



ADvTECH LIMITED (Incorporated in the Republic of South Africa)
Registration number: 1990/001119/06 JSE code: ADH ISIN: ZAE 0000 31035

Revenue	▲ up 16%
Operating profit	▲ up 31%
Headline earnings per share	▲ up 41%
Distribution per share	▲ up 45%

AUDITED RESULTS for the year ended 31 December 2007

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2007

R'000	Note	Percentage increase	Audited 31 Dec 2007	Audited 31 Dec 2006
Revenue		16%	962 711	830 129
Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA)		30%	194 030	149 038
Operating profit		31%	160 548	122 284
Net interest received			14 321	5 539
Interest received			17 452	9 399
Finance costs			(3 131)	(3 860)
Profit before taxation		37%	174 869	127 823
Taxation			(52 851)	(38 545)
Profit for the year		37%	122 018	89 278
Attributable to:				
Equity holders of the parent			119 227	86 332
Minority interest			2 791	2 946
			122 018	89 278
Earnings per share				
Basic (cents)		37%	32.1	23.5
Diluted (cents)		38%	31.1	22.5
Headline earnings per share				
Headline earnings	2		118 846	83 526
Basic (cents)		41%	32.0	22.7
Diluted (cents)		42%	31.0	21.8
Number of shares in issue ('000)			393 665	393 665
Diluted number of shares ('000)			382 979	382 887
Weighted average number of shares in issue ('000)			371 970	367 996
Net asset value per share (cents)		27%	105.4	83.1
Free operating cash flow before capex per share (cents)		5%	42.1	40.1
Distribution per share (cents)		45%	16.0	11.0

CONDENSED CONSOLIDATED BALANCE SHEET

as at 31 December 2007

R'000	Audited 31 Dec 2007	Audited 31 Dec 2006
Assets		
Non-current assets	478 839	438 696
Property, plant and equipment	441 347	395 859
Intangible asset	10 659	7 227
Investment	-	200
Deferred taxation assets	26 833	35 410
Current assets	180 178	90 327
Trade and other receivables	62 117	30 865
Cash and cash equivalents	118 061	59 462
Total assets	659 017	529 023
Equity and liabilities		
Equity	416 180	328 628
Attributable to equity holders of the parent	414 924	327 246
Minority interest	1 256	1 382
Non-current interest bearing liabilities	3 852	11 000
Current liabilities	238 985	189 395
Trade and other payables	144 351	135 013
Taxation	29 585	6 968
Fees received in advance	65 049	47 414
Total equity and liabilities	659 017	529 023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2007

R'000	Share capital	Share premium	Share option reserve	Shares held by Share Incentive Trust	Retained earnings/(accumulated loss)	Attributable to equity holders of the parent	Minority interest	Total equity
Balance at 1 January 2006	3 937	338 771	1 687	(8 863)	(49 991)	285 541	1 357	286 898
Share-based payment expense			1 586			1 586		1 586
Profit for the year					86 332	86 332	2 946	89 278
Minority interest distribution						-	(2 921)	(2 921)
Share options exercised				3 275		3 275		3 275
Total recognised income and expense for the year			1 586	3 275	86 332	91 193	25	91 218
Shares purchased by the Share Incentive Trust				(11 912)		(11 912)		(11 912)
Capital distribution to shareholders		(37 576)				(37 576)		(37 576)
Balance at 31 December 2006	3 937	301 195	3 273	(17 500)	36 341	327 246	1 382	328 628
Share-based payment expense			1 986			1 986		1 986
Profit for the year					119 227	119 227	2 791	122 018
Minority interest distribution						-	(2 917)	(2 917)
Share awards				2 199		2 199		2 199
Share options exercised				11 697		11 697		11 697
Total recognised income and expense for the year			1 986	13 896	119 227	135 109	(126)	134 983
Capital distribution to shareholders		(47 431)				(47 431)		(47 431)
Balance at 31 December 2007	3 937	253 764	5 259	(3 604)	155 568	414 924	1 256	416 180

