



SPANJAARD

Spanjaard Limited (Incorporated in the Republic of South Africa)
Registration number 1960/004393/06 Share code: SPA ISIN: ZAE000006938

CONDENSED AUDITED GROUP RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2008

CONSOLIDATED INCOME STATEMENT

	Year ended 29 February 2008 R'000	Year ended 28 February 2007 R'000
Revenue	84 457	78 874
Cost of sales	56 419	55 060
Gross profit	28 038	23 814
Operating expenses	21 373	21 106
Depreciation and amortisation	1 536	867
Profit from operations	5 129	1 841
Finance (cost)/income - net	(125)	(275)
Profit before tax	5 004	1 566
Income tax expense	(1 656)	(558)
Net profit	3 348	1 008
Number of ordinary shares in issue ('000)	8 143	5 700
Earnings per ordinary share		
- Based on a weighted average for the year of 7 410 million shares		
- basic and diluted (cents)	45.2	17.7
Dividend declared per ordinary share (cents)		
- dividend relating to the 2007 financial year	5.0	-
- final	10.0	2.0
Net asset value per share (cents)	408.9	443.6

CONSOLIDATED BALANCE SHEET

	29 February 2008 R'000	28 February 2007 R'000
Assets		
<i>Non-current assets</i>	18 052	20 195
Property, plant and equipment	18 052	19 567
Deferred tax assets	-	628
<i>Current assets</i>	34 614	23 250
Total assets	52 666	43 445
Equity and liabilities		
<i>Shareholders' equity</i>	33 293	25 284
Ordinary shares and premium	6 871	520
Reserves	26 422	24 764
Retained earnings	16 300	14 052
Foreign currency translation reserve	100	190
Revaluation reserve	10 022	10 522
<i>Non-current liabilities</i>	4 649	5 683
Borrowings	1 026	954
Deferred tax liabilities	3 623	4 729
<i>Current liabilities</i>	14 724	12 478
Interest bearing	202	938
Non-interest bearing	14 522	11 540
Total equity and liabilities	52 666	43 445

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 29 February 2008 R'000	Year ended 28 February 2007 R'000
Cash flows from operating activities	7 037	1 050
Cash flows from investing activities	(1 289)	(773)
Cash flows from financing activities	4 963	2 103
Net increase/(decrease) in cash and cash equivalents	10 711	2 380
Cash and cash equivalents at beginning of year	1 700	(680)
Cash and cash equivalents at end of year	12 411	1 700

SEGMENTAL INFORMATION

	Year ended 29 February 2008 R'000	Year ended 28 February 2007 R'000
<i>Segment sales</i>		
Lubricants	60 009	55 979
Metal powders	22 640	21 696
Other	1 808	1 199
	84 457	78 874
<i>Segment result</i>		
Lubricants	2 442	1 698
Metal powders	2 636	(225)
Other	51	368
	5 129	1 841

SUPPLEMENTARY INFORMATION

	Year ended 29 February 2008 R'000	Year ended 28 February 2007 R'000
Capital expenditure	1 396	825
Capital commitments	-	453

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Year ended 29 February 2008 R'000	Year ended 28 February 2007 R'000
Ordinary shares	407	285
Share premium	6 464	235
Reserves	26 422	24 764
Retained earnings at beginning of year	14 051	13 158
Foreign currency translation reserve	100	190
Net profit for the year	3 348	1 008
Revaluation reserve	10 022	10 522
Ordinary dividend	(1 099)	(114)
Total shareholders' equity	33 293	25 284

RECONCILIATION OF HEADLINE EARNINGS

	Year ended 29 February 2008 R'000	Year ended 28 February 2007 R'000
Net profit attributable to shareholders	3 348	1 008
Profit/(loss) on disposal of property, plant and equipment	(50)	(38)
Impairment loss	-	72
Headline earnings	3 298	1 042
Weighted average number of ordinary shares in issue ('000)	7 410	5 700
Headline earnings per ordinary share - basic and diluted (cents)	44.5	18.3

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, plant and machinery, financial assets and financial liabilities held-for-trading.

COMMENTARY

GENERAL REVIEW

Overall

We are pleased to report our highest ever net profit before tax of R5 million from ongoing operations.

This year Purple Capital Limited subscribed for 30% of the issued share capital in Spanjaard, which not only increased capital but brought significant experience into the Boardroom.

The appointment of Anthony Spanjaard as Managing Director in conjunction with our young, competent and motivated management team has resulted in significant benefits in the form of increased operating efficiency, improved working capital management, more stringent financial reporting and ultimately increased profitability for shareholders.

Robert Spanjaard continues as Executive Chairman with a primary focus on major development projects and acquisition opportunities.

HIGHLIGHTS

- Revenues up by 7% from R78,9 million to R84,5 million.
- Gross profit margins up from 30% to 33%.
- Net profit margins up from 1% to 4% of turnover.
- Headline earnings have increased more than 2,4 times from the previous year from 18,3 cents per share to 44,5 cents per share.
- Earnings per share have increased from 17,7 to 45,2 cents.
- Cash and cash equivalents improved from R1,7 million to R12,4 million. Of this increase R6,4 million represents the issue of the new shares to Purple Capital Limited, the remainder is the result of increased operating efficiencies and working capital management.

Our future focus is on growth, both organic and by way of appropriate acquisitions whilst maintaining the disciplined operating efficiency that the new management achieved.

Local sales have increased by 51% over the past two years, and the weakening Rand together with new distributor appointments bode well for the future of our international sales.

DIVIDEND

Final dividend (No. 15) of 10 cents per ordinary share was declared on 29 February 2008. The final dividend is payable to all shareholders of Spanjaard Limited recorded in the books of the company at the close of business on Friday, 16 May 2008. The last day to trade *cum* dividend will be Friday, 9 May 2008. Shares will commence trading *ex-dividend* from Monday, 12 May 2008. The dividend is payable on Monday, 19 May 2008. Shares may not be dematerialised / rematerialised between Monday, 12 May 2008 and Friday, 16 May 2008, both days inclusive.

AUDIT OPINION

Mazars Moores Rowland have audited the annual financial statements (and group annual financial statements) for the year ended 29 February 2008 and their unmodified audit report, together with their audit report on these condensed financial statements, is available for inspection at the company's registered office.

By order of the Board

ML Bond - Company Secretary

25 April 2008

Directors:

RJW Spanjaard (Executive Chairman), ARJ Spanjaard (Managing Director), MA Barnes*, BL Montgomery*, Dr DP van der Nest*, GF Cort, CA Gordon-Bennett *Non-executive

Transfer Secretaries:

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