

Reviewed results for the year ended 28 February 2006 and further cautionary announcement

- Revenue up 31%
- Net profit before tax up 61%
- Earnings per share up 61%
- Headline earnings up 70%
- 50% increase in final dividend payment to 9 cents



Introduction

The Board of directors have pleasure in presenting the reviewed results for the year ended 28 February 2006. The increase in headline earnings of 70% to 27,7 cents per share and increase in earnings of 61% to 26,2 cents per share cements Jasco's return to earnings growth.

These results are in line with the trading update issued on 10 March 2006 and incorporate the effect of the conversion to International Financial Reporting Standards ("IFRS") from 1 March 2004. The adoption of IFRS has not had a material impact on Jasco's headline earnings. The effect on earnings and the balance sheet are fully disclosed under the section headed Adoption of International Financial Reporting Standards.

Results

In line with Jasco's stated strategy of continuously increasing organic growth, it is pleasing to report a 31% increase in revenue to R334,4 million (2005: R254,8 million). 2,5% of this growth came from an improvement in selling prices, whilst 28,5% came from an increase in volumes. Increased efficiencies resulted in an improvement in operating margin before interest paid from 8,8% to 9,1% this year, whilst net profit before taxation grew by 61,2% to R27,3 million (2005: R16,9 million).

After providing for taxation, together with the impact of lower interest paid, headline earnings per share increased by 70% to 27,7 cents per share (2005: 16,3 cents per share).

The higher levels of profitability improved the net tangible asset value per share by 16,4 cents per share on the prior year to 100,8 cents. This represents an increase of 19,4%.

The group continued to generate cash from operations. Despite funding the sharp increase in organic growth, cash generated from operations as a percentage of operating profit before net financing costs was 83,2%, which is in line with our internal target of 85%. Working capital reflects an increase in inventories to optimal levels as a result of the higher revenue.

The R23,4 million cash generated from the operations was utilised to pay dividends of R4,2 million, taxation of R1,1 million, a R2,7 million investment to improve annuity based income in the Security division and an investment in infrastructure of R4,3 million. The majority of the infrastructure spend was incurred in additions and refurbishing by Webb Industries and Special Cables to improve the efficiencies and increase the capacity of their manufacturing assets. After the repayment of non-current debt of R0,9 million, cash resources increased by R9,4 million to R14,7 million, compared to cash on hand of R5,3 million at the end of the corresponding year.

Operational review

All three divisions continued to grow and improve operating profits.

Telecommunications

The Telecommunications division continues to focus on the provision of solutions, products and services to telecommunications network operators through a combination of in-house products and strategic products sourced on an exclusive basis from leading overseas suppliers.

The division consists of three operations: **Webb Industries, Telescences and Tasslelane.**

The telecommunications division remains the biggest contributor to both group revenue and profits and showed a pleasing improvement in profitability. Revenue increased by 32,5% to R192,0 million. The contribution to group revenue remained stable at 57%, whilst the contribution to operating profit from operating divisions increased from 54,8% to 60,3% or R23,4 million. Operating margins increased from 10,7% to 12,2%.

The increase in revenue and operating profit was achieved through continued strong performances from Webb Industries and improved performances from our acquisitions of three years ago, namely Telescences and Tasslelane. Through these acquisitions, Jasco positioned itself as a black controlled entity, able to benefit from the increased spending in the telecommunications sector experienced during this year. This was supported by our increase in product lines to supplement the current offering.

As reported at our interim results presentation, the revenue from the traditional Mast and Towers business that historically contributed approximately 20% of the Webb Industries business unit, continued to suffer from the impact of the strong Rand and rising local steel prices. To ensure that we can continue to profitably offer the Mast and Towers product range to our customer base, we have concluded a strategic partnership with LeBLANC Communications to merge our Mast and Towers business with their telecommunication tower operation. The cost saving benefits from the sourcing of steel by the combined operation will improve margins and the merged business will also be able to offer our clients an expanded range of products.

Manufacturing

Special Cables operates from a factory in KwaZulu-Natal where it manufactures and assembles wire harnesses and plastic moulded components for large domestic appliances. The division also manufactures niche automotive control units/sub assemblies.

Manufacturing's revenue increased by 19,3% to R85,9 million (2005: R72,0 million) for the year under review. The continued growth resulted from the healthy economic environment, the increase in product lines and the electrification of previously neglected areas.

