

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

JASCO ELECTRONICS HOLDINGS LIMITED Incorporated in the Republic of South Africa Registration number 1987/003293/06 Share code: JSC ISIN: ZAE000003794 (Jasco or "the company" or "the group")

Revenue up 55%

Operating profit up 30%

HEPS up 96%

Performance summary

The results for the six months to December 2011 were positively impacted by the successful initial integration of the Jasco and Spescom businesses, the benefits of the restructuring of the enlarged Jasco group and delivery on the group's strategy, as well as an improved contribution from the group's investment in cable manufacturer, M-TEC.

Headline earnings per share (HEPS) was up 96% to 6,9 cents per share (2010: 3,5 cents per share), with earnings per share (EPS) up 130% to 6,4 cents per share (2010: 2,8 cents per share). The weighted average number of shares in issue increased from 116,5 million to 140,8 million shares.

Financial overview

Group revenue increased by 55% to R493,9 million (2010: R313,4 million) following the combination of Jasco and Spescom. Group operating profit increased by 30% to R20,6 million (2010: R15,9 million). The increase in group operating profit was mainly due to the improvement in the group's largest consolidated contributor, the ICT Solutions vertical, as well as lower once-off costs (down to R1,2 million from R4,2 million in the comparative period). As outlined in Divisional Performance below, the Enterprise Applications business negatively impacted operating profit.

Net interest paid increased to R6,2 million (2010: R3,1 million), mainly due to the expected reduction of the interest received from the group's long term rentals contract with Transnet Freight Rail and interest paid on the group's mortgage bond inherited through the Spescom acquisition.

The share of income from associates was substantially higher than the comparative period, mainly due to the performance from M-TEC, with Jasco's 34% share of profit up 158% to R4,9 million from R1,9 million. The group's other associate, Maringo, is now no longer equity accounted following the acquisition of a 100% stake in this business. Its contribution is therefore now part of operating profit.

The taxation expense of R8,0 million represents an effective tax rate of 41,5%, which is down from 50,6% for the comparative period. This unusually high rate is mainly due to the R3,6 million preference share dividend paid (disclosed as interest paid) and STC of R0,7 million on the ordinary and preference share dividends. The group believes that its historic tax rate of 29% will reduce going forward as statutory efficiencies are achieved.

Outside shareholders' interest represented R2,2 million (2010: R3,7 million), which is attributable to Jasco's international technology partners (LeBLANC International and NetTelco GmbH both in the ICT Solutions vertical).

Profit attributable to ordinary shareholders was 193% up to R9,1 million (2010: R3,1 million). A net positive headline adjustment of R0,6 million, being a loss on the disposal of fixed assets, increased headline earnings by 148% to R9,7 million (2010: R3,9 million).

The net working capital days of 35 days improved from the 42 days reported for December 2010. This was mainly due to the improvement in stock days from 35 days to 31 days and the extension of creditor days to 75 days from 53 days. However, the deterioration in debtors' days from 61 days to 80 days is less than satisfactory and is receiving stringent focus from Jasco's senior financial team. The increase is mainly as a result of the short term funding required for a major mobile network rollout in South Africa. The impact on the balance sheet is expected to continue into the second half.

The statement of cash flows reflects the utilisation of cash to fund the debtors' position. The net inflow from financing activities reflects the increase on the mortgage on the group's head office property in anticipation of funding the FerroTech acquisition. Accordingly, Jasco's net short term borrowings increased from R16,9 million at the start of the period to R38,4 million at the period end.

Subsequent events

With effect from 1 January 2012, the group acquired Ferro Resonant Technologies (Pty) Limited ("FerroTech"), a provider of specialised power solutions, products and services. The purchase consideration of R13 million cash will be settled in stepped payments by 30 June 2012. This acquisition secures Jasco's entry into the strategic power assurance market by adding power optimisation to Jasco's portfolio and allows the group to be a single partner for client requirements. The historic PE ratio is 4,8 times. It is expected to be earnings enhancing from the start.

There are no other material subsequent events to report.

Operational overview

Introduction

As reported at the year-end results in September 2011, Jasco was restructured into three verticals – Information and Communications Technology (ICT) Solutions, Industry Solutions and Energy Solutions – to ensure a more integrated business development and customer focus. ICT Solutions contains the telecommunications and information technology businesses of Jasco and Spescom, as well as the telecommunications arm of associate M-TEC. Industry Solutions contains the Security business and the recently acquired FerroTech, with Energy Solutions containing Electrical Manufacturers and Lighting Structures, as well as the energy arm of M-TEC.

