



Sabvest Limited

("Sabvest" or "the group")

Registration number 1987/003753/06

Unaudited interim results
for the six months ended
30 June 2010
and cash dividend declaration

Consolidated Condensed Statement of Financial Position

at 30 June 2010

	Unaudited 30 June 2010 R'000	Unaudited 30 June 2009 R'000	Audited 31 Dec 2009 R'000
Non-current assets	408 169	353 033	365 442
Property, plant and equipment	905	1 216	1 070
Deferred tax asset	740	1 388	1 249
Share trust receivables	4 040	6 423	6 126
Investment holdings	402 484	344 006	356 997
Associates*	312 730	288 391	292 994
Long-term investments	89 754	55 615	64 003
Current assets	32 339	11 537	31 205
Finance advances and receivables	30 392	11 462	24 672
Short-term investments	1 850	-	-
Cash balances	97	75	6 533
Total assets	440 508	364 570	396 647
Ordinary shareholders' equity	389 599	336 489	379 071
Non-current liabilities	40 488	2 531	5 212
Interest-bearing debt	35 000	-	-
Deferred tax liability	5 488	2 531	5 212
Current liabilities	10 421	25 550	12 364
Interest-bearing debt	5 250	21 960	7 350
Accounts payable	5 171	3 590	5 014
Total equity and liabilities	440 508	364 570	396 647
Net asset value per share - cents	850	727	825
Net tangible asset value per share - cents	843	720	817
Net asset value per share with listed investments in associates at market value - cents	850	749	863
Net asset value per share with investments in associates at directors' valuation (intrinsic value) - cents**	1 124	1 010	1 094
Number of shares in issue less held in share trust/treasury - 000's	45 820	46 276	45 968

* Includes goodwill of R3,4 million (30 June 2009: R3,4 million).

** Valuations are the prior year-end valuations for unlisted shares adjusted for current accrued income, and for listed shares adjusted for current market prices.

Consolidated Condensed Statement of Comprehensive Income

for the six months ended 30 June 2010

	Unaudited 6 months ended 30 June 2010 R'000	Unaudited 6 months ended 30 June 2009 R'000	Audited 12 months ended 31 Dec 2009 R'000
Gross income from operations and investments	31 170	19 550	78 938
Dividends received	181	6 961	34 939
Interest received	1 339	797	1 567
Income on financial instruments and shares	93	2 022	9 976
Fees and sundry income	2 160	860	2 809
Fair value adjustment to investments	2 301	(10 476)	8 274
Equity accounted retained income of associates	25 096	19 386	21 373
Share of net income of associates	25 096	25 087	53 936
Less: Dividends received	-	(5 701)	(32 563)
Impairments	(82)	(84)	(181)
Interest paid	1 514	1 834	3 467
Net income before expenses and exceptional items	29 738	17 800	75 652
Less: Expenditure	9 230	7 836	18 538
Operating costs	9 067	7 665	18 208
Depreciation	163	171	330
Exceptional items - (gains)/losses	(76)	1 028	(9 344)
Net income before taxation	20 584	8 936	66 458
Taxation - deferred	786	(446)	2 374
Net income for the period attributable to equity shareholders	19 798	9 382	64 084
Translation of foreign subsidiary/associates	(385)	(833)	(1 536)
Total comprehensive income attributable to equity shareholders	19 413	8 549	62 548
Earnings per share - cents	43,2	20,3	139,1
Dividends per share (proposed after interim/year-end) - cents	4,0	3,0	14,0
Weighted average number of shares in issue - 000's	45 864	46 257	46 078
Headline earnings per share - cents [§]	42,7	22,5	118,8
Reconciliation of headline earnings			
Net income for the period	19 798	9 382	64 084
Exceptional gains - group	-	-	(14 153)
Exceptional losses - associates	-	828	4 628
(Gains)/losses/costs arising from former finance operations	(76)	200	181
Profit on sale of property, plant and equipment	(155)	-	-
Headline earnings for the period	19 567	10 410	54 740

[§] There are no diluting instruments.

