(30 085)
Net movement in cash and cash equivalents	(480 626)	826 294
Cash and cash equivalents at the beginning of the year	1 351 706	525 412
Cash in disposal group held for sale	(1 067)	—
Cash and cash equivalents at the end of the year	870 013	1 351 706

Summarised group statement of changes in equity

	Reviewed year ended 30 June 2008 R'000	Audited year ended 30 June 2007 R'000
Balance at the beginning of the year	6 000 490	4 793 810
Disposal/(acquisition) of investment and businesses	445	(480)
Shares bought back/issued	(259 546)	(105 177)
Cost of BEE transaction	16 175	65 375
Net (loss)/profit after taxation	(1 685 193)	1 367 451
Distribution/dividends	(128 883)	(120 489)
Balance at the end of the year	3 943 488	6 000 490

Reconciliation between net (loss)/profit attributable to ordinary shareholders and headline net (loss)/profit attributable to ordinary shareholders

	Reviewed year ended 30 June 2008 R'000	Audited year ended 30 June 2007 R'000
Net (loss)/profit attributable to ordinary shareholders	(1 532 789)	1 237 092
After-tax adjustments:		
– Disposal/impairment of investment and businesses	12 631	109 698
– Profit on sale of property, plant and equipment	(1 994)	(1 212)
Impairment of goodwill	11 486	—
Headline net (loss)/profit attributable to ordinary shareholders	(1 510 666)	1 345 578

Segmental information

	Reviewed year ended 30 June 2008 R'000	Audited year ended 30 June 2007 R'000
NET ASSETS		
Operations	1 169 646	946 296
Investments	2 773 842	5 054 194
	3 943 488	6 000 490
REVENUE		
Operations	3 538 918	3 461 586
Investments	—	—
	3 538 918	3 461 586
NET (LOSS)/PROFIT AFTER TAXATION		
Operations	162 186	158 857
Investments	(1 819 718)	1 280 922
Impairment of goodwill	(11 486)	—
Cost of BEE transaction and share appreciation rights	(16 175)	(72 328)
	(1 685 193)	1 367 451

Introduction

The year under review has been characterised by dramatic swings in the market values of Mvela Group's investments. This has had a negative impact on the Group's financial statements, for the year ended 30 June 2008.

The operational performance of the Group for the year under review was in line with expectations, given the challenging market conditions. We are, however, particularly proud of the progress we've made in streamlining our operations under the Mvelaserve banner and the improved performance that resulted from our back-to-basics approach.

To achieve an optimal return for shareholders, Mvela Group seeks to maintain a balanced exposure through its investments in the following five key growth sectors (Financial Services; Consumer Services; Construction and Infrastructure; Non-Mining Resources and Energy; and Telecoms, Media and Technology) of the South African economy which it believes will outperform the market in the medium to long term.

The Board and management of Mvela Group conduct regular reviews of the capital allocation of the Group and the strategies in place to maintain an optimal return on the capital employed. Capital that is not required or ear-marked for specific projects or investments is being returned to shareholders in the most efficient way.

During the year under review we returned R383 million to shareholders through the repurchase of Mvela Group's own shares and dividends paid. Acquisitions were made in the Telecoms, Media and Technology sector with the acquisition of a 25,5% interest in Avusa and a 12,3% interest in Vox Telecom in line with our long-term investment strategy.

In the year to 30 June 2008 our intrinsic net asset value decreased to R4 034 million from R6 882 million mainly as a result of fair value adjustments in our listed investment portfolio. Absa Group alone was down by more than R1 billion. Valuations of our unlisted investments have also been adjusted downwards in line with the equity market.

We are comfortable with our estimate of the intrinsic values of these investments based on our due diligence investigations, including the examination of growth projections and our fundamental valuations.

These short term movements in market value do not detract from our focus of building shareholder value in the medium to long term.

We have consistently earned returns in excess of our cost of capital, currently at 15,1%. We will adopt corrective action including the restructuring of assets should our targeted return on capital employed be compromised.

Market valuations have improved since year end. At the last practicable date, being 22 August 2008, the intrinsic net asset value amounted to R9,21 per share which is 6,1% up from 30 June 2008.

Financial review

Revenue of R3 539 million was 2% ahead of the prior year's revenue of R3 462 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) was R394 million compared to R372 million in the prior year, an increase of 6%. Profit from operations increased by 2% to R247 million from R242 million of the year ended 30 June 2007.

