- Revenue from continuing operations up 10%
 - Headline earnings per ordinary share up 137%
- Net asset value of 712 cents per share



Abridged unaudited financial results for the six months ended 31 December 2012

Condensed consolidated statement of changes in equity

| Condensed consolidated statement of comprehensive income | | | | |
|--|---|---|--|--|
| Continuing exerctions | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 (Restated) | Audited Year-end 30 Jun 2012 R000 | |
| Continuing operations Revenue Cost of sales | 1 806 727 (1 569 033) | 1 646 714 (1 400 092) | 3 502 543 (3 002 190) | |
| Gross profit Other income Foreign currency losses Distribution, administrative and other operating expenses | 237 694 2 037 (14 964) (174 291) | 246 622 14 078 (64 071) (156 449) | 500 353 17 980 (47 813) (333 591) | |
| Profit from operations Investment revenues Finance costs Other losses Share of profit of associates | 50 476 2 280 (12 954) | 40 180 2 043 (10 593) 155 | 136 929 4 668 (25 337) (5 613) 1 686 | |
| Profit before tax Income tax expense | 42 476 (10 738) | 31 785 (7 920) | 112 333 (32 515) | |
| Profit for the period from continuing operations Discontinued operations | 31 738 | 23 865 | 79 818 | |
| Profit (loss) for the period from discontinued operations | 1 773 | (1 094) | (2 019) | |
| Profit for the period | 33 511 | 22 771 | 77 799 | |
| Other comprehensive income Exchange profits on translation of foreign operations | 1 605 | 9 707 | 7 883 | |
| Other comprehensive income for the period, net of tax | 1 605 | 9 707 | 7 883 | |
| Total comprehensive income for the period | 35 116 | 32 478 | 85 682 | |
| Profit (loss) attributable to: Owners of the parent Non-controlling interest | 34 158 (647) | 23 010 (239) | 80 181 (2 382) | |
| | 33 511 | 22 771 | 77 799 | |
| Total comprehensive income attributable to: Owners of the parent Non-controlling interest | 35 032 84 | 30 969 1 509 | 86 196 (514) | |
| | 35 116 | 32 478 | 85 682 | |
| Earnings and dividend per share (cents) Weighted number of ordinary shares in issue Ordinary shares in issue Dividend per ordinary share From continuing and discontinued operations | 108 436 464 108 433 165 17,00 | 108 849 751 108 677 165 17,00 | 108 831 677 108 469 165 17,00 | |
| Headline earnings per ordinary share Basic earnings per ordinary share From continuing operations | 31,75 31,50 | 13,40 21,14 | 70,15 73,67 | |
| Headline earnings per ordinary share Basic earnings per ordinary share From discontinued operations | 29,52 29,27 | 14,18 21,92 | 71,37 74,89 | |
| Headline earnings per ordinary share Basic earnings per ordinary share | 2,23 2,23 | (0,79) (0,79) | (1,22) (1,22) | |
| Reconciliation between basic and headline earnings Basic earnings attributable to owners of the parent Group's share of loss (profit) on disposal of property, plant | 34 158 | 23 010 | 80 181 | |
| and equipment Impairment of distribution right | 274 — | (8 427) | (7 762) 3 445 | |
| Non-controlling interest in impairment of distribution right Impairment of associate and other loans | | | (1 688) 2 168 | |
| Headline earnings from continuing and discontinued operations Less Group's share of (profit) loss for the period from | 34 432 | 14 583 | 76 344 | |
| discontinued operations | (2 420) | 855 | 1 325 | |
| Headline earnings from continuing operations Basic earnings attributable to owners of the parent Less Group's share of (profit) loss for the period from | 32 012 34 158 | 15 438 23 010 | 77 669 80 181 | |
| discontinued operations | (2 420) | 855 | 1 325 | |
| Basic earnings from continuing operations Net asset value per share (cents) | 31 738 712,07 | 23 865 645,72 | 81 506 696,73 | |

