INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

ADvTECH Limited ("ADvTECH" or "the Group") (Incorporated in the Republic of South Africa)
Registration number: 1990/001119/06
Income taxation number: 9550/190/71/5
JSE code: ADH ISIN number: ZAE 0000 31035

Revenue	+8%	Free operating cash flow per share	+2%
Schools operating profit	+16%	Capital commitments	R1,1 billion
Headline earnings per share	–17%	Dividend per share	10.0 cents

Condensed consolidated statement of comprehensive income
for the six months ended 30 June 2012

R'm	Note	Percentage increase/ (decrease)	**Unaudited 6 months to 30 June 2012**	Unaudited 6 months to 30 June 2011	Audited 12 months to 31 December 2011
Revenue		8%	**850,4**	791,0	1 605,6
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)		(12%)	**126,6**	143,3	292,3
Operating profit before interest and impairment		(16%)	**92,4**	110,2	230,0
Impairment of intangible asset			**–**	–	(5,3)
Net interest received			**5, 3**	7,1	10,8
Interest received			**5, 8**	7,5	11,0
Finance costs			**(0,5)**	(0,4)	(0,2)
Profit before taxation		(17%)	**97,7**	117,3	235,5
Taxation			**(31,0)**	(37,3)	(79,2)
Total comprehensive income for the period		(17%)	**66,7**	80,0	156,3
Earnings per share (cents)					
Basic		(17%)	**16.6**	20.0	39.0
Diluted		(17%)	**16.6**	19.9	39.0
Headline earnings	2		**66,5**	80,1	161,8
Headline earnings per share (cents)					
Basic		(17%)	**16.6**	20.0	40.4
Diluted		(17%)	**16.6**	20.0	40.4
Number of shares in issue (million)			**421,3**	400,8	420,8
Weighted average number of shares in issue (million)			**401,7**	400,8	405,8
Weighted average number of shares for purposes of basic earnings per share (million)			**401,7**	400,8	400,8
Weighted average number of shares for purposes of diluted earnings per share (million)			**401,8**	401,1	400,8
Net asset value per share (cents)		2%	**179.1**	176.0	178.5
Free operating cash flow before capex per share (cents)		2%	**71.5**	70.3	66.0
Distributions per share (gross) (cents)		5%	**10.0**	9.5	26.0

Condensed consolidated statement of financial position
as at 30 June 2012

R'm	**Unaudited 30 June 2012**	Unaudited 30 June 2011	Audited 31 December 2011
Assets			
Non-current assets	**1 050,8**	902,9	975,7
Property, plant and equipment	**862,0**	701,0	812,9
Goodwill	**98,2**	95,9	98,2
Intangible assets	**33,6**	44,7	36,2
Deferred taxation assets	**57,0**	61,3	28,4
Current assets	**288,4**	322,9	179,3
Trade and other receivables	**153,7**	126,0	105,5
Taxation	**–**	–	9,8
Other current assets	**16,6**	15,5	17,2
Bank balances and cash	**118,1**	181,4	46,8
Total assets	**1 339,2**	1 225,8	1 155,0
Equity and liabilities			
Equity	**754,6**	705,5	751,2
Current liabilities	**584,6**	520,3	403,8
Trade and other payables	**212,6**	192,8	194,5
Taxation	**17,9**	28,3	–
Fees received in advance	**354,1**	299,2	138,6
Bank overdraft	**–**	–	70,7
Total equity and liabilities	**1 339,2**	1 225,8	1 155,0

Supplementary information
for the six months ended 30 June 2012

R'm	**Unaudited 6 months to 30 June 2012**	Unaudited 6 months to 30 June 2011	Audited 12 months to 31 December 2011
Capital expenditure – current period	**80,9**	49,0	187,8
Capital commitments	**1 117,5**	108,2	135,9
Authorised by directors and contracted for	**171,2**	95,5	107,6
Authorised by directors and not yet contracted for	**946,3**	12,7	28,3
Operating lease commitments in cash – future years	**333,3**	313,6	374,5

Condensed consolidated statement of changes in equity
for the six months ended 30 June 2012

R'm	**Unaudited 6 months to 30 June 2012**	Unaudited 6 months to 30 June 2011	Audited 12 months to 31 December 2011
Balance at beginning of the period	**751,2**	677,8	677,8
Total comprehensive income for the period	**66,7**	80,0	156,3
Dividends declared to shareholders	**(66,8)**	(10,0)	(47,9)
Share-based payment expense	**1,5**	1,1	2,3
Shares issued	**2,6**	–	–
Shares to be issued for business acquisition	**(2,6)**	–	2,6
Shares purchased by the Share Incentive Trust	**–**	–	(0,3)
Share awards granted	**–**	(0,1)	3,3
Broad-based scheme shares granted	**2,0**	0,4	0,9
Share options exercised	**–**	0,2	0,1
Capital distributions to shareholders	**–**	(43,9)	(43,9)
Balance at end of the period	**754,6**	705,5	751,2

