

Statistics

	Unaudited 6 months ended 31 December 2006 000's	Unaudited 6 months ended 31 December 2005 000's	Audited 12 months ended 30 June 2006 000's
Ordinary shares in issue	176 465	173 595	174 095
Weighted average number of ordinary shares	174 412	173 485	173 564
Share options	3 240	5 037	4 154
Compulsory convertible debentures	47 273	47 273	47 273
Fully diluted weighted average number of shares in issue	224 925	225 795	224 990
Earnings per share (cents)	6,4	5,3	5,3
Fully diluted basic earnings per share (cents)	5,0	4,2	4,2
Headline earnings per share (cents)	6,4	4,2	5,1
Fully diluted headline earnings per share (cents)	5,1	3,3	4,1
Net asset value per share (cents)	87,6	82,3	81,9
Net tangible asset value per share (cents)	56,4	51,8	50,4

Condensed statement of changes in equity

	Ordinary share capital R'000	Share premium R'000	Compulsory convertible debentures R'000	Non distributable reserve R'000	Retained earnings R'000	Attributable to equity holders of parent R'000	Minority interest R'000	Total R'000
Balance at 30 June 2005	1 731	49 752	18 641	18 787	44 293	133 204	665	133 869
Disposal of treasury shares	5	236				241		241
Share based payment transactions				195		195		195
Profit for the period					9 270	9 270	55	9 325
Balance at 31 December 2005	1 736	49 988	18 641	18 982	53 563	142 910	720	143 630
Balance at 30 June 2006	1 741	50 224	18 641	18 952	53 076	142 634	768	143 402
Share based payment transactions				(356)		(356)		(356)
Sale of treasury shares	24	1 120				1 144		1 144
Profit for the period					11 114	11 114	134	11 248
Balance at 31 December 2006	1 765	51 344	18 641	18 596	64 190	154 536	902	155 438

Condensed segmental report

	Unaudited 6 months ended 31 December 2006 R'000	Restated unaudited 6 months ended 31 December 2005 R'000	Audited 12 months ended 30 June 2006 R'000
Revenue	272 704	289 209	508 714
Trading – Distribution	207 594	230 412	386 747
Services	65 110	58 797	121 967
Operating profit	16 237	12 596	11 070
Trading – Distribution	16 031	8 781	(3 799)
Services	10 159	10 131	25 467
Corporate	(9 953)	(6 316)	(10 598)
Profit before interest and taxation	17 749	14 465	16 308
Trading – Distribution	16 043	8 662	(4 123)
Services	11 659	10 124	29 783
Corporate	(9 953)	(4 321)	(9 352)



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EXCELLERATE HOLDINGS LIMITED

Registration number 1997/009884/06 JSE code: EXL ISIN: ZAE000026092
EXLD ISIN: ZAE000044145 (Incorporated in the Republic of South Africa)

Unaudited results for the six months ended 31 December 2006

FINANCIAL OVERVIEW

Results for the six-month period to 31 December 2006 were much improved over the last six months as well as the comparative period. This was primarily due to resolution of the historic problems within the food trading businesses combined with solid performances at all other business units. The overall result however was impacted by the costs of implementing the BEE transaction with Akenton as well as costs associated with reducing the centralised management structure.

Revenue for the six months ended 31 December 2006 decreased by R16,5 million from R289,2 to R272,7 million mainly due to the downsizing of operations at the Food Trading division. Revenue in the Food Trading Division decreased by R41,6 million as a result of the elimination of unprofitable trading lines. Net profit attributable to shareholders however showed a pleasing increase to R11,1 million for the six months, representing an increase of 19,9% over the comparative period. Headline earnings increased by 53,5% over the comparative period.

Fully diluted earnings per share increased by 19% to 5,0 cents per share, whilst fully diluted headline earnings per share increased by 54,5% to 5,1 cents per share.