CONDENSED SEGMENTAL REPORT

for the year ended 31 December 2007

R'000	Percentage increase	Audited 31 Dec 2007	Audited 31 Dec 2006
Revenue	16%	962 711	830 129
Education	14%	812 543	710 961
Resourcing	26%	150 168	119 168
Operating profit	31%	160 548	122 284
Education	25%	163 229	130 244
Resourcing	53%	31 239	20 393
Central administration	23%	(33 498)	(27 294)
Litigation expenses		(422)	(1 059)

SUPPLEMENTARY INFORMATION

for the year ended 31 December 2007

R'000	Audited 31 Dec 2007	Audited 31 Dec 2006
Capital expenditure – current year	78 406	65 497
Capital commitments – future years	170 013	131 694
Operating lease commitments in cash – future years	184 003	150 563

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2007

R'000	Note	Percentage increase	Audited 31 Dec 2007	Audited 31 Dec 2006
Cash generated by operations (Utilised to increase)/generated by decrease in working capital	3	32%	196 305	148 188
			(984)	32 040
Cash generated by operating activities		8%	195 321	180 228
Net interest received			14 321	5 539
Taxation paid			(21 657)	(46 767)
Capital distribution			(47 431)	(37 573)
Net cash inflow from operating activities			140 554	101 427
Net cash outflow from investing activities			(74 680)	(72 860)
Net cash outflow from financing activities			(7 248)	(5 056)
Net increase in cash and cash equivalents			58 626	23 511
Cash and cash equivalents at beginning of the year			59 462	35 969
Net foreign exchange differences on cash and cash equivalents			(27)	(18)
Cash and cash equivalents at end of the year			118 061	59 462
Free operating cash flow before capex per share (cents)			122 018	89 278
Net operating profit after taxation			122 018	89 278
Adjust for non-cash IFRS and lease adjustments (after taxation)			2 558	2 154
Net operating profit after taxation – adjusted for non-cash IFRS and lease adjustments			124 576	91 432
Other non-cash flow income statement items (after taxation)			(381)	(2 806)
Plus: depreciation and amortisation			33 482	27 001
Operating cash flow after taxation (Less)/plus: working capital changes		36%	157 677	115 627
			(984)	32 040
Free operating cash flow before capex			156 693	147 667
Weighted average number of shares in issue ('000)			371 970	367 996
Free operating cash flow before capex per share (cents)		5%	42.1	40.1

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2007

1. Significant accounting policies

1.1 Statement of compliance

The financial statements have been prepared using accounting policies that comply with International Financial Reporting Standards and are presented in accordance with IAS 34 ("Interim Financial Reporting"). The accounting policies and methods of computation are consistent with those applied in the previous year.

The Group auditors, Deloitte & Touche, have completed the audit of the Annual Financial Statements on which this preliminary announcement has been based.

Their unmodified report is available at the registered office of the Company.

1.2 Adoption of new Standards

IFRS 7, Financial Instruments: Disclosures ("IFRS 7") was adopted with effect from 1 January 2007. The adoption of this Standard had no effect on the financial results and financial position of the Group.

R'000	Audited 31 Dec 2007	Audited 31 Dec 2006
2. Determination of headline earnings		
Earnings attributable to equity holders of the parent per the income statement	119 227	86 332
Items excluded from headline earnings per share	(381)	(2 806)
Loss on disposal of investment	18	295
Profit on disposal of assets and businesses	(561)	(4 357)
	(543)	(4 062)
Taxation effects on adjustments	162	1 256
Minority interest of adjustments	-	-
Headline earnings	118 846	83 526
3. Notes to the cash flow statement		
Reconciliation of profit before taxation to cash generated by operations		
Profit before taxation	174 869	127 823
Adjust for non-cash IFRS and lease adjustments (before taxation)	2 789	2 386
	177 658	130 209
Add back:	18 645	17 979
Depreciation and amortisation	33 482	27 001
Net interest received	(14 321)	(5 539)
Other non-cash flow income statement items	(516)	(3 483)
Cash generated by operations	196 303	148 188

DIRECTORS' COMMENT ON RESULTS

Overview

ADvTECH has once again delivered excellent academic, operational and financial results for the year ended 31 December 2007. These results flow from the growing demand for our education and resourcing services and the repetitive substance of our revenue model once again reveals the substantially defensive nature of our business.

