

**Ccl - Compu-clearing Outsourcing Limited - Reviewed Results For 6 Months Ended  
31 December 2010**

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Ended

31 December 2010

Compu-Clearing Outsourcing Limited

Incorporated in the Republic of South Africa

Registration number 1998/015541/06

Share code: CCL & ISIN: ZAE000016564

("Compu-Clearing", "the Company" or "the Group")

REVIEWED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2010 INCLUDING  
CONTINUATION OF CAUTIONARY

CONDENSED STATEMENT OF FINANCIAL POSITION

	2010	2009	31 December 2010	31 December	30 June
			Reviewed R`000	Reviewed R`000	Audited R`000
<b>ASSETS</b>					
Non-current assets			23,597	21,000	23,614
Property, plant and equipment			21,268	19,112	20,882
Intangible asset			1,629	1,278	1,643
Investment in equity accounted investees			281	44	263
Deferred taxation asset			419	566	826
Current assets			22,543	22,835	26,021
Inventory			31	26	32
Trade and other receivables			7,957	6,503	8,443
Income tax receivable			1,471	-	591
Cash and cash equivalents			13,084	16,306	16,955
Total assets			46,140	43,835	49,635
<b>EQUITY AND LIABILITIES</b>					
Equity			40,726	39,335	43,148
Share capital and premium			1,959	1,839	1,919
Treasury shares			(354)	(396)	(354)
Distributable reserves			39,121	37,892	41,583
Non-current liabilities			2,178	2,504	2,204
Post retirement medical obligations			1,358	1,439	1,399
Deferred taxation liability			820	1,065	805
Current liabilities			3,236	1,996	4,283
Trade and other payables			3,093	1,995	4,127
Income tax payable			143	1	156
Total equity and liabilities			46,140	43,835	49,635
Net asset value per share (cents)			98.3	95.3	103.5

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

2010	2009	30 June	6 months ended		Year ended
			31 December	31 December	
		% Inc. /	Reviewed	Reviewed	2010 Audited
(decr)			R`000	R`000	R`000
Revenue		13	26,770	23,781	48,898
Operating costs			(21,061)	(18,597)	(38,775)
- Distribution			(16,658)	(13,976)	(29,372)
- Administration			(4,151)	(4,139)	(9,108)
- Other			(252)	(482)	(295)
Operating profit		10	5,709	5,184	10,123
Net finance income			550	789	1,420
- Finance income			641	789	1,420
- Finance expense			(91)	-	-
Share of losses of equity accounted investees			(102)	(113)	(221)
Profit before income tax		5	6,157	5,860	11,322
Income tax expense			(2,431)	(2,699)	(3,841)
Income tax - normal and deferred			(1,810)	(1,667)	(2,809)
Income tax - STC (secondary tax on companies)			(621)	(1,032)	(1,032)
Profit for the period		18	3,726	3,161	7,481
Other comprehensive income for the period			-	-	(652)
Revaluation of property, plant and equipment			-	-	(906)
Income tax on other comprehensive income			-	-	254
Total comprehensive income for the period			3,726	3,161	6,829
Earnings per share (cents)					
Basic		17	9.0	7.7	18.1
Diluted		18	8.9	7.6	17.9
Ordinary dividend per share (cents)			15.0	25.0	25.0

RECONCILIATION OF HEADLINE EARNINGS  
6 months ended

% Inc. / R`000	R`000	31 December 2010 Reviewed R`000	31 December 2009 Reviewed	Year ended 30 June 2010 Audited
	(decr)			
Profit for the period attributable to ordinary shareholders		3,726	3,161	7,481
Adjusted for :				
(Profit) loss on disposal of property, plant and equipment		(19)	-	3
Taxation effect		5	-	(1)
Loss on disposal of intangible assets		-	10	-
Taxation effect		-	(3)	-
Headline earnings		3,712	3,168	7,483
Headline earnings per share (cents)				
Basic	17	9.0	7.7	18.1
Diluted	17	8.9	7.6	17.9
Actual number of shares in issue (`000)		41,409	41,271	41,704
Weighted average number of shares in issue (`000)		41,382	41,240	41,295
Diluted weighted average number of shares in issue (`000)		41,919	41,834	41,842