Operating profit increased by 8,4% to R11,6 million (2005: R10,7 million), which represented 29,9% of group operating profit from operating divisions. Operating margins decreased to a still healthy 13,5% (2005: 14,8%) due to lower price increases and higher than inflation rate increases in international commodity prices. However, we are pleased to report that the margin achieved exceeded our internal targets.

We are in the final stages of acquiring a small manufacturing business that will increase our capacity and product range. This business will be incorporated into Special Cables and will be instrumental in expanding our market and client base in the future.

Security

This division operates as three stand-alone business units, namely **Multivid, Scaffel and Aerocom.** These units offer electronic security solutions as integrators of stand-alone and integrated closed circuit television networks (CCTV), access control, pneumatic tube and alarm monitoring systems.

Security continued its recovery, with an 81,0% increase in profits to R3,8 million (2005: R2,1 million). Contribution to group operating profits increased from 7,5% in the corresponding period to 9,8%. Contribution to revenue increased to 16,4% (2005: 14,3%), indicating progress towards our business objective of a 25% contribution from Security to total revenue.

Revenue increased to R54,6 million, 50,6% up from the corresponding year. The improvement in efficiencies from the increase in the revenue and synergies derived from the purchase of a long-term Full Service Provider contract resulted in an increase in operating margin to 7,0%. We purchased the contract for R2,7 million during the year under review to double the division's geographical reach into the Free State, Western, Eastern and Northern Cape regions and to almost double our annuity-based service revenue. Efficiencies have already improved from the increased workflow in those regions, through the utilisation of personnel, infrastructure and service capacity. New branches were opened in Bloemfontein and Port Elizabeth to service the Free State and the Eastern Cape regions and a formal presence in these regions allows us access to a broader customer base.

Prospects

It has been our stated intention to grow Jasco both organically and through strategic acquisitions. The success of the organic growth strategy is evidenced by the 31% growth in revenue and 61% growth in net profit before taxation. Prospects in all our operating divisions remain positive in an economic environment that is both sound and buoyant. Expenditure in the telecommunications sector is expected to remain strong, in line with the liberalisation taking place in this sector, whilst demand for electronic components from manufacturers of domestic appliances and automotive products in the local market remain at high levels. Improved operational efficiencies, as well as opportunities for further organic growth, support the continued recovery of the Security division. Finally, Government's recently announced commitment to infrastructure development creates strong opportunities for the group.

Jasco is therefore set to continue organic growth. The group has no gearing, which places it in a position to capitalise on relevant market opportunities as they arise. In the absence of any unforeseen circumstances, management expects further earnings growth in Jasco.

Strategic acquisition opportunities have been investigated during the year, but although a few minor acquisitions were made during the year and post year-end, no significant acquisitions have been concluded. The group is currently under a cautious as it is investigating certain meaningful acquisition opportunities. The group remains committed to implementing a responsible acquisition strategy that will lead to long-term growth in shareholder value.

Report of the independent auditors

The financial information contained in this announcement has been reviewed by Jasco's auditors, Ernst & Young Chartered Accountants (SA). A copy of the unmodified review report is available for inspection at Jasco's registered office. No material events have occurred between the end of the financial year and the date of the review report.

Dividends

In view of the ongoing improvement in Jasco's results and the generation of cash, the directors have resolved to increase this year's annual dividend. The final dividend (No. 15) of 9,0 cents per share represents an increase of 50% from the dividend paid last year. The dividend will, in terms of STRATE, be paid as follows:

Event	Date
Last day to trade (cum dividend)	Friday, 12 May 2006
Shares to commence trading (ex dividend)	Monday, 15 May 2006
Record date	Friday, 19 May 2006
Payment date	Monday, 22 May 2006

Shares may not be de-materialised or re-materialised between Monday, 15 May 2006 and Friday, 19 May 2006, both dates inclusive.

Further cautionary announcement

Jasco issued a cautionary announcement on 10 March 2006. Jasco shareholders are advised that discussions are still taking place which, if successfully concluded, may have an effect on the price of the company's shares.

Accordingly, Jasco shareholders are advised to continue exercising caution when dealing in their Jasco shares until a further announcement is made.

Presentation of results

In view of the cautionary, a detailed presentation of our results and growth strategy will only be hosted in about June this year.

