

Incorporated in the Republic of South Africa

JSE share code: MMG

ISIN: ZAE000034435

Registration number 1998/003821/06

"MICROmega" or "the group" or "the company"

106%
INCREASE IN HEADLINE EARNINGS PER SHARE

135%
INCREASE IN CASH FLOW FROM OPERATIONS

65%
INCREASE IN NET ASSET VALUE PER SHARE

75%
INCREASE IN DIVIDENDS PER SHARE

Performance indicator compared to the 31 December 2013 reviewed 12-month period

MICROmega

HOLDINGS LIMITED

**PROVISIONAL AUDITED CONDENSED ANNUAL CONSOLIDATED RESULTS
FOR THE YEAR ENDED 31 MARCH 2015**

CONDENSED GROUP STATEMENT OF PROFIT AND LOSS

	Audited 12 months ended 31 March 2015 R'000	Audited 15 months ended 31 March 2014 R'000	Reviewed 12 months ended 31 December 2013 R'000
Revenue	1 035 683	907 532	731 716
Cost of sales	(576 068)	(549 241)	(457 987)
Gross profit	459 615	358 291	273 729
Other net income/(expenses)	16 590	119 237	36 058
Distribution expenses	(4 170)	(5 692)	(4 280)
Administrative expenses	(306 093)	(304 337)	(230 299)
Results from operations	165 942	167 499	75 208
Finance income	5 041	6 450	4 993
Finance cost	(1 767)	(5 026)	(4 187)
Share of profit of equity accounted associate	1 978	1 392	1 336
Profit before tax	171 194	170 315	77 350
Tax expense	(44 823)	(33 051)	(22 495)
Profit for the period	126 371	137 264	54 855
Profit attributable to:			
Owners of the parent	110 653	134 135	51 190
Non-controlling interest	15 718	3 129	3 665
	126 371	137 264	54 855
Attributable earnings per share (cents):			
Basic	101,27	130,44	48,88
Diluted	99,45	128,37	48,08
Headline	101,30	62,91	49,29

CONDENSED GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME

	Audited 12 months ended 31 March 2015 R'000	Audited 15 months ended 31 March 2014 R'000	Reviewed 12 months ended 31 December 2013 R'000
Profit for the period	126 371	137 264	54 855
Other comprehensive income			
Foreign currency translation differences	1 461	1 175	592
Revaluation of property	(2 500)	-	-
Reversal of deal difference reserve	(1 000)	-	-
Income tax on other comprehensive income	465	-	-
Total comprehensive income for the period	124 797	138 439	55 447
Total comprehensive income attributable to:			
Owners of the parent	109 079	135 310	51 782
Non-controlling interests	15 718	3 129	3 665
	124 797	138 439	55 447

RECONCILIATION OF HEADLINE EARNINGS

	Audited 12 months ended 31 March 2015 R'000	Audited 15 months ended 31 March 2014 R'000	Reviewed 12 months ended 31 December 2013 R'000
Profit attributable to the owners of the parent	110 653	134 135	51 190
(Profit) / loss on disposal of property, plant and equipment	(68)	24	(228)
Bargain purchase	-	(68 023)	-
Impairment of intangible assets	95	-	-
Reversal of impairment of loans receivable	-	(3 504)	-
Loss on disposal of investments in subsidiaries and businesses	-	653	653
Impairment of loans receivable	-	1 405	-
Headline earnings	110 680	64 690	51 615
Weighted average number of shares (000s)	109 265	102 830	104 727
Diluted weighted average number of shares (000s)	111 270	104 493	106 492
Total number of shares in issue (000s)	111 504	105 184	100 817

