



Compu-Clearing Outsourcing LIMITED

"Compu-Clearing", "The Company" or "The Group"

Reviewed preliminary condensed results for the year ended 30 June 2011 and cash dividend declaration

Highlights

- Revenue 14% ↑
- Cash generated by operations 20% ↑
- Operating profit before aborted acquisition cost 10% ↑
- Headline Earnings per share 4% ↑

CONDENSED STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June

	2011 [reviewed] R'000	2010 [audited] R'000	% Increase
Rental and other revenue	55 503	48 898	14
- Group	55 125	48 898	
- EdiEnterprise	378	-	
Operating costs	(44 368)	(38 775)	
- Group Distribution	(30 865)	(27 503)	
- EdiEnterprise Distribution	(2 590)	(1 869)	
- Administration	(10 747)	(9 108)	
- Other	(166)	(295)	
Operating profit before aborted acquisition cost	11 135	10 123	10
- Other-Aborted acquisition cost	(751)	-	
Operating profit before net finance income	10 384	10 123	
Net finance income	980	1 420	
- Finance income	1 072	1 420	
- Finance expense	(92)	-	
Share of losses of equity accounted investee	(400)	(221)	
Profit before income tax	10 964	11 322	(3)
Income tax expense	(3 155)	(3 841)	
Income tax - Normal and deferred	(2 534)	(2 809)	
Income tax - STC (Secondary Tax on Companies)	(621)	(1 032)	
Profit for the year	7 809	7 481	4
Other comprehensive income for the year	-	(652)	
Revaluation of property, plant and equipment	-	(906)	
Income tax on other comprehensive income	-	254	
Total comprehensive income for the year	7 809	6 829	
Basic earnings per share [cents]	18.9	18.1	4
Diluted earnings per share [cents]	18.5	17.9	3

CONDENSED STATEMENT OF CASH FLOWS for the year ended 30 June

	2011 [reviewed] R'000	2010 [audited] R'000
Profit before income tax	10 964	11 322
Adjustments for:	2 328	1 957
Non cash items	3 308	3 377
Net finance income	(980)	(1 420)
Cash generated by trading operations	13 292	13 279
Decrease in post retirement medical obligations	(88)	(78)
Increase (decrease) in working capital	1 212	(1 188)
Cash generated by operations	14 416	12 013
Net finance income	980	1 420
- Finance income	1 072	1 420
- Finance expense	(92)	-
Income tax paid	(3 102)	(4 281)
Distributions to shareholders	(6 205)	(10 323)
- Dividend paid	(6 205)	(10 323)
Cash inflow (outflow) from operating activities	6 089	(1 171)
Cash outflow from investing activities	(3 674)	(7 392)
Utilised to maintain operations	(2 649)	(6 286)
Acquisition of property, plant and equipment	(699)	(659)
Acquisition of intangible assets	40	37
Proceeds on disposal of property, plant and equipment	(366)	(484)
Increase in investment in equity accounted investee	40	345
Cash inflow from financing activities	2 455	(8 218)
Proceeds from the issue of shares and sale of treasury shares	16 955	25 173
Increase (decrease) in cash and cash equivalents	19 410	16 955
Cash and cash equivalents at the beginning of the year		
Cash and cash equivalents at the end of the year		

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June

	Share capital R'000	Share premium R'000	Treasury shares R'000	Non-Distributable reserve R'000	Retained earnings R'000	Share-based payment reserve R'000	Total R'000
Balance at 30 June 2009	416	1 267	(463)	3 583	40 768	680	46 251
Total comprehensive income for the year attributable to equity holders				(652)	7 481		6 829
Profit for the year				(906)	7 481		(906)
Surplus on revaluation of land and buildings				254			254
Deferred taxation effect of revaluation				(28)	28		-
Transfer from revaluation surplus							
Sale of treasury shares		176	109				285
Share issues	1	59					60
Dividends paid					(10 323)		(10 323)
Share-based payment transaction						46	46
Balance at 30 June 2010	417	1 502	(354)	2 903	37 954	726	43 148
Total comprehensive income for the year attributable to equity holders					7 809		7 809
Profit for the year				(45)	7 809		-
Transfer from revaluation surplus					45		-
Sale of treasury shares							-
Share issues	1	39					40
Dividends paid					(6 205)		(6 205)
Share-based payment transaction						23	23
Balance at 30 June 2011	418	1 541	(354)	2 858	39 603	749	44 815

CONDENSED STATEMENT OF FINANCIAL POSITION as at 30 June

	2011 [reviewed] R'000	2010 [audited] R'000
ASSETS		
Non current assets	24 256	23 614
Property, plant and equipment	21 072	20 882
Intangible asset	1 875	1 643
Investment in equity accounted investee	229	263
Deferred taxation	1 080	826
Current assets	28 114	26 021
Inventory	39	32
Trade and other receivables	8 315	8 443
Income tax receivable	350	591
Cash and cash equivalents	19 410	16 955
Total assets	52 370	49 635
EQUITY AND LIABILITIES		
Shareholders' funds	52 624	43 148
Share capital and premium	1 959	1 919
Treasury shares	(354)	(354)
Reserves	51 019	41 583
Non-current liabilities	2 168	2 204
Post retirement medical obligations	1 311	1 399
Deferred taxation	857	805
Current liabilities	5 387	4 283
Trade and other payables	5 218	4 127
Income tax payable	169	156
Total equity and liabilities	60 179	49 635
Net asset value per share [cents]	127.1	103.5

