Condensed Consolidated Interim results for the six months ended 31 August 2009
### Condensed Consolidated Income Statement
for the period ended 31 August 2009

<table>
<thead>
<tr>
<th>Notes</th>
<th>Reviewed six months ended 31 Aug 2009</th>
<th>Restated six months ended 31 Aug 2008</th>
<th>% change</th>
<th>Restated year ended 28 Feb 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>293,301</td>
<td>190,871</td>
<td>54</td>
<td>540,914</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(100,902)</td>
<td>(61,438)</td>
<td>64</td>
<td>(137,372)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>192,399</td>
<td>129,433</td>
<td>49</td>
<td>403,542</td>
</tr>
<tr>
<td>Administration and commission income</td>
<td>101,832</td>
<td>117,701</td>
<td>(13)</td>
<td>218,217</td>
</tr>
<tr>
<td>Other operating income</td>
<td>104,156</td>
<td>11,031</td>
<td>&gt;100</td>
<td>150,817</td>
</tr>
<tr>
<td><strong>Operating income before impairments and operating expenses</strong></td>
<td>398,387</td>
<td>258,165</td>
<td>54</td>
<td>772,576</td>
</tr>
<tr>
<td>Impairment of loan advances</td>
<td>(236,044)</td>
<td>(19,146)</td>
<td>&gt;100</td>
<td>(93,186)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(360,352)</td>
<td>(164,577)</td>
<td>&gt;100</td>
<td>(561,666)</td>
</tr>
<tr>
<td><strong>(Loss)/profit before taxation</strong></td>
<td>(198,009)</td>
<td>74,442</td>
<td>&lt;(100)</td>
<td>117,724</td>
</tr>
<tr>
<td>Taxation</td>
<td>35,743</td>
<td>(22,978)</td>
<td>&lt;(100)</td>
<td>(44,514)</td>
</tr>
<tr>
<td><strong>(Loss)/profit for the period</strong></td>
<td>(162,266)</td>
<td>51,464</td>
<td>&lt;(100)</td>
<td>73,210</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the parent</td>
<td>(158,075)</td>
<td>51,464</td>
<td>&lt;(100)</td>
<td>81,303</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(4,191)</td>
<td>-</td>
<td>-</td>
<td>(8,093)</td>
</tr>
</tbody>
</table>

**Earnings ratios**

<table>
<thead>
<tr>
<th></th>
<th>Reviewed six months ended 31 Aug 2009</th>
<th>Restated six months ended 31 Aug 2008</th>
<th>% change</th>
<th>Restated year ended 28 Feb 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
<td></td>
</tr>
<tr>
<td>(Loss)/Earnings per share</td>
<td>(27.07)</td>
<td>11.03</td>
<td>&lt;(100)</td>
<td>15.92</td>
</tr>
<tr>
<td>Headline (loss)/earnings per share</td>
<td>(27.11)</td>
<td>10.96</td>
<td>&lt;(100)</td>
<td>12.73</td>
</tr>
<tr>
<td>Diluted (loss)/earnings per share</td>
<td>(27.07)</td>
<td>9.89</td>
<td>&lt;(100)</td>
<td>15.11</td>
</tr>
<tr>
<td>Diluted headline (loss)/earnings per share</td>
<td>(27.11)</td>
<td>9.82</td>
<td>&lt;(100)</td>
<td>12.21</td>
</tr>
</tbody>
</table>
Condensed Consolidated Statement of Comprehensive Income
for the period ended 31 August 2009

<table>
<thead>
<tr>
<th></th>
<th>Reviewed six months ended 31 Aug 2009</th>
<th>Restated six months ended 31 Aug 2008</th>
<th>% change</th>
<th>Restated year ended 28 Feb 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R '000</td>
<td>R '000</td>
<td></td>
<td>R '000</td>
</tr>
<tr>
<td>(Loss)/profit for the period</td>
<td>(162,266)</td>
<td>51,464</td>
<td>&lt;(100)</td>
<td>73,210</td>
</tr>
<tr>
<td>Other comprehensive income:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>(118,474)</td>
<td>15,532</td>
<td>&lt;(100)</td>
<td>(10,185)</td>
</tr>
<tr>
<td>Revaluation of land and buildings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,552</td>
</tr>
<tr>
<td>Income tax relating to components of other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,388)</td>
</tr>
<tr>
<td>Other comprehensive income for the period, net of tax</td>
<td>(118,474)</td>
<td>15,532</td>
<td>&lt;(100)</td>
<td>(6,021)</td>
</tr>
<tr>
<td>Total comprehensive (loss)/income for the period</td>
<td>(280,740)</td>
<td>66,996</td>
<td>&lt;(100)</td>
<td>67,189</td>
</tr>
<tr>
<td>Total comprehensive (loss)/income attributable to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the parent</td>
<td>(266,263)</td>
<td>66,996</td>
<td>&lt;(100)</td>
<td>75,282</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(14,477)</td>
<td>-</td>
<td>-</td>
<td>(8,093)</td>
</tr>
<tr>
<td></td>
<td>(280,740)</td>
<td>66,996</td>
<td>&lt;(100)</td>
<td>67,189</td>
</tr>
</tbody>
</table>
## Condensed Consolidated Statement of Financial Position
as at 31 August 2009