The divisional operating results are therefore disclosed on the basis of the new segments.

Divisional performance

ICT Solutions – 66% of group consolidated revenue

ICT Carrier Solutions

Revenue increased by 50% to R286,9 million (2010: R191,0 million) due to the successful integration of the Jasco and Spescom Carrier businesses. The group saw extensions to contracts from its fixed-line customers and initial success from Broadcast Solutions. Spend by the major mobile operators was slow, with only a few actively increasing their networks in South Africa. M-TEC's telecommunications arm saw a pleasing improvement in its contribution. Carrier's aggregated operating profit (including M-TEC's contribution) of R23,1 million was up 80% (2010: R12,9 million) and the operating margin improved from 6,8% to 8,1%. The consolidated operating profit (excluding M-TEC) of R21,8 million was up 49%, with operating margin down to 9,6% from 10,4% on a change in sales mix and business development investments.

ICT Enterprise Solutions

Revenue increased to R102,6 million (2010: R2,8 million) following the inclusion of the majority of Spescom's businesses to this part of Jasco. Spend by most of the corporate customers was subdued, although there were some volumes from financial and retail sectors. The defensive nature of the large annuity revenue base in Enterprise Communications cushioned the slowdown in spend. Operating profit for the period was R5,4 million (2010: R1,9 million loss).

As expected, the group's Enterprise Applications business continued to underperform, with operating profit marginally better than break-even. In response to this, the business and management teams were right-sized and the business was integrated into Enterprise Communications. The group is anticipating improved customer order flows into the second half. The operating profit of this division was therefore

impacted by once-off restructuring costs of R1,2 million, which resulted in the margin of 5,3%.

Maringo reduced its losses compared to the same period last year from R1,9 million to R1,1 million. It has also been fully integrated in the Enterprise Communications business unit, with the impact of improved customer orders to flow through in the second half.

Industry Solutions – 12% of group consolidated revenue

The Industry Solutions vertical delivered an improved performance in a difficult market where major projects continued to be occasional. Revenue increased by 4% to R60,4 million (2010: R57,9 million) and operating profit increased by 19% to R4,6 million (2010: R3,9 million). The entry into fire solutions contributed to the revenue growth in this period. Margins remained under pressure in a competitive environment, although it did improve from 6,7% to 7,6% on the back of cost savings.

Energy Solutions – 22% of consolidated group revenue

This vertical showed a pleasing improvement. Revenue increased by 25% to R66,5 million (2010: R53,1 million) due to an improvement by M-TEC. Although Energy Solutions' operating profit increased by 20% to R28,8 million (2010: R24,1 million), the operating margin was impacted by labour strikes during July at all production facilities and the factory move at Electrical Manufacturers. The operating margin at the end of the period was 4,3% (2010: 4,5%).

The overall improved performance of M-TEC was mainly due to strong volumes in the Aluminium plant, combined with Jasco and the new management team's focus on increased efficiencies. This was somewhat offset by continued production and product issues at M-TEC's Power Cable plant.

Consolidated revenue (excluding M-TEC) of R108,1 million is 10% down on the R120,6 million in the comparative period. The consolidated operating profit of R10,9 million was down 25% and operating margin was down to 10,1% from 12,1% due to the lower production which impacted sales volumes. Lighting Structures, in particular, was hard hit by a combination of the July strikes and steel supply shortages in the first half, coupled with lower sales.

Prospects

The newly restructured Jasco has laid the foundation for its future growth. Further cost savings are set to be extracted from the business, such as the benefits from rightsizing and the impact of merged businesses and lower compliance and other costs.

The benefits of operating as an integrated group, with clear verticals focused on targeted customer segments, have only started to kick in, with the medium and longer term outlook positive and several strategic opportunities in the short term. The group's sales initiatives have already improved through a focused performance and delivery culture and the start of cross-selling initiatives.

The group's bolt-on acquisition plan is on schedule, without sacrificing focus on organic growth and addressing problem areas in the business.