RECONCILIATION OF HEADLINE EARNINGS for the year ended 30 June

	2011 [reviewed] R'000	2010 [audited] R'000	% Increase
Profit for the year attributable to ordinary shareholders	7 809	7 481	
Adjusted for:			
Loss on disposal of property, plant and equipment	-	3	
Taxation effect	-	(1)	
Headline earnings	7 809	7 483	4
Headline earnings per share [cents]	18.9	18.1	4
Diluted headline earnings per share [cents]	18.5	17.9	
Actual number of shares in issue ['000]	41 409	41 369	
Weighted average number of shares in issue ['000]	41 396	41 295	
Diluted weighted average number of shares in issue ['000]	42 228	41 842	

CONDENSED SEGMENTAL REPORT for the year ended 30 June

	2011 [reviewed] R'000	2010 [audited] R'000	% Increase / (decrease)
Software rental revenue	43 090	37 473	15
Hardware rental revenue	10 836	10 306	5
EdiEnterprise revenue	378	-	
Other revenue	1 200	1 119	7
Total revenue	55 503	48 898	14
Segment result - Software	20 581	19 104	8
Segment result - Hardware	2 705	2 247	20
Segment result - EdiEnterprise	(2 212)	(1 869)	
Segment result - Other	(10 690)	(9 359)	(14)
Total operating profit	10 384	10 123	3
Operating margin	19%	21%	

Commentary

The results for the year under review reflect an encouraging 14% increase in revenue. Operating profit growth of 3% includes costs of R1,3 million (2010- Nil) in respect of an aborted acquisition and once-off consulting expenses. In the absence of these expenses, operating profit would have grown by 15%. The EdiEnterprise division earned its maiden revenues towards the end of the year, amounting to R0,4 million against operating costs for the full year of R2,6 million.

Profit for the year of R7,8 million (2010 -R7,5 million) was achieved after a charge of R0,6 million for STC (Secondary Tax on Companies) (2010-R1,03 million), arising from the payment of a dividend during the year under review.

Cash generation remains strong with cash generated by operations increasing to 139% (2010-119%) of 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.

Prospects

A strong second half performance from core activities, before writing off once-off costs, has continued into the new year. EdiEnterprise revenues commenced towards the end of the year, with further installations coming online after the year end. Management continue to focus on maintaining the operating margin at a satisfactory level.

Basis of preparation

The preliminary condensed consolidated financial statement for the year ended 30 June 2011 have been prepared in accordance with the Recognition and Measurement requirements of International Financial Reporting Standards ("IFRS"), in particular the presentation and disclosure 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.

The accounting policies applied in the presentation of the preliminary condensed consolidated financial statements are consistent with those applied for the year ended 30 June 2010, except for the standards noted that became effective on 1 January 2010: IFRS2 amendment (Group Cash-settled payment transactions) and IAS32 (Classification of Rights Issue), which became effective on 1 February 2010. The adoption of these standards has no effect on the results, nor has it required any restatement of the results. The preliminary condensed consolidated financial statements are presented in Rand, which is Compu-Clearing's functional and presentation currency.

Review report

The consolidated statement of financial position at 30 June 2011 and the consolidated statement of comprehensive income, statement of changes in equity, segmental analysis and statement of cash flows for the year then ended have been reviewed by KPMG Inc. Their unmodified report is available for inspection at the registered office of the company.

Ordinary cash dividend declaration

Notice is hereby given of the declaration of an ordinary cash dividend of 18 cents per share (2010 - 15 cents per share) ('the dividend'). The following salient dates will apply to the dividend:

Last date to trade 'cum' the dividend	Friday, 21 October 2011
Trading commences 'ex' the dividend	Monday, 24 October 2011
Record date	Friday, 28 October 2011
Date of payment of the dividend	Monday, 31 October 2011

Share certificates may not be dematerialised or rematerialised during the period Monday, 24 October 2011 to Friday, 28 October 2011 both days inclusive.

Related party transactions

There has been no significant change in related party relationships since the prior year.

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

Annual General Meeting

The Annual General Meeting of Compu-Clearing will be held at 7 Drome Road, Lyndhurst, Johannesburg, 2192 at 14h00 on Thursday 24 November 2011.

For and on behalf of the Board

Johannesburg	A.Garber	J. du Preez
1 September 2011	(Chairman)	(Chief Executive)

Directors
A.Garber, J.du Preez, D.E. Cleasby*, A.Katz*, M.Lutrin*, G. McMahan*, Dr.T.M.Mogale*, C.P. Efthymiades, M.Acosta-Alarcon *(Non-executive)

Registered office:
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Transfer secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001

Secretary
Lutrin, Abrams
1st Floor Block B, Sandhavan Office Park
12 Pongola Crescent, Eastgate Ext 17, Sandton, 2090

Auditors
KPMG Inc, Registered Auditor, KPMG Crescent
85 Empire Road, Parktown, 2193, Private Bag 9,
Parkview, 2122

Sponsors
Sasfin Capital (a division of Sasfin Bank Limited)
(Registration number 1951/002280/06)
Sasfin Place, 29 Scott Street, Waverley, 2090

Compu-Clearing Limited
(Registration number 1998/015541/06)

Share code CCL
ISIN ZAE000016564