<table>
<thead>
<tr>
<th>Notes</th>
<th>Reviewed six months ended 31 Aug 2009</th>
<th>Restated year ended 28 Feb 2009</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>R ’000</td>
<td>R ’000</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>102,870</td>
<td>183,476</td>
<td>(44)</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>2,126,573</td>
<td>1,378,262</td>
<td>(12)</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>80,434</td>
<td>55,105</td>
<td>46</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,656</td>
<td>3,632</td>
<td>1</td>
</tr>
<tr>
<td>Taxation receivable</td>
<td>15,407</td>
<td>3,594</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>39,551</td>
<td>50,705</td>
<td>(22)</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>103,459</td>
<td>108,099</td>
<td>(4)</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>191,782</td>
<td>118,976</td>
<td>61</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>47,411</td>
<td>57,285</td>
<td>(17)</td>
</tr>
<tr>
<td>Goodwill</td>
<td>658,236</td>
<td>703,274</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>2,459,379</td>
<td>2,662,408</td>
<td>(8)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity and Liabilities</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Equity</th>
<th>R ’000</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>927,014</td>
<td>925,992</td>
</tr>
<tr>
<td>(Accumulated loss)/Retained earnings</td>
<td>(38,220)</td>
<td>179,182</td>
</tr>
<tr>
<td>Other reserves</td>
<td>(3,567)</td>
<td>44,150</td>
</tr>
<tr>
<td><strong>Equity attributable to equity holders of parent</strong></td>
<td>885,227</td>
<td>1,149,324</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>21,750</td>
<td>36,227</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>906,977</td>
<td>1,185,551</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>R ’000</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank overdraft</td>
<td>86,004</td>
<td>89,083</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>114,989</td>
<td>113,326</td>
</tr>
<tr>
<td>Taxation payable</td>
<td>131,781</td>
<td>129,317</td>
</tr>
<tr>
<td>Finance lease obligation</td>
<td>15,670</td>
<td>18,181</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>4,185,931</td>
<td>1,097,191</td>
</tr>
<tr>
<td>Operating lease liability</td>
<td>2,691</td>
<td>1,822</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>15,336</td>
<td>27,937</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,552,402</td>
<td>1,476,857</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td>2,459,379</td>
<td>2,662,408</td>
</tr>
</tbody>
</table>
Condensed Consolidated Statement of Changes in Equity
for the period ended 31 August 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital</th>
<th>Retained income</th>
<th>Non-distributable reserves</th>
<th>Total</th>
<th>Non-controlling interest</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
</tr>
<tr>
<td></td>
<td>Balance at 29 February 2008 - as previously reported</td>
<td>526,905</td>
<td>93,964</td>
<td>45,661</td>
<td>666,530</td>
<td>(198)</td>
</tr>
<tr>
<td>Change in accounting policies, restatements and reclassifications</td>
<td>6</td>
<td>-</td>
<td>(3,413)</td>
<td>3,413</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 29 February 2008 - restated</td>
<td>526,905</td>
<td>90,551</td>
<td>49,074</td>
<td>666,530</td>
<td>(198)</td>
<td>666,332</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
<td>51,464</td>
<td>15,532</td>
<td>66,996</td>
<td>-</td>
<td>66,996</td>
</tr>
<tr>
<td>Issue of ordinary shares</td>
<td>76,000</td>
<td>-</td>
<td>-</td>
<td>76,000</td>
<td>-</td>
<td>76,000</td>
</tr>
<tr>
<td>Issue of preference shares</td>
<td>37,426</td>
<td>-</td>
<td>-</td>
<td>37,426</td>
<td>-</td>
<td>37,426</td>
</tr>
<tr>
<td>Balance at 31 August 2008 - restated</td>
<td>640,331</td>
<td>142,015</td>
<td>64,606</td>
<td>846,952</td>
<td>(198)</td>
<td>846,754</td>
</tr>
<tr>
<td>Balance at 28 February 2009 - restated</td>
<td>925,992</td>
<td>179,182</td>
<td>44,150</td>
<td>1,149,324</td>
<td>36,227</td>
<td>1,185,551</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
<td>(158,075)</td>
<td>(108,188)</td>
<td>(266,263)</td>
<td>(14,477)</td>
<td>(280,740)</td>
</tr>
<tr>
<td>Functional currency change</td>
<td>-</td>
<td>(59,527)</td>
<td>59,527</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Share-based payment to employees</td>
<td>1,022</td>
<td>1,144</td>
<td>-</td>
<td>2,166</td>
<td>-</td>
<td>2,166</td>
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<tr>
<td>Contingency reserve</td>
<td>-</td>
<td>(944)</td>
<td>944</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31 August 2009 - reviewed</td>
<td>927,014</td>
<td>(38,220)</td>
<td>(3,567)</td>
<td>885,227</td>
<td>21,750</td>
<td>906,977</td>
</tr>
<tr>
<td>Balance at 29 February 2008 - restated</td>
<td>526,905</td>
<td>90,551</td>
<td>49,074</td>
<td>666,530</td>
<td>(198)</td>
<td>666,332</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>81,303</td>
<td>(6,021)</td>
<td>75,282</td>
<td>(8,093)</td>
<td>67,189</td>
</tr>
<tr>
<td>Share-based payment to employees</td>
<td>2,362</td>
<td>8,425</td>
<td>-</td>
<td>10,787</td>
<td>-</td>
<td>10,787</td>
</tr>
<tr>
<td>Issue of ordinary shares</td>
<td>394,299</td>
<td>-</td>
<td>-</td>
<td>394,299</td>
<td>-</td>
<td>394,299</td>
</tr>
<tr>
<td>Issue of preference shares</td>
<td>37,426</td>
<td>-</td>
<td>-</td>
<td>37,426</td>
<td>-</td>
<td>37,426</td>
</tr>
<tr>
<td>Redemption of preference shares</td>
<td>(35,000)</td>
<td>-</td>
<td>(35,000)</td>
<td>-</td>
<td>(35,000)</td>
<td></td>
</tr>
<tr>
<td>Business combinations and other acquisitions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>44,518</td>
<td>44,518</td>
</tr>
<tr>
<td>Contingency reserve</td>
<td>-</td>
<td>(1,097)</td>
<td>1,097</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 28 February 2009 - restated</td>
<td>925,992</td>
<td>179,182</td>
<td>44,150</td>
<td>1,149,324</td>
<td>36,227</td>
<td>1,185,551</td>
</tr>
</tbody>
</table>
## Condensed Consolidated Statement of Cash Flows
for the period ended 31 August 2009