CONDENSED SEGMENT REPORT  
6 months ended

		31 December 2009	31 December 2008	Year ended 30 June 2009
(Reviewed)	(Reviewed)	(Audited)		
	% Inc. / (decr.)	R`000	R`000	R`000
Software rental revenue	15	20,944	18,276	37,473
Hardware rental revenue	5	5,256	5,028	10,306
Cargowise		16	-	-
Other	16	554	477	1,119
Total revenue from external sources	13	26,770	23,781	48,898
Segment result - Software		10,033	8,662	19,104
Segment result - Hardware		1,815	1,559	2,247
Segment result - Cargowise		(1,156)	(400)	(1,869)
Segment result - Other		(4,110)	(3,526)	(6,747)
Total segment result	5	6,582	6,295	12,735
Unallocated amounts				
Other corporate expenses		(323)	(322)	(1,192)
Share of losses of equity accounted investee		(102)	(113)	(221)
Profit before income tax		6,157	5,860	11,322
Segmental Assets				
Software		6,188	7,925	9,248
Hardware		8,231	7,259	8,856
Cargowise		-	-	-
Other		29,473	28,027	30,205
Total assets for reportable segments		43,892	43,211	48,309
Investment in equity accounted investees		281	44	263
Other unallocated amounts		1,967	580	1,063
Total assets		46,140	43,835	49,635
Segmental Liabilities				
Software		72	279	1,069
Hardware		961	91	626
Cargowise		-	-	-
Other		3,083	2,748	3,287
Total liabilities for reportable segments		4,116	3,118	4,982
Other unallocated amounts		1,298	1,382	1,505
Total liabilities		5,414	4,500	6,487

## CONDENSED STATEMENT OF CASH FLOW

2010	2009	30 June	6 months ended		
			31 December	31 December	Year ended
			Reviewed R`000	Reviewed R`000	2010 Audited R`000
Profit before income tax			6,157	5,973	11,322
Adjusted for:			860	812	1,957
Non cash items			1,410	1,601	3,377
Net finance income			(550)	(789)	(1,420)
Cash generated by trading operations			7,017	6,785	13,279
Decrease increase in post retirement medical obligations			(41)	(38)	(78)
Increase in working capital			(547)	(1,394)	(1,188)
Cash generated by operations			6,429	5,353	12,013
Net finance income			550	789	1,420
Finance income			641	789	1,420
Finance expense			(91)	-	-
Income tax paid			(2,901)	(2,437)	(4,281)
Dividends paid			(6,205)	(10,323)	(10,323)
Cash outflow from operating activities			(2,127)	(6,618)	(7,392)
Cash outflow from investing activities			(1,784)	(2,472)	(7,392)
Acquisition of property, plant and equipment to maintain operations			(1,528)	(2,214)	(6,286)
Acquisition of intangible asset			(188)	(101)	(659)
Proceeds on disposal of equipment			52	-	37
Increase in loan to associate			(120)	(157)	(484)
Cash inflow from financing activities					
Proceeds from the issue of shares and sale of treasury shares			40	223	345
Decrease in cash and cash equivalents			(3,871)	(8,867)	(8,218)
Cash and cash equivalents at the beginning of the period			16,955	25,173	25,173
Cash and cash equivalents at the end of the period			13,084	16,306	16,955