Consolidated Condensed Statement of Cash Flows

for the six months ended 30 June 2010

	Unaudited 6 months ended 30 June 2010 R'000	Unaudited 6 months ended 30 June 2009 R'000	Audited 12 months ended 31 Dec 2009 R'000
Cash (utilised in)/generated by operating activities	(6 645)	(2 678)	17 632
Cash generated by investing activities	7 764	9 887	11 333
Cash effects of financing activities	(365)	-	701
Cash utilised for the payment of dividends	(5 090)	(5 090)	(6 479)
Change in cash and cash equivalents	(4 336)	2 119	23 187
Cash balances, less interest-bearing debt, at beginning of period	(817)	(24 004)	(24 004)
Cash balances, less interest-bearing debt, at end of period	(5 153)	(21 885)	(817)

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2010

	Share capital R'000	Share premium R'000	Non-distributable reserve R'000	Distributable reserve R'000	Total R'000
Balance as at 1 January 2009	862	50 033	253 060	46 681	350 636
Total comprehensive income for the period	-	-	-	64 084	64 084
Accumulated loss in share trust	-	-	(1 452)	-	(1 452)
Translation of foreign subsidiary/associates	-	-	(1 536)	-	(1 536)
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
Shares held in share trust	-	(1 855)	-	-	(1 855)
Dividends paid	-	-	-	(6 479)	(6 479)
Balance as at 31 December 2009	867	48 874	241 789	87 541	379 071
Total comprehensive income for the period	-	-	-	19 798	19 798
Accumulated loss in share trust - written back	-	-	1 452	-	1 452
Accumulated loss in share trust	-	-	(207)	-	(207)
Translation of foreign subsidiary/associates	-	-	(385)	-	(385)
Share-based payment charge	-	-	255	-	255
Attributable income of associates	-	-	25 096	(25 096)	-
Movement in translation and other reserves of associates	-	-	(4 436)	-	(4 436)
Shares held in treasury	(3)	(362)	-	-	(365)
Shares held in share trust - written back	-	1 855	-	-	1 855
Shares held in share trust	-	(2 349)	-	-	(2 349)
Dividends paid	-	-	-	(5 090)	(5 090)
Balance as at 30 June 2010	864	48 018	263 564	77 153	389 599

Contingent liabilities

The group's contingent liabilities at 30 June 2010 are as follows:

- The group has rights and obligations in terms of shareholder or purchase and sale agreements relating to 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 R1,1 million
 - Year 2 R1,2 million

Investment commitments

Authorised: R18 million.

Investment Portfolio

at 30 June 2010

	Listed/ Unlisted	Number of shares	Voting interest %	Economic interest %	Carrying value R'000	Directors' value R'000
Investments in associates						
Flowmax Holdings Limited (BVI/UK)	U		40,0	40,0		
Ridge Empowerment Capital (Pty) Limited	U		45,0	45,0		
SA Bias Industries (Pty) Limited	U		48,5	57,3		
Set Point Group Limited	U		49,8	49,8		
Sunspray Food Ingredients (Pty) Limited	U		47,1	47,1		
Total associates					312 730	482 622
Long-term investments						
Listed					68 965	68 965
Brait SA	L	500 000				
Datatec Limited	L	1 000 000				
Metrofile Holdings Limited	L	20 000 000				
Unlisted					20 789	20 789
Korbitec Holdings (Pty) Limited	U		8,5	8,5		
Korbicom (Pty) Limited	U		17,0	17,0		
Primedia Holdings 1 Limited	U	JJPIK loans	-	-		
Transaction Capital (Pty) Limited	U	1 000 000	-	-		
Total long-term investments					89 754	89 754
Short-term investments	L				1 850	1 850
Total investment portfolio					404 334	574 226

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 Financials - Equity Instruments sector of the JSE Limited.