In the ICT Solutions vertical, the group will continue to focus on growing market share in the mature Carrier space. The vertical has already experienced increased orders from current and new clients due to a more focused sales offering. In the Enterprise business, the benefits of a lower cost base due to rightsizing in a tough market will flow through in the second half, with the aim to extract value from those customers where spend is taking place. The high level of annuity income in Enterprise Communications through ongoing service level agreements will continue to provide some protection in the medium term.

The second vertical, Industry Solutions, also has an established annuity income base to ensure stability. The focus in the near future will be on completing the group's entry into the fire solutions market and to expand the Jasco offering nationally. The group's diversification into other sectors outside of financial services has had some success, with the mining sector being a short term focus due to some spend taking place in this area. The entry into the power optimisation market through the acquisition of FerroTech will complement Jasco's offering, while Industry Solutions will continue to expand its offering in building management.

The Energy Solutions vertical will continue to drive its strategy of bolt-on acquisitions to position Jasco as a Tier 2 solutions provider in transmission, distribution and balance of plant business. In the next six months, the focus within M-TEC will be on ensuring that remaining problems are addressed in the Power Cable plant and to grow market share aggressively by moving the sales and marketing office closer to customer locations. A new Taihan technical and operations team has been deployed to South Africa, which is expected to result in further production and operational improvements. Lighting Structures will target municipalities through transmission and distribution contractors, as well as actively driving supplier agreements with renewable independent power producers (IPPs). The relocation and integration of the factories within Electrical Manufacturers will allow for increased production capacity, reliable power supply and improved operational efficiencies over the next six months.

As outlined at the last reporting period, management has taken strong action in terms of ensuring strategic delivery, with the focus over the next six months to be on M-TEC and Enterprise Applications, extracting further cost savings and improving working capital management.

The group remains committed to ensuring earnings enhancement through both organic and acquisitive growth, whilst improving the return on equity on a sustainable basis.

Any forecast or forward looking information included in this announcement has not been reviewed and reported on by the company's independent auditors.

Basis of preparation

The unaudited results comply with IAS 34 – Interim Financial Reporting. The accounting policies and methods of computation used in the preparation of this report are consistent with those used in the preparation of the annual financial statements for the year ended 30 June 2011, which comply with the International Financial Reporting Standard ("IFRS"), the Listings Requirements of the JSE Limited and the Companies Act (2008) of South Africa.

Changes to the board

The Jasco board thanks Mrs Noriah Sepuru, the former Group Company Secretary, for her dedication and service to the company during her tenure. The Jasco board also wishes to extend a warm welcome to Ms Shireen Lutchan who joined Jasco as the Group Company Secretary with effect from 5 January 2012.

Dividend

In line with the group's annual policy, the board has not declared an interim dividend.

For and on behalf of the board

Dr ATM Mokgokong (Non-executive chairman) **AMF da Silva** (Chief executive officer) **WA Prinsloo** (Financial director)

6 February 2012

Summarised consolidated statements of comprehensive income

| (R'000) | Note | Unaudited Dec 2011 6 months | Unaudited Dec 2010 6 months | % change | Audited June 2011 12 months |
|---|------|-----------------------------|-----------------------------|----------|-----------------------------|
| Revenue | | 493 940 | 317 934 | 55,4 | 773 038 |
| Turnover | | 490 855 | 313 431 | 56,6 | 763 498 |
| Interest received | | 3 085 | 4 503 | (31,5) | 9 540 |
| Operating profit before interest and taxation | | 20 569 | 15 875 | 29,6 | 28 802 |
| Interest received | | 3 085 | 4 503 | (31,5) | 9 540 |
| Interest paid | | (9 276) | (7 636) | 21,5 | (17 972) |
| Equity accounted income from associates | | 4 937 | 1 012 | 387,8 | 4 506 |
| Profit before taxation | | 19 315 | 13 754 | 40,4 | 24 876 |
| Taxation | | (8 057) | (6 963) | 15,7 | (11 356) |
| Profit for the period/year | | 11 258 | 6 791 | 65,8 | 13 520 |
| Other comprehensive income | | 625 | – | – | 316 |
| Total comprehensive income for the period/year | | 11 883 | 6 791 | 65,8 | 13 836 |
| Profit attributable to: | | | | | |
| – minority shareholders | | 2 177 | 3 694 | (41,1) | 3 994 |
| – equityholders of the parent | | 9 081 | 3 097 | 193,2 | 9 526 |
| Profit for the period/year | | 11 258 | 6 791 | 65,8 | 13 520 |
| Total comprehensive income attributable to: | | | | | |
| – minority shareholders | | 2 177 | 3 694 | (41,1) | 3 994 |
| – equityholders of the parent | | 9 706 | 3 097 | 213,4 | 9 842 |
| Profit for the period/year | | 11 883 | 6 791 | 75,0 | 13 836 |