## STATEMENT OF CHANGES IN EQUITY

2010	2009	30 June	6 months ended		
			31 December	31 December	Year ended
			Reviewed R`000	Reviewed R`000	2010 Audited R`000
Balance at beginning of period			43,148	46,251	46,251
Sale of treasury shares			-	190	285
Proceeds of share issue			40	33	60
Total comprehensive income for the period			3,726	3,161	6,829
Profit for the period			3,726	3,161	7,481
Revaluation of property, plant and equipment			-	-	(906)
Income tax on other comprehensive - deferred taxation effect on impairment			-	-	254
Share-based payment reserve movement			17	23	46
Dividends paid			(6,205)	(10,323)	(10,323)
Balance at end of period			40,726	39,335	43,148

## Commentary

The results for the 6 months ended 31 December 2010 are characterised by improved operational performance, with a 13 % increase in revenue resulting in a 10 % increase in operating profit, over the corresponding period. Primary contributors to the increase in revenue were the increase in volumes at existing clients; an increase in the number of new customers; an annual price increase and an increase in the contribution of new products. The Group's core software revenue, increased by an impressive 15 % (2009 - 6%), over the corresponding period. A 5 % increase in profit before tax was achieved after charges of R1,2 million pertaining to expenses incurred in the Cargowise division. Three Cargowise implementations are currently in progress and revenues will commence in the second half. Increased profit before tax, together with a lower charge for secondary tax on companies, resulted in a 18% increase in profit for the period. Cash generation by operations remains strong and in line with operating profit. Dividend payments, which remain at very satisfactory levels, have resulted in lower average cash balances, which together with interest rate cuts have resulted in lower finance income for the period. During the period, the Group was rated as a value-added level 6 BBBEE contributor. Management are mindful of the importance of BBBEE in bringing about change and are committed to developing the Group's BBBEE profile, in a meaningful, sustainable manner.

ProspectsIndications are that the growth in core revenues will continue in the

second half. This will be bolstered by the initial Cargowise revenues. At the time of publication of this announcement, the Company is engaged in negotiations, which if successfully concluded may affect its share price. Shareholders are referred to the cautionary announcement dated 1 March 2011, and

advised to continue to exercise caution when dealing in the company`s securities.

Basis of preparationThe reviewed condensed consolidated interim financial statement for the six months ended 31 December 2010 have been prepared in accordance with the requirements of International Accounting Standard ("IAS") 34

Interim Financial Reporting, the AC 500 series issued by the Accounting Practices Board, the Listings Requirements of the JSE Limited and the South African Companies Act, 1973 as amended.

The accounting policies applied in the presentation of the condensed consolidated interim financial statements are consistent with those applied for

the year ended 30 June 2010, except for new standards and interpretations that

became effective on 1 July 2010. The adoption of these standards has had no effect on the results for the period nor has it required the restatement of any

prior year figures. The condensed consolidated interim financial statements have

been presented on the historical cost basis and are presented in Rand, which is

Compu-Clearing`s functional and presentation currency.

This interim report should be read in conjunction with the annual financial statements for the year ended 30 June 2010.

Related party transactionsThere has been no significant change in related party

relationships since the previous year.

Other than in the normal course of business, there have been no significant transactions during the period with associate companies, joint ventures and other related parties.

Distributions to shareholders

Compu-Clearing has a policy of paying a distribution at year end. As a result,

the company has not declared an interim distribution.

Subsequent events

No material events have occurred between the reporting date and the date of approval of this condensed consolidated interim financial statement, knowledge

of which would affect the ability of the users of this statement to make proper

evaluations and decisions.

Review report

The consolidated statement of financial position at 31 December 2010 and the

consolidated statement of comprehensive income, statement of changes in equity,

segmental analysis and cash flows for the period then ended have been reviewed

by KPMG Inc. Their unmodified review report is available for inspection at the

registered office of the company.

For and on behalf of the Board

Johannesburg

A. Garber

J. du Preez

07 March 2011

(Chairman)

Chief Executive)

Directors: A. Garber, J. du Preez, A. Katz\*, M. Lutrin\*, D. Cleasby\*, Dr. T.

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Sasfin Capital

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07 March 2011

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