Condensed consolidated statement of financial position

| | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 (Restated) | Audited Year-end 30 Jun 2012 R000 |
|---|---|--|--|
| ASSETS Non-current assets Property, plant and equipment Intangible assets Investments in associates Other investments and loans Deferred tax asset | 119 702 60 656 6 262 31 770 14 333 232 723 | 119 884 63 513 10 207 31 735 16 458 241 797 | 122 625 60 240 8 737 31 733 15 666 239 001 |
| Current assets Inventories Trade and other receivables Foreign currency assets Tax assets Bank balances and cash | 843 863 709 823 11 018 95 847 1 660 551 | 692 722 707 649 7 505 8 818 111 081 1 527 775 | 773 619 596 447 14 389 666 224 413 1 609 534 |
| Assets classified as held for sale | 307 719 | 274 308 | 268 664 |
| TOTAL ASSETS | 2 200 993 | 2 043 880 | 2 117 199 |
| EQUITY AND LIABILITIES Capital and reserves Ordinary share capital Ordinary share premium Retained earnings Non-distributable reserve Foreign currency translation reserve Equity attributable to owners of the parent | 868 117 048 655 379 809 (1 983) 772 121 | 870 118 495 582 484 809 (913) 701 745 | 868 117 257 639 655 809 (2 857) 755 732 |
| Non-controlling interest | 18 510 | 20 449 | 18 426 |
| Total equity | 790 631 | 722 194 | 774 158 |
| Non-current liabilities Long-term borrowings Deferred tax liabilities | 6 670 2 320 | 240 426 4 787 | 4 712 2 409 |
| | 8 990 | 245 213 | 7 121 |
| Current liabilities Short-term borrowings Trade and other payables Provisions Foreign currency liabilities Deferred income Tax liabilities Bank overdrafts | 287 047 775 298 7 910 8 206 29 116 4 446 58 995 | 1 110 664 649 8 375 3 625 25 521 6 598 164 600 | 143 160 930 255 13 593 2 585 28 078 3 963 20 055 |
| | 1 171 018 | 874 478 | 1 141 689 |
| Liabilities directly associated with assets classified as held for sale | 230 354 | 201 995 | 194 231 |
| Total liabilities | 1 410 362 | 1 321 686 | 1 343 041 |
| TOTAL EQUITY AND LIABILITIES | 2 200 993 | 2 043 880 | 2 117 199 |

| | Ordinary share capital R000 | Ordinary share premium R000 | Retained earnings R000 | Non- distributable reserve R000 | Foreign currency translation reserve R000 | Attributable to owners of the parent R000 | Non- controlling interest R000 | Total R000 |
|--|--------------------------------------|--------------------------------------|------------------------------|--|---|--|---|---|
| Balance at 30 June 2011 | 877 | 122 823 | 576 181 | 2 725 | (8 872) | 693 734 | 18 940 | 712 674 |
| Profit for the period | _ | _ | 23 010 | _ | _ | 23 010 | (239) | 22 771 |
| Other comprehensive income | _ | _ | _ | _ | 7 959 | 7 959 | 1 748 | 9 707 |
| Recognition of share-based payments | - | 26 | - | - | _ | 26 | _ | 26 |
| Dividends paid | - | - | (18 623) | - | _ | (18 623) | _ | (18 623) |
| Realisation of non-distributable reserve on disposal of fixed assets | - | - | 1 916 | (1 916) | - | - | - | - |
| Buy back of shares | (7) | (4 354) | — | — | _ | (4 361) | — | (4 361) |
| Balance at 31 December 2011 | 870 | 118 495 | 582 484 | 809 | (913) | 701 745 | 20 449 | 722 194 |
| Profit for the period | _ | _ | 57 171 | _ | _ | 57 171 | (2 143) | 55 028 |
| Other comprehensive income | - | - | _ | - | (1 944) | (1 944) | 120 | (1 824) |
| Recognition of share-based payments | - | 27 | - | - | - | 27 | - | 27 |
| Buy back of shares | (2) | (1 265) | — | _ | _ | (1 267) | _ | (1 267) |
| Balance at 30 June 2012 Profit for the period Other comprehensive income Dividends paid Buy back of shares | 868 | 117 257 | 639 655 34 158 | 809 | (2 857) | 755 732 34 158 874 (18 434) (209) | 18 426 (647) 731 — — | 774 158 33 511 1 605 (18 434) (209) |
| Balance at 31 December 2012 | 868 | 117 048 | 655 379 | 809 | (1 983) | 772 121 | 18 510 | 790 631 |

