Iquad Group Limited
(Incorporated in the Republic of South Africa)
(Previously Indevco Holdings (Proprietary) Limited)
Registration number: 2004/025177/06
Share code: IQG
ISIN: ZAE000101622
("Iquad" or "the Company")

Reviewed financial results for the year ended 29 February 2008 of Iquad and its subsidiaries (Group)

Highlights and commentary

Investment incentives

The solid improvements in this division can largely be ascribed to the improved operating efficiency achieved by the Department of Trade and Industry (DTI). The relationship between industry consultants and the DTI has improved progressively over the past twelve months due in part to the efforts of the Incentive Consultants Association (ICA). Although the Small Medium Enterprise Development Programme (SMEDP) was suspended in August 2006, there is still a strong pipeline of future revenue through to 2012 from this programme.

We are excited about the launch of the Enterprise Growth Programme (EGP) which has been identified as the replacement incentive scheme to the SMEDP to promote growth and investment in general manufacture and tourism. In terms of Government's National Industrial Policy framework, this new scheme is due to be launched in April 2008 and represents an excellent opportunity to expand our marketing efforts and build a valuable pipeline of new projects and future fee income. The EGP incentive is scheduled to run for a six year term from 2008 to 2014.

The MIDP export incentive programme has been the subject of a well publicised review process which started in 2005. During the past financial year Government pledged their support for a replacement incentive programme that would be World Trade Organisation (WTO) compliant and would provide for benefits at similar levels to those currently experienced by the industry.

Although a formal announcement on the future of the MIDP is only expected to be made in August 2008, it is widely expected that the MIDP will continue in its current form until the scheduled termination date of 2012. We do not foresee any substantial change to our prospects in terms of the MIDP up to 2012, and are confident that whatever new programme is implemented thereafter will present opportunities for our Group.

Global trade services

Robust organic growth has led to solid growth in turnover and profits despite some losses in a start-up operation in Australia. The improvement in turnover can be ascribed primarily to growth of the client base. The ratio of annuity to performance income continues to top 70%, and we expect this trend to continue.

Our duty draw-back division had solid organic growth, with an increase in the number of clients serviced in excess of 25%. Particularly pleasing was the diversification away from a dependence on the motor industry.

We have identified the outsourcing of global trade functions as a significant growth opportunity for the year ahead and believe this is an area that is not being fully exploited in many medium to large businesses. Our service offering will involve the optimisation of the entire import/export value chain covering areas ranging from treasury, trade finance to logistics and legislative compliance (VAT and Customs). This service offering will be rolled out to current as well as prospective clients active in the import and export industry during the year ahead.

Business development

We expect recently established and newly acquired business units to significantly increase their respective contributions in the year ahead. We have plans to establish a specialised training company in the coming year.

Verification Services

Although growth in this division was very positive, the growth of our BEE Verification business has been hampered by delays in the finalisation of the process to accredit BEE Verification companies.

We are also expecting to diversify our product offerings in the audit arena, and to extend these offerings to a broader spectrum of industries.

Impacts of current macro-economic climate

While the recent volatility and weakening of the rand will be positive for our business, the higher interest rate environment and expected slowdown in growth may have a negative effect in the short term. In the longer term this environment could have a positive impact as Government may be inclined to increase incentives to encourage businesses to invest in new ventures and expand existing business.

Abridged consolidated income statements

	Reviewed 29 Feb 08 R'000	Audited 28 Feb 07 R'000
Revenue	62 353	47 636
Other operating income	12	17
Operating expenses	(39 712)	(29 047)
Income from associates	1 396	-
Operating profit	24 049	18 606
Interest received	1 748	566
Interest paid	(778)	(1 163)
Profit before taxation	25 019	18 009
Taxation	7 797	4 459
Profit after taxation for the year	17 222	13 550
Attributable as follows:		
Minority interest	305	716
Equity holders of company	16 917	12 834
	17 222	13 550

Earnings per share (cents)

Basic	65,5	56,1
Headline	65,5	56,0
Dividends per share (cents)		
Interim	10,0	9,0
Final (proposed)	20,0	11,0
	30,0	20,0
Number of shares (in thousands)		
In issue	27 396	22 937
Weighted average	25 842	22 872

