

MICROOmega HOLDINGS LIMITED

Incorporated in the Republic of South Africa • Registration number 1998/003821/06 • Share code MMG ISIN ZAE00034435 • "MICROOmega" or "the Company"

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

DECREASE IN REVENUE	-17%	INCREASE IN NET ASSET VALUE PER SHARE	8%
DECREASE IN ATTRIBUTABLE EARNINGS PER SHARE	-29%	INCREASE IN NET TANGIBLE ASSET VALUE PER SHARE	11%
DECREASE IN HEADLINE EARNINGS PER SHARE	-34%		

SUMMARISED CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME			
	Unaudited Six months ended 30 June 2010 R ('000)	Unaudited Six months ended 30 June 2009 R ('000)	Audited Year ended 31 December 2009 R ('000)
Revenue	326 922	394 532	747 307
Revenue from continuing operations	326 922	375 236	721 900
Revenue from discontinued operations	71	19 296	25 407
Cost of sales	(219 836)	(282 972)	(517 175)
Gross profit	107 157	111 560	230 132
Gross profit from continuing operations	107 229	116 719	227 428
Gross (loss)/profit from discontinued operations	(72)	(5 159)	2 704
Other income	1 310	4 001	9 109
Distribution expenses	(2 876)	(3 549)	(5 578)
Administrative expenses	(95 096)	(89 981)	(196 616)
Results from operations	10 495	22 031	37 047
Results from continuing operations	11 808	28 907	43 947
Results from discontinued operations	(1 313)	(6 876)	(6 900)
Finance income	7 793	1 169	9 479
Finance cost	(5 269)	(4 521)	(16 995)
Net finance income/(cost)	2 524	(3 352)	(7 516)
Share of (loss)/profit in equity accounted associates	(287)	586	(768)
Profit before tax	12 732	19 265	28 763
Profit before tax from continuing operations	14 598	27 017	36 346
Loss before tax from discontinued operations	(1 866)	(7 752)	(7 673)
Taxation expense	(3 748)	(5 397)	(11 084)
Profit for the period	8 984	13 868	17 679
Profit from continuing operations	10 576	19 450	23 768
Loss from discontinued operations	(1 592)	(5 582)	(6 089)
Other comprehensive income			
Foreign currency translation differences	12	61	42
Revaluation of property, plant and equipment	-	-	2 230
Realisation of revaluation on disposal of property, plant and equipment	(378)	-	-
Income tax on other comprehensive income	53	-	(634)
Other comprehensive income for the period	(313)	61	1 638
Total comprehensive income for the period	8 671	13 929	19 317
Profit attributable to:			
Owners of the company	7 858	10 991	16 362
Non-controlling interests	1 126	2 877	1 317
Profit for the period	8 984	13 868	17 679
Total comprehensive income attributable to:			
Owners of the company	7 545	11 052	18 000
Non-controlling interests	1 126	2 877	1 317
Total comprehensive income for the period	8 671	13 929	19 317
Reconciliation of headline earnings			
Profit attributable to owners of the company	7 858	10 991	16 362
Profit on disposal of property, plant and equipment	(429)	(117)	(1 786)
Impairment of property, plant and equipment	-	297	-
Profit on disposal of other investments	-	-	(1 995)
Impairment of goodwill	-	-	7 540
Headline earnings	7 429	11 171	20 121
Earnings per share			
Headline earnings per share (cents)	7,66	11,52	20,75
Basic earnings per share (cents)	8,10	11,34	16,88
Diluted earnings per share (cents)	8,06	11,26	16,77
Continuing earnings			
Basic earnings per share (cents)	9,75	17,10	23,16
Diluted earnings per share (cents)	9,69	16,98	23,01
Weighted average number of shares (000)	96 953	96 930	96 958
Diluted weighted average shares in issue (000)	97 495	97 579	97 561
Total number of shares in issue (000)	96 948	96 845	96 966

COMMENTARY ON RESULTS

Whilst the diverse nature of the group's earnings has provided a level of protection to the corporate performance for the 6 month period to June 2010, attributable earnings per share were down 29% when compared to the corresponding period in 2009. Overall the group has not seen a material improvement in the economic climate, with both the information technology and automotive sectors reporting disappointing results for the 6 months. The support services sector's results were in line with expectations and we are confident that both NOSA and MECS Africa will continue to grow and remain key drivers from both an earnings and revenue perspective going forward. Despite the decline in liquidity in the foreign currency, bond and derivative markets, MICROOmega Securities performed relatively well during the period under review.

The group has been successful at mitigating foreign currency exposure, particularly given the foreign currency loss incurred in 2009. As has been the cyclical trend over the past few years, the group's results for the second half of the year have historically outperformed the first half and we anticipate this trend to continue. Any forecasts contained within this report have not been reviewed or reported on by the auditors.