Condensed segment analysis

| | Total | | Mus | tek | Rec | tron | Comztek | | Gro | oup | Elimina | ations |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Business segments | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 (Restated) | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 (Restated) |
| Revenue | 1 806 727 | 1 646 714 | 1 095 439 | 1 093 614 | 827 645 | 606 447 | _ | _ | _ | - | (116 357) | (53 347) |
| EBITDA* Depreciation and amortisation | 59 213 (8 737) | 49 895 (9 715) | 39 339 (5 548) | 37 608 (5 916) | 27 457 (3 189) | 17 680 (3 799) | | | (7 583) — | (5 393) — | | |
| Profit (loss) from operations Investment revenues Finance costs Share of profit of associates | 50 476 2 280 (12 954) 2 674 | 40 180 2 043 (10 593) 155 | 33 791 3 224 (7 516) — | 31 692 4 427 (4 750) — | 24 268 1 530 (5 438) — | 13 881 1 185 (5 843) — | | | (7 583) 427 (2 901) 2 674 | (5 393) 194 (3 763) 155 | (2 901) 2 901 — | (3 763) 3 763 — |
| Profit (loss) before tax Income tax (expense) benefit | 42 476 (10 738) | 31 785 (7 920) | 29 499 (7 861) | 31 369 (9 361) | 20 360 (5 693) | 9 223 (1 025) | | - | (7 383) 2 816 | (8 807) 2 466 | | |
| Profit (loss) for the period from continuing operations Discontinued operations Profit (loss) for the period from | 31 738 | 23 865 | 21 638 | 22 008 | 14 667 | 8 198 | - 2 186 | - | (4 567) | (6 341) | - | _ |
| discontinued operations Profit (loss) for the period | 33 511 | (1 094) 22 771 | 21 638 | 22 008 | (413) 14 254 | (443) | 2 186 | (651) (651) | (4 567) | (6 341) | | _ |
| Attributable to: | 33 511 | 22 / / / | 21 030 | 22 008 | 14 234 | 7 7 55 | 2 100 | (1 CO) | (4 567) | (0 341) | _ | _ |
| Owners of the parent Non-controlling interest | 34 158 (647) | 23 010 (239) | 21 638 — | 22 008 — | 14 460 (206) | 7 977 (222) | 2 627 (441) | (634) (17) | (4 567) | (6 341) — | | |
| | 33 511 | 22 771 | 21 638 | 22 008 | 14 254 | 7 755 | 2 186 | (651) | (4 567) | (6 341) | _ | _ |
| *Earnings before interest, taxation, dep | reciation and am | ortisation. | | | | | | | | | | |

| | Total | | South Africa | | Mustek East Africa | | Rectron Australia | | Comztek Africa | |
|--|---|---|---|---|---|---|---|---|---|---|
| Geographical segments | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 (Restated) | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 (Restated) | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 (Restated) | Unaudited 6 months 31 Dec 2012 R000 | Unaudited 6 months 31 Dec 2011 R000 (Restated) |
| Revenue | 1 806 727 | 1 646 714 | 1 784 133 | 1 627 570 | 22 594 | 19 144 | _ | - | - | - |
| Profit (loss) before tax Income tax (expense) benefit | 42 476 (10 738) | 31 785 (7 920) | 42 763 (10 958) | 32 033 (7 994) | (287) 220 | (248) 74 | | | | _ |
| Profit (loss) for the period from continuing operations Discontinued operations | 31 738 | 23 865 | 31 805 | 24 039 | (67) | (174) | - | - | - | - |
| Pofit (loss) for the period from discontinued operations | 1 773 | (1 094) | (194) | (623) | _ | | (413) | (443) | 2 380 | (28) |
| Profit (loss) for the period | 33 511 | 22 771 | 31 611 | 23 416 | (67) | (174) | (413) | (443) | 2 380 | (28) |
| Attributable to: Equity holders of the parent Minority interest | 34 158 (647) | 23 010 (239) | 31 955 (344) | 23 429 (13) | (67) | (174) | (207) (206) | (221) (222) | 2 477 (97) | (24) (4) |
| | 33 511 | 22 771 | 31 611 | 23 416 | (67) | (174) | (413) | (443) | 2 380 | (28) |