On the academic front ADvTECH's 967 matric candidates for 2007 achieved a 100% pass rate, a third of these achieved an "A" aggregate and collectively our matrices attained 1 814 distinctions. In similar vein, the Group's tertiary students achieved a pass rate of almost 80% across some 75 000 final examinations. The KwaZulu-Natal Varsity College graduating class of 2007 achieved a 100% pass rate in the BE Degree for all registered subjects and 4 of our students were placed in the top 20 UNISA CTA examinations nationally. These results are an indication of the quality of teaching and learning that is taking place within our institutions. These positive indicators are generally applicable to the entire Education division and the Board, management and staff can feel immensely proud, not only of the progressive contribution to the intellectual capacity and empowerment of the student body enrolling each year, but also to the tens of thousands of past graduates who are now active in the South African economy. A small but growing number of these graduates are employed by the Group, with present alumni staff numbering 112.

Additional information regarding the outstanding achievements of students throughout the programmes and campuses of the Group is contained in the ADvTECH annual report.

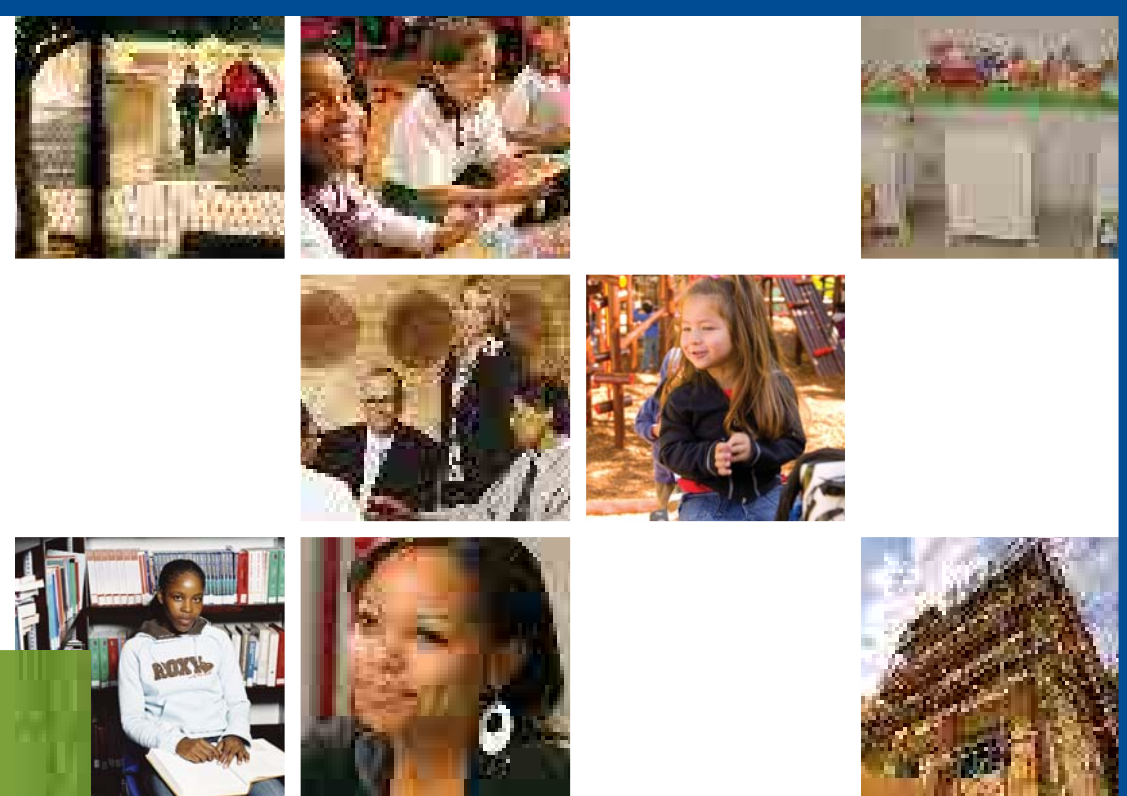
The growing demand for infrastructural development and the associated demand for skilled staff contributed to our Resourcing division success. Our continued investment in growing our branch network and staffing capacity enabled us to increase output during the year and obtain new career opportunities for over 4 300 candidates.