Abridged consolidated balance sheets

	Reviewed 29 Feb 08 R'000	Audited 28 Feb 07 R'000
Assets		
Non-current assets	111 898	88 643
Property, plant and equipment	5 920	778
Goodwill	88 892	85 761
Intangible assets	281	39
Investment in associates	14 474	-
Investments	1	-
Deferred taxation	2 217	2 065
Amounts owing by related parties	113	-
Current assets	36 787	17 055
Work in progress	3 498	-
Trade and other receivables	15 887	8 746
Amounts owing by related parties	412	150
Taxation	575	1 262
Bank balances	16 415	6 897
Total assets	148 685	105 698
Equity and liabilities		
Equity and reserves	127 105	90 707
Issued ordinary capital	100 832	75 353
Foreign currency translation reserve	(168)	
Accumulated profits	25 746	14 511
Attributable to equity shareholders of the Company	126 410	89 864
Minority shareholders	695	843
Non-current liabilities	3 562	42
Shareholders' loans	3 262	-
Long-term liabilities	-	42
Deferred taxation	300	-

Current liabilities	18 018	14 949
Trade and other payables	12 589	13 534
Amounts owing to related parties	1 595	-
Current portion of long-term borrowings	49	65
Taxation	2 790	1 350
Provisions	995	-
Total equity and liabilities	148 685	105 698

Abridged consolidated cash flow statements

	Reviewed 29 Feb 08 R'000	Audited 28 Feb 07 R'000
Cash flows from operating activities	16 493	13 356
Cash generated from operating activities	21 507	20 681
Interest received	1 492	566
Interest paid	(587)	(1 163)
Taxation paid	(5 919)	(6 728)
Cash flows from investing activities	(30 242)	2 301
Expenditure to maintain operating capacity		
Property, plant and equipment acquired	(713)	(371)
Proceeds of disposals of property, plant and equipment	12	91
Expenditure for expansion		
Property, plant and equipment acquired	(4 752)	-
Intangible assets acquired	(68)	-
Subsidiaries acquired	(11 643)	2 581
Investment in associates	(13 078)	-
Cash flows from financing activities	23 267	(12 462)
Capital raised	29 062	1 276
Dividends paid	(6 181)	(6 522)
Shareholder loans repaid/(advanced)	3 457	(150)
Outside loans repaid	(3 071)	(7 066)
Increase in cash and cash equivalents	9 518	3 195
Cash and cash equivalents at beginning of the year	6 897	3 702
Cash and cash equivalents at end of the year	16 415	6 897

Abridged consolidated statement of changes in equity

	Attributable to equity shareholders of the Company R'000	Minority shareholders R'000	Total equity R'000
Balance 1 March 2006 - Audited	23 709	299	24 008
Issue of share capital	55 385	-	55 385
Net profit for the year	12 834	716	13 550
Dividends	(2 064)	(118)	(2 182)
Additional interest in subsidiaries	-	(54)	(54)
Balance 1 March 2007 - Audited	89 864	843	90 707
Issue of share capital	33 667	-	33 667
Treasury shares	(3 584)	-	(3 584)
Share buy-back	(4 605)	-	(4 605)
Net profit for the year	16 917	305	17 222
Dividends	(5 681)	(500)	(6 181)
Exchange differences on foreign subsidiaries	(168)	(263)	(431)
Acquisitions of subsidiaries	-	310	310
Balance 29 February 2008 - Reviewed	126 410	695	127 105

Notes to annual reviewed results

Basis of preparation and accounting policies
These annual financial results have been compiled in accordance with International Financial Reporting Standards (IFRS), and the disclosure requirements in terms of IAS 34. The accounting policies and critical accounting estimates and judgements applied to these financial statements are consistent with those applied for the year ended 28 February 2007, unless stated otherwise.

Independent review
The Company's auditors, PKF (PE) Inc, have reviewed the preliminary condensed financial statements for the year ended 29 February 2008. Their unqualified review report is available for inspection at the registered office of the Company.

Issue of share capital
On 8 August the Company issued 6 000 000 ordinary shares of R0,0001 each. The issue was by way of a private placement. The total premium on the share issue, less share issue expenses, amounted to R33 667 284.

Material subsequent events
On 1 March 2008 the company purchased a 60% interest in Entrepreneurs Survival Solutions (Pty) Ltd (ESS). The acquisition was done by way of a subscription for shares (13%) and by way of a sale of share (47%) from the existing shareholders. The total consideration payable is R7,8 million. The transaction is subject to certain conditions being met in respect of the audited annual financial statements of ESS, which at the date of publication of this report had not yet been finalised.