Commentary

10. Operating result

Condensed consolidated cash flow statement

| | Unaudited | Unaudited | Audited |
|---|------------------------------------|---|---|
| | 6 months | 6 months | Year-end |
| | 31 Dec | 31 Dec | 30 Jun |
| | 2012 | 2011 | 2012 |
| | R000 | R000 | R000 |
| Operating activities Cash receipts from customers Cash paid to suppliers and employees | 2 025 874 (2 300 666) | 1 678 544 (1 959 239) | 3 983 731 (3 863 800) |
| Net cash (used in) from operations Investment revenues received Finance costs paid Dividends received Dividends paid Income taxes paid | (274 792) 2 921 (16 667) | (280 695) 2 916 (14 844) (18 623) (6 662) | 119 931 5 591 (34 241) 788 (18 623) (28 844) |
| Net cash (used in) from operating activities | (326 527) | (317 908) | 44 602 |
| Net cash used in investing activities | (2 360) | (23 291) | (37 188) |
| Net cash from financing activities | 199 119 | 304 665 | 65 196 |
| Net (decrease) increase in cash and cash equivalents | (129 768) | (36 534) | 72 610 |
| Cash and cash equivalents at beginning of the period | 268 397 | 195 787 | 195 787 |
| Cash and cash equivalents at the end of the period | 138 629 | 159 253 | 268 397 |

www.mustek.co.za

Mustek is a limited liability company incorporated and domiciled in South Africa. The main business of Mustek, its subsidiaries, joint ventures and associates is the assembling, marketing and distribution of ICT (Information Communication Technology) products and services.

2. Statement of compliance

These abridged financial statements for the six months ended 31 December 2012 are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to interim financial reporting (IAS 34), the Listings Requirements of the JSE Limited and the Companies Act of South Africa.

3. Accounting policies

The accounting policies applied in the preparation of these abridged unaudited financial results, which are based on reasonable judgements and estimates, are in accordance with IFRS. These are consistent with those applied in the annual financial statements for the year ended 30 June 2012.

4. Audit report

Neither the consolidated financial results for the six months ended 31 December 2012, nor this set of summarised financial information has been audited by the Group's auditors, and thus no audit report was issued.

5. Corporate governance

The Group subscribes to and complies in all material aspects with the Code on Corporate Governance Practices and Conduct as contained in the King III Report on Corporate Governance.

6. Transformation

Management has continued to meaningfully extend its initiatives in employment equity, skills development and corporate social investment during the period. The Group is committed to a process of further transformation and economic empowerment of its stakeholders, such that an acceptable balance between the operatives and commercial benefits of such a process can be achieved, thereby ensuring the sustainability of the Group in a competitive market sector.

7. Board of directors

In order to comply with rule 3.84(j) of the Listings Requirements of the JSE Limited, which requires an arms-length relationship between the company secretary and the board of directors, Neels Coetzee relinquished the role of company secretary with effect from 1 November 2012 and the board appointed Sirkien van Schalkwyk as the company secretary with effect from 1 November 2012

No other changes were made to the board during the period under review. Total remuneration paid to directors for the six months under review amounted to R4,1 million (31 December 2011: R3,8 million) and share-based payments of R0,8 million (31 December 2011: Rnil) were expensed relating to directors

8. Discontinued operations

The comparative figures have been restated to show the results of the discontinued operations separately. On 28 August 2012, management reported that it is their intention to dispose of land in KwaZulu-Natal, the Group's share in Comztek Holdings (Proprietary) Limited ("Comztek") and Rectron Australia BV within the next 12 months. The sale of Comztek to Datatec Limited was announced on 30 November 2012 subject to certain conditions precedent. Shareholders will be informed as soon as the transaction becomes unconditional. The land in KwaZulu-Natal was disposed for its book value of R11,9 million and is in the process of being transferred.

The profit (loss) for the period from discontinued operations is as follows

| | 31 Dec 2012 | 31 Dec 2011 |
|---|-------------|------------------------------------|
| Revenue | 373 343 | 317 126 |
| Cost of sales | (327 334) | (275 622) |
| Gross profit Other income Foreign currency profits Distribution, administrative and other operating expenses | 46 009 | 41 504 379 1 206 (40 439) |
| Profit from operations | 8 348 | 2 650 |
| Investment revenue | 641 | 873 |
| Finance cost | (3 713) | (4 252) |
| Profit (loss) before tax | 5 276 | (729) |
| Income tax expense | (3 503) | (365) |
| Profit (loss) for the period | 1 773 | (1 094) |
| Plus loss attributable to outside shareholders | 647 | 239 |
| Group's share of profit (loss) for the period from discontinued operations | 2 420 | (855) |

9. Cash flow

Inventory and receivables increased in line with historic trends while revenue growth and the weaker Rand also contributed to the R274,8 million cash used in operations (31 December 2011: R280,1 million). This was funded by our long-term borrowing facilities and is expected to reverse in the period through to June 2013, in line with historic trends.

Revenue from continuing operations improved by 10% to R1,807 billion (31 December 2011: R1,647 billion). The revenue growth was supported mainly by the addition of the Acer and Lenovo product ranges.

