

> **RPC DATA LIMITED** (INCORPORATED IN BOTSWANA)
AUDITED SUMMARISED RESULTS FOR THE YEAR ENDED 31 MAY 2008



HIGHLIGHTS

- Group revenue increases by 49%
- Group operating expenses maintained at 2007 levels
- Total equity increases by 24% to P17.6m
- 74% growth in cash and cash equivalents

BASIS OF PREPARATION

The summarised financial statements presented herewith have been extracted from the audited financial statements of the group and company for the year ended 31 May 2008, and - except for the inclusion of equity accounting for the associate at company level in addition to group level - have been prepared in accordance with International Financial Reporting Standards using accounting policies which are consistent with those used in the previous financial year.

FINANCIAL PERFORMANCE

Botswana

Revenue generated from the Botswana holding company increased by a gratifying 74% on the previous year. This was driven mainly by a break-through consultancy project undertaken for the Kenyan Ministry of Finance. Whilst this has given a significant boost to revenue and profit before tax, the high level Kenyan tax necessarily incurred on the project unfortunately impacted negatively on the overall tax charge for the year.

In addition, RPC Botswana has been able to earn revenue from continuing application and development maintenance contracts with a number of large Botswana customers. Software sales also continued to contribute strongly to revenue, although margins earned on this business are shrinking under pressure from competitors, principals and customers.

Stringent cost control has seen costs maintained within levels reported during the previous financial year. Cost savings from the off-shoring of expensive programming and consulting expertise to the company's new Indian subsidiary have contributed to this excellent performance. This has been partially off-set by prudent impairment charges of approximately P0.8m on some long outstanding receivables where the company is continuing efforts to recover the full outstanding amounts.

Uganda & Zambia

Revenue generated by these subsidiaries amounts to P5.7m. Although revenue from both consultancy and software sales increased by almost 44% in Zambia, the Ugandan business shrunk significantly during the financial year.

Neither of these subsidiaries recorded a profit during the year and may require continuing working capital support from the holding company for the foreseeable future. This has prompted the holding company to prudently impair P2m of its investment in the subsidiaries at the end of the financial year. Similarly, the deferred tax asset previously recognised in Zambia (P0.15m) has been reversed during the year.

FINANCIAL POSITION

The strong growth in revenue and greater focus on working capital management resulted in a much improved cash position at the financial year-end, with cash and cash equivalents amounting to P9.4m (2007: P5.4m). The group remains free of any external debt, with the full working capital investment of P10.9m being financed from internal resources.

Total equity has increased by P3.4m mainly as a result of an additional P2.15m, being the effect of the tri-annual revaluation of the group's Head Office in Commerce Park, Gaborone.

The group's decision to sell the controlling stake in ASC Services to the management of that company during the previous financial year has allowed ASC Services to focus on the niche markets which it serves. Accordingly, the associate has continued to reflect growth in both revenue and profits, as is reflected in the group's increasing investment in associate.

PROSPECTS

The directors anticipate that margins from software sales and licensing support will continue to come under pressure in the near to medium-term as competition increases in this market segment. Accordingly, the business' focus will increasingly be on securing consultancy and service revenues.

This will require concerted effort in reducing the business' dependence on irregular tenders in the Botswana market, diversification of the domestic client base and increased focus on opportunities offered by our group's experience in successfully completing large projects in other regional centres.

In addition to such organic growth, the Board has also tasked management with the identification, evaluation and pursuit of promising merger and acquisition opportunities in the domestic and regional markets.

Botswana

The Botswana business has a strong domestic reputation and experience, and through the project for the Kenyan Ministry of Finance, has proven its ability to deliver high quality services on a regional scale.

RPC Botswana is currently negotiating pricing on domestic contracts worth in excess of P12m, whilst management is confident that the company also enjoys front-runner status in a number of other domestic tenders which are currently being evaluated by principals.

The company also intends to build on its successful project in Kenya in order to increase its foothold in that market, whilst also exploring similar opportunities in East and Southern Africa.