Directors: LW Maasdorp* (Chairman), FR Thompson (CEO), JDR Oesch (Financial), BM Gourley*, JD Jansen*, HR Levin* (alternate CH Boulle*), JC Livingstone* *Non-executive
Group Company Secretary: SK Saunders
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 Advisors (Pty) Ltd, 27 Fricker Road, Illovo, 2196.

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Condensed consolidated segmental report
for the six months ended 30 June 2012

R'm	Percentage increase/ (decrease)	**Unaudited 6 months to 30 June 2012**	Unaudited 6 months to 30 June 2011	Audited 12 months to 31 December 2011
Revenue	8%	**850,4**	791,0	1 605,6
Schools	13%	**367,4**	325,4	658,1
Tertiary	2%	**371,5**	364,4	742,1
Resourcing	10%	**112,7**	102,0	206,9
Intra Group revenue		**(1,2)**	(0,8)	(1,5)
Operating profit before interest and impairment	(16%)	**92,4**	110,2	230,0
Schools	16%	**63,8**	54,8	122,6
Tertiary	(64%)	**16,4**	45,2	90,3
Resourcing	21%	**13,2**	10,9	19,3
Litigation		**(1,0)**	(0,7)	(2,2)
Property, plant and equipment	23%	**862,0**	701,0	812,9
Schools	36%	**615,4**	452,6	559,6
Tertiary	(1%)	**243,6**	245,3	249,9
Resourcing	(3%)	**3,0**	3,1	3,4

Condensed consolidated statement of cash flows
for the six months ended 30 June 2012

R'm	Note	Percentage increase/ (decrease)	**Unaudited 6 months to 30 June 2012**	Unaudited 6 months to 30 June 2011	Audited 12 months to 31 December 2011
Cash generated from operations	3	(10%)	**132,7**	147,3	301,9
Movement in working capital			**183,2**	165,7	31,8
Cash generated by operating activities		1%	**315,9**	313,0	333,7
Net interest received			**5,3**	7,1	10,8
Taxation paid			**(32,0)**	(70,5)	(117,6)
Dividends paid			**(66,7)**	(10,0)	(44,7)
Capital distributions paid			**–**	(44,7)	(47,8)
Net cash inflow from operating activities			**222,5**	194,9	134,4
Net cash outflow from investing activities			**(80,5)**	(48,2)	(187,2)
Net cash outflow from financing activities			**–**	(2,8)	(8,6)
Net increase/(decrease) in cash and cash equivalents			**142,0**	143,9	(61,4)
Cash and cash equivalents at beginning of the period			**(23,9)**	37,5	37,5
Cash and cash equivalents at end of the period			**118,1**	181,4	(23,9)

Free operating cash flow before capex per share
for the six months ended 30 June 2012

R'm	Percentage increase/ (decrease)	**Unaudited 6 months to 30 June 2012**	Unaudited 6 months to 30 June 2011	Audited 12 months to 31 December 2011
Total comprehensive income for the period		**66,7**	80,0	156,3
Adjust for non-cash IFRS and lease adjustments (after taxation)		**3,4**	3,0	8,5
Net operating profit after taxation – adjusted for non-cash IFRS and lease adjustments		**70,1**	83,0	164,8
Depreciation and amortisation		**34,2**	33,1	62,3
Other non-cash flow items (after taxation)		**(0,2)**	0,1	5,5
Operating cash flow after taxation	(10%)	**104,1**	116,2	232,6
Movement in working capital		**183,2**	165,7	31,8
Free operating cash flow before capex	2%	**287,3**	281,9	264,4
Weighted average number of shares for purposes of basic earnings per share (million)		**401,7**	400,8	400,8
Free operating cash flow before capex per share (cents)	2%	**71.5**	70.3	66.0

Notes to condensed consolidated financial statements
for the six months ended 30 June 2012

1. Statement of compliance

The condensed financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board, the AC 500 standards as issued by the Accounting Practices Board and with the Listings Requirements of the JSE Limited as well as the South African Companies Act, 71 of 2008 and the information as required by IAS 34: Interim Financial Reporting. The report has been prepared using accounting policies that comply with IFRS and which are consistent with those applied in the financial statements for the year ended 31 December 2011. The preparation of the Group's consolidated financial results for the six months ended 30 June 2012 was supervised by Didier Oesch CA(SA), the Group's financial director.