Cash flows generated by operations amounted to R19,2 million before taking into account R29,2 million utilised to expand the working capital requirement. Cash flows utilised in investing activities amounted to R3,8 million of which the majority were used for the acquisition of property, plant and equipment. The overall effect of these items along with R7,8 million generated by financing activities and tax and interest payments of R3,0 million and R3,2 million respectively, was a decrease in cash and cash equivalents amounting to R12,2 million since 30 June 2006. It is expected that cash generation will be stronger in the second half.

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OPERATIONAL OVERVIEW

Trading-Distribution

The revenue in the Trading-Distribution segment of the business decreased by R22,8 million to R207,6 million mainly due to re-structuring of the Food Trading Division. Operating profit increased by 82,6% to R16,0 million as a result of solid trading performances at Goldenmarc and Foodserv coupled with a return to profitable trading in the Food Trading division.

Foodserv enjoyed strong demand for its products on the back of industry growth and new initiatives, whilst Goldenmarc also achieved good sales growth on strong demand from the retailers.

The Food Trading division achieved modest operating profits but still incurred some costs on winding up historically non-profitable areas. The business unit is expected to continue to trade profitably in the next six months.

Services

Revenue in the Services segment of the business increased by R6,3 million to R65,1 million. Operating profits however were relatively flat at R10,2 million. This was due mainly to non-recurring operational issues relating to a specific contract at Interpark which was offset by a stronger performance at Sterikleen on the back of strong cost management.

Levingsers has achieved good revenue growth for the period with similarly improved results.

EMPOWERMENT

On 18 December 2006, a general meeting of shareholders approved the agreements with Akenton Services (Pty) Ltd as a BEE partner to take up a 25% shareholding in the operating subsidiaries of the group. The board is of the view that Akenton will add significant value, not only as a BEE partner but also for their innovative and dynamic outlook on business. All conditions precedent to the agreements have been fulfilled and the agreements have been fully implemented.

The group's 49% investment in the Katanga group of companies continues to yield good results. Several new contracts have been secured in the Services segment. The group continues to enjoy strong relations with its empowerment partner, Ikamva Labantu.

PROSPECTS

The Group has completed a re-structuring exercise and now operates the business units on a more de-centralised basis. This is expected to deliver some financial benefits within the Group head office as well as at the business units themselves. In addition, a culture of strong growth and cash generation has been set, and this is expected to have an impact in the coming period. The expected positive cash flow will enable the Group to finance acquisitions.

Trading-Distribution

Goldenmarc will continue to grow organically, and expects to consolidate some of the smaller operators in the industry, whilst Foodserv expects to achieve growth through improved capacity coupled with focus on a broader section of the market. The Food Trading Division is expected to grow off a low base.

Services

Both Sterikleen and Interpark expect to grow through aggressively pursuing new contracts as well as through acquisitions within their sectors of the industry. Levingsers is expected to achieve growth through the roll out of further outlets.

ACCOUNTING POLICIES

The condensed interim financial statements for the six months ended 31 December 2006 has been prepared in accordance with International Financial Reporting Standards ("IFRS") applying IAS34: Interim Financial Reporting. The accounting policies used to prepare the interim results are consistent with those applied in the previous period, except for a reclassification between sales and cost of sales for the six months to December 2005 to give effect to the full adoption of IFRS. There was no effect on the profit line.

CHANGES TO THE BOARD

Chris Hall resigned as Chief Executive Officer of the group effective 31 December 2006. The board of directors thanks Chris Hall for his contribution to the Group.

Gordon Hulley who joined the group as Chief Operating Officer in February 2006 accepted the appointment to Chief Executive Officer of the Group with effect from 1 January 2007.

DIVIDEND

As the group pursues opportunities to grow by acquisition and reduce interest-bearing borrowings, the directors have decided not to declare a dividend at this time.

