



# Sabvest Limited

Incorporated in the Republic of South Africa  
 Registration number 1987/003753/06  
 "Sabvest" or "the group" or "the company"  
**ISIN:** ZAE000006417 – ordinary shares  
**ISIN:** ZAE 000012043 – "N" ordinary shares  
**Share code:** SBV – ordinary shares  
**Share code:** SVN – "N" ordinary shares

## Condensed Audited Results for the year ended 31 December 2009 and cash dividend declaration

### Consolidated Condensed Statement of Financial Position

at 31 December 2009	31 Dec 2009 Audited R'000	31 Dec 2008 Audited R'000
<b>Non-current assets</b>	<b>365 442</b>	365 160
Property, plant and equipment	1 070	1 380
Deferred tax asset	1 249	1 897
Share trust receivables	6 126	4 134
Investment holdings	356 997	357 749
Associates*	292 994	279 139
Long-term investments	64 003	78 610
<b>Current assets</b>	<b>31 205</b>	18 614
Finance advances and receivables	24 672	18 518
Cash balances	6 533	96
<b>Total assets</b>	<b>396 647</b>	383 774
<b>Ordinary shareholders' equity</b>	<b>379 071</b>	350 636
<b>Non-current liability</b>	<b>5 212</b>	3 486
Deferred tax liability	5 212	3 486
<b>Current liabilities</b>	<b>12 364</b>	29 652
Interest-bearing debt	7 350	24 100
Accounts payable	5 014	5 552
<b>Total equity and liabilities</b>	<b>396 647</b>	383 774
Net asset value per share – cents	825	759
Net tangible asset value per share – cents	817	752
Net asset value per share with listed investments in associates at market value – cents	863	796
Net asset value per share with investments in associates at directors' valuation (intrinsic value) – cents**	1 094	1 016
Number of shares in issue less held in treasury – 000's	45 968	46 180

\*Includes goodwill of R3,4 million (31 December 2008: R3,4 million).

\*\*Calculated after deducting CGT payable should investments be sold at directors' valuation.

### Consolidated Condensed Statement of Cash flows

for the year ended 31 December 2009	12 months 31 Dec 2009 Audited R'000	12 months 31 Dec 2008 Audited R'000
Cash generated by operating activities	17 632	21 367
Cash generated by/(utilised in) investing activities	11 333	(40 740)
Cash effects of financing activities	701	(701)
Cash utilised for the payment of dividends	(6 479)	(6 479)
<b>Change in cash and cash equivalents</b>	<b>23 187</b>	(26 553)
Cash balances, less interest-bearing debt, at beginning of year	(24 004)	2 549
<b>Cash balances, less interest-bearing debt, at end of year</b>	<b>(817)</b>	(24 004)

### Consolidated Statement of Comprehensive Income

for the year ended 31 December 2009

	12 months 31 Dec 2009 Audited R'000	12 months 31 Dec 2008 Audited R'000
<b>Gross income from operations and investments</b>	<b>78 938</b>	59 216
Dividends received	34 939	38 149
Interest received	1 567	3 938
Income on financial instruments and shares	9 976	–
Fees and sundry income	2 809	2 781
Fair value adjustment to investments	8 274	(16 939)
Equity accounted retained income of associates	21 373	31 287
Share of net income of associates	53 936	67 056
Less: Dividends received	(32 563)	(35 769)
Impairments	(181)	(45)
Interest paid	3 467	2 335
<b>Net income before expenses and exceptional items</b>	<b>75 652</b>	56 926
Less: Expenditure	18 538	15 869
Operating costs	18 208	15 473
Depreciation	330	396
Exceptional items – (profit)/loss	(9 344)	33 509
<b>Net income before taxation</b>	<b>66 458</b>	7 548
Taxation – deferred	2 374	(512)
<b>Net income for the year attributable to equity shareholders</b>	<b>64 084</b>	8 060
Translation of foreign subsidiary/associates	(1 536)	(16)
<b>Total comprehensive income for the year attributable to equity shareholders</b>	<b>62 548</b>	8 044
Earnings per share – cents	139,1	17,4
Dividends per share* – cents	14,0	14,0
Weighted average number of shares in issue – 000's	46 078	46 260
Headline earnings per share – cents	118,8	89,9
<b>Reconciliation of headline earnings</b>		
Net income for the year	64 084	8 060
Gain on sale of associate	(14 153)	–
Exceptional losses – associates	4 628	–
Losses/costs arising from former finance operations	181	33 509
Profit on sale of property, plant and equipment	–	1
<b>Headline earnings for the year</b>	<b>54 740</b>	41 570