These interim results have not been audited.

R'm	**Unaudited 6 months to 30 June 2012**	Unaudited 6 months to 30 June 2011	Audited 12 months to 31 December 2011
2. Determination of headline earnings			
Total comprehensive income for the period	**66,7**	80,0	156,3
Items excluded from headline earnings per share	**(0,2)**	0,1	5,5
(Profit)/loss on sale of property, plant and equipment	**(0,3)**	0,2	0,3
Impairment of intangible asset	**–**	–	5,3
	(0,3)	0,2	5,6
Taxation effects of adjustments	**0,1**	(0,1)	(0,1)
Headline earnings	**66,5**	80,1	161,8
3. Note to the statement of cash flows			
Reconciliation of profit before taxation to cash generated from operations			
Profit before taxation	**97,7**	117,3	235,5
Adjust for non-cash IFRS and lease adjustments (before taxation)	**6,4**	3,8	9,3
	104,1	121,1	244,8
Adjust:	**28,6**	26,2	57,1
Depreciation and amortisation	**34,2**	33,1	62,3
Net interest received	**(5,3)**	(7,1)	(10,8)
Impairment of intangible asset	**–**	–	5,3
Other non-cash flow items	**(0,3)**	0,2	0,3
Cash generated from operations	**132,7**	147,3	301,9

Commentary

Overview

The directors report mixed results for the six months ended 30 June 2012 and a changed segmental report to reflect the separation of education into Schools and Tertiary divisions. Strategically the Group is in a strong position. Our standing in the key education and jobs sectors, coupled with a sound balance sheet and strong cash flow, has enabled ADvTECH to consider and evaluate a large range of potential investments, the best of which have been approved by the Board for deployment. A number of developments are in the pipeline, mainly in the Schools division, including those announced below. The total of Board approved projects under way exceeds R1 billion and is expected to increase capacity by approximately 30%. As a result of this investment a greater proportion of the Group's activities can be considered to be "in development". These projects are expected, as they reach fulfilment, to drive both growth and margins into the future.

Overall revenue growth of 8% in the period and strong improvements in both Schools and Resourcing were not sufficient to overcome the enrolment setback in Tertiary. As a result EBITDA declined by 12% and operating profit by 16%, notwithstanding that the operating profit in Schools and Resourcing increased by 16% and 21% respectively.

Net interest earned declined, mainly as a result of lower interest rates and increased capital spending. With the effective taxation rate steady at below 32%, profit for the period declined by 17% to R67 million and headline earnings per share were 16.6 cents (2011: 20.0 cents).

Free operating cash flow per share increased by 2% to 71.5 cents. This, alongside the continued strong balance sheet, which includes cash resources of R118 million at date of reporting, has enabled the directors to declare a dividend of 10.0 cents (2011: 9.5 cents) per share.

Schools

The Schools division is a leader in the independent schools sector and consists of 34 sites under the brands Abbotts College, CrawfordSchools™, Junior Colleges and Trinityhouse.

The Division represents approximately 40% of Group revenue and grew by 13% to R367 million while operating profit increased by 16% to R64 million. Operating margin thus improved by 0.6% to 17.4%. This growth is attributable to a combination of student growth, mainly in the Trinityhouse brand, and the annual fee increase. At the AGM in May the Group announced three new developments for Trinityhouse, namely phase two at Little Falls, and new sites in Centurion and KwaZulu-Natal. Since then five additional campuses in the Schools division have been approved, including four in Gauteng and one in KwaZulu-Natal.

Tertiary

The Tertiary division has a national urban footprint of 21 sites and includes the governance, and the Independent Institute of Education, which provides academic leadership and governance, and the well-known tertiary brands College Campus, Design School Southern Africa, Forbes Lever Baker, Rosebank College, Varsity College and Vega. Corporate College International, the Group's adult education and skills business, is also included in this Division.

Revenue in the Tertiary division grew by 2%. In light of the implementation of annual fee increases, this growth represents a volume and mix decline of some 5 to 8%. The extent of the shortfall became apparent as the enrolment process was concluding, by which time most operating costs had been contracted for the year. The causes of the reduction in operating contribution are both internal and external. Internally, the brands had prepared for growth with particular emphasis on new offerings in line with anticipated changes in demand as well as curriculum and regulatory requirements. This increased the range and complexity of our offering and led to an increase in operating costs. Other increases in costs, which were not matched in this period by enrolments, arose from investments in the new IT system and the opening of a new campus. Externally, the continued difficult consumer economy and the increase in the State's provision of loans, grants and free education choices at point of delivery in public institutions have had a contributory effect on the lower enrolments. While the actual decline in student numbers is in single digits, operational gearing caused by the fixed cost nature of education led to the much larger decline in operating profit.