For and on behalf of the Board

Gordon Hulley

Chief Executive Officer

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28 February 2007

Condensed group income statement

	Unaudited 6 months ended 31 December 2006 R'000	Restated unaudited 6 months ended 31 December 2005 R'000	Audited 12 months ended 30 June 2006 R'000
Revenue	272 704	289 209	508 714
Gross profit	83 267	84 213	148 107
Operating profit	16 237	12 596	11 070
Gain on disposal of subsidiary	–	–	1 245
Fair value adjustment on loan accounts	–	(173)	(173)
Share of undistributed profits of associates	1 512	2 042	4 316
Impairment of goodwill	–	–	(150)
Profit before finance charges and taxation	17 749	14 465	16 308
Net finance costs	(2 015)	(1 972)	(4 095)
Profit before taxation	15 734	12 493	12 213
Taxation	(4 486)	(3 168)	(2 963)
Profit after taxation	11 248	9 325	9 250
Attributable to:			
Equity holders of the parent	11 114	9 270	9 147
Minority interest	134	55	103
	11 248	9 325	9 250
Shares in issue (000's)	176 465	173 595	174 095
Weighted average number of shares in issue (000's)	174 412	173 485	173 564
Fully diluted weighted average number of shares in issue (000's)	224 925	225 795	224 990
Earnings per share (cents)	6,4	5,3	5,3
Fully diluted basic earnings per share (cents)	5,0	4,2	4,2
Reconciliation between income attributable to the equity holders of the parent and the headline earnings attributable to the equity holders of the parent:			
Income attributable to equity holders of the parent adjusted for:	11 114	9 270	9 147
– Impairment of goodwill and fair value adjustment on loan account	–	–	323
– Loss/(profit) on disposal of property, plant and equipment and investment in subsidiaries	12	(2 358)	(269)
– Tax thereon	(3)	335	(326)
Headline earnings	11 123	7 247	8 875
Headline earnings per share (cents)	6,4	4,2	5,1
Fully diluted headline earnings per share (cents)	5,1	3,3	4,1

Condensed group balance sheet

	Unaudited 31 December 2006 R'000	Restated unaudited 31 December 2005 R'000	Audited 30 June 2006 R'000
ASSETS			
Non current assets	102 593	96 511	100 178
Property, plant and equipment	25 123	28 917	24 664
Investments in associates	1 304	942	2 466
Intangible assets	54 956	52 952	54 898
Other financial assets	548	760	681
Deferred taxation assets	20 662	12 940	17 469
Current assets	219 580	193 644	179 260
Bank balances and cash	3 759	12 075	2 515
Other current assets	215 821	181 569	176 745
Total assets	322 173	290 155	279 438
EQUITY AND LIABILITIES			
Equity and reserves	155 438	143 630	143 402
Equity attributable to equity holders of the parent	154 536	142 910	142 634
Minority shareholders' interest	902	720	768
Non current liabilities	10 939	8 413	6 269
Long term loans	9 539	5 980	5 268
Deferred taxation liabilities	1 400	1 110	1 001
Compulsory convertible debenture liability	–	1 323	–
Current liabilities	155 796	138 112	129 767
Other current liabilities	133 196	106 006	119 571
Bank overdrafts	21 166	29 705	7 734
Compulsory convertible debenture liability	1 434	2 401	2 462
Total equity and liabilities	322 173	290 155	279 438

Condensed group cash flow statement

	Unaudited 6 months ended 31 December 2006 R'000	Unaudited 6 months ended 31 December 2005 R'000	Audited 12 months ended 30 June 2006 R'000
Cash flows from operating activities	(16 161)	(2 856)	9 281
Cash (utilised)/generated by operations	(9 958)	2 787	22 167
Net finance costs	(3 202)	(1 484)	(6 308)
Taxation paid	(3 001)	(4 159)	(6 578)
Cash flows from investing activities	(3 804)	(6 996)	(8 177)
Cash flows from financing activities	7 777	999	2 454
Net (decrease)/increase in cash and cash equivalents	(12 188)	(8 853)	3 558
Cash and cash equivalents at beginning of period	(5 219)	(8 777)	(8 777)
Cash and cash equivalents at end of period	(17 407)	(17 630)	(5 219)