



**Top Fix Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 2006/011359/06)  
JSE code: TFX  
ISIN: ZAE000088423  
("Top Fix" or "the company" or "the Group")

## REVIEWED RESULTS FOR THE YEAR ENDED 30 JUNE 2008

### INCOME STATEMENT

R'000	Reviewed Year ended 30 June 2008	Restated Year ended 30 June 2007
<b>Revenue</b>	<b>227 172</b>	192 580
Cost of sales	(142 806)	(141 326)
<b>Gross profit</b>	<b>84 366</b>	51 254
Net operating expenses	(59 293)	(44 229)
<b>Operating profit</b>	<b>25 073</b>	7 025
Fair value adjustment	1 242	734
Interest received	2 767	586
Interest paid	(6 353)	(2 859)
<b>Profit before taxation</b>	<b>22 729</b>	5 486
Taxation	(6 908)	(1 450)
<b>Profit for the year</b>	<b>15 821</b>	4 036
Weighted average shares in issue ('000)	191 806	174 110
Earnings/headline earnings per share (cents)	8,2	2,3
As previously stated		4,8
Prior year adjustment		(2,5)

### BALANCE SHEET

R'000	Reviewed 30 June 2008	Restated 30 June 2007
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>174 777</b>	117 602
Property, plant and equipment	108 584	58 999
Goodwill	58 014	58 014
Loans receivable	7 746	-
Deferred taxation	433	589
<b>Current assets</b>	<b>60 789</b>	46 043
Inventories	2 755	1 710
Trade and other receivables	57 684	42 472
Bank and call deposits	350	1 861
<b>TOTAL ASSETS</b>	<b>235 566</b>	163 645
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	<b>156 964</b>	101 623
<b>Non-current liabilities</b>	<b>22 361</b>	5 641
Interest bearing liabilities	17 823	4 163
Deferred taxation	4 538	1 478
<b>Current liabilities</b>	<b>56 241</b>	56 381
Interest bearing liabilities	8 958	1 488
Bank overdrafts and invoice discounting	15 410	11 665
Trade and other payables	27 039	34 598
Taxation payable	4 834	8 630
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>235 566</b>	163 645
Shares in issue ('000)	203 182	185 000
Net asset value per share (cents)	77,3	54,9
As previously stated		57,3
Prior year adjustment		(2,4)
Net tangible asset value per share (cents)	48,7	23,6
As previously stated		26,0
Prior year adjustment		(2,4)

### CASH FLOW STATEMENT

R'000	Reviewed Year ended 30 June 2008	Restated Year ended 30 June 2007
<b>Cash flow from operations</b>	<b>(4 425)</b>	15 622
Cash generated by operations	6 650	19 558
Interest received	2 767	586
Interest paid	(6 353)	(2 859)
Taxation paid	(7 489)	(1 663)
<b>Cash flow from investing activities</b>	<b>(61 482)</b>	(41 151)
Investment in new operations	-	1
Investment in property, plant and equipment	(53 736)	(41 978)
Movement in loans receivable	(7 746)	826
<b>Cash flow from financing activities</b>	<b>60 651</b>	24 049
Proceeds of share issue	39 520	23 461
Movement in loans payable	21 131	588
<b>Decrease in cash resources</b>	<b>(5 256)</b>	(1 480)
Cash resources at beginning of year	(9 804)	(8 324)
Cash resources at end of year	(15 060)	(9 804)
<b>Cash resources</b>	<b>(15 060)</b>	(9 804)
Bank and call deposits	350	1 861
Bank overdraft and invoice discounting	(15 410)	(11 665)

### SEGMENT ANALYSIS

R'000	Reviewed Year ended 30 June 2008	Restated Year ended 30 June 2007
<b>Revenue</b>		
Scaffolding	97 199	51 307
Personnel outsourcing	122 737	133 989
Total revenue	125 572	136 845
Internal	(2 835)	(2 856)
Safety surveillance	7 236	7 284
Total group	227 172	192 580
<b>Operating profit</b>		
Scaffolding	16 883	(6 335)
Personnel outsourcing	7 500	12 265
Safety surveillance	1 452	1 544
Head office	(762)	(449)
Total group	25 073	7 025

### STATEMENT OF CHANGES IN EQUITY

R'000	Reviewed Year ended 30 June 2008	Restated Year ended 30 June 2007
<b>Equity at beginning of year</b>	<b>101 623</b>	74 126
Share issues	39 520	23 461
Attributable profit for the year	15 821	4 036
<b>Equity at end of year</b>	<b>156 964</b>	101 623
Equity at end of year as previously stated		106 031
Prior year adjustment		(4 408)
Restated equity at end of year		101 623

### COMMENTARY ON THE GROUP'S RESULTS

Further to the Trading Statement published on SENS on 10 October 2008, the Group reported earnings for the year ended 30 June 2008 of R15,8 million which represents a decrease of 36% from the forecast earnings for the year ended 30 June 2008 as previously disclosed in the pre-listing statement. Despite the decrease in comparison to the forecast earnings for the year, the results achieved for the year ended 30 June 2008 resulted in a 292% increase in earnings from the year ended 30 June 2007.

Earnings for the year ended 30 June 2008 were negatively affected by disputed debtors' balances. As at the date of this announcement the Group has been negotiating finalisation of the disputed balances. As such the directors of Top Fix have adopted a prudent approach, and in compliance with International Financial Reporting Standards ("IFRS"), have raised a provision against the amount in dispute. Normalised earnings excluding this adjustment would have been R21,7 million or 11,3 cents per share. Second half earnings were lower than the first half results due to the negative impact of fuel price increases and the Eskom power crisis which delayed the start of many projects.