<table>
<thead>
<tr>
<th></th>
<th>Reviewed six months ended 31 Aug 2009</th>
<th>Restated six months ended 31 Aug 2008</th>
<th>% change</th>
<th>Restated year ended 28 Feb 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R '000</td>
<td>R '000</td>
<td></td>
<td>R '000</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from/(used in) operations</td>
<td>4,457</td>
<td>(243,420)</td>
<td>&lt;(100)</td>
<td>(428,748)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(100,902)</td>
<td>(60,672)</td>
<td>66</td>
<td>(137,372)</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(34,378)</td>
<td>(7,126)</td>
<td>&gt;100</td>
<td>(26,320)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>(130,823)</td>
<td>(311,218)</td>
<td>(58)</td>
<td>(592,440)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(14,424)</td>
<td>(29,990)</td>
<td>(52)</td>
<td>(64,089)</td>
</tr>
<tr>
<td>Sale of property, plant and equipment</td>
<td>226</td>
<td>351</td>
<td>(36)</td>
<td>3,534</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>-</td>
<td>(1,500)</td>
<td>(100)</td>
<td>(1,500)</td>
</tr>
<tr>
<td>Acquisition of businesses</td>
<td>-</td>
<td>(59,761)</td>
<td>(100)</td>
<td>(64,357)</td>
</tr>
<tr>
<td>Other financing activities</td>
<td>(5,206)</td>
<td>37,000</td>
<td>&lt;(100)</td>
<td>85,805</td>
</tr>
<tr>
<td>Proceeds on disposal of financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>138,122</td>
</tr>
<tr>
<td><strong>Net cash from investing activities</strong></td>
<td>(19,404)</td>
<td>(53,900)</td>
<td>(64)</td>
<td>97,515</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds on share issue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75,016</td>
</tr>
<tr>
<td>Proceeds on redeemable preference shares</td>
<td>-</td>
<td>37,426</td>
<td>(100)</td>
<td>37,426</td>
</tr>
<tr>
<td>Net proceeds from other financial liabilities</td>
<td>335,920</td>
<td>219,418</td>
<td>53</td>
<td>425,256</td>
</tr>
<tr>
<td>(Net loan repayment)/advances from shareholders</td>
<td>(260,709)</td>
<td>16,958</td>
<td>&lt;(100)</td>
<td>(6,215)</td>
</tr>
<tr>
<td>Finance lease payments</td>
<td>(2,511)</td>
<td>281</td>
<td>&lt;(100)</td>
<td>3,695</td>
</tr>
<tr>
<td><strong>Net cash from financing activities</strong></td>
<td>72,700</td>
<td>274,083</td>
<td>(73)</td>
<td>535,178</td>
</tr>
<tr>
<td><strong>Total net cash movement for the period</strong></td>
<td>(77,527)</td>
<td>(91,035)</td>
<td>(15)</td>
<td>40,253</td>
</tr>
<tr>
<td>Net cash at the beginning of the period</td>
<td>94,393</td>
<td>54,140</td>
<td>74</td>
<td>54,140</td>
</tr>
<tr>
<td><strong>Total net cash at end of the period</strong></td>
<td>16,866</td>
<td>(36,895)</td>
<td>&lt;(100)</td>
<td>94,393</td>
</tr>
</tbody>
</table>
**Segment Report**
Reviewed six months 31 August 2009

<table>
<thead>
<tr>
<th>Segment Report</th>
<th>Reviewed six months 31 Aug 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>South Africa</td>
</tr>
<tr>
<td></td>
<td>R '000</td>
</tr>
<tr>
<td>Interest income</td>
<td>172,425</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(71,458)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td><strong>100,967</strong></td>
</tr>
<tr>
<td>Administration and insurance income</td>
<td>67,330</td>
</tr>
<tr>
<td>Other operating income</td>
<td>76,286</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td><strong>244,583</strong></td>
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<tr>
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<tr>
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<td><strong>(155,984)</strong></td>
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<td><strong>Management (loss)/profit after taxation</strong></td>
<td><strong>(155,984)</strong></td>
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</table>

Other material non-cash items included in segment profit/(loss):

- **Depreciation on property, plant and equipment**
  - 14,762 | 438 | 598 | 256 | 484

- **Amortisation of intangible assets**
  - 5,569 | 467 | 334 | 35 | 37

**Segment assets**
- 1,805,414 | 369,568 | 213,393 | 63,921 | 85,397

**Segment liabilities**
- (970,160) | (269,665) | (158,658) | (92,588) | (113,463)
### Reviewed six months 31 Aug 2009

<table>
<thead>
<tr>
<th></th>
<th>Malawi</th>
<th>Nigeria</th>
<th>Mauritius</th>
<th>CMA</th>
<th>Other</th>
<th>Eliminations</th>
<th>Consolidated</th>
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<td>(100,902)</td>
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<td>-</td>
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<td>(817)</td>
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<td>(12,358)</td>
<td>(13,870)</td>
<td>38,708</td>
<td>(24,345)</td>
<td>73,383</td>
<td>(198,009)</td>
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<tr>
<td>Segment result: (Loss)/profit before taxation</td>
<td>(14,634)</td>
<td>(12,358)</td>
<td>(13,870)</td>
<td>38,708</td>
<td>(24,345)</td>
<td>73,383</td>
<td>(198,009)</td>
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<td>4,018</td>
<td>4,463</td>
<td>(14,552)</td>
<td>(1,767)</td>
<td>(17,859)</td>
<td>35,743</td>
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<td>(8,340)</td>
<td>(9,407)</td>
<td>24,156</td>
<td>(26,112)</td>
<td>55,524</td>
<td>(162,266)</td>
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<td>-</td>
<td>-</td>
<td>13,516</td>
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<td>(12,596)</td>
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<td>-</td>
<td>-</td>
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<td>14,750</td>
<td>14,172</td>
<td>2,373</td>
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<td>-</td>
<td>-</td>
<td>15,432</td>
<td>14,750</td>
<td>14,172</td>
<td>2,373</td>
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<td>-</td>
<td>-</td>
<td>15,432</td>
<td>14,750</td>
<td>14,172</td>
<td>2,373</td>
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<td>Depreciation on property, plant and equipment</td>
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<td>-</td>
<td>-</td>
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<td>14,750</td>
<td>14,172</td>
<td>2,373</td>
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<tr>
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<td>-</td>
<td>15,432</td>
<td>14,750</td>
<td>14,172</td>
<td>2,373</td>
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<td>(113,463)</td>
<td>(90,269)</td>
<td>(37,241)</td>
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### Segment Report
Restated year ended 28 February 2009

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<th>Botswana</th>
<th>Zambia</th>
<th>Uganda</th>
<th>Tanzania</th>
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<td>R '000</td>
<td>R '000</td>
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<td>(3,245)</td>
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<td>93,607</td>
<td>49,531</td>
<td>(3,245)</td>
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<td>70,689</td>
<td>27,177</td>
<td>779</td>
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</table>

Other material non-cash items included in segment (loss)/profit:

- **Impairment on goodwill and intangible assets** | 21,514   | -       | -       | -       | -        |
- **Depreciation on property, plant and equipment** | 14,666   | 564     | 1,258   | 637     | 1,187    |
- **Amortisation of intangible assets** | 14,615   | 992     | 1,951   | 88      | 83       |

**Segment assets** | 1,988,315 | 413,114 | 226,814 | 70,725  | 87,284   |
**Segment liabilities** | (986,449) | (319,457) | (177,723) | (81,708) | (93,011) |
<table>
<thead>
<tr>
<th>Malawi</th>
<th>Nigeria</th>
<th>Mauritius</th>
<th>CMA</th>
<th>Other</th>
<th>Eliminations</th>
<th>Consolidated</th>
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<td>24,917</td>
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<td>(9,621)</td>
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<td>24,917</td>
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<td>783,558</td>
<td>(1,476,857)</td>
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Segment Report
Restated six months 31 August 2008

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<th>South Africa</th>
<th>Botswana</th>
<th>Zambia</th>
<th>Uganda</th>
<th>Tanzania</th>
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<td>R ’000</td>
<td>R ’000</td>
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<td>Management (loss)/profit after taxation</td>
<td>(22,899)</td>
<td>22,154</td>
<td>29,174</td>
<td>(888)</td>
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</tbody>
</table>

Other material non-cash items included in segment (loss)/profit:

| Depreciation on property, plant and equipment | 3,869 | 240 | 426 | - | - |
| Amortisation of intangible assets | 3,243 | 485 | 262 | - | - |

Segment assets | 1,486,754 | 238,268 | 192,425 | - | - |
Segment liabilities | (763,750) | (195,473) | (126,164) | - | - |

The Group’s reportable segments are geographical business units that offer comparable business products and solutions, which are managed and measured regionally.

Blue has nine reportable segments: South Africa, Botswana, Zambia, Uganda, Tanzania, Malawi, Mauritius, Nigeria and CMA. The segments offer a variety of products and services as well as equipment sales.

“CMA” comprises the aggregated segment results and financial position of the ‘Common Monetary Area’ countries outside South Africa, namely Lesotho, Namibia and Swaziland.

“Other” comprises the aggregated segment information for the remainder of operations based in Kenya, Cameroon and Rwanda.
## Restated six months 31 Aug 2008

<table>
<thead>
<tr>
<th>Malawi</th>
<th>Nigeria</th>
<th>Mauritius</th>
<th>CMA</th>
<th>Other</th>
<th>Eliminations</th>
<th>Consolidated</th>
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<td>(4,407)</td>
<td>784</td>
<td>2,321</td>
<td>(22,978)</td>
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<tr>
<td>13,914</td>
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<td>-</td>
<td>11,388</td>
<td>(1,831)</td>
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<tr>
<td>-</td>
<td>-</td>
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<tr>
<td>13,926</td>
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<td>(1,513)</td>
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<td>290</td>
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<td>42</td>
<td>39</td>
<td>-</td>
<td>51</td>
<td>133</td>
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<tr>
<td>47,966</td>
<td>60,578</td>
<td>94,271</td>
<td>135,591</td>
<td>32,222</td>
<td>(638,943)</td>
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<td>(58,758)</td>
<td>(65,474)</td>
<td>(65,311)</td>
<td>(111,721)</td>
<td>(27,055)</td>
<td>611,326</td>
<td>(802,380)</td>
</tr>
</tbody>
</table>

The Group’s reportable segments are geographical business units that offer comparable business products and solutions, which are managed and measured regionally.

Blue has nine reportable segments: South Africa, Botswana, Zambia, Uganda, Tanzania, Malawi, Mauritius, Nigeria and CMA. The segments offer a variety of products and services as well as equipment sales.

“CMA” comprises the aggregated segment results and financial position of the ‘Common Monetary Area’ countries outside South Africa, namely Lesotho, Namibia and Swaziland.

“Other” comprises the aggregated segment information for the remainder of operations based in Kenya, Cameroon and Rwanda.
Notes

BASIS OF PREPARATION
The condensed consolidated interim financial results of the Group for the six month period ended 31 August 2009, comprise the company and its subsidiaries.

These reviewed interim financial results have been prepared in accordance with the recognition and measurement criteria of IFRS, interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and the presentation and disclosure requirements of International Accounting Standard: Interim Financial Reporting (IAS34) the JSE Listings Requirements and the South African Companies Act. In the preparation of these interim financial results, the Group has applied key assumptions concerning the future and other indeterminate sources in recording various assets and liabilities.

The Group’s principal accounting policies and assumptions have been applied consistently over the current and prior financial period, except for:
- IAS 1 Presentation of Financial Statements
- IFRS 8 Operating Segments
- IAS 21 Effects of Changes in Foreign Exchange Rates
- Circular 3/2009 Headline Earnings Per Share
Refer Note 6 for detail disclosure and impact of the changes in accounting policies.

DISCLOSURE NOTES

<table>
<thead>
<tr>
<th></th>
<th>Reviewed six months ended 31 Aug 2009</th>
<th>Restated six months ended 31 Aug 2008</th>
<th>Restated 12 months ended 28 Feb 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R ’000</td>
<td>R ’000</td>
<td>R ’000</td>
</tr>
<tr>
<td>1. Other operating income</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Recoveries - bad debt</td>
<td>989</td>
<td>131</td>
<td>33,930</td>
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<tr>
<td>Profit on sale of shares</td>
<td>-</td>
<td>-</td>
<td>93,604</td>
</tr>
<tr>
<td>Net mobile revenue</td>
<td>21,031</td>
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<td>19,493</td>
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<td>Profit on disposal of non-current assets</td>
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<td>351</td>
<td>470</td>
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<td>Profit on exchange differences</td>
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<td>37</td>
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<td>567</td>
<td>3,283</td>
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<tr>
<td></td>
<td>104,156</td>
<td>11,031</td>
<td>150,817</td>
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Net mobile revenue comprises:

<p>| | | |</p>
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<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Net mobile revenue</td>
<td>21,031</td>
<td>-</td>
</tr>
<tr>
<td>Gross mobile and related revenue</td>
<td>47,691</td>
<td>-</td>
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<tr>
<td>Subscriptions and cost of sales</td>
<td>(26,660)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Reviewed six months ended 31 Aug 2009</td>
<td>Restated 12 months ended 28 Feb 2009</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>--------------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td></td>
<td>R ‘000</td>
<td>R ‘000</td>
</tr>
<tr>
<td><strong>2. Loans and advances to customers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross loans and advances</td>
<td>1,606,915</td>
<td>1,527,423</td>
</tr>
<tr>
<td>Less: Deferred initiation fees</td>
<td>(15,979)</td>
<td>(2,127)</td>
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<tr>
<td>Less: Allowance for impairment of loans and advances</td>
<td>(374,363)</td>
<td>(147,034)</td>
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<tr>
<td></td>
<td>1,216,573</td>
<td>1,378,262</td>
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<tr>
<td><strong>Movement on allowance for impairment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>(147,034)</td>
<td>(31,567)</td>
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<tr>
<td>Change for the period</td>
<td>(236,044)</td>
<td>(93,186)</td>
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<tr>
<td>Subsidiaries acquired</td>
<td>-</td>
<td>(29,944)</td>
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<td>Foreign exchange movement</td>
<td>8,715</td>
<td>7,663</td>
</tr>
<tr>
<td></td>
<td>(374,363)</td>
<td>(147,034)</td>
</tr>
<tr>
<td><strong>Analysis of gross loans and advances by territory:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>721,140</td>
<td>652,793</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>885,775</td>
<td>874,630</td>
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<tr>
<td></td>
<td>1,606,915</td>
<td>1,527,423</td>
</tr>
<tr>
<td><strong>Analysis of impairment on loans and advances by territory:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>(319,258)</td>
<td>(106,569)</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>(55,105)</td>
<td>(40,465)</td>
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<tr>
<td></td>
<td>(374,363)</td>
<td>(147,034)</td>
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</table>
3. Goodwill

<table>
<thead>
<tr>
<th></th>
<th>Reviewed six months ended 31 Aug 2009</th>
<th>Restated 28 Feb 2009</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Cost/valuation</td>
<td>Accumulated impairment</td>
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<td>Goodwill</td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td></td>
<td>702,169</td>
<td>(43,933)</td>
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</tbody>
</table>

Reconciliation of goodwill – Reviewed six months ended 31 Aug 2009

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Business combinations</th>
<th>Foreign exchange movements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>703,274</td>
<td>-</td>
<td>(45,038)</td>
<td>658,236</td>
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</tbody>
</table>

Reconciliation of goodwill – Restated 28 Feb 2009

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Business combinations</th>
<th>Foreign exchange movements</th>
<th>Impairment loss</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>337,328</td>
<td>410,554</td>
<td>(675)</td>
<td>(43,933)</td>
<td>703,274</td>
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4. Other financial liabilities

Contractual repayment profile of interest bearing debt

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<tr>
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<th>Less than 1 Year</th>
<th>2-5 Years</th>
<th>+5 Years</th>
<th>Total</th>
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<tr>
<td>31 Aug 2009</td>
<td>(386,413)</td>
<td>(622,778)</td>
<td>(176,740)</td>
<td>(1,185,931)</td>
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<td>28 Feb 2009</td>
<td>(597,958)</td>
<td>(419,723)</td>
<td>(79,510)</td>
<td>(1,097,191)</td>
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</table>
## 5. Reconciliation of headline (loss)/earnings

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<tr>
<th>(Loss)/profit attributable to ordinary equity holders of the parent entity</th>
<th>Reviewed six months ended 31 Aug 2009</th>
<th>Restated six months ended 31 Aug 2008</th>
<th>Restated 12 months ended 28 Feb 2009</th>
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</thead>
<tbody>
<tr>
<td>Losses and gains on the disposal of plant and equipment</td>
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<td>51,464</td>
<td>81,303</td>
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<td>226</td>
<td>351</td>
<td>470</td>
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<td>Intangible asset impairment</td>
<td>-</td>
<td>-</td>
<td>23,305</td>
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<td>Profit on sale of shares</td>
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<td>(93,604)</td>
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<td>Total tax effects of adjustments</td>
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<td><strong>Headline (loss)/earnings</strong></td>
<td>158,301</td>
<td>51,113</td>
<td>64,894</td>
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</table>

### Included as part of Other financial liabilities - owing to related parties

- **Short-term loan from D. Van Niekerk (director)**: 2,426, 36,785
- **Funding loan from Credit U shareholders**: 7,650, 234,000
- **Overdraft funding from ABSA Limited**: 31,026, 32,236

### Additional Information

- **Number of share in issue (net of treasury shares) in million**: 584.23, 480.00, 582.33
- **Weighted number of shares in issue in million**: 584.00, 466.52, 510.65
- **Diluted weighted number of shares in issue in million**: 627.90, 548.04, 559.43
Notes

6. Changes in accounting policies, restatement and reclassifications of comparative results

<table>
<thead>
<tr>
<th></th>
<th>Previously reported</th>
<th>Reclassifications</th>
<th>Business combinations</th>
<th>Intangible assets and goodwill</th>
<th>Impairment</th>
<th>Net investment in foreign operation</th>
<th>Balance as restated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R ’000</td>
<td>R ’000</td>
<td>R ’000</td>
<td>R ’000</td>
<td>R ’000</td>
<td>R ’000</td>
<td>R ’000</td>
</tr>
<tr>
<td><strong>Reconciliation - 31 August 2008</strong></td>
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<td></td>
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</tr>
<tr>
<td><strong>Income Statement</strong></td>
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<tr>
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<td>(3,511)</td>
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<td>-</td>
<td>(190,871)</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
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<td>-</td>
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<td>2,286</td>
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<td>-</td>
<td>140</td>
<td>-</td>
<td>(679)</td>
<td>164,577</td>
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<td>(47)</td>
<td>-</td>
<td>(578)</td>
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<td>Net profit (profit after taxation)</td>
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<td>-</td>
<td>93</td>
<td>-</td>
<td>1,029</td>
<td>(51,464)</td>
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<td>Retained earnings - opening balance</td>
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<td>-</td>
<td>(164)</td>
<td>-</td>
<td>3,413</td>
<td>(90,551)</td>
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<tr>
<td><strong>Statement of Financial Position</strong></td>
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<tr>
<td>Goodwill</td>
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<td>-</td>
<td>(4,442)</td>
<td>(64,606)</td>
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<td>(71)</td>
<td>-</td>
<td>4,442</td>
<td>(142,015)</td>
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</table>
Reconciliation - 28 February 2009