Financial

The directors are pleased to report a 16% increase in revenue to R963 million, a 31% increase in operating profit to R161 million, a 41% increase in headline earnings per share to 32.0 cents and a 45% increase in distributions per share to 16.0 cents.

The results are underpinned by sound operational performances. The Education division increased revenue by 14% to R813 million (18% if adjusted for the effect of Crawford Glenmore, which was closed in 2006) and operating profit by 25% to R163 million, reflecting further management efficiency, growth and improved capacity utilisation. In a buoyant market, the Resourcing division increased revenue by 26% to R150 million and operating profit by 53% to R31 million. Central administration costs increased by 23% due to the additional resources and management capacity put in place to facilitate the rapid growth of the Group.

As reported at the interim stage, free cash generation will move steadily closer to matching earnings as the rate of increase in cash generation slows once the main opportunities for balance sheet enhancement are realised. Working capital reported at year end increased due to accounts receivable including contract amounts that only fall due in the new year. Payment has since been received for most of these. Accordingly, free cash flow per share before capex grew by 5% to 42.1 cents. This strong cash generation enabled the Group to remain in a net cash position throughout the year after funding capital expenditure of R78 million (2006: R65 million), corporate taxation of R22 million (2006: R47 million) and capital distributions of R47 million (2006: R38 million). The reduction in taxation paid is due to the timing of actual payments made. The inherent nature of ADvTECH's working capital is based on payments for educational fees received in advance compared to arrears payments for services rendered to the Group. This gives rise to a structure in which current liabilities usually exceed current assets. This situation resolves itself in the normal course of trading on an ongoing basis.



Transformation and sustainability

ADvTECH has continued to make progress in transformation and sustainability under the guidance of the Board Transformation Committee and the Academic Advisory Council. 70% of all students and over 50% of placements are historically disadvantaged individuals (HDI). Further transformation appointments have been made across the Group up to director level and management is now 25% HDI (2006: 23%). Total HDI staff increased by 18% compared to an overall increase in staff of 8%. ADvTECH continues to benchmark itself in these areas by reference to the relevant DTI codes and the JSE SRI index.

Education

The Education division houses the Group's educational brands and institutions including the well-known brands Abbotts College, College Campus, CrawfordSchools™, Imfundo, Junior College, Rosebank College, Varsity College and Vega, as well as the Group's overarching academic body, the Independent Institute of Education (IIE). Collectively, they provide a full range of educational services from pre-school through to matriculation, diploma, degree and post-graduate levels, as well as short learning programmes (SLPs), adult basic education, training and learnership programmes. These activities are undertaken at 50 sites and campuses across South Africa.

The IIE, guided and supported by the Academic Advisory Council, Senate and various specialist advisory committees, provides the Education division with academic governance, leadership and quality assurance. With 30 higher education programmes accredited across 19 campuses between NQF levels 5 and 7, the Group holds the largest base of accredited higher education programmes in the independent sector.

The significant growth of our Education division to 45 000 students (2006: 39 000) is clear evidence of the potential of this market and our consistent approach to quality education. An important driver of the growth in student numbers has been the success of the School of Business and Technology in delivering SLPs across the 19 tertiary campuses. Results over the spectrum of Matric, final tertiary qualifications, year end examinations and benchmarking evaluation were once again excellent and the Group has been acknowledged for the excellence of its top scholars as well as the achievements and improvements in results achieved by the student body as a whole.

Resourcing

The Resourcing division includes well-known brands Brent Personnel, Cassel & Company, Communicate Personnel, Inkokheli, Insource.ICT, Network Recruitment, ProRec Recruitment and Vertex-Kapele. The division's major activities are recruitment, placement, temporary staffing, contracting and advertising response handling.