\*Dividends comprise 3 cents interim (2008: 3 cents) and 11 cents final (December 2008: 11 cents) – proposed after year-end

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**Transfer secretaries:** Computershare Investor Services (Pty) Limited, 70 Marshall Street, Marshalltown 2001 • (PO Box 61051, Marshalltown 2107)

**Directors:** H Habib<sup>†</sup> (Chairman), P Coutts-Trotter (Deputy Chairman), CS Seabrooke\* (Chief Executive), CP Coutts-Trotter\*, NSH Hughes<sup>‡</sup>, DNM Mokhobo<sup>‡</sup>, GE Nel, R Pleaner\*, BJT Shongwe<sup>‡</sup>  
 \*Executive \*Independent

**Sponsor:** Rand Merchant Bank (A division of FirstRand Bank Limited)

www.sabvest.com

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2009

	Share capital R'000	Share premium R'000	Non-distributable reserve R'000	Accumulated profit R'000	Total R'000
<b>Balance as at 1 January 2008</b>	867	50 729	196 897	76 293	324 786
Total comprehensive income for the year	–	–	(16)	8 060	8 044
Share-based payment charge	–	–	163	–	163
Attributable income of associates	–	–	31 287	(31 287)	–
Movement in translation and other reserves of associates	–	–	24 729	–	24 729
Shares held in share trust	(5)	(696)	–	–	(701)
Unclaimed dividends – written back	–	–	–	94	94
Dividends paid	–	–	–	(6 479)	(6 479)
<b>Balance as at 31 December 2008</b>	<b>862</b>	<b>50 033</b>	<b>253 060</b>	<b>46 681</b>	<b>350 636</b>
Total comprehensive income for the year	–	–	(1 536)	64 084	62 548
Shares held in share trust	–	(1 855)	–	–	(1 855)
Accumulated loss in share trust	–	–	(1 452)	–	(1 452)
Share-based payment charge	–	–	480	–	480
Attributable income of associates	–	–	16 745	(16 745)	–
Movement in translation and other reserves of associates	–	–	(25 508)	–	(25 508)
Shares held in share trust – written back	5	696	–	–	701
Dividends paid	–	–	–	(6 479)	(6 479)
<b>Balance as at 31 December 2009</b>	<b>867</b>	<b>48 874</b>	<b>241 789</b>	<b>87 541</b>	<b>379 071</b>

### Contingent liabilities

The group's contingent liabilities at 31 December 2009 are as follows:

- Put options given by the company to holders of S A Bias junior loans which have due dates in 2010: R1,2 million (31 December 2008: R5,2 million). These reduced to nil in January 2010.
- The group has rights and obligations in terms of shareholder or purchase and sale agreements relating to its present or former investments.
- A group company has entered into lease agreements for the premises that it occupies. The amounts due are as follows:
 

Year 1	R1,05 million
Years 2 to 3	R1,67 million

### Investment commitments

Authorised: R20 million

## Investment Profile

at 31 December 2009

	Listed/ Unlisted	Number of shares	Voting interest %	Economic interest %	Carrying value R'000	Director's value R'000
<b>Investments in associates</b>						
Flowmax Holdings Limited (BVI/UK)	U		40,0	40,0	30 848	
Ridge Empowerment Capital (Pty) Limited	U		45,0	45,0	–	
SA Bias Industries (Pty) Limited	U		48,5	57,3	170 589	
Sunspray Food Ingredients (Pty) Limited	U		47,1	47,1	19 386	
					<b>220 823</b>	<b>367 519</b>
Set Point Group Limited	L	108 441 609	31,6	31,6	72 171	90 007
					<b>292 994</b>	<b>457 526</b>
<b>Long-term investments</b>						
Datec Limited	L	700 000			18 795	18 795
Korbitec Holdings (Pty) Limited	U				13 406	13 406
Korbicom (Pty) Limited	U				4 802	4 802
Metrofile Holdings Limited	L	20 000 000			27 000	27 000
Primedia Holdings 1 Limited	U				–	–
					<b>64 003</b>	<b>64 003</b>
<b>Total investments</b>					<b>356 997</b>	<b>521 529</b>

## Performance indicators

	Compound Growth 1 year (%)	Annualised Compound Growth 5 years (%)
Headline earnings per share	32,1	16,4
Dividends per share	0,0	69,0
Intrinsic net asset value per share	7,6	24,6

## Commentary

### Profile

Sabvest is an investment and finance group which has been listed since 1988. Its ordinary and "N" ordinary shares are quoted in the Finance – Equity Investment Instruments sector of the JSE Limited.