Reconciliation of headline earnings

| | | | | |
|--|-------|----------|-------|----------|
| Net earnings attributable to equityholders of the parent | 9 081 | 3 097 | 193,2 | 9 526 |
| Headline earnings adjustments | 584 | 803 | | 7 664 |
| – Fair value adjustment on disposal of associate | – | – | | 2 787 |
| – Gain on bargain purchase | – | – | | 31 932 |
| – Spescom | – | (31 714) | | (31 714) |
| – Impairment of M-TEC | – | 31 932 | | 31 932 |
| – Impairment of trade names | – | – | | 4 353 |
| – Loss on disposal of fixed assets | 584 | 585 | | 306 |

Headline earnings

| | | | | |
|--|---------|---------|--------|---------|
| | 9 665 | 3 900 | 147,8 | 17 190 |
| Number of shares in issue ('000) | 146 399 | 114 509 | | 128 226 |
| Treasury shares ('000) | 5 599 | 2 952 | | 5 481 |
| Weighted average number of shares on which earnings per share is calculated ('000) | 140 801 | 111 557 | | 122 745 |
| Diluted earnings per share (cents) | 6,4 | 2,7 | 138,9 | 7,8 |
| Headline earnings per share (cents) | 6,9 | 3,5 | 96,1 | 14,0 |
| Diluted headline earnings per share (cents) | 6,9 | 3,3 | 108,0 | 14,0 |
| Dividend per share – interim (cents) | – | 3,0 | | 3,0 |
| Dividend per share – final (cents) | – | – | | 2,5 |
| Net asset value per share (cents) | 189,9 | 226,1 | (16,0) | 229,5 |
| Net tangible asset value per share (cents) | 123,5 | 155,4 | (20,5) | 148,3 |
| Debt:Equity (%) | 47,5 | 48,1 | | 43,8 |
| Interest cover (times) | 4,1 | 5,4 | (23,7) | 4,9 |

Note:
1. In terms of the Jasco Share Option Scheme as set out in the circular dated 31 May 2007, an additional 4 990 786 shares can be issued to the CEO provided certain profit targets are met.

Directors

Dr ATM Mokgokong (Non-Executive Chairman), MJ Madungandaba (Non-Executive Deputy Chairman), JC Farrant (Lead Independent Non-Executive), Dr J Rothbart (Non-Executive), JA Sherry (Non-Executive), M Malebye (Independent Non-Executive), H Moolla, (Independent Non-Executive), AMF da Silva (CEO), WA Prinsloo (CFO) (Executives), S Lutchan (Group Company Secretary)

Registered office

Jasco Park, C/O 2nd Road & Alexandra Avenue, Midrand, 1685

Transfer secretaries

Link Market Services SA (Pty) Ltd, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001

Sponsor

Grindrod Bank Limited, Building 3, 1st Floor, North Wing, Commerce Square, 39 Rivonia Road, Corner Helling Road, Sandton 2156