By order of the Board - Directors: IG Morris (Chairman), DSE Carlisle (Managing Director), DJ Case (Financial Director), PV Henwood (Non-Executive), RC Lewin (Non-Executive); **Company Secretary:** T De Mendonca; **Auditors:** KPMG Inc.; **Transfer Secretaries:** Computershare Investor Services (Pty) Ltd; **Sponsor Broker:** Investec Bank Limited; **Attorneys:** Moss Cohen & Associates

SUMMARISED CONDENSED GROUP STATEMENT OF FINANCIAL POSITION			
	Unaudited Six months ended 30 June 2010 R ('000)	Unaudited Six months ended 30 June 2009 R ('000)	Audited Year ended 31 December 2009 R ('000)
ASSETS			
Non-current assets	174 604	174 612	168 880
Property, plant and equipment	55 915	54 822	58 871
Intangible assets	66 468	66 494	61 434
Investments in associates	3 584	5 321	3 747
Other investments	6 693	6 742	6 698
Loans receivable	20 557	23 374	21 891
Deferred tax assets	21 387	17 859	16 239
Current assets	253 017	252 954	251 906
Inventories	55 559	62 069	45 200
Post-retirement surplus	18 797	17 971	18 877
Trade and other receivables	124 563	112 603	123 976
Current portion of loans receivable	6 732	5 716	5 497
Cash and cash equivalents	18 946	26 508	29 936
Non-current assets disclosed as held for sale	28 420	28 087	28 420
Total assets	427 621	427 566	420 786
EQUITY AND LIABILITIES			
Equity	287 924	274 107	280 050
Share capital and premium	191 409	191 229	191 440
Non-distributable reserves	8 008	6 075	8 196
Retained earnings	80 198	61 588	66 959
Total equity attributable to owners of the company	279 615	258 892	266 595
Non-controlling interests	8 309	15 215	13 455
Liabilities			
Non-current liabilities	25 799	26 508	27 530
Loans and borrowings	17 919	19 115	19 467
Deferred tax liabilities	7 880	7 393	8 063
Current liabilities	113 898	126 951	113 206
Bank overdraft	5 978	16 572	3 930
Current portion of loans and borrowings	20 077	21 167	21 372
Trade and other payables	85 908	80 961	86 055
Deferred vendor payments	703	1 539	871
Provisions	312	-	36
Taxation payable	920	6 712	942
Total equity and liabilities	427 621	427 566	420 786
Net asset value per share (cents)	288,42	267,33	274,94
Net tangible asset value per share (cents)	219,86	198,67	211,58

SUMMARISED GROUP STATEMENT OF CHANGES IN EQUITY										
	Share capital R ('000)	Share premium R ('000)	Revaluation reserve R ('000)	Foreign currency translation reserve R ('000)	Deal differences reserve R ('000)	Share- based payments reserve R ('000)	Retained earnings R ('000)	Total R ('000)	Non- controlling interests R ('000)	Total equity R ('000)
Balance at 01 January 2009	971	190 678	2 388	(21)	1 000	2 297	50 597	247 910	12 338	260 248
Total comprehensive income for the period	-	-	-	-	-	-	10 991	10 991	2 877	13 868
Profit for the period	-	-	-	-	-	-	10 991	10 991	2 877	13 868
Other comprehensive income	-	-	-	61	-	-	-	61	-	61
Foreign currency translation differences	-	-	-	61	-	-	-	61	-	61
Total comprehensive income for the period	-	-	-	61	-	-	10 991	11 052	2 877	13 929
Transactions with owners, recorded directly in equity	(3)	(417)	-	-	-	350	-	(70)	-	(70)
Treasury shares purchased	(3)	(417)	-	-	-	-	(420)	-	-	(420)
Share-based payment transactions	-	-	-	-	-	350	-	350	-	350
Balance at 30 June 2009	968	190 261	2 388	40	1 000	2 647	61 588	258 892	15 215	274 107
Total comprehensive income for the period	-	-	1 596	(19)	-	-	5 371	5 371	(1 560)	3 811
Profit for the period	-	-	1 596	(19)	-	-	5 371	5 371	(1 560)	3 811
Other comprehensive income	-	-	-	(19)	-	-	-	(19)	-	(19)
Foreign currency translation differences	-	-	-	(19)	-	-	-	(19)	-	(19)
Revaluation of property, plant and equipment	-	-	1 596	-	-	-	-	1 596	-	1 596
Total comprehensive income for the period	-	-	1 596	(19)	-	-	5 371	6 948	(1 560)	5 388
Transactions with owners, recorded directly in equity	2	209	-	-	-	544	-	755	(200)	555
Dividends paid by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(200)	(200)
Treasury shares sold	2	194	-	-	-	-	196	196	-	196
Share-based payment transactions	-	15	-	-	-	544	559	559	-	559
Balance at 31 December 2009	970	190 470	3 984	21	1 000	3 191	66 959	266 595	13 455	280 050
Total comprehensive income for the period	-	-	(325)	12	-	-	7 858	7 858	1 126	8 984
Profit for the period	-	-	(325)	12	-	-	7 858	7 858	1 126	8 984
Other comprehensive income	-	-	-	12	-	-	(313)	(313)	-	(313)
Foreign currency translation differences	-	-	-	12	-	-	-	12	-	12
Realisation of revaluation reserve on disposal of property, plant and equipment	-	-	(325)	-	-	-	(325)	(325)	-	(325)
Total comprehensive income for the period	-	-	(325)	12	-	-	7 858	7 545	1 126	8 671
Transactions with owners, recorded directly in equity	-	(31)	-	-	-	125	-	94	(580)	(486)
Dividends paid by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(580)	(580)
Treasury shares purchased	-	(33)	-	-	-	-	(33)	(33)	-	(33)
Share-based payment transactions	-	2	-	-	-	125	127	127	-	127
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	-	5 381	5 381	(5 692)	(311)
Business combinations	-	-	-	-	-	-	5 381	5 381	(5 692)	(311)
Total transactions with owners	-	(31)	-	-	-	125	5 381	5 475	(6 272)	(797)
Balance at 30 June 2010	970	190 439	3 659	33	1 000	3 316	80 198	279 615	8 309	287 924