The Resourcing division maintained a strong focus on the key niche markets of IT, finance and engineering, while also growing new sectors of sales, freight and HR. With further development of human capital and physical assets, the division was able to strengthen and grow its brands markedly during the year, increasing consultant numbers by 15%.

Litigation

Legal proceedings against Marina and Andry Welihockyj remain in process. The discovery phase of this litigation has continued and this year the costs have been R0,4 million (2006: R1,1 million).

The Group's legal counsel remains satisfied with the merits of the claims in this matter and, save for legal costs, the Group has no further exposure.

Capital reduction out of share premium

The Board has resolved to declare a final distribution to shareholders by way of capital reduction out of share premium of 11.0 cents per share (2006: 8.0 cents) for the year ended 31 December 2007. This would bring total distributions for the year to 16.0 cents per share (2006: 11.0 cents). The authority to make this payment to shareholders was obtained at the Annual General Meeting held on 22 May 2007.

Set out in the table below are the *pro-forma* financial effects of the distribution on the Group's earnings per share, headline earnings per share, net asset value per share and net tangible asset value per share based on the Group's audited financial results for the year ended 31 December 2007. The *pro-forma* financial effects have been prepared for illustrative purposes only and, because of their nature, they may not give a true reflection of the Group's financial position or results. The *pro-forma* financial information is the responsibility of the Company's directors and has not been audited.

	Before the distribution ¹	After the distribution	Percentage change
Earnings per share (cents)	32.1	31.3 ²	(3%)
Headline earnings per share (cents)	32.0	31.2 ²	(3%)
Weighted average number of shares in issue ('000)	371 970	371 970	–
Net asset value per share (cents)	105.4	94.7 ³	(10%)
Tangible net asset value per share (cents)	102.7	92.0 ³	(10%)
Number of shares in issue ('000)	393 665	393 665	–

- Notes:
1. Extracted from the audited financial results for the year ended 31 December 2007.
 2. The earnings and headline earnings per share figures in the "After the distribution" column have been based on the following assumptions:
 - the distribution was made on 1 January 2007; and
 - interest, at an average before tax rate of 9.5% per annum, was forfeited on the cash distributed.
 3. The net asset value and net tangible asset value per share figures in the "After the distribution" column have been based on the assumption that the distribution was made on 31 December 2007.

Set out in the table below are the salient dates and times applicable to the distribution:

	2008
Last day to trade in order to participate in the distribution on	Friday, 11 April
Trading commences ex distribution on	Monday, 14 April
Record date on	Friday, 18 April
Payment date on	Monday, 21 April

Share certificates may not be dematerialised or rematerialised between Monday, 14 April 2008 and Friday, 18 April 2008, both days inclusive.

Prospects

There is no doubt that we enter 2008 in a less robust economy than that which prevailed during 2007 and disposable incomes are likely to be affected by higher interest rates and growing inflation. Notwithstanding these factors, and the perceived decline in business confidence, there is a growing appreciation by an increasing number of students and parents that quality education and instruction remains an essential factor for human development, economic capacity and independence. This trend of recognition is already revealed in the Group's 2008 student applications and admissions and given this pattern, barring any unforeseen or adverse economic developments during the year, the Group expects to report further growth in earnings and positive cash flows during the next period.

Michael Sacks

Chairman

Johannesburg
14 March 2008

Frank Thompson

Chief Executive Officer

Directors: MI Sacks* (Chairman), FR Thompson (CEO), JDR Oesch (Financial), JNP Booyens, BD Buckham*, JJ Deeb, CN Duff, DK Ferreira*, DL Honey, JD Jansen*, HR Levin*, ER Shipalana, F Titi* *Non Executive

Alternate Directors: FJ Coughlan, A Isaakidis

Group Company Secretary: SC O'Connor **Registered office:** ADvTECH House, Inanda Greens, 54 Wierda Road West, Wierda Valley, Sandton, 2196 **Transfer secretaries:** Link Market Services SA (Pty) Ltd, 11 Diagonal Street, Johannesburg, 2001 **Sponsor:** Bridge Capital Services (Pty) Ltd