Uganda and Zambia

The group's current business models in these countries require significant continuing working capital investment even in periods when no revenue opportunities exist. Accordingly, the directors have instructed management to review these businesses in order to maximise the group's ability to unlock existing business potential while also minimising working capital commitments in these regions.

	Group 2008 BWP	Group 2007 BWP	Company 2008 BWP	Company 2007 BWP
INCOME STATEMENTS				
Turnover	49,474,560	33,192,045	43,742,071	25,143,300
Cost of sales	(37,079,133)	(23,268,038)	(32,681,755)	(17,632,571)
Gross profit	12,395,427	9,924,007	11,060,316	7,510,729
Other operating income	447,169	520,733	368,372	375,046
Operating expenses	(9,929,311)	(9,964,188)	(7,732,213)	(7,718,225)
Impairment of investments in subsidiaries	-	-	(2,004,099)	-
Profit on sale of shares of subsidiary	-	542,919	-	(63,405)
Operating profit	2,913,285	1,023,471	1,692,376	104,145
Share of profit of associate company	96,037	83,275	96,037	83,275
Net finance income/(expense)	23,991	(103,156)	24,330	(87,112)
Profit before tax	3,033,313	1,003,590	1,812,743	100,308
Tax (charge) / credit	(1,984,892)	93,573	(1,764,421)	163,178
Profit after tax	1,048,421	1,097,163	48,322	263,486
Attributable to:				
Equity holders of the company	1,105,737	1,090,529	48,322	263,486
Minority interests	(57,316)	6,634	-	-
	1,048,421	1,097,163	48,322	263,486
CASH FLOW STATEMENTS				
Operating activities				
Cash flows from operations	4,860,622	468,583	5,963,171	(1,964,442)
Net finance income/(expense)	23,991	(103,158)	24,330	(87,113)
Income tax paid	(300,000)	(206,194)	(253,210)	(206,194)
Income tax refund received	-	145,922	-	145,922
Net cash generated from / (utilised in) operating activities	4,584,613	305,153	5,734,291	(2,111,827)
Cash flow from Investing activities				
Purchase of property, plant and equipment	(622,772)	(160,368)	(412,606)	(91,115)
Sale of investments	-	-	-	81,404
Loan to associate company	27,500	(212,615)	27,500	(212,615)
Proceeds from disposal of property, plant and equipment	-	14,545	-	-
Net cash used in investing activities	(595,272)	(358,438)	(385,106)	(222,326)
Cash flow from Financing activities				
Decrease in shareholders loan	-	-	-	137,385
Net cash generated by financing activities	-	-	-	137,385
Increase / (decrease) in cash and cash equivalents	3,989,341	(53,285)	5,349,185	(2,196,768)
Movement in cash and cash equivalents				
At the beginning of the year	5,363,982	5,417,267	2,368,078	4,564,846
Increase / (Decrease)	3,989,341	(53,285)	5,349,185	(2,196,768)
At the end of the year	9,353,323	5,363,982	7,717,263	2,368,078

	Group 2008 BWP	Group 2007 BWP	Company 2008 BWP	Company 2007 BWP
BALANCE SHEETS				
ASSETS				
Non-current assets				
Property, plant and equipment	7,196,807	4,006,683	1,184,547	1,012,529
Investments in subsidiaries	-	-	2,433,176	2,383,176
Investments in associate company	332,802	236,765	332,802	236,765
Loans due from subsidiaries and associate	185,115	212,615	727,716	755,216
Deferred tax asset	-	595,326	-	345,285
	7,714,724	5,051,389	4,678,241	4,732,971
Current assets				
Work-in-progress	2,740,605	1,358,481	2,644,999	1,358,481
Receivables and prepayments	22,554,652	13,924,168	21,386,159	15,528,699
Income tax refund due	8,720	363,134	-	363,149
Cash and cash equivalents	9,353,323	5,363,981	7,717,263	2,368,078
	34,657,300	21,009,764	31,748,421	19,618,407
Total assets	42,372,024	26,061,153	36,426,662	24,351,378
EQUITY AND LIABILITIES				
Capital and reserves				
Stated Capital	14,558,918	14,558,918	14,558,918	14,558,918
Revaluation reserve	2,607,356	446,393	-	-
Foreign currency translation reserve	(58,043)	(201,086)	-	-
Retained earnings / (Accumulated losses)	503,464	(602,273)	(620,931)	(669,253)
	17,611,695	14,201,952	13,937,987	13,889,665
Minority interest	-	57,316	-	-
	17,611,695	14,259,268	13,937,987	13,889,665
Non-Current liabilities				
Deferred income tax liabilities	1,050,056	384,625	134,463	104,665
	1,050,056	384,625	134,463	104,665
Current liabilities				
Trade and other payables	22,819,102	11,417,260	21,498,556	10,357,048
Income tax liabilities	891,171	-	855,656	-
	23,710,273	11,417,260	22,354,212	10,357,048
Total liabilities	24,760,329	11,801,885	22,488,675	10,461,713
Total equity and liabilities	42,372,024	26,061,153	36,426,662	24,351,378
EARNINGS PER SHARE				
	2008	2007		
Net profit for the year attributable to equity holders of the company (BWP)	1,105,737	1,090,529		
Number of shares in issue	31,482,887	31,482,887		
Basic earnings per share (thebe)	3.51	3.46		
Dividend per share (thebe)	-	-		