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Audited As at 31 March 2015 R'000	Audited As at 31 March 2014 R'000	Reviewed As at 31 December 2013 R'000
Assets			
Non-current assets			
Property, plant and equipment	58 711	47 718	47 231
Intangible assets	432 242	305 760	103 141
Investments in associate	12 857	10 879	10 000
Other investments	283	208	192
Other financial assets	-	9 167	-
Deferred tax asset	36 486	40 349	47 959
	540 579	414 081	208 523
Current Assets			
Inventories	28 377	13 292	2 607
Income tax receivable	8 251	7 455	-
Other financial assets	15 891	7 668	12 619
Trade and other receivables	239 225	142 581	110 428
Cash and cash equivalents	147 885	108 846	126 685
	439 629	279 842	252 339
Total Assets	980 208	693 923	460 862
Equity and Liabilities			
Equity			
Share capital and share premium	266 203	207 666	167 578
Other reserves	6 261	5 590	6 319
Retained earnings	330 218	240 863	155 930
	602 682	454 119	329 827
Non-controlling interest	68 991	50 150	(29)
Non-current Liabilities			
Other financial liabilities	11 371	11 491	10 898
Deferred vendor payments	13 333	3 484	3 484
Deferred tax liabilities	48 421	42 252	3 772
	73 125	57 227	18 154
Current Liabilities			
Trade and other payables	166 674	117 364	64 315
Other financial liabilities	3 101	4 351	4 610
Income tax payable	9 688	6 863	18 925
Deferred vendor payments	55 947	3 849	25 060
	235 410	132 427	112 910
Total Equity and Liabilities	980 208	693 923	460 862
Net asset value per share (cents)	540,50	431,74	327,15
Net tangible asset value per share (cents)	152,86	141,05	224,85

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Audited 12 months ended 31 March 2015 R'000	Audited 12 months ended 31 March 2014 R'000	Reviewed 12 months ended 31 December 2013 R'000
Balance at the beginning of the period	504 269	308 049	308 049
Profit for the period	126 371	137 264	54 855
Other comprehensive income	(1 574)	1 175	592
Transactions with owners, recorded directly in equity	42 607	58 664	(32 790)
Changes in ownership interest in subsidiaries	-	(883)	(908)
Balance at the end of the period	671 673	504 269	329 798

CONDENSED GROUP STATEMENT OF CASH FLOW

	Audited 12 months ended 31 March 2015 R'000	Audited 12 months ended 31 March 2014 R'000	Reviewed 12 months ended 31 December 2013 R'000
Cash generated by operating activities excluding working capital changes	151 541	74 129	64 563
Working capital changes	(47 845)	(7 249)	(41 795)
Cash flow from investing activities	(70 981)	(46 837)	(11 669)
Cash flow from financing activities	6 324	(18 924)	7 859
Increase in cash and cash equivalents	39 039	1 119	18 958
Cash and cash equivalents at beginning of the period	108 846	107 727	107 727
Cash and cash equivalents at end of the period	147 885	108 846	126 685

NOTES TO THE GROUP FINANCIAL INFORMATION

1. Basis of preparation
These provisional audited condensed annual consolidated financial statements for the year ended 31 March 2015 are prepared in accordance with the framework concepts and the recognition and measurement criteria of International Financial Reporting Standards (IFRS), its interpretations adopted by the International Accounting Standards Board (IASB), the presentation and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, IAS 34 – Interim Financial Reporting, the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa (Act 71 of 2008), as amended. The provisional audited condensed annual consolidated financial statements are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS. The provisional audited condensed annual consolidated financial statements have been prepared under the supervision of Russell Dick, CA(SA), the Financial Director and have been audited by the company's auditors.

The provisional audited condensed annual consolidated financial statements are extracted from audited information and are available for inspection at the company's registered office.

The directors take full responsibility for the preparation of the report and confirm the financial information has been correctly extracted from the underlying audited annual consolidated financial information. All financial information presented in South African Rand has been rounded to the nearest thousand.

2. Significant accounting policies
These provisional audited condensed annual consolidated financial statements have been prepared using accounting policies that comply with IFRS. The accounting policies used are consistent with those used in the audited consolidated financial statements for the period ended 31 March 2014.

3. Audit opinion
The annual condensed consolidated financial statements were audited by the group's auditors, Nexia SAB&T, and their unqualified audit report is available for inspection at the group's registered office.

4. Business combinations
Mubesko Africa Proprietary Limited
On 1 June 2014, the group acquired a 50% interest in Mubesko Africa (Pty) Ltd for a consideration of R27.4 million. Goodwill to the value of R20.7 million was accounted for. The net assets acquired amounted to R13.4 million and a non-controlling interest of R6.7 million was recognised.