More information is available at: www.jasco.co.za

Summarised consolidated statements of financial position

| (R'000) | Unaudited Dec 2011 | Unaudited Dec 2010 | Audited Jun 2011 |
|-------------------------------------|--------------------|--------------------|------------------|
| ASSETS | 436 566 | 441 856 | 449 504 |
| Non-current assets | 105 691 | 98 658 | 102 685 |
| Property, plant and equipment | 185 035 | 175 816 | 180 098 |
| Investment in associates | 114 598 | 101 402 | 114 355 |
| Intangibles | 6 830 | 21 366 | 23 383 |
| (Net) deferred tax asset | 24 412 | 44 594 | 28 983 |
| Other financial assets | | | |
| Current assets | 313 913 | 317 459 | 304 999 |
| Inventories | 74 421 | 85 816 | 79 824 |
| Trade and other receivables | 239 492 | 173 859 | 196 989 |
| Taxation prepaid | – | 6 410 | 6 385 |
| Cash and cash equivalents | – | 51 374 | 21 801 |
| Total assets | 750 479 | 759 315 | 754 503 |
| EQUITY AND LIABILITIES | 346 611 | 339 660 | 343 198 |
| Share capital and reserves | 150 554 | 157 545 | 153 565 |
| Non-current liabilities | 149 333 | 134 972 | 136 253 |
| Interest bearing liabilities | 1 221 | 5 027 | 1 292 |
| Deferred maintenance revenue | – | 17 546 | 16 200 |
| Deferred tax liability | | | |
| Current liabilities | 253 314 | 262 110 | 257 740 |
| Interest bearing liabilities | 15 160 | 28 333 | 14 655 |
| Bank overdraft | 38 414 | 31 931 | 38 735 |
| Non-interest bearing liabilities | 197 088 | 195 622 | 199 167 |
| (Net) taxation liability | 2 652 | 6 224 | 5 183 |
| Total equity and liabilities | 750 479 | 759 315 | 754 503 |

Summarised consolidated statement of change in equity

| (R'000) | Unaudited Dec 2011 6 months | Unaudited Dec 2010 6 months | Audited Jun 2011 12 months |
|---|-----------------------------|-----------------------------|----------------------------|
| Attributable to equity holders of the parent | 323 363 | 280 132 | 280 132 |
| Opening balance | – | 44 008 | 44 008 |
| Share capital to be issued | – | (15) | 1 016 |
| Treasury shares - Share Incentive Trust | (3 187) | – | (8 100) |
| Transactions between shareholders | 600 | 600 | (189) |
| Share based payment reserve | 10 331 | 3 097 | 9 842 |
| Total Comprehensive income | 9 706 | 3 097 | 9 526 |
| – Profit for the period/year | 625 | – | 316 |
| – Other comprehensive income | (3 195) | (3 435) | (3 346) |
| Dividends declared | 327 912 | 324 387 | 323 363 |
| Closing balance | | | |
| Minority interests | 19 835 | 11 579 | 11 579 |
| Opening balance | – | – | (3 838) |
| Subsidiaries acquired during the period/year | (3 313) | – | 8 100 |
| Transactions between shareholders | 2 177 | 3 694 | 3 994 |
| Total comprehensive income | 2 177 | 3 694 | 3 994 |
| – Profit for the period/year | – | – | – |
| – Other comprehensive income | – | – | – |
| Dividends paid to subsidiaries | 18 699 | 15 273 | 19 835 |
| Closing balance | 346 611 | 339 660 | 343 198 |

Summarised consolidated statement of cash flows

| (R'000) | Unaudited Dec 2011 6 months | Unaudited Dec 2010 6 months | Audited Jun 2011 12 months |
|--|-----------------------------|-----------------------------|----------------------------|
| Cash generated from operations before working capital changes | 33 077 | 21 938 | 49 066 |
| Working capital changes | (38 674) | (22 517) | (46 086) |
| Cash (utilised in)/generated from operations | (5 597) | (579) | 2 980 |
| Net financing costs | (6 191) | (3 133) | (8 432) |
| Net taxation paid | (3 670) | (11 667) | (22 572) |
| Dividends paid | (3 195) | – | (3 346) |
| Cash flow from operating activities | (18 653) | (15 379) | (31 370) |
| Cash flow from investing activities | (10 586) | 51 088 | 41 173 |
| Cash flow from financing activities | 7 759 | (11 627) | (22 098) |
| (Decrease)/Increase in cash resources | (21 480) | 24 082 | (12 295) |

Summarised segmental reports

| (R'000) | 31 Dec 2011 (Unaudited) | | 31 Dec 2010 (Unaudited) | | 30 June 2011 (Audited) | |
|------------------|-------------------------|--------------------------|-------------------------|--------------------------|------------------------|--------------------------|
| | Revenue | Operating profit/(loss)* | Revenue | Operating profit/(loss)* | Revenue | Operating profit/(loss)* |
| ICT – Carrier | 286 931 | 23 090 | 190 956 | 12 850 | 426 705 | 23 231 |
| ICT – Enterprise | 102 638 | 5 354 | 2 843 | (1 867) | 121 640 | 11 213 |
| Energy Solutions | 60 381 | 4 626 | 57 859 | 3 902</ | | |