Steps are being taken to deal with the impact on the Division while maintaining quality and value in our students' education. These include the organisation of the tertiary brands into a focused division and consolidating the Division's 21 sites to 18, thereby improving critical mass from both educational and financial perspectives. Attention is also being given to the programmes offered with particular focus on building and broadening the range of degrees. Capex and operating costs are being considered carefully across the board with particular emphasis on those sites and campuses that experienced lower student numbers.

Looking to the future, focus is being placed on deriving the expected gains from the new IT system in its first full operating cycle. Resources continue to be directed at graduate employability and developing international and local partnerships especially in technology-driven and distance education. The first launch of these programmes took place earlier this year. The benefit of these steps will become apparent in the Division's performance over the next two years as fixed costs such as rent are unwound and revenue recovers.

Resourcing

The Resourcing division's activities include permanent and temporary staffing solutions as well as recruitment advertising, e-recruitment and advertising response handling. The portfolio of brands includes Brent Personnel, Cassel & Company, Communicate Personnel, Insource.ICT, IT Edge, Network Recruitment, Tech-Pro Personnel, Inkokheli HR Appointments, Vertex-Kapele and The Working Earth.

The 10% growth in revenue reflects an improvement in some of the markets served by this Division, although not yet across the board. More importantly, the focus on using the Division's strength in its niche markets, coupled with effective management of costs and productivity, has yielded a 21% improvement in operating profit.

Financial

Free operating cash flow has increased by 2% to 71.5 cents per share as sound financial controls remain in place. Fees received in advance increased by R55 million, which more than offset the increase in debtors of R28 million. The balance sheet strengthened with net asset value increasing by 7% to R755 million and cash on hand of R118 million (2011: R181 million). Increased capex in terms of the Group's investment strategy has resulted in a 23% increase in property, plant and equipment to R862 million (2011: R701 million).

Cash generated by operating activities of R316 million has enabled the funding of investments of R81 million, taxation payments of R32 million and dividends of R67 million from own resources. During the year 402 332 shares were issued and allotted at R6.40 per share in respect of a business acquisition.

Declaration of interim dividend No 6

The board is pleased to announce the declaration of a dividend of 10.0 cents (2011: 9.5 cents) per ordinary share in respect of the period ended 30 June 2012.

This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. The South African dividend taxation (DT) rate is 15% and no credits in terms of Secondary Taxation on Companies (STC) were available for utilisation. The net amount payable to shareholders who are not exempt from DT is 8.5 cents per share, while it is 10.0 cents per share to those shareholders who are exempt from DT.

There are 421 282 422 ordinary shares in issue; the total dividend amount payable is R42 million.

Shareholders are reminded that the dividend of 9.5 cents paid in the comparable period last year was subject to STC and was not subject to DT referred to above. Due care therefore needs to be taken in comparing the respective dividends and the relevant dividend cover.

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

	2012
Declaration date	Friday, 24 August
Announcement date	Monday, 27 August
Last day to trade in order to participate in the dividend	Friday, 14 September
Trading commences ex dividend	Monday, 17 September
Record date	Friday, 21 September
Payment date	Tuesday, 25 September

Share certificates may not be dematerialised or rematerialised between Monday, 17 September 2012 and Friday, 21 September 2012, both days inclusive.

Prospects

The Schools brands continue to provide a model of sustainable excellence in the sector and enjoy the lion's share of our investment plans. Much attention is being focused on returning the Tertiary division to sustainable growth with specific corrective steps that have been taken outlined in this announcement. These steps are expected to take approximately two years to reach their full effect. Last year the Group committed to rebalancing the Resourcing division to align it better to the needs of the market. This has been achieved and the results are evident and satisfactory. The Resourcing division holds a very strong market position in its focused niche areas and is expected to maintain its success this year.

The strength of ADvTECH as a whole, its institutional model and its strategic positioning continue to provide the Board with confidence in the future of the Group. This justifies the continued and growing roll-out of strategic new investments, the benefits of which will be realised over years to come.

On behalf of the Board

Leslie Maasdorp *Chairman*

Frank Thompson *Chief Executive Officer*

27 August 2012

BASTION GRAPHICS