



MVELAPHANDA GROUP LIMITED

Annual Results to 30 June 2010

Significant increase in earnings Successful unbundling of Life Healthcare stake to shareholders Separate listing of Mvelaserve under consideration

Mvelaphanda Group Limited (“Mvela Group” or ‘the Company’) reported pleasing results for the year to 30th June 2010 with revenues up 12% to R4,199m and operating profit up 28% to R327m. This was achieved off the strong performance of Mvelaserve Limited (“Mvelaserve”), the support services company. Headline earnings per share for the year increased to 238.5 cents from 49.9 cents the previous year, which includes a fair value gain on investments of R575m and reduced interest costs.

During the year the Company made significant progress with its strategy to unlock value for shareholders, originally announced to shareholders on 3 September 2009. Following the successful listing of Life Healthcare Group Holdings Limited (“Life Healthcare”) on the JSE on 10th June 2010, Mvela Group unbundled about 14.2% of Life Healthcare to its shareholders. Of the original 21.65% interest in Life Healthcare, Mvela Group now holds 3.3% in the company. Significant value has been unlocked for shareholders from this unbundling.

Mvela Group has also announced today that the Board is considering the separate listing of Mvelaserve on the JSE and unbundling to shareholders. This is in accordance with the Company’s objective of unlocking value from this investment in the second half of this calendar year. Further information on the Company’s plans in this regard will be announced soon.

Yolanda Cuba, CEO of Mvela Group said:

“We remain on course with our realisation and unbundling strategy. We have unlocked significant value for our shareholders with the unbundling of most of our interest in Life Healthcare and are committed to a value unlocking transaction with Mvelaserve before the end of the year. Following the conclusion of this transaction, we will have realised about 70% of the value of the Company for shareholders.”

At Mvelaserve, revenues were up 17% and EBITDA up 31% for the financial year on a comparable basis. The operating margin increased from 7.4% to 8.3%. Cash generated from operations continued to improve through strong working capital management and was up 18% to R428m.

Mvelaserve has four key operational areas being Facilities Management, Security, Cleaning and Catering and Diversified Services. The Facilities Management performance exceeded expectations with new contracts signed during the year following the planned strategy of reducing its reliance on Telkom. In addition, a major milestone was the signing of a new contract with Telkom for a further five years to 31 March 2016.

Within the Security business, the performance of Protea Coin showed strong improvement with the benefit of restructuring and new revenues mainly from new blue chip clients. The performance within the Cleaning and Catering business was below par with its restructuring in the final stages. Recent trading is positive and in line with expectations. The performance within Diversified Services division showed improvement over the prior year.

Yolanda Cuba commented:

“These are really very strong results from Mvelaserve and we believe more can be achieved as the company continues with its objective to be a significant player in the outsourced support services market.”

The intrinsic net asset value of the Company at 30 June 2010 increased by R3.46 per share to R11.36 per share due largely to increased values at Life Healthcare and Mvelaserve. Based on the Mvela Group’s ordinary share price at close of business on 24 August 2010, the shares were trading at a discount of 32% to the intrinsic net asset value at that date of R7.21, taking into consideration the effect of the unbundling of Life Healthcare.

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