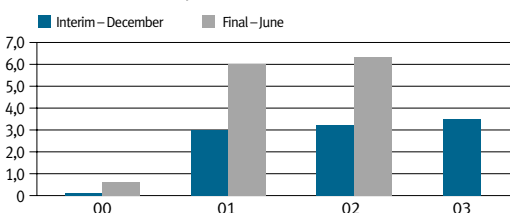


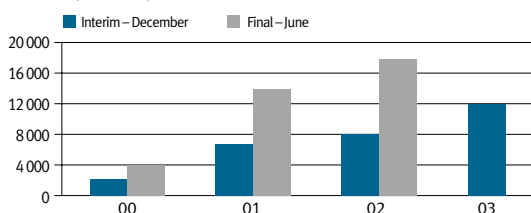


- ▲ **TURNOVER** ↑ **58%**
- ▲ **OPERATING PROFIT** ↑ **47%**
- ▲ **HEADLINE EARNINGS PER SHARE** ↑ **9,4%**
- ▲ **HEADLINE EARNINGS PER SHARE excluding unrealised forex differences** ↑ **54%**
- ▲ **ISSUE OF COMPULSORILY CONVERTIBLE DEBENTURES RAISES CAPITAL OF** **R26 m**
- ▲ **INSTITUTIONAL INVESTOR ON BOARD**

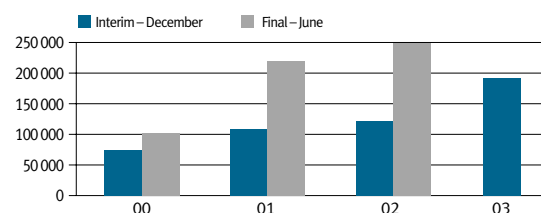
Headline earnings per share – Cents



Operating profit – R'000



Turnover – R'000



RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

FINANCIAL OVERVIEW

Excellerate has delivered good results with turnover increasing by 58% to R191 million (2001: R121 million) and operating profit by 47% to R11,9 million (2001: R8,1 million).

Headline earnings per share increased by 9,4% to 3,5 cents (2001: 3,2 cents). Headline earnings per share has been impacted by:

- Unrealised foreign exchange differences resulting from changes in the Rand exchange rate. Excluding the effects of these unrealised differences, headline earnings per share would have increased by 54%.
- A significantly higher interest charge due to the funding of acquisitions by way of a short-term loan from the Rooibos Trust prior to the advent of an institutional investor (BoE) and the issue of Compulsorily Convertible Debentures (CCD) to raise capital of R26 million and the increased working capital requirements of the group.

Cash generated from trading operations is higher than that of prior periods. However, cash flow was affected by:

- A substantial export order for which payment was received shortly after the half year ended 31 December, 2002.
- The strong growth and working capital requirements of the ExcellTrade Division due mainly to an excellent Christmas trading season and substantial export orders.

OPERATIONAL REVIEW

Excellerate invests in businesses that focus on services, trading and distribution, with the emphasis on customer-centricity and specialised markets. We are focused into two groupings, Services and Trading-Distribution. Our unique business recipe focuses on operational excellence and the extraction of maximum value from our business operations. This is amply demonstrated by the impressive growth in the operating profit of the group.

The **ExcellTrade Division**, which houses the Trading-Distribution grouping, performed well. Growth was mainly organic with turnover growing by 67% to R134 million (2001: R80 million) and operating profit in this division 78% to R7,7 million (2001: R4,3 million).

The merged business of Hypertrade-Louis Smiedt contributed positively to the earnings of this division, whilst Goldenmarc performed well above expectation. Ferengi Household Products ("Ferengi") was acquired during the period under review. Ferengi is a manufacturer and distributor of kitchen sponges, textiles and brass and steel scourers and wools to mass merchant retailers and independents. The Ferengi business is synergistic with and complimentary to Goldenmarc. The bedding down process has been completed and it is expected that the manufacturing capability of Ferengi will add another dimension to Goldenmarc's trading capabilities.

