



TeleMasters Holdings Limited

(Formerly Sinvent Investments 96 (Pty) Limited)
 (Incorporated in the Republic of South Africa)
 (Registration number 2006/015734/06)
 Share code: TLM ISIN: ZAE000093324
 ("TeleMasters" or "the Company")

INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2007

FINANCIAL RESULTS

INCOME STATEMENT

	Unaudited 6 months ended 31 March 2007 R	Profit forecast pro-rated 6 months R
Revenue	72 252 635	64 907 613
Cost of sales	(59 968 886)	(55 542 920)
Gross profit	12 283 749	9 364 694
Other income	2 500	5 000
Investment income	130 308	–
Gross income	12 416 557	9 369 694
Operating expenses	(4 570 289)	(3 818 463)
Profit before taxation	7 846 268	5 551 231
Taxation	(2 275 418)	(1 922 357)
Net profit for period	5 570 850	3 628 874
Number of shares in issue ('000)	42 000 000	42 000 000
Headline earnings per share (cents)	13.26	8.64
Earnings per share (cents)	13.26	8.64

BALANCE SHEET

	Unaudited at 31 March 2007 R
ASSETS	
Non-current assets	7 148 909
Intangible assets	217 109
Property, plant and equipment	6 931 800
Current assets	21 912 365
Trade and other receivables	9 745 504
Cash and cash equivalents	12 166 861
Total assets	29 061 274
EQUITY AND LIABILITIES	
Total equity	11 541 312
Share capital	4 200
Share premium	5 966 262
Retained earnings	5 570 850
Non-current liabilities	
Instalment sale agreements	575 075
Current liabilities	16 944 887
Current portion of long-term liabilities	253 151
Current tax payable	2 275 418
Trade and other payables	14 416 318
Total equity and liabilities	29 061 274
Net asset value per share (cents)	27.48
Net tangible asset value per share (cents)	26.96

CASH FLOW STATEMENT

	Unaudited 6 months ended 31 March 2007 R
Cash flows from operating activities	
Cash generated from operations	13 570 202
Interest income	130 308
Net cash from operating activities	13 700 510
Cash flows from investing activities	
Expenditure to expand operating activities	
Property, plant and equipment acquired	(8 081 232)
Intangible assets acquired	(251 105)
Net cash from investing activities	(8 332 337)
Cash flows from financing activities	
Proceeds on share issues	5 970 462
Instalment sale agreements	828 226
Net cash from financing activities	6 798 688
Total cash movement for period	12 166 861
Cash at beginning of period	–
Total cash at end of period	12 166 861

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Balance 23 May 2006, on incorporation	–
Share capital and share premium issued	5 970 462
Net profit for period	5 570 850
Balance at 31 March 2007	11 541 312

COMMENTARY

The directors present the unaudited results for the six-month period ended 31 March 2007.

1. FINANCIAL RESULTS

1.1 Statement of compliance and basis of preparation

The consolidated interim financial statements for the half-year ended 31 March 2007 have been prepared in accordance with International Financial Reporting Standards and are in compliance with IAS 34, Interim Financial Reporting. These results have not been reviewed or audited by the Company's auditors. The forecast figures included in the pre-listing statement, dated 8 March 2007, have been pro-rated for a period of six months and used as the comparative figures in the income statement. No comparative figures have been provided for the balance sheet or cash flow statement as this is the first reporting period since the company's incorporation on 23 May 2006. Trading commenced on 2 October 2006 with the purchase of the business and assets of TeleMasters (Pty) Limited.

1.2 Comments

The interim results for the period are better than forecast due to better than expected trading conditions resulting from a conservative approach taken at the time of preparing the forecast. Included in the results is an amount of R1.5 million incentive obtained from a supplier which may not be repeated in the next six-month period. The results reflect net profits after tax of 53.5% above the forecast figures for the period. The revenue for the period being 11% up due to better than anticipated trading environment. The increase in the gross profit by 2% is a result of the additional R1.5 million non-recurring incentives received with no corresponding cost of sales.

1.3 Dividends

No dividends have been declared or paid during the period ended 31 March 2007. The Board has not yet recommended that an interim dividend be paid and the matter has been carried over to the next directors' Board meeting for further consideration.

2. LITIGATION

There are currently no legal or arbitration proceedings against the Company or its subsidiaries (including any proceedings which are pending or threatened) of which the Company is aware which may have, or have had in the 12 months preceding the date of this report, a material effect on the consolidated position of the Company.

3. SUBSEQUENT EVENTS

There have been no significant events after the period-end.

4. SHARE CAPITAL

No changes to share capital occurred during the period other than set out in the pre-listing statement.

The share issues were as follows:

- 1 000 000 Initial shares issued on incorporation with a par value of R100.
- 3 620 000 shares issued to initial shareholders during restructuring of Company on 7 July 2006 with a par value of R362.
- 34 440 000 shares issued to TeleMasters (Pty) Limited on acquisition of the business and assets on 2 October 2006 with a par value of R3 444 and a share premium of R4 496 556.
- 2 940 000 shares issued by way of private placement on 20 February 2007 with a par value of R294 and a share premium of R1 469 706.

5. OPERATIONAL REVIEW AND OUTLOOK

Trading conditions are good and the focus and diligence of staff is reflected in the figures. A number of large tenders await resolution but the forecast does not include the possibility of success. Focus on cost containment and enhancing revenue from existing clients should filter through to the bottom line in the next trading period. TeleMasters is entering a new period in its strategy by consolidating its offering to clients with a number of existing in-house products and will be able to offer a tele-management service that is both unique, revenue-enhancing as well as offering substantial tangible benefits to clients. It will not alter its commitment to providing sustainable and substantial savings in the field of telecommunications to its clients.

The Company is set for continued organic growth whilst being on the lookout for acquisition opportunities which will diversify the client base of TeleMasters and provide opportunities for broadening the telephony-related product base to add further value to existing and new clients.

For and on behalf of the Board

M E Moji
Non-executive Chairman

M B Pretorius
Chief Executive Officer

20 April 2007

Designated advisor



Directors: M E Moji*, M B Pretorius, B R Topham, I G Bekker (* non-executive) Company secretary: River Group

Registered address: Equity Estate Building 2, Masters House, Charles de Gaulle Crescent, Highveld Park Ext 9, Centurion (PO Box 2887, Montana Park, 0159)

Transfer secretaries: Computershare Investor Services 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107)

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