<table>
<thead>
<tr>
<th></th>
<th>Previously reported</th>
<th>Reclassifications</th>
<th>Business combinations</th>
<th>Intangible assets and goodwill</th>
<th>Impairment</th>
<th>Net investment in foreign operation</th>
<th>Balance as restated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
<td>R '000</td>
</tr>
<tr>
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<td>-</td>
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<td>(540,914)</td>
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<td>-</td>
<td>-</td>
<td>700</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>93,186</td>
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<td>-</td>
<td>38,886</td>
<td>(3,731)</td>
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<td>Taxation</td>
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<td>-</td>
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<td>1,041</td>
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<td>-</td>
<td>38,149</td>
<td>(1,990)</td>
<td>(73,210)</td>
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<td>Retained earnings - opening balance</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>3,413</td>
<td>(90,551)</td>
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</table>

Statement of Financial Position

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
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<td>28,144</td>
<td>(2,149)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>55,105</td>
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<td>Loans and advances to customers</td>
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<td>(41,742)</td>
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<td>-</td>
<td>-</td>
<td>1,378,262</td>
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<td>Goodwill</td>
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<td>54,261</td>
<td>-</td>
<td>(36,894)</td>
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<td>703,274</td>
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<td>Intangible assets</td>
<td>59,077</td>
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<td>(1,792)</td>
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<td>Deferred tax (net)</td>
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<td>-</td>
<td>-</td>
<td>537</td>
<td>-</td>
<td>91,039</td>
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<td>Other reserves</td>
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<td>(1,097)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,423)</td>
<td>(44,150)</td>
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<tr>
<td>Retained earnings</td>
<td>(221,347)</td>
<td>1,097</td>
<td>1,496</td>
<td>-</td>
<td>38,149</td>
<td>1,423</td>
<td>(179,182)</td>
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<td>Trade and other payables</td>
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<td>(10,820)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(113,326)</td>
</tr>
</tbody>
</table>
6.1 Income statement reclassifications

Reclassifications have not resulted in any changes in the prior years’ earnings or related cashflow, and are detailed as follows:

**Investment income**
Interest earned on positive bank balances has been reclassified to form part of interest income. This change did not impact on the Group’s results or cashflow information for the period ended 31 August 2008.

**Mobile revenue and cost of sales**
The Group has reviewed its interpretation of IAS 18 “Revenue” and available guidance under EITF 99-19 “Reporting Revenue Gross as a Principal versus Net as an Agent”. Mobile activities undertaken by the Group are performed in an agent relationship whereby the network provider remains the primary obligor as service provider. Mobile revenue and related cost, previously reflected on a gross basis has been reclassified and reflected on a net basis under other income. This change did not impact on the Group’s results or cashflow information for the period ended 31 August 2008 or the comparative periods.

**Statement of financial position reclassifications**

**Contingency reserve**
Contingency reserve on insurance activities, previously included as part of distributable reserves of R1.1m has been reclassified to form part of non-distributable reserves.

This change did not impact on the Group’s results or cashflow information for the period ended 31 August 2008.

**Loans and advances to customers**
Gross external receivables of R72.4m and related R44.3m impairment for mobile customers, was previously included as part of loans and advances to customers were reclassified to form part of trade and other receivables.

6.2 Restatements arising from Business Combinations

In line with IFRS 3 “Business Combinations” (updated to January 2008), the Group has amended provisional accounting on business combinations to reflect new information obtained about facts and circumstances that existed as at the acquisition date. Retrospective adjustment of the provisional amounts recognised at the acquisition date is required and included in the table above. This resulted in the recognition of R54.3m additional at-acquisition goodwill and R1.5m in operating expenses.

6.3 Intangible assets and goodwill

The Group has reviewed its interpretation of IAS 21 “The Effects of Changes in Foreign Exchange Rates”, and as result has amended the treatment of goodwill and intangible assets recognised on consolidation of foreign operations. According to IAS 21 paragraph 47, the goodwill and intangible assets are to be accounted for as assets of the foreign subsidiaries and translated at the spot rate of that particular currency. The amortisation and reversal of the deferred tax liability attached to the intangible assets should be translated at the average rate for the reporting period of that particular currency. The adjustment required, amounted to a R0.93m impact on net profit for the interim period ended 31 August 2008.

6.4 Impairment

The Group has reviewed its goodwill impairment assessment on its investment in Blue Financial Services Cameroon S.p.r.l and identified that impairment indicators existed at 28 February 2009. Consequently, the recorded goodwill and intangible assets’ carrying value, which exceeded the fair value of the reported cash generating unit were impaired. A restatement and additional impairment of R36.8m and R1.8m related to goodwill and intangible assets were recorded.
Changes in accounting policies - retrospectively applied

6.5 Net investment in foreign operation
The Group adopted IAS 21 “The Effects of Changes in Foreign Exchange Rates” related to ‘net investment in foreign operation’, and as result has amended the treatment of unrealised foreign exchange gains and losses arising on intergroup monetary investments for which settlement is neither planned nor likely to occur in the foreseeable future, in substance, forming a part of the entity’s net investment in that foreign operation (deemed equity). The table above reflects the comparative changes for the adoption.

Interim financial reporting and presentation
The Group has adopted the revised IAS 34 “Interim financial reporting” based on consequential amendments and adoption of IAS 1 “Presentation of financial statements”, resulting in changes in terminology, layout and inclusion of certain financial information. The Group has adopted the accounting policy to reflect the Statement of Comprehensive Income separately from the Income Statement. Comparative information has been adjusted where necessary.

Segment reporting
The Group adopted IFRS 8 “Operating Segments” in the current financial year. Operating segments are defined as components of an entity for which separate financial information is available that is evaluated regularly by the chief operating decision maker in the allocation of resources and in performance assessment. The operating segments currently reported under IFRS 8 are not comparable to the previously reported primary segments under IAS 14: Segment Reporting, as a result segmental information for comparative periods have been restated.