The Group values its portfolio of investments in accordance with the *International Financial Reporting Standards* ("IFRS"), specifically IAS 39, *Financial Instruments Measurement and Recognition*. The write down of certain strategic investments (Absa Group, Group Five and Vox Telecom) is as a result of the decrease in share prices of between 17% and 38% on the JSE from 30 June 2007 to 30 June 2008. Accordingly, the fair value adjustment and net loss from investments for the year ended was R1 620 million.

Net interest received was R57 million for the 2008 year (2007: R81 million). The decline is as a result of lower cash balances following returning cash to shareholders.

The amortised cost on the 124 425 055 redeemable option-holding shares ("BEE shares"), issued during the previous financial year by the Group, relating to employees, has been recognised in the income statement in accordance with AC 503, *Accounting for black empowerment (BEE) transactions* at R16,2 million for the current financial year.

Tax of R190 million was credited to the Income Statement. The current tax expense was R81 million, with a debit charge to deferred tax of R271 million. The benefit as a result of the corporate tax rate adjustment was R20 million.

A dividend of R30 million was paid to preference shareholders during the year. The 54,7 million convertible perpetual cumulative preference shares are convertible at the instance of the holder into 1,05 ordinary shares for each preference share held between 4 November 2009 and 4 November 2010 after which date the preference shares are redeemable either at the instance of Mvela Group or remain as perpetual preference shares. The reduction in the conversion price of the preference shares to R9,53 per share from R10,00 per share was published on SENS (19 December 2007) in line with the terms of the offering circular issued to Mvela Group shareholders dated 4 November 2005.

The weighted average net number of ordinary shares in issue decreased by 5,7% from 442 million ordinary shares at 30 June 2007 to 417 million ordinary shares at 30 June 2008 as a result of the share buy-backs. The 474 million diluted weighted average net numbers of ordinary shares in issue is calculated on the basis that all the preference shares will be converted to ordinary shares on 4 November 2009.

Taking the above into account, the loss per share amounted to 368,0 cents compared to an earnings per share of 280,2 cents in the previous year. The headline loss per share amounted to 362,6 cents compared to headline earnings per share of 304,8 cents in the previous year.

Investments in associates increased as a result of our investment in Avusa. Mvela Group acquired a 25,5% interest in Avusa for R1 294 million. As Mvela Group has significant influence in Avusa, their investment has been accounted for as an associate.

Strategic Investments declined to R3 559 million at 30 June 2008 from R4 768 million in the previous year as a result of the downward fair value adjustments. Vox Telecom was also acquired during the year under review.

As the transfer of shares only occurred after year end for Avusa, the associated debt was disclosed in short-term interest bearing liabilities. Non-current liabilities increased by R361 million to R770 million during the year mainly as the result of debt introduced to finance the acquisition of Vox Telecom.

Key features

- Revenue in line with prior year and increased by **9%** on a comparable basis
- EBITDA increased by **6%** to **R394 million** or by **18%** on a comparable basis
- Operating profit increased by **2%** to **R247 million** or by **20%** on a comparable basis
- Operating margin in line with prior year or **7,5%** on a comparable basis

The Group's cash position reduced by R481 million to R871 million at 30 June 2008. The reduction in cash is mainly due to R260 million utilised for the share buy-backs, capital gains tax payment of R61 million in respect of the previous year and dividends or distributions paid of R123 million.

Intrinsic net asset value

The decline in the share prices of the Group's listed investments had a substantial negative effect on the intrinsic net asset value per ordinary share, which is set out net of capital gains taxation and debt, in the table below:

	30 June 2008				30 June 2007	
	Intrinsic gross asset value (after CGT) Rm	Debt Rm	Intrinsic net asset value Rm	Per share (1), (2) R	Intrinsic net asset value Rm	Per share (1), (2) R
Absa Group	716	—	716	1,54	1 786	3,66
Avusa	569	(948)	(379)	(0,82)	—	—
Life Healthcare	1 725	(300)	1 425	3,07	1 502	3,08
Group Five	361	—	361	0,78	465	0,95
Vox Telecom	284	(298)	(14)	(0,03)	—	—
Other investments	72	(10)	62	0,13	38	0,08
Mvelaserve	1 506	(132)	1 374	2,96	1 787	3,66
Net cash	539	(50)	489	1,05	1 304	2,67
Total	5 772	(1 738)	4 034	8,68	6 882	14,10

1. Based on the diluted net number of 464 million ordinary shares after share buy-backs and assuming that all the preference shares will be converted into ordinary shares after November 2009 (2007: 488 million).

2. 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.