Directors and Secretary

During the year under review, TB Rutstein and SH Robertson resigned from the Board of directors. MH Lotz resigned as Company Secretary to take up the position of Chief Operating Officer and TE Mashilwane was appointed in his place.

For and on behalf of the Board

Dr ATM Mokgokong	MJ Madungandaba	MH Lotz
(Non-Executive Chairperson)	(Chief Executive Officer)	(Chief Operating Officer)
20 April 2006		

Directors: Dr ATM Mokgokong (Chairperson), PS Chappanya†, FE Emary, JC Farrant, Dr JM Matsipa, JA Sherry (Non-Executives), MJ Madungandaba (CEO), MH Lotz (COO) (Executives)
† (Zimbabwean)

Registered office: Woodmead Park, 8 Saddle Drive, Woodmead 2157

Transfer secretaries: Ultra Registrars (Pty) Ltd, 11 Diagonal Street, Johannesburg 2001

Further details can be found on our website www.jasco.co.za

Summarised consolidated income statements

	Reviewed 28 February	Restated 28 February	Change	
(R'000)	Note	2006	2005	
Revenue		334 402	254 782	31
Turnover		332 169	252 574	
Interest received		2 233	2 208	
Operating profit before interest paid and taxation		30 339	22 516	35
Interest paid		(3 025)	(5 580)	
Net profit before taxation		27 314	16 936	61
Taxation		(9 177)	(5 648)	
Profit for the year		18 137	11 288	61
Reconciliation of headline earnings		18 137	11 288	
Net earnings attributable to ordinary shareholders		18 137	11 288	
Headline earnings adjustments		1 046	-	
- impairment of goodwill		610	-	
- reversal of currency translation reserve		436	-	
Headline earnings		19 183	11 288	70
Number of shares in issue ('000)		69 431	69 431	
Treasury shares ('000)		119	217	
Number of shares on which earnings per share is calculated		69 312	69 214	
Number of shares on which diluted earnings per share is calculated	1	99 197	99 099	
Ratio analysis		18 137	11 288	
Attributable earnings		18 137	11 288	
Earnings per share (cents)		26,3	16,3	
Diluted earnings per share (cents)		18,3	11,4	
Headline earnings per share (cents)		27,7	16,3	
Diluted headline earnings per share (cents)		19,3	11,4	
EBITDA		33 442	24 504	
Net asset value per share (cents)		154,3	134,2	
Net tangible asset value per share (cents)		100,8	84,4	
Dividend per share - final (cents)		9,0	6,0	
Debt:Equity (%)		-	-	
Interest cover (times)		31,7	6,0	

Note: 1. These shares relate to our BEE acquisition of Tasslelane (Pty) Ltd from Community Investment Holdings (Pty) Ltd and will only be issued in March 2008, provided certain profit targets have been met.

Summarised consolidated balance sheets

	Reviewed 28 February	Restated 28 February
(R'000)	2006	2005
ASSETS		
Non-current assets	62 911	62 286
Plant and equipment	17 441	17 605
Intangibles	37 071	34 480
Deferred tax asset	8 395	10 016
Loans	4	185
Current assets	111 252	74 537
Inventories	41 202	25 571
Trade and other receivables	55 370	43 681
Cash and cash equivalents	14 680	5 285
Total assets	174 163	136 823
EQUITY AND LIABILITIES		
Share capital and reserves	106 944	92 871
Non-current liabilities	1 497	1 976
Interest bearing liabilities	1 198	1 677
Non-interest bearing liabilities	299	299
Current liabilities	65 722	41 976
Interest bearing liabilities	341	542
Non-interest bearing liabilities	65 381	41 434
Total equity and liabilities	174 163	136 823

Statements of changes in equity

	Reviewed 28 February	Restated 28 February
(R'000)	2006	2005
Opening balance	92 871	82 104
Share premium	(300)	-
Treasury shares - Share incentive Trust	(84)	(465)
Loss on translation of foreign subsidiary	161	(93)
Reversal of currency translation reserve	436	-
Share based payment reserve	56	37
Profit for the year	18 137	11 288
Dividends paid	(4 166)	-
Closing balance	106 944	92 871