Sabvest has significant minority or joint controlling interests in five groups, which are accounted for as associates, and a long-term portfolio of five other investments which are accounted for on a fair value basis.

In addition, Sabvest maintains finance advances and debt instrument portfolios and undertakes other fee and profit earning activities.

### Financial results

Sabvest's results for the year were ahead of expectations.

Headline earnings per share increased by 32% to 118 cents per share. This was largely a result of fair value investment gains and gains on the sale of investments. The group's industrial associates produced lower results than the prior year but in line with expectations.

Profit after taxation and exceptional items increased to R64 million due to the improved headline earnings and exceptional gains of R14 million from a change of interests in Korbitec which was at the time accounted for as an associated company.

Earnings per share increased materially to 139 cents per share. The prior year's earnings per share figure was impacted by a substantial one-off charge for the settlement of a legal dispute and is therefore not comparable.

Intrinsic value per share increased by 8% to 1 094 cents per share. This increase was reduced by the effect of the strong rand on the translation of the group's foreign holdings in Flowmax and in the international businesses of SA Bias Industries. Shareholders' funds with investments at intrinsic value were R502,7 million (2008: R469,1 million).

With regard to medium-term growth, shareholders' attention is drawn to the table of performance indicators. This shows satisfactory growth in headline earnings per share, dividends per share and intrinsic net asset value per share over five years notwithstanding poor economic conditions during eighteen months of this period.

### Changes in investment holdings

During the year Sabvest:

- Increased its investment in Set Point Group Limited to 108,4 million shares representing 31% of the equity of Set Point;
- Marginally reduced its interest in Metrofile Holdings Limited to 20 million shares, being just below 5% to comply with aspects of the King III report;
- Fully impaired its interests in Primedia Holdings 1 Limited which, while remaining an excellent group of media businesses, is in the process of a financial restructuring pursuant to an LBO in 2007;
- Disposed of its portfolio shareholding in Massmart Holdings Limited to fund the increase in its holding in Set Point Group Limited;
- Re-organised its interests in the Korbitec Group pursuant to the acquisition by Naspers of 51% of Korbitec Holdings with the result that Sabvest now owns 8,5% of Korbitec Holdings, 17% of Korbicom and has received cash inflows arising from the re-organisation.

One of the group's associates, Ridge Empowerment Capital (Pty) Limited, acquired 16,5% of Nimble Capital (Pty) Limited and 25% of Nimble Collection Services (Pty) Limited, and is committed to an investment in the Nimble Credit Opportunities Fund. In addition, Ridge disposed of its interest in West Central Capital (Pty) Limited to the Nimble Group.

Subsequent to the year-end, Sabvest has promoted a process which may lead to the delisting of Set Point Group Limited from the JSE. If concluded, this will have the effect of increasing Sabvest's percentage holding in Set Point.

### Dividends

Dividends are determined relative to Sabvest's own expected recurring cash flows and relative to receipts from investments that are not earmarked for new projects.

It is the group's policy to consider dividends twice annually. The dividends for the year have been maintained at 14 cents per share. 3 cents was declared as an interim dividend and 11 cents as a final dividend subsequent to the year-end.

### Accounting policies

The condensed financial statements have been prepared in accordance with the group's accounting policies which are consistent with those of the previous year's financial statements except for the adoption of IAS 1 and comply with IFRS and in accordance with IFRS 8 – Interim Financial Reporting (IAS 34).

### Audit opinion

Deloitte & Touche has issued an unmodified audit opinion. A copy of the audit report is available for inspection at the registered office of the company.

### Prospects

The businesses operated by the group's associates and by the group's investee companies all continue to have sound medium-term growth prospects and are well managed. However, the current economic downturn may continue to affect the short-term profitability of some of the businesses.

**Haroon Habib**  
Chairman

**Christopher Seabrooke**  
CEO

**Raymond Pleaner**  
CFO

Sandton  
2 March 2010

### Cash Dividend Declaration

Notice is hereby given that a final cash dividend of 11 cents (2008: 11 cents) per ordinary share and "N" ordinary share for the twelve months ended 31 December 2009 has been declared payable to shareholders in accordance with the undermentioned timetable:

Last date to trade "CUM"-dividend	Thursday, 18 March 2010
Trading "EX"-dividend commences	Friday, 19 March 2010
Record date	Friday, 26 March 2010
Dividend payment date	Monday, 29 March 2010

No dematerialisation or rematerialisation of share certificates will be allowed for the period from Friday, 19 March 2010 to Friday, 26 March 2010, both days inclusive.