Net interest charges, excluding adjustments required by IFRS (Circular 9 – 2006) reclassifying a portion of sales invoiced to receivables with extended payment terms to interest income, are significantly higher than planned at R5,5 million. This compares to a charge of R2,3 million for the prior year, and a forecast charge of R2 million per the pre-listing statement. Delays in finalisation of the rights offer to February 2008, as published on SENS, is the main reason for this increase. The scaffolding expansion programme was continued as planned with loan funding, subsequently repaid from the rights offer proceeds.

R47,5 million of the total capital expansion was expended on scaffolding equipment. R35,6 million of this was incurred prior to the finalisation of the rights offer. Had this expenditure been delayed until after February 2008, the equivalent cost of this equipment would have been in excess of 50% higher due to steel price increases.

A significant increase in accounts receivable, from R42 million last year to R57 million at June 2008, is mainly responsible for the R21 million increase in loan funding for the year.

#### Scaffolding

Scaffolding was the star performer for the year with operating profit of R16,9 million compared to restated losses generated in the previous year of R6,3 million. Excluding the debtors provision detailed above, an operating profit of R25,9 million for the year would have resulted. These results support the capital expansion in this operation in both the current and prior year.

#### Personnel Outsourcing

Personnel Outsourcing achieved an operating profit for the year of R7,5 million, which is in line with expectations, but compares to R12,3 million for last year.

#### Safety Surveillance

Safety Surveillance achieved an operating profit of R1,5 million, in line with the previous year and expectations.

#### JOINT VENTURE

Top Fix Scaffolding entered into a 50/50 joint venture with Robor (Proprietary) Limited ("the joint venture") to set up a scaffolding manufacture and hire operation. Top Fix's investment in this joint venture amounted to R8 million on loan account in accordance with the joint venture agreement. By mutual agreement, this venture was terminated on 30 June 2008, with the amount due on loan account to be repaid through the supply of additional scaffolding equipment. The impact of the joint venture results on Group earnings for the year was insignificant.

#### RELATED PARTY TRANSACTIONS

An amount of R8,9 million is due to MBM Technical Services (Proprietary) Limited, a company controlled by Mr BW Marais. The amount was previously held against deferred option agreements, now cancelled. The loan is unsecured, currently interest free and is repayable on demand, subject to 12 months notice, which notice had not been given up to 30 June 2008.

Loans from Mr BW Marais and his affiliates amounting to R6,6 million which bore interest at the prime overdraft rate plus 1% were made to the Group during the year and were repaid in June 2008.

#### FUTURE PROSPECTS

The recent Scaffolding expansion programme and local shortage of skilled artisans leave both the Scaffolding and Personnel Outsourcing operations well placed to take advantage of opportunities in South Africa. The Group therefore expects to achieve satisfactory results for the year to 30 June 2009.

#### BASIS OF PREPARATION AND ACCOUNTING POLICIES

The reviewed results for the year ended 30 June 2008 have been prepared in accordance with International Financial Reporting Standards, IAS34, the JSE Listing Requirements and the Companies Act of South Africa. The financial information for the year ended 30 June 2008 has been prepared adopting the same accounting policies used in the most recent annual financial statements.

#### CHANGE IN ESTIMATE

During the year the Group reassessed the estimated useful life of scaffolding to 50 years from that previously used of 10 years for coastal and 25 years for inland equipment. In addition revised estimates provide for a scaffolding residual of 15% of the current price of new steel, against the zero residual previously used. Had the previous estimates remained unchanged, additional depreciation of R3,7 million would have been charged to the income statement.

#### PRIOR YEAR ADJUSTMENT

Accounts receivable at 30 June 2007 included an amount of R7,1 million pertaining to under-recoveries on joint venture contracts, where Top Fix Scaffolding provided personnel and the other partners provided scaffolding equipment, which contracts expired in December 2006. As at 30 June 2008, the debtors' balance referred to above had still not been finalised. The directors still intend to pursue recovery of this account, but have decided, as per the SENS announcement of 29 August 2008, given the length of time involved in the recovery process, and in compliance with IFRS, to fully impair the amount and restate the financial figures previously published.

This impairment was passed as a prior year adjustment and the restated financial results for the year ended 30 June 2007, compared to the results as previously published are:

	Restated	Previously published
Attributable earnings (R'000)	4 036	8 443
Shareholders' equity (R'000)	101 623	106 031
Earning/headline earnings per share (cents)	2,3	4,8
Net asset value per share (cents)	54,9	57,3
Tangible net asset value per share (cents)	23,6	26,0

#### CAPITAL COMMITMENTS AND CONTINGENCIES

The Group had no significant outstanding capital commitments or contingencies as at 30 June 2008.

#### REVIEW OPINION

These results have been reviewed by Top Fix's auditors, PKF (Jhb) Inc., and their unqualified review opinion is available for inspection at the company's registered office.

#### DIVIDEND DECLARATION

In line with current Group policy, no dividend has been declared for the year.

For and on behalf of the Board

**BT Ngcuka** (Chairman)

**BW Marais** (Chief Executive)

15 October 2008

**Directors:** BT Ngcuka\* (Chairman); BW Marais (CEO); JA Barker (Financial Director); KG Bodigelo\*; FF Goosen  
EMJ Groenewald; JJ Senekal\*; PR Todd (\*non-executive)

**Secretary and Registered Office:** MN Hattingh, 6 Topaz Street, Lyttelton Manor, Centurion 0157

**Transfer Secretaries:** Link Market Services South Africa (Pty) Limited, 11 Diagonal Street, Johannesburg 2000  
(PO Box 4844, Johannesburg 2001)

**Designated Advisor:** PSG Capital (Pty) Limited