Summarised consolidated cash flow statements

	Reviewed 28 February	Restated 28 February
(R'000)	2006	2005
Cash generated from operations	23 371	26 417
Net financing costs	(792)	(3 372)
Net taxation paid	(1 144)	-
Dividends paid	(4 166)	-
Cash flow from operating activities	17 269	23 045
Cash flow from investing activities	(7 012)	(3 130)
Cash flow from financing activities	(862)	414
Increase in cash resources	9 395	20 329

Summarised segmental reports

(R'000)	Telecoms division	Manuf. division	Security division	Sub total operating divisions	Other	Total
28 February 2006 (Reviewed)						
Revenue	191 956	85 925	54 629	332 510	1 892	334 402
Operating profit *	23 436	11 632	3 801	38 869	(8 530)	30 339
28 February 2005 (Restated)						
Revenue	144 919	72 010	36 286	253 215	1 567	254 782
Operating profit *	15 469	10 668	2 105	28 242	(5 726)	22 516

* Operating profit of the operating divisions excludes interest paid or received and is stated before making adjustments for inter-group interest and administration fees.

Adoption of International Financial Reporting Standards

IFRS impact

Introduction

In line with the listing requirements of the JSE Limited, Jasco is adopting International Financial Reporting Standards (IFRS) with effect from 1 March 2005. As the group publishes comparative information for one year in its financial statements, the date for transition to IFRS is effectively 1 March 2004, which represents the start of the earliest period of comparative information presented.

The adoption of IFRS had no material effect on the headline earnings. However, because IFRS no longer permits the amortisation of goodwill, earnings were materially affected by R5,0 million.

Basis of presentation

The abridged financial statements have been prepared in terms of IFRS applicable at 28 February 2006. Reconciliations and descriptions of the effect of the transition from SA GAAP to IFRS on the group's equity, financial position and net profit are provided.

Transitional arrangements

The group's annual financial statements for the year ended 28 February 2006 will be the first set of annual financial statements that comply with IFRS. The group has applied IFRS 1 (First time adoption of International Financial Reporting Standards) in preparing these abridged financial statements.

The group's transition date is 1 March 2004. The group's opening balance sheet at that date has been restated to reflect all existing IFRS statements applicable at 28 February 2006.

At the transition date, IFRS 1 allows a number of exemptions to this retrospective application principle on adoption of IFRS.

Reconciliation of balance sheet at 28 February 2005

(R'000)	Note	Previously stated	Adjustments in respect of IAS 17	Previous GAAP	Effect of transition to IFRS	Restated IFRS
ASSETS						
Non-current assets						
Plant and equipment	1,2	55 396	2 071	57 467	4 819	62 286
Intangibles	3	10 819	1 792	12 611	4 994	17 605
Deferred tax asset	5	33 157	-	33 157	1 323	34 480
Loans		11 235	279	11 514	(1 498)	10 016
		185	-	185	-	185
Current assets						
Inventories		74 436	101	74 537	-	74 537
Trade and other receivables	4	25 571	-	25 571	-	25 571
Cash and cash equivalents		43 580	101	43 681	-	43 681
		5 285	-	5 285	-	5 285
Total assets		129 832	2 172	132 004	4 819	136 823
EQUITY AND LIABILITIES						
Share capital and reserves		88 702	(650)	88 052	4 819	92 871
Non-current liabilities						
Interest bearing liabilities	2	305	1 671	1 976	-	1 976
Non-interest bearing liabilities		6	1 671	1 677	-	1 677
		299	-	299	-	299
Current liabilities						
Interest bearing liabilities	2	40 825	1 151	41 976	-	41 976
Non-interest bearing liabilities	4	285	257	542	-	542
		40 540	894	41 434	-	41 434
Total equity and liabilities		129 832	2 172	132 004	4 819	136 823

Notes to the reconciliation of the balance sheet at 28 February 2005

- IAS 16 - Revaluation of residual values in plant and equipment
- IAS 17 - Restatement of operating leases as finance leases
- IAS 36/IFRS 3 - Reversal of amortisation and accounting for impairment of goodwill
- IAS 17 - Straight-lining of operating leases
- Deferred tax adjustments on the above restatements.

Reconciliation of equity for the year ended 28 February 2005

(R'000)	IFRS restated year ended 28 February	IFRS transition date 1 March
Equity as previously reported - SA GAAP	2005	2004
	88 702	83 025
	4 169	(921)