



# TeleMasters Holdings Limited

(Incorporated in the Republic of South Africa)  
(Registration number 2006/015734/06)  
Share code: TLM & ISIN Number: ZAE000093324  
("Telemasters" or "the Company")

## Interim financial results for the Half Year ended 31 March 2008

### FINANCIAL RESULTS

INCOME STATEMENT		
	Un-Audited 6 months ended 31 March 2008	Un-Audited 6 months ended 31 March 2007
Revenue	82,199,921	72,252,635
Cost of sales	(69,065,177)	(59,968,896)
<b>Gross profit</b>	<b>13,134,744</b>	<b>12,238,749</b>
Investment income	665,474	130,308
<b>Gross income</b>	<b>13,800,218</b>	<b>12,416,557</b>
Finance costs	(182,813)	-
Operating expenses	(6,381,424)	(4,570,289)
<b>Profit before taxation</b>	<b>7,235,981</b>	<b>7,846,268</b>
Taxation	(2,526,776)	(2,275,418)
<b>Net profit for the period</b>	<b>4,709,205</b>	<b>5,570,850</b>
Number of shares in issue ('000)	42,000,000	42,000,000
<b>Weighted average number of shares ('000)</b>	<b>42,000,000</b>	<b>42,000,000</b>
Headline earnings per share (cents)	11,21	13,26
Earnings per share (cents)	11,21	13,26
Diluted earnings per share (cents)	-	-

BALANCE SHEET		
	Un-Audited at 31 Mar 08	Un-Audited at 31 Mar 07
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>8,161,575</b>	<b>7,148,909</b>
Intangible assets	275,791	217,109
Property, plant and equipment	7,885,784	6,931,800
Other financial assets	-	-
<b>Current assets</b>	<b>27,809,027</b>	<b>21,912,365</b>
Trade and other receivables	15,930,254	9,745,504
Cash and cash equivalents	11,878,773	12,166,861
<b>Total assets</b>	<b>35,970,602</b>	<b>29,061,274</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>16,190,789</b>	<b>11,541,312</b>
Share capital	4,200	4,200
Share premium	5,503,859	5,966,262
Retained earnings	10,682,730	5,570,850
<b>Non-current liabilities</b>	<b>823,947</b>	<b>575,075</b>
Instalment Sale agreements	742,660	575,075
Deferred tax	81,287	-
<b>Current liabilities</b>	<b>18,955,866</b>	<b>16,944,887</b>
Bank overdraft	-	-
Current portion of instalment sale agreements	516,240	253,151
Current tax payable	2,026,075	2,275,418
Trade and other payables	16,413,551	14,418,318
<b>Total equity and liabilities</b>	<b>35,970,602</b>	<b>29,061,274</b>
Net asset value per share (cents)	38.54	27.48
Net tangible asset value per share (cents)	37.89	26.96

CASH FLOW STATEMENT		
	Un-Audited 6 months ended 31 March 2008	Un-Audited 6 months ended 31 March 2007
Cash flows from operations	3,726,143	13,570,202
Finance cost	(182,813)	-
Taxation paid	(4,860,830)	-
<b>Net Cash flows from operating activities</b>	<b>(1,317,500)</b>	<b>13,570,202</b>
Property, plant and equipment acquired	(2,279,781)	(8,081,232)
Intangible assets acquired	-	251,105
Investment income	665,474	130,308
<b>Net cash from investing activities</b>	<b>(1,614,307)</b>	<b>(8,202,029)</b>
Proceeds on share issues	-	5,970,462
Dividends paid	(5,040,000)	-
Repayment of instalment sale obligations	-	-
Instalment sale agreements	519,655	828,226
<b>Net cash from financing activities</b>	<b>(4,520,345)</b>	<b>6,798,688</b>
<b>Total cash movement for the period</b>	<b>(7,452,152)</b>	<b>12,166,861</b>
Cash at beginning of period	19,330,925	-
<b>Total cash at end of the period</b>	<b>11,878,773</b>	<b>12,166,861</b>

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		
	Un-Audited 6 months ended 31 March 2008	Un-Audited 6 months ended 31 March 2007
Balance 23 May 2006 on incorporation - Share capital and premium issued	-	-
Share issue and listing costs applied against share premium	5,970,462	-
Net profit for the year ended 30 September 2007	5,570,850	-
<b>Balance at 30 31 March 2007</b>	<b>11,541,312</b>	<b>11,541,312</b>
Share issue 7 listing costs applied against share premium	(462,403)	-
Dividends paid 30 November 2007	(5,040,000)	-
Net profit for the period ended 31 December 2007	5,442,675	-
Net profit for the period ended 31 March 2008	4,709,205	-
<b>Balance at 31 March 2008</b>	<b>16,190,789</b>	<b>16,190,789</b>

### COMMENTARY

#### 1. FINANCIAL RESULTS

##### 1.1 Statement of compliance and basis of preparation

The consolidated interim financial statements for the half year ended 31 March 2008 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.

##### 1.2 Commentary

The Revenue indicates an increase of 13.76% compared with the comparative unlisted period.

Earnings for the second quarter of the 2008 year amount to R3,456,788 compared to the first quarter results of R1,252,417, up by 176%.

This prior year interim 6 months period reflect the trading results of the company prior to listing and thus the operating expenditure in that period excludes the additional costs incurred by the company in order to confirm with the regulatory and corporate governance requirements of a listed entity.

Despite the additional costs the current 6 months results reflect a net profit per share of 11,21 cents per share after taking into account the STC paid on the maiden annual dividend declared at 30 November 2007.

The increase of 13.76% Revenue in the current period is a result of purely organic growth by the company and includes no additional revenue from any of the proposed acquisitions which are in the process of being finalised.

The company remains cash positive with a good liquidity position. The tangible NAV per share increased by 41%. Although R9,9m was disbursed through tax & full-year dividends which were not done in the previous period, cash is comparatively lower by only 2,37%.

The company remains ungeared, profitable and cash generative.

##### 1.3. Dividends

The board is satisfied with the performance and has declared that an interim dividend be paid of **6 cents per share** to all shareholders registered on 31 March 2008

#### 2. LITIGATION

There are currently no legal or arbitration proceedings against the Company (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.

#### 5. OPERATIONAL REVIEW AND OUTLOOK

Trading conditions continue to be good and a Revenue enhancement program has been implemented which has had a positive impact on the increase in Revenue.

The operational effects of the acquisitions which are being finalised will have a substantial impact on the company's future earnings.

The 100% annuity revenue stream of the company and low operating costs leave the board confident of the operating results for the coming period and a continued resolve to maintain a high dividend cover for the benefit of shareholders.

For and on behalf of the Board:

MB Pretorius  
Executive Chairman

BR Topham  
Chief Financial Officer

6 May 2008

Designated Advisor:



Directors: MB Pretorius, BR Topham, IG Bekker, ME Moji\*, J Voight\* (\* non-executive)

Company secretary: BR Topham

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

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

Website: [www.telemasters.co.za](http://www.telemasters.co.za)