Property, plant and equipment

During the current period, property was acquired at a cost of R4,8 million which has been partly financed by an Absa bond and the balance by the Company's cash resources.

Inventory

During the year the Group adopted a new accounting policy for the measurement of work in progress. The Group has implemented a new customer management system, which enables management to measure the extent of deferred cost.

Dividends

The directors of IQuad are pleased to announce that they have declared a final dividend of 20 cents per share (interim 10 cents) on 27 March 2008.

The salient dates for the payment of this dividend are set out below:

Last day to trade cum dividend	Friday 11 April 2008
Trading ex dividend commences	Monday 14 April 2008
Record date	Friday 18 April 2008
Payment date	Monday 21 April 2008

Share certificates may not be dematerialised or rematerialised between Monday, 14 April 2008, and Friday, 18 April 2008, both dates included.

Segment report

The group is divided into five main operational segments:
- Holding Company
- Investment Incentives
- Global Trade Services (previously Treasury Risk Management)
- Business Development (previously Business Optimisation)
- Verification Services

Segment reports:	Segment revenue R'000	Segment profit before taxation R'000	Segment assets R'000
For the period ended 29 February 2008			
Holding company - internal customers	5 260	16 215	121 151
Holding company - external customers	-	-	-
Investment incentives	34 809	16 632	17 569
Global trade services - internal customers	211	-	-
Global trade services - external customers	20 262	6 378	19 028
Business development - internal customers	85	-	-
Business development - external customers	1 141	(611)	12 329
Verification services - internal customers	-	-	-

Verification services – external customers	5 867	2 887	4 774
	67 635	41 501	174 851
For the period ended 28 February 2007			
Holding company – internal customers	3 459	1 969	90 058
Holding company – external customers	–	–	–
Investment incentives	26 478	11 234	8 993
Global trade services	17 915	6 618	10 571
Business development – internal customers	–	–	–
Business development – external customers	813	9	500
Verification services – internal customers	–	–	–
Verification services – external customers	2 430	1 117	2 028
	51 095	20 947	112 150

Reconciliation of segment profit	29 Feb 08	28 Feb 07
	R'000	R'000
Total segment profit	41 501	20 947
Other profits	118	(1)
Elimination of intersegment profits	(16 600)	(2 937)
Net profit before income tax	25 019	18 009

Business combinations

During the year the Group acquired a controlling interest in a number of companies as follows:

On 1 May the Company acquired a 94,9% interest in the company IQuad Technologies (Pty) Ltd for R9 318 610 in cash to facilitate a 30% acquisition in Global Vision Information Technologies (Pty) Ltd.
On 1 January 2008, the Company purchased a 50% interest in IDEC (Pty) Ltd for a cash consideration of R2 640 422.

Acquisitions of subsidiaries	IDEC (Pty) Ltd	IQuad Technologies (Pty) Ltd	Other	Total
	R'000	R'000	R'000	R'000
Property plant and equipment	58	–	217	275
Intangible asset	–		158	158
Investments	–	9 809	79	9 888
Trade and other receivables	58	–	1 589	1 647
Cash and cash equivalents	412	–	49	461
Outside shareholders	–	(500)	191	(309)

Deferred taxation	-	-	-	-
Long-term liabilities	(528)	-	(2 308)	(2 836)
Trade and other payables	-	-	(233)	(233)
Taxation	-	-	-	-
Assets acquired	-	9 309	(258)	9 051
Goodwill	2 640	10	403	3 053
Purchase consideration	2 640	9 319	145	12 104
Cash and cash equivalents	(412)	-	(49)	(461)
Paid by issue of shares	-	-	-	-
Cash out/(in)flow on acquisition	2 228	9 319	96	11 643

For and behalf of the board

Trevor Hayter
(Chief Executive Officer)

Frans Botha
(Financial Director)

27 March 2008
Port Elizabeth

Registered Office: 5 Mangold Street, Newton Park, Port Elizabeth, 6045
Directors: TB Hayter (CEO), A Da Costa (Chairman)# *, P Malan #, DM Edwards, JM Whittle^, FJ Botha, S Cassiem #, PAG Wiese #
Non executive * Independent ^Alternate to DE Edwards
Transfer Secretaries: Computershare Investor Services 2004 (Pty) Ltd
Auditors: PKF PE Inc.
Designated Advisor: PSG Capital (Pty) Ltd