The above valuation is based on, inter alia:

- a combination of the market value, volatility and expected dividend yields in the case of investments listed on the JSE;
- application of option pricing models in the case of the Absa Group and Group Five investments;
- directors' valuation of other investments, taking into consideration the economic factors prevailing at 30 June 2008; and
- the gross cash position of the Group at 30 June 2008.

Based on the Mvela Group ordinary share price on the JSE of R6,45 on 22 August 2008, the ordinary shares were trading at a discount of 30% to Group's intrinsic net asset value per share of R9,21 at that date.

Mvelaserve Limited ("Mvelaserve")

The Group manages its operating subsidiaries under the holding company Mvelaserve. It is one of the leading providers of outsourced business support services in South Africa employing over 26 000 people. It offers a breadth of services including facilities management, security, catering and cleaning, while also providing unique growth opportunities in the gaming and franchising markets. The strategy of Mvelaserve is to use its existing revenue base as a platform to grow higher margin service offerings.

Mvelaserve performed ahead of the prior year, a key feature being the improvement in the operating performance of the security and the catering and cleaning business units.

	Summary of revenue and operating profit					
	30 June 2008			30 June 2007		
	Revenue Rm	Operating profit Rm	Operating margin %	Revenue Rm	Operating profit Rm	Operating margin %
Facilities management	1 014	131	12,9	1 056	148	14,0
Security	1 092	20	1,8	937	11	1,2
Catering and cleaning	656	24	3,7	644	13	2,0
Diversified services	777	72	9,3	825	70	8,5
Total	3 539	247	7,0	3 462	242	7,0

Revenue for the year increased by 2% to R3 539 million (2007: R3 462 million). On a comparable basis revenue increased by 9% if the revenue of Rehold Distribution Services is excluded from the prior year. Rehold Distribution Services is classified as an investment in the current year after 60% of the business was sold in July 2007.

Operating profit increased to R247 million in the current year from R242 million in the prior year. If losses of R20 million incurred in the current year relating to the prior year issues arising from the legacy Coin Security business are added back, current year operating profit increased by 20% on a comparable basis. Operating margin of 7,0% was in line with the prior year's and improved to 7,5% on a comparable basis.

EBITDA for the year was R394 million, 6% ahead of the prior year EBITDA of R372 million and an increase of 18% on a comparable basis.

Cash generated from operations amounted to R271 million compared to R328 million generated in the previous year. The reasons for this decrease were that R60 million of trade debtors in Trollope Mining Services were outside of normal credit terms at year end and R30 million of working capital was tied up in the legacy Coin cash processing business.

Capital expenditure of property, plant and equipment and manufacturing rights (net of proceeds from the disposal of property, plant and equipment) amounted to R288 million for the year (2007: R172 million). This amount includes R110 million utilised for the investment in King Pie. Approximately R100 million of capital expenditure was attributable to the replacement of assets with the balance being used to expand and grow Mvelaserve. The net inflows from asset financing were R75 million with the balance of the capital expenditure funded from existing cash resources.

Facilities Management

The facilities management business unit is centered on **Total Facilities Management Company** ("TFMC") and consists of two divisions, namely the Telkom Contract and Customised Solutions, which houses a portfolio of smaller facilities management contracts. Management continued to grow the non-Telkom business in order to reduce reliance on one customer. This is consistent with Mvelaserve's strategy of using its existing contract as a base to diversify earnings.

The Group remains optimistic that an extension to the Telkom contract will be negotiated within the next year, albeit at significantly lower margins as the Telkom Contract moves into the maturity phase of its life cycle.

Security

The security business unit was formed from the merger of the legacy Coin Security Group and the legacy Protea Security Services businesses. The new group was re-branded as **Protea Coin Group** ("Protea Coin") and has been structured across four main divisions of assets-in-transit ("AIT"), armed reaction, physical security and technical security.

The primary challenge of the integration process was to address the legacy Coin AIT division which was incurring significant losses as a result of its increased vulnerability to cash heists relative to its competition. The losses in this division have been reduced to break-even and we expect the division to generate operating profit in the new financial year.

The current operating margin of 3,6% is some way off the target operating margin of 7,5%. Action is being taken to improve this operating margin over the next 2-3 years by using the existing revenue base from the large guarding business as a platform to grow higher margin offerings such as armed reaction, technical security and AIT.

Catering and Cleaning

The legacy cleaning and catering businesses were integrated into one business unit during the year. The rationale for this integration is to develop a single route-to-market for the catering and cleaning offerings and to rationalise overheads which are common to both. The business unit consists of three divisions: **RoyalSechaba** with its service offerings of contract catering and infrastructure project support services ("PSS"), **Berco Cleaning** with its service offerings of contract and industrialized cleaning and **Medigard**, the speciality healthcare cleaning offering. Our strategy is to use the existing catering and cleaning revenue base as a platform to grow higher margin offerings such as PSS and industrial cleaning.