STATEMENTS OF CHANGES IN EQUITY

	Stated Capital BWP	Retained Earnings / (Accumulated Losses) BWP	Revaluation Reserve BWP	Other Reserves BWP	Minority Interest BWP	Total BWP
Group - 2007						
Balance at 1 June 2006	14,558,918	(1,692,802)	446,393	(28,654)	50,682	13,334,537
Profit for the year	-	1,090,529	-	-	6,634	1,097,163
Foreign currency translation difference on consolidation of foreign subsidiaries	-	-	-	(172,432)	-	(172,432)
Balance at 31 May 2007	14,558,918	(602,273)	446,393	(201,086)	57,316	14,259,268
Group - 2008						
Balance at 1 June 2007	14,558,918	(602,273)	446,393	(201,086)	57,316	14,259,268
Profit for the year	-	1,105,737	-	-	(57,316)	1,048,421
Foreign currency translation difference on consolidation of foreign subsidiaries	-	-	-	143,043	-	143,043
Revaluation of property (net of deferred tax)	-	-	2,160,963	-	-	2,160,963
Balance at 31 May 2008	14,558,918	503,464	2,607,356	(58,043)	-	17,611,695
Company - 2007						
Balance at 1 June 2006	14,558,918	(932,739)	-	-	-	13,626,179
Profit for the year	-	263,486	-	-	-	263,486
Balance at 31 May 2007	14,558,918	(669,253)	-	-	-	13,889,665
Company - 2008						
Balance at 1 June 2007	14,558,918	(669,253)	-	-	-	13,889,665
Profit for the year	-	48,322	-	-	-	48,322
Balance at 31 May 2008	14,558,918	(620,931)	-	-	-	13,937,987

MANAGEMENT

The directors are pleased to announce the appointment of Mr Vincent T. Seretse as Group Managing Director. Vincent joins the group after completing his contract as Chief Executive Officer of Botswana Telecommunications Corporation. He brings with him a wealth of knowledge and experience in the Botswana business environment, having served as director of numerous public and private entities.

The Board believes that Mr Seretse's knowledge of the ICT sector, experience in developing new businesses and optimising existing business operations make him ideally suited to lead the group during the next phase of its business development.

With this appointment, the group's senior executive management will now also be fully in the hands of citizens, with Mr Mompoti D. Nwako continuing as Executive Director.

Mr Seretse replaces Mr Rob Pool, who has led the group from its infancy, through its listing and thereafter. The Board thanks Mr Pool for his contribution to the group's success during that time. He will continue to support Vincent and the existing management team for a period, in order to ensure continuity in the group's operations.

DIVIDENDS

No dividend has been declared for the 2008 financial year. The Board is of the opinion that existing cash resources should be retained to support the business initiatives referred to above.

By order of the Board of Directors

Tabelelo Seretse
 Chairperson of The Board
 Date: 25 August 2008

Vincent T Seretse
 Group Managing Director
 Date: 25 August 2008