Changes in accounting policies - prospective application

Functional currency change
The Group has reviewed the functional currency of its intermediate holding company incorporated in Mauritius, based on the primary economic environment in which the entity operates as well as the activities of the foreign operation which are carried out as an extension of the reporting entity. As a result the functional currency has been amended from Rupees to Rand effective 1 June 2009, applied prospectively under guidance of IAS 21 “The Effects of Changes in Foreign Exchange Rates” related to ‘changes in functional currency”

7. Funding loan covenants
At the reporting date, the Group had breached loan covenants from certain developmental funders. Management is in active discussions with these external funders to remedy these breaches through amendment of covenant terms and meeting obligations to accommodate the current financial circumstances.

8. Going concern assumption
The Group made a loss of R162.3 million for the 6 month period ended 31 August 2009, and as of that date a major subsidiary of the Group, Blue Financial Services South Africa (Proprietary) Limited’s total liabilities exceeded its assets by R121.2 million and incurred a loss of R178.8 million.

Notwithstanding the above, the Board has embarked on a number of key strategic actions which are focused on an improvement in liquidity and operating efficiency as outlined in the “Forward looking statement” below. The interim results have therefore been prepared on a going concern basis.
COMMENTARY ON THE RESULTS

Nature of business:
Blue is a pan-African financial services supplier, providing ethical, innovative and affordable credit solutions to people within Africa. Blue currently operates in Botswana, Kenya, Lesotho, Namibia, Malawi, Swaziland, South Africa, Tanzania, Uganda, Cameroon, Zambia, Namibia, Nigeria and Rwanda. Subsequent to the reporting period, Blue was granted an operating licence in Ghana but operations have not yet commenced. Blue holds an 85% equity stake in this new venture and it will manage the day to day operations once the business becomes operational.

The Group currently employs 3 093 staff members, 1 634 permanent and 1 459 commission based, in 260 branches across its operations.

Financial overview:
Blue generated a loss of R162.3 million for the six months ended 31 August 2009 compared to a profit of R51.5 million in the 2008 interim period, down 415% on the comparative reporting period. This translates into a decline in earnings per share from 11.03 cents for the 2008 comparative period to a loss per share of 27.07 cents per share for the 2009 interim period. Headline earnings per share were similarly affected declining from 10.96 cents per share to a headline loss of 27.11 cents per share.

In keeping with all lending institutions in the financial services industry, Blue requires continual funding to grow its loan book was feed the continuing demand for microfinance loans throughout its geographic footprint. The global economic crisis has caused a significant shortage of liquidity to the financial services industry, which also affected Blue and its ability to fund the growth of its loan book. In the period under review, Blue managed to raise R431 million compared to R553 million for the full year ended February 2009. In addition, repayments to funders of R356 million were made under contracted terms, which resulted in insufficient levels of new funding being available to grow the business.

This is not immediately obvious from the comparison of the loan books at the end of the interim periods. The loan book was R1,217 million at end of August 2009 compared to R876 million in 2008. However, by 28 February 2009, the loan book had grown to R1,378 million. Thus, there has been a decline in the loan book of R161 million or 12% during this period.

The Group has experienced unusually challenging trading conditions during the period primarily as a result of:
1. The lower levels of funding available to the Group emanating from the impact of the Global Economic Crisis and, as referred to above, reduced new sales for the Group for the period to R454 million compared to R942 million for the year ended February 2009;

2. An overall increase in expenses of 119% from the comparative period. This was primarily fuelled by the increase in number of branches from 192 to 260 for the period under review. The infrastructure was appropriate to sustain the level of growth that had been experienced in the year to February 2009 but became excessive following the decline in activity which was caused by the reduction in available funding. This has seen a deterioration in the cost: income ratio of the Group from 0.64:1 in the comparative period to 0.9:1 for the period under review. The most notable increase was attributed to the South African operations, which following the Credit U acquisition during late 2008, increased the branch network in South Africa by an additional 90 branches. A number of branches have been closed and the total costs of the group are being significantly reduced. However, the overall impact is that the Group has been unable to extract all the envisaged synergies from the Credit U acquisition.

3. An increase in the Non-performing loans from R54 million at the end of the comparative interim period to R365 million in this reporting period. Non-performing loans as a percentage of loans and advances to customers are now 23% when compared to 6% in the comparative period. Non-performing loans are defined as non-paying accounts which are more than 90 days in arrears. The lack of growth in loans and advances to customers due to funding constraints has resulted in a deterioration in the ageing of the Groups overall loans and advances. New sales are lower than the performing loans maturing, and therefore Non-performing loans become a larger percentage of the remaining book.
In line with the organisations goals of continuous business improvement and sophistication, the Group has refined its credit impairment methodologies based on improved availability of historic data and trends in collections. The Group believes that the revised methodologies will provide closer alignment with industry peers and lower levels of subjectivity implied in calculations. For the comparative period and as at 28 February 2009, credit impairments were raised on an instalment recency model at 45%, 75% and 90% of all 90, 120, and 120 day plus aging categories, respectively. The conversion of the various loans and advances management systems in subsidiary companies that are not yet on the Blue loans and advances management system should be completed by 28 February 2010 and will further support data analysis and loans and advances management going forward. The Group will continue to refine its calculations of impairments on an ongoing basis.

The credit impairments as a percentage of gross loans and advances to customers for the Group is now at 23% compared to 6% for the comparative period and 10% as at 28 February 2009. The split of credit impairments on loans and advances to customers is as follows, with the largest increase from the comparative period being attributable to the South African portfolio:

<table>
<thead>
<tr>
<th></th>
<th>South Africa</th>
<th>Rest of Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross loans and advances to customers (R'000)</td>
<td>721,140</td>
<td>652,793</td>
</tr>
<tr>
<td>Credit impairment (R'000)</td>
<td>(319,258)</td>
<td>(106,569)</td>
</tr>
<tr>
<td>Credit impairment (%)</td>
<td>44.3%</td>
<td>16.3%</td>
</tr>
</tbody>
</table>

The above credit impairments are reflected after an additional R42 million write-off to the gross loans and advances relating to Credit U on acquisition date in the prior year.