The group expanded its basket of products with the introduction of multiple additions to the product portfolio offering, including Huawei Enterprise Solutions and the Miniflex range of fibre cables, as well as solar panels

Despite the significant depreciation in the external value of the Rand during the reporting period, foreign currency losses reduced significantly through the adoption of an active hedging programme designed to contain severe volatilities in the exchange rate, adding to profit from operations. The improved contribution from our associates arose from higher levels of activity. Focus on optimal working capital management continues. Inventory build-up in anticipation of an improved order book in the next quarter, as well as higher exchange rates, boosted the value of inventory holdings.

Mustek's headline earnings from continuing operations increased to 29,52 cents per share (31 December 2011: 14,18 cents per share) and basic earnings per share from continuing operations are 29,27 cents per share (31 December 2011: 21,92 cents per share).

The transition in the CEO leadership with the appointment of Ms Lindi Shortt at subsidiary Rectron proceeds apace, with increased revenues of 36% from continuing operations. Rectron has also regained the historical profitability levels previously earned, and is positioned to deliver on its continued recovery.

11. Retirement benefit plan

The Mustek Group Retirement Fund is a defined contribution fund and payments to the plan are expensed as they fall due. The majority of the group's employees belong to this fund. The Group does not provide additional post-retirement benefits.

12. Industry outlook

There is ongoing industry debate around the future of the "desktop". Our view, premised on our ongoing interactions with our customers and this rapidly changing industry, is that the desktop will continue to transition into different formats based on evolving market trends and customer requirements. A manifestation of this is the increasing uptake of the "All-in-One" format, proving popular in the banking and public sector markets due to its lower Total Cost of Ownership and security benefits for the large percentage of desk bound employees in these environments

We are also continuing with our research and development into new product offerings that have both potential markets and growth into the foreseeable future.

13. Company outlook

The company is focusing on increasing volumes as it remains a driver of performance across our operations. Considering vertical sector potential in 2013, significant growth opportunities lie in the education, health and security industries, as well as the solar energy space.

For some time, skeptics have argued that the PC will be replaced with newer devices such as the tablet (mobile device). Apple dominates this form factor and Mustek was excluded from this growth opportunity. However, statistics indicate that the other brands are catching up and Apple is steadily losing its tablet dominance. We believe that Mustek will become a key player in the local tablet market for the other brands. Over the next few years, this is likely to be a positive revenue driver.

It became even more apparent that the use of tablets will play an increasing role in education in the future. Mustek undertook considerable research into the merits of these particular devices, but also how these tools can best be used in the classroom. Whereas tablets are taking the education world by storm outside of South Africa (and Africa), locally there is still some work to be done to extol the value of tablets and how they can improve teaching and learning. 2013 presents a great platform to maximise this opportunity.

We recently launched a Cloud offering for the channel that includes a micro-billing system to support the transition from a transactional sale to an annuity model.

We have also experienced another year of strengthening our strategic partner network within the industry. Mustek was heavily involved with the Microsoft launch of Windows 8. 2013 is the year that players within this industry will be exploring possibilities within the framework of the devices and applications spaces.

14. Dividend

Da Cł

The declaration of cash dividends will continue to be considered by the board in conjunction with an evaluation of current and future funding requirements, and will be adjusted to levels considered appropriate at the time of declaration. Mustek's continued commitments to optimal cash utilisation will mean that cash generated by the operations will be used to fund our growth and reduce our debt. In line with the dividend policy, no interim dividend will be paid.

15. Post balance sheet events

There have been no significant events subsequent to year-end up until the date of this report that requires adjustment or disclosure.

On behalf of the board of directors

| avid Kan | Neels Coetzee | 21 February 2013 |
|------------------------|--|------------------|
| hief Executive Officer | Financial Director (preparer of abridged Group results) | |

Corporate information: www.mustek.co.za Company secretary: Sirkien van Schalkwyk Transfer secretaries: Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 PO Box 61051, Marshalltown, 2107, South Africa. Telephone: +27 (0) 11 370-5000 Registered office: 322 15th Road, Randjespark, Midrand, 1685 Postal address: PO Box 1638, Parklands, 2121 Contact numbers: Telephone: +27 (0) 11 237-1000 Facsimile: +27 (0) 11 314-5039





Email: Itd@mustek.co.za Sponsor: Deloitte & Touche Sponsor Services (Pty) Ltd