Cost reductions to the overhead base of RoyalSechaba were implemented with the aim of restoring the operating margin of the division to 5%. The margin for the year was 3,3%, well ahead of the prior year's of 1,6%.

Berco Cleaning also delivered an improved result due to a better than expected performance in its industrial cleaning division and growth in Gauteng. Medigard performed in line with expectations and continues to set high standards in the medical cleaning industry, especially in the private healthcare sector. The overall success of the cleaning offerings for the year under review is indicated by the improvement of its operating margin to 4,1% from 3,1% in the prior year.

Diversified Services

The Diversified Services business unit consists of small-to-medium sized companies across a diverse range of services businesses. The

- Acquisition of an effective interest of **25,5%** in Avusa and **12,3%** in Vox Telecom

- Further buy-back of **26,5 million** ordinary shares for a total cost of **R260 million**

- Intrinsic net asset value per ordinary share at 30 June 2008 of **R8,68 (2007: R14,10)**

- Weighted return on investments of **34%** since the merger

www.mvelagroup.co.za

Investments

Financial Services Sector

The investment in Absa Group has been affected by the general slowdown in economic activity and the downturn in the equity market. Despite the tough economic conditions, Absa Group's results for the six months to 30 June 2008 were satisfactory, with headline earnings increasing by 8,4%. The Absa Group share price decreased to R82,01 per share at 30 June 2008 from R131,50 per share at 30 June 2007. This decrease of 38% in the Absa Group share price resulted in a decrease in the intrinsic value (net of CGT and debt) of Mvela Group's effective interest in Absa Group, to R716 million at 30 June 2008 from R1 786 million at 30 June 2007. Mvela Group's investment in Absa Group comprised 18% of Mvela Group's intrinsic net asset value at 30 June 2008.

The Absa Group empowerment entity, Batho Bonke Capital (Pty) Ltd ("Batho Bonke"), through which Mvela Group owns its interest in Absa Group, is currently in its option exercise period which commenced on 1 July 2007. This option exercise period ends on 30 June 2009 with the last day to exercise being 1 June 2009. It is Batho Bonke's stated intention to exercise the options within this option period.

Consumer Services Sector

Life Healthcare performed very well operationally for the 9 months ended 30 June 2008. Life Healthcare produced an EBITDA for the rolling 12 months to June 2008 of R1 650 million (2007: 1 390 million). Owing to the significant cash flow generation abilities of the company, the shareholders have received R500 million in cash distributions over the past year in the form of repayments of shareholder loans.

A more conservative approach in the valuation of Life Healthcare, in line with weaker equity market trends, resulted in a decrease of 5,1% in the intrinsic value (net of CGT and debt) of Mvela Group's effective interest in Life Healthcare to R1 425 million compared to 30 June 2007 (though Life Healthcare achieved a higher EBITDA). Mvela Group's investment in Life Healthcare comprises 35% of Mvela Group's intrinsic net asset value at 30 June 2008.

Construction and Infrastructure Sector

The investment in Group Five continues to deliver satisfactory returns to Mvela Group owing to the buoyant economic climate relating to infrastructure spend. The company produced excellent results for the year ended 30 June 2008 with operating profit before a fair value adjustment increasing by 62% to R636 million. The intrinsic value of Mvela Group's investment in Group Five shares decreased to R361 million at 30 June 2008 from R465 million at 30 June 2007 as a result of a decrease in the Group Five share price to R44,90 at 30 June 2008 from R54,40 at 30 June 2007. Mvela Group's investment in Group Five comprises 9% of the Groups intrinsic net asset value at 30 June 2008.

Telecoms, Media and Technology Sector

In line with Mvela Group's strategy to invest in the Telecoms, Media and Technology sector, Mvela Group acquired a 12,3% interest in the share capital of Vox Telecom for a consideration of R293 million. The deliberate approach adopted by the Mvela Group of acquiring a small interest in an alternative telecom company is to ensure that the risk to shareholders is minimised yet taking advantage of opportunities in the sector. The Vox Telecom share price on the JSE at 30 June 2008 was R2,05 resulting in a negative intrinsic value of R14 million net of CGT and debt.