4. The significant weakening of most of the African currencies to the Rand during the period resulted in a dilution of the Rand based results of many of the African businesses. The average translation rates for the income statement amounts and closing rates for balance sheet amounts weakened by approximately 15% and 21% respectively from February 2009 to August 2009. The Group has however changed its accounting policy regarding the fair value of intra group balances during the period. Forex gains and losses on intra group balances in subsidiary companies are now recorded as part of the net investment by the holding Company and not directly through the income statement of the subsidiaries. This change resulted in net forex losses of R80 million being recorded in equity during the period. The comparative period impact was immaterial as forex movements were significantly more stable.

The strengthening of the Rand and Zambia Kwacha to the USD during the period resulted in a gain of R75 million (2008 comparative period R40 million loss) on all related un-hedged USD external exposures and was recorded as part of Other Income. The Group remains committed to hedging all third party hard currency funding but a decline in available credit lines from financial institutions to the Group has resulted in the Group being unable to hedge the remaining exposures during the period;

5. The impairment of goodwill relating to Cameroon operations. It became necessary to acquire a further micro-finance licence in the country during February 2009 following an unsuccessful launch of the initial operations. Consequently, goodwill and related intangibles of R39 million arising on the first acquisition were impaired in the prior year as part of the restatement of the February 2009 financial results.
Forward looking statement:
Blue Financial Services has as a result of the current market, trading and economic conditions initiated a number of key strategic actions aimed at restoring the Group to profitability in the medium term and thereby ensuring the overall sustainability and long-term success of the business.

These actions include:
1. Aggressive cost rationalisation and increase in operating model efficiencies. The Group plans to reduce the current cost base by a minimum of R100 million by February 2011 on a sustainable basis going forward;

2. Assessing certain business segments, product mix and products lines; the Group will look to restructure, rationalise or dispose of operations in certain business segments or product lines during the next 6 months. Discussions with interested parties in this regard are in progress;

3. Increasing Group liquidity in the short-term; the Group is considering amongst others a potential rights issue to existing shareholders and/or a fresh share issue to new shareholders. The Group is in ongoing discussions with funders to secure new and/or restructure existing funding lines, as well as dealing with existing or potential future breaches of loan covenants. Rothschild has been engaged to advise the Group on these and other initiatives.

4. Suspending the execution of any further expansion opportunities for the interim period, unless local funding partners in the proposed countries can be sourced which will allow Blue to leverage its IT systems and IP in new territories. The business will focus on organic growth and scalability of its existing operations;

5. Improving business sophistication including the strengthening of the treasury management and business optimisation. In this regard, Wip Treasury has been appointed as an outsourced service provider to support the appointment of an in-house treasury manager. This is expected to reduce the impact of foreign exchange exposures on the Group;

In addition, the Group has embarked on improvements to its corporate governance:

1. Appointment of an independent non-executive chairperson. The Board has made the necessary recommendations and discussions with potential candidates are in progress.

2. Risk committee. The status and responsibility of this committee has been elevated to a committee of the board with a more formal charter and an independent non-executive director has been appointed to the committee.

3. Independent non-executive directors. The number of independent non-executive directors has been increased to three, following the appointment of J French, who brings considerable experience in international banking and treasury to the Group.

4. The role of company secretary has been elevated and is to be supported by an outsourced professional service, whilst a Compliance Officer has been appointed to oversee compliance with regulations throughout Africa.

The sustainability of the Group is dependant on the successful execution of the above strategies. The full benefits thereof may only be realised in the 2011 and 2012 financial years. The Boards however remains confident that these strategic actions will restore Group profitability and ensure that the Group remains well positioned to benefit from its market position, distribution, brand and products on the continent.
The Board emphasises that the feasibility of the overall business and model remains intact. However as mentioned above the business along with all other similar financial institutions requires constant funding, which in normal economic circumstances is forthcoming. Several initiatives are in progress to ensure access to fresh capital and funding and the Board is encouraged by the responses of the parties with whom it is currently engaged. As a consequence the Board has reviewed but elected not to further impair the value of goodwill (except for Cameroon as noted above), intangible assets and deferred taxation assets, all of which are recorded in the results in accordance with IFRS. A further evaluation in this regard will be made for the February 2010 financial results, based on the outcome or status of the various strategies above.

CHANGES TO THE BOARD OF DIRECTORS
Mr S Strydom has been appointed as an executive director effective 4 June 2009. Mr G Chittenden resigned as an executive director with effect from 31 July 2009. Ms GL Sangudi has retired as a non-executive director with effect from 1 September 2009, whilst Ms AR Aime has been appointed as a non-executive director effective 1 September 2009. Mr J French has been appointed as an independent non-executive director with effect from 10 November 2009.

DIVIDENDS
No dividend has been declared for the period.

POST BALANCE SHEET EVENTS
Results of Annual General Meeting
Blue held an annual general meeting on 30 September 2009. The results of the ordinary and special resolutions accepted were published on SENS on 30 September. All resolutions were passed by shareholders, with the exception of share buy-backs.

Other than the matter with regard to the annual general meeting noted above, no post balance sheet events were identified.

MODIFIED REVIEW OPINION
The accompanying financial information of the Group has been reviewed by the Group’s auditors, Deloitte & Touche. An unqualified review opinion has been issued, however an emphasis of matter was added to the review opinion expressed on the accompanying financial information as follows:

“Without qualifying our review conclusion above, we draw attention to the fact that the Group made a loss of R162.3 million for the six month period ended 31 August 2009, and as of that date a major subsidiary of the Group, Blue Financial Services South Africa (Proprietary) Limited’s total liabilities exceeded its assets by R121.2 million and incurred a loss of R178.8 million. These conditions, along with those matters set out in note 8, where the directors have disclosed that the Group’s ability to return to profitability is contingent on the successful outcome of various actions, indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. The current statement of consolidated financial position has been prepared on the basis that the Group is a going concern and any change in this assumption would potentially have a material impact on the values of the assets as currently disclosed therein.”

The full review opinion is available for inspection at Blue’s registered office.
For and on behalf of the Board

D van Niekerk
Chairman and CEO
27 November 2009

S Strydom
Chief Financial Officer

Directors:
D van Niekerk (Chairman and CEO); S Strydom (CFO); CB Klopper (COO); WJ Smit (Legal Director);
MG Meehan*; MJ Sondiyazi*; A Steyn*; A Couloubis*; and AR Aime*†; J French**†

*non-executive † United States of America *Independent

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Deloitte & Touche

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Registration number 2006/015817/07

Transfer Secretaries:
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