SUMMARISED CONDENSED GROUP STATEMENT OF CASH FLOWS			
	Unaudited Six months ended 30 June 2010 R ('000)	Unaudited Six months ended 30 June 2009 R ('000)	Audited Year ended 31 December 2009 R ('000)
Cash flows from operating activities			
Cash generated by operating activities	15 524	27 575	50 157
Movement in working capital	(11 093)	4 096	14 771
Finance income	7 793	1 169	9 479
Finance cost	(5 269)	(4 510)	(16 995)
Tax paid	(9 046)	(12 744)	(22 589)
Net cash flows from operating activities	(2 091)	15 586	34 823
Cash outflow from investing activities			
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired	(2 901)	(4 361)	(12 212)
Intangible assets acquired	(16)	(138)	(213)
Proceeds of disposals on property, plant and equipment	1 098	2 342	5 656
Proceeds of disposals on intangible assets	-	-	19
<i>Expenditure for expansion</i>			
Acquisition of businesses	(318)	(676)	(1 578)
Internally generated intangible assets	(5 290)	(1 419)	(4 956)
Investments sold/(acquired)	5	(44)	2 359
Loans receivable repaid/(granted)	99	(27 117)	(25 338)
Net cash used in investing activities	(7 323)	(31 413)	(36 263)
Cash flows from financing activities			
Treasury shares repurchased	(33)	(419)	(224)
Dividends paid to non-controlling interests	(580)	-	(200)
Borrowings (repaid)/raised	(2 843)	10 901	12 857
Deferred vendor payments repaid	(168)	(2 059)	(2 327)
Net cash (used)/generated by finance activities	(3 624)	8 423	10 106
(Decrease)/increase in cash and cash equivalents	(13 038)	(7 404)	8 666
Cash and cash equivalents at beginning of the year	26 006	17 340	17 340
Cash and cash equivalents at end of the period	12 968	9 936	26 006

NOTES TO THE FINANCIAL STATEMENTS

- Basis of preparation** - This condensed consolidated interim financial statements have been prepared in compliance with International Accounting Standard 34 - Interim Financial Reporting as well as with Schedule 4 of the South African Companies Act and the disclosure requirements of the JSE Limited's Listing Requirements.
- Significant accounting policies** - This condensed consolidated interim financial statements have been prepared using accounting policies that comply with International Financial Reporting Standards (IFRS). The accounting policies used are consistent with those used in the annual financial statements for the year ended 31 December 2009, except for the adoption of the following new or revised standards and interpretations which are now effective:
 - Improvements to IFRS 2009
 - IAS 27 amendments
- Segment information**

	Unaudited Six months ended 30 June 2010 R ('000)	Unaudited Six months ended 30 June 2009 R ('000)	Audited Year ended 31 December 2009 R ('000)
SEGMENT REVENUE			
Financial services			
- external sales	14 752	16 215	36 619
Support services			
- external sales	152 490	184 274	365 123
Information technology			
- external sales	49 908	87 380	164 931
Automotive components			
- external sales	109 843	106 663	218 563
Adjustments and eliminations	-	-	(37 929)
Total revenue	326 993	394 532	747 307</