Action Training Academy Proprietary Limited and Action Training Consulting Proprietary Limited
On 1 September 2014, the group acquired 100% interest in Action Training Academy (Pty) Ltd and Action Training Consulting (Pty) Ltd for a consideration of R28.9 million. Goodwill to the value of R25.6 million was accounted for. The net assets acquired amounted to R3.3 million.

R-Data Proprietary Limited
On 1 October 2014, the group acquired 100% interest in R-Data (Pty) Ltd for a consideration of R12.9 million. Goodwill to the value of R9.8 million was accounted for. The net assets acquired amounted to R3.1 million.

Aspirata Auditing Testing and Certification Proprietary Limited
On 1 March 2015, the group acquired 100% interest in Aspirata Auditing Testing and Certification (Pty) Ltd for a consideration of R41.8 million. Goodwill to the value of R21.5 million was accounted for. The net assets acquired amounted to R20.3 million.

The fair value of assets acquired and liabilities assumed relating to the above business combinations are subject to change should additional information become available within the 12 month re-measurement period from date of acquisition.

5. Corporate governance
MICROmega has embraced the recommendations of the King III Report on governance and strives to provide reports to shareholders that are timely, accurate, consistent and informative.

6. Subsequent events
No other significant events have occurred in the period between the reporting date and the date of this report.

7. Segment analysis

	Audited 12 months ended 31 March 2015 R'000	Audited 15 months ended 31 March 2014 R'000	Reviewed 12 months ended 31 December 2013 R'000
Segment revenue			
Occupational health and safety	333 253	330 426	274 807
Labour supply	264 071	340 431	279 645
Information technology	399 605	205 215	144 863
Financial services	38 378	33 162	28 152
Holding company and consolidation eliminations	376	(1 702)	4 249
	1 035 683	907 532	731 716
Segment profit/(loss)			
Occupational health and safety	65 545	59 303	45 042
Labour supply	2 125	11 988	10 035
Information technology	59 123	24 701	17 547
Financial services	5 672	1 750	2 960
Holding company and consolidation eliminations	(21 812)	36 393	(24 394)
	110 653	134 135	51 190
Segment assets			
Occupational health and safety	409 512	358 769	186 100
Labour supply	60 566	67 605	59 440
Information technology	283 969	183 433	123 776
Financial services	71 914	61 426	59 495
Holding company and consolidation eliminations	154 247	22 690	32 051
	980 208	693 923	460 862

8. Cash dividend
Notice is hereby given that the directors have declared a final gross cash dividend of 35 cents for the financial year ended 31 March 2015, which is adjusted for withholding tax. The final dividend has not been included as a liability in these provisional condensed annual consolidated financial statements, as it was declared subsequent to year end.

The final dividend for March 2015 is payable to all shareholders on the Register of Members on Friday, 19 June 2015.

9. Commentary on results
We are pleased to have delivered another year of well above market growth in earnings and dividends. Our ongoing strategy of substantially investing in our own intellectual product continues to benefit us in our chosen market segments. This has greatly enhanced our client retention and the preservation of strong margins.

It is especially gratifying to have increased our cash flow from operations at an even greater rate than the more than doubling of headline earnings. This enabled us to increase our dividend by 75%. Cash-based earnings are the holy grail for any business and it is a great testimony to the group operational executives that they have been able to achieve this while simultaneously meeting the demanding growth targets that have been set.

At this time, in the new financial year, we have some visibility into our likely performance. We are confident that we will generate above average growth in headline earnings and dividends again this year.

By order of the board (28 May 2015)		Company Secretary RJ Viljoen
Directors:		Auditors Nexia SAB&T
DC King	(Executive Chairman)	
IG Morris	(Chief Executive Officer)	
RB Dick	(Financial Director)	
DSE Carlisle	(Executive Director)	
DA Di Siena	(Independent Non-Executive Director)	
		Transfer Secretaries Computershare Investor Services Proprietary Limited
PH Duvenhage	(Non-Executive Director)	
TW Hamill	(Non-Executive Director)	
GE Jacobs	(Independent Non-Executive Director)	
RC Lewin	(Non-Executive Director)	
AB Swan	(Lead Independent Non-Executive Director)	
		Sponsor Merchantec Capital
		Attorneys Di Siena