The **ExcellServ Division** continued to perform well with turnover growing by 40% to R57,2 million (2001: R40,9 million) and operating profit by 12% to R4,2 million (2001: R3,7 million). The PEM (Parking Environment Management) Division which houses the various businesses providing outsourced services within the car park environment, continued to improve on the management of parking facilities in South Africa through its new innovative service offerings. The businesses driving these new developments constituted start-up operations which have affected the operating profit of the division in the short term but are expected to contribute positively in the future.

The cleaning, hygiene and pest divisions housed within the Sterikleen business continued to grow steadily by concentrating on gaining market share and on improving efficiencies within the business, improving management skills and adhering to strict financial disciplines.

The acquisition of the Levingers dry clean shoe repair and tailoring business has been bedded down. New branches have been opened at Eastgate and Dainfern shopping centres with further expansion on a national level planned for the future.

PROSPECTS

The effect and contribution of new acquisitions have to some extent been felt in the period under review and their contribution to the group at year end is expected to be significant.

These results have been achieved against a backdrop of difficult market conditions and changing environments within both the ExcellTrade and ExcellServ divisions.

The group will continue to rely on strong organic growth, small niche acquisitions and sound business practices which employ methods that motivate, empower and encourage our management teams to express dynamic entrepreneurial skills in a decentralised environment.

The group remains optimistic about its prospects.

ACCOUNTING POLICIES

The financial information contained in this announcement has been prepared in accordance with policies, which are consistent with Statements of South African Generally Accepted Accounting Practice and those of the previous year.

The group's auditors KPMG Inc have reviewed the financial information for the period ended 31 December 2002. Their report is available for inspection at the registered office of the company.

DIVIDEND

Consistent with the group's current policy, no dividend has been declared in light of the group's desire to grow existing businesses organically and to finance selective acquisitions.

For and on behalf of the Board

L Rottanburg
Executive Chairman

B Bernstein
Financial Director

Sandton, 5 March 2003

INCOME STATEMENT

	Reviewed 6 months ended 31 December 2002 R'000	Reviewed 6 months ended 31 December 2001 R'000	Audited 12 months ended 30 June 2002 R'000
Turnover	191 022	120 940	249 097
Operating profit	11 892	8 055	17 812
Capital items – profit on disposal of fixed assets	4	40	140
Capital write off – impaired value of investments	–	–	(177)
Amortisation of trademarks	(54)	(53)	(106)
Amortisation of goodwill	(1 757)	(1 287)	(3 131)
Net income before interest and taxation	10 085	6 755	14 538
Net interest (paid)/received	(2 696)	200	(1 332)
Net income before taxation	7 389	6 955	13 206
Taxation	(2 819)	(2 183)	(4 872)
Net income after taxation	4 570	4 772	8 334
Attributable to minority shareholders	(89)	(95)	(168)
Attributable to ordinary shareholders	4 481	4 677	8 166
Shares in issue (000's)	179 122	184 762	181 068
Weighted average number of shares in issue (000's)	179 992	184 762	181 942
Fully diluted weighted average number of shares in issue (000's)	202 522	184 762	200 730
Earnings per share (cents)	2,5	2,5	4,5
Headline earnings per share (cents)	3,5	3,2	6,3
Fully diluted headline earnings per share (cents)	3,3	3,2	6,0
Reconciliation of headline earnings:			
Attributable to ordinary shareholders	4 481	4 677	8 166
adjust for:			
– Amortisation of goodwill	1 757	1 287	3 131
– Capital write off – impaired value of investments	–	–	177
– Net profit on disposal of fixed assets	(4)	(40)	(140)
– Tax thereon	1	12	42
Headline earnings	6 235	5 936	11 376