Sabvest has significant or joint controlling interests in five groups, which are accounted for as associates, and a long-term portfolio of seven 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 six-month period were ahead of expectations despite negative JSE share price movements in the month of June which affected the accrual for fair value adjustments. The group's associates performed in line with expectations. In particular Sunspray Food Ingredients and the offshore operations of SA Bias Industries performed strongly.

Headline earnings per share increased by 91% to 43 cents per share and the interim dividend has been increased by 33% to 4 cents per share.

Shareholders' funds with investments at intrinsic value (net of notional CGT) increased to R514m.

Intrinsic value per share increased to 1 124 cents.

A three year loan of R35m has been raised to facilitate the group's investment program.

With regard to dividends received for the interim period, certain dividends that are usually accounted for in the first half will only be accounted for in the second half and normal dividends for the year as a whole are expected to be in line with budgets.

With regard to finance advances, the increase is a result of R15m lent to an associate repayable on 30 days' notice.

Changes in Investment Holdings

During the period, Sabvest:

- Promoted a process which has led to the delisting of Set Point Group Limited and which has resulted in Sabvest's holding in Set Point increasing from 31% to 49%. All of the guarantees and loan funding provided by Sabvest for this process have been released or refinanced without recourse to Sabvest.
- Acquired a new investment of 1m shares in Transaction Capital (Pty) Limited - a specialised financial group.
- Increased the investment in Datatec Limited to 1m shares.
- Increased the investment in Korbitec Holdings (Pty) Limited, a subsidiary of Naspers, to 8,5%.
- Acquired 0,5m shares in Brait SA - a listed private equity and public markets group.

With regard to the group's associates:

- Flowmax UK Limited expanded the spread of its five industrial distribution businesses in the UK through the acquisition of Anglo Nordic Burners Limited;
- SA Bias Industries disposed of its Hanger Pro operating unit in RSA.
- Nimble Group, in which Ridge Empowerment Capital is invested, acquired Norman Bisset & Associates.

Dividend Policy

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 interim period have been increased to 4 cents per share.

Related Parties

Related party transactions exist between subsidiaries and the holding company, fellow subsidiaries and associated companies, and comprise fees, dividends and interest.

Transactions with directors relate to fees and monies lent to the group by individuals and companies controlled by the directors.

Accounting Policies

The unaudited condensed interim financial statements have been prepared in terms of International Financial Reporting Standards (IFRS) and comply with IAS 34 - Interim Financial Reporting, the JSE Limited Listings Requirements and the Companies Act of South Africa. The accounting policies used are consistent with those applied to the audited financial statements for the year ended 31 December 2009, except for the Adoption of Annual Improvements to IFRS.

Prospects

The businesses operated by the group's associates and by the group's investee companies all have sound medium term growth prospects and are well managed. However, there may be a delay in the positive effects of economic recovery being felt by some of the South African businesses in which we are invested. In addition high volatility in stock market prices makes fair value adjustments unpredictable at this time.

Notwithstanding, we anticipate an increase in headline earnings per share, dividends per share and intrinsic value per share for the year as a whole but not at the same rate of growth as in the first half. This projection has not been reviewed or reported on by the group's auditors.

For and on behalf of the Board

Haron Habib Chairman	Christopher Seabrooke Chief Executive	Raymond Pleaner CFO
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29 July 2010
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Cash dividend declaration

Notice is hereby given that a dividend of 4 cents (2009: 3 cents) per ordinary share and "N" ordinary share for the six months ended 30 June 2010 has been declared payable to shareholders in accordance with the undermentioned timetable:

Last date to trade "CUM" dividend	Friday, 13 August 2010
Trading "EX" dividend commences	Monday, 16 August 2010
Record date	Friday, 20 August 2010
Dividend payment date	Monday, 23 August 2010

No dematerialisation or rematerialisation of share certificates will be allowed during the period Monday, 16 August 2010 to Friday, 20 August 2010, both days inclusive.