Mvela Group completed a transaction with Allan Gray Fund Managers whereby the Group acquired a 25,5% interest in Avusa for a purchase consideration of R1 294 million which was financed through debt and the Group's own cash resources. Following the settlement of the purchase consideration after year end, 26 474 396 shares in Avusa were transferred to Mvela Group. Avusa is a strategic holding for Mvela Group and provides a platform for participation in the growth and development of a range of assets that cannot be easily replicated. Mvela Group's interest in Avusa has entitled the Group to appoint three directors to the Avusa board. This will ensure that Mvela Group has sufficient strategic influence over the future direction of the asset.

Avusa announced their results on 19 June 2008 and their earnings before interest and tax was R421 million for the year, 10% up on the previous year.

Accounting policies and International Financial Reporting Standards

The reviewed results for the year ended 30 June 2008 have been prepared in accordance with IFRS, IAS 34 – *Interim Financial Reporting* and in compliance with the Listings Requirements of the JSE. The accounting policies used are consistent in all respects with the accounting policies applied in the financial statements for the year ended 30 June 2007 other than set out below:

The adoption of IFRS 7 *Financial Instruments: Disclosures*, which is effective for the annual reporting period beginning on or after 1 January 2007; IFRIC 11 – IFRS 2: *Group and Treasury Share Transactions* and the consequential amendments to IAS 1 *Presentation of Financial Statements*.

Restatements of comparatives were not required as these statements deal with disclosure requirements.

Audit review opinion

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

Analyst Presentation

The presentation to investors will be available on the Mvela Group website from 14h00 on 28 August 2008.

Final dividend and special dividend ("Cash distribution")

Ordinary shares

The directors of Mvela Group have resolved to declare a final dividend of 16 cents per ordinary share and a special dividend of 5 cents per share, to ordinary shareholders. The last day to trade "cum" the cash distribution in order to participate in the cash distribution is Thursday, 18 September 2008. The ordinary shares of Mvela Group will commence trading "ex" the cash distribution from the commencement of business on Friday, 19 September 2008 and the record date will be Friday, 26 September 2008. The cash distribution will be paid to ordinary shareholders on Monday, 29 September 2008. Ordinary share certificates may not be dematerialised or rematerialised between Friday, 19 September 2008 and Friday, 26 September 2008, both days inclusive.

Dividend

Preference shares

The directors of Mvela Group have resolved to declare a cash preference dividend (No. 6) of 27,27397 cents per preference share, for the six-month period ending 30 June 2008 to preference shareholders. The last day to trade "cum" the preference dividend in order to participate in the preference dividend is Thursday, 18 September 2008. The preference shares of Mvela Group will commence trading "ex" the preference dividend from the commencement of business on Friday, 19 September 2008 and the record date will be Friday, 26 September 2008. The preference dividend will be paid to preference shareholders on Monday, 29 September 2008. Preference share certificates may not be dematerialised or rematerialised between Friday, 19 September 2008 and Friday, 26 September 2008, both days inclusive.

Share Buy-Backs

The board of Mvela Group has approved a share buy-back programme to acquire at least 10% of the Group's issued ordinary share capital in terms of the general authority granted by the shareholders. The Group has thus far bought back 35 765 285 ordinary shares amounting to 8,07% of the issued ordinary share capital.

Prospects

In these challenging times, Mvela Group is focusing on capital preservation and maximising shareholder returns through optimal capital allocation.

We will continue to assess opportunities in our strategic areas of focus and we will, with minimal capital outlay, acquire positions that meet our investment criteria and, where appropriate, ensure that the Group has significant influence.

In time, this will counteract the volatile impact of fair value adjustments on the Group's financial statements. Capital not earmarked for investment purposes will be returned to shareholders in the most efficient way.

Mvela Group has delivered a weighted return of 34% on its investments since the merger in 2004 and has the means and the strategies in place to continue to deliver shareholder value over the medium to long term, despite short term movements in market values.

TMG Sexwale

Chairman

YZ Cuba

Chief Executive Officer

Executive Directors: TMG Sexwale (*Executive Chairman*), MSM Xayiya (*Executive Deputy Chairman*), YZ Cuba (*Chief Executive Officer*), GE R0th (*Chief Financial Officer*), WV Mavimbela

Non-executive Directors: KD Dlamini*, BD Hopkins*, OA Mabandla*, D Moshapalo*, MZ Mpotu*, RM Patel*, CD Stein, MJ Willcox

(*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 (Pty) Limited

Transfer Secretaries: Computershare Investor Services (Proprietary) Limited,
70 Marshall Street, Johannesburg, 2001

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

www.mvelagroup.co.za



BASTION GRAPHICS