CASH FLOW STATEMENT

	Reviewed 6 months ended 31 December 2002 R'000	Reviewed 6 months ended 31 December 2001 R'000	Audited 12 months ended 30 June 2002 R'000
Net income before interest and taxation	10 085	6 755	14 538
Non-cash items	4 117	2 773	6 813
Cash generated from trading operations	14 202	9 528	21 351
Increase in working capital	(18 627)*	(3 858)	(7 747)
Cash (utilised)/generated by operations	(4 425)	5 670	13 604
Net interest (paid)/received	(2 696)	200	(1 332)
Taxation paid	(2 387)	(256)	(2 101)
Cash flow from operating activities	(9 508)	5 614	10 171
Cash flow from investing activities	(14 305)	(7 864)	(28 909)
Cash flow from financing activities	26 911	(244)	(3 723)
Net cash resources retained/(utilised) for the period	3 098	(2 494)	(22 461)
Foreign currency translation	–	–	(290)
Net cash resources at beginning of period	3 014	25 765	25 765
Net cash resources at end of period	6 112	23 271	3 014

Note :
* Includes an amount of R 8 093 000 in respect of a substantial export order for which full payment was received shortly after 31 December 2002

BALANCE SHEET

	Reviewed 31 December 2002 R'000	Reviewed 31 December 2001 R'000	Audited 30 June 2002 R'000
Assets			
Non current assets	95 717	67 463	89 637
Fixed assets	15 054	7 886	12 264
Investments	247	1 688	1 526
Intangibles	68 613	48 331	64 935
Deferred taxation	11 803	9 558	10 912
Current assets	133 275	88 141	101 426
Liquid funds	6 112	23 271	3 014
Other current assets	127 163	64 870	98 412
Total assets	228 992	155 604	191 063
Equity and liabilities			
Equity and reserves	123 397	104 028	105 107
Ordinary shareholders' interest	122 981	103 774	104 780
Outside shareholders' interest	416	254	327
Non current liabilities	11 259	1 390	1 455
Long term loans	2 293	1 390	1 455
Compulsory convertible debenture liability	8 966	–	–
Current liabilities	94 336	50 186	84 501
Other current liabilities	82 924	50 186	70 577
Compulsory convertible debenture liability	2 017	–	–
Amounts due to vendors	9 395	–	13 924
Total equity and liabilities	228 992	155 604	191 063
Shares in issue (000's)	179 122	184 762	181 068
Net asset value per share (cents)	68,9	56,3	58,0
Net tangible asset value per share (cents)	30,4	30,0	22,0

SEGMENTAL REPORT

	Reviewed 6 months ended 31 December 2002 R'000	Reviewed 6 months ended 31 December 2001 R'000	Audited 12 months ended 30 June 2002 R'000
Turnover	191 022	120 940	249 097
Services	57 197	40 864	89 492
Trading-Distribution	133 825	80 076	159 605
Operating profit	11 892	8 055	17 812
Services	4 196	3 735	10 444
Trading-Distribution	7 696	4 320	7 368

Transactions between segments are conducted on an arm's length market-related basis

STATEMENT OF CHANGES IN SHAREHOLDERS' INTEREST

	Ordinary share capital R000's	Share premium R000's	Non- distributable reserves R000's	Retained earnings R000's	Compulsory convertible debentures R000's	Total R000's
Balance at 30 June 2001	1 848	57 206	17 167	22 876	–	99 097
Repurchase of shares	(37)	(2 156)	–	–	–	(2 193)
Foreign currency translation	–	–	(290)	–	–	(290)
Net profit for the year	–	–	–	8 166	–	8 166
Balance at 30 June 2002	1 811	55 050	16 877	31 042	–	104 780
Repurchase of shares	(12)	(602)	–	–	–	(614)
Net profit for the period	–	–	–	4 481	–	4 481
Compulsory convertible debentures issued (net)	–	–	–	–	15 017	15 017
Compulsory convertible debentures issue expenses	–	(683)	–	–	–	(683)
Balance 31 December 2002	1 799	53 765	16 877	35 523	15 017	122 981