POYNTING HOLDINGS LIMITED
Incorporated in the Republic of South Africa
(Registration Number: 1997/011142/06)
Share Code: POY ISIN: ZAE000121299
("Poynting" or "the Company" or "the Group")

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

DIRECTORS

Coen Bester*^ (Chairman), Andre Fourie (Chief Executive Officer), Juergen Dresel (Managing Director) (German), Johan Ebersohn (Financial Director), Zuko Kubukeli*^, Andries Mellet^

** Independent ^ Non-executive*

Registered Office: 33 Thora Crescent, Wynberg 2090
PO Box 76579, Wendywood 2144

Designated Adviser: Merchantec Capital

Company secretary: Merchantec Capital

HIGHLIGHTS:

- Earnings per share increased by 68.4% from 2.44 cents to 4.11 cents.
- Revenue increased by 27.4% from R41.9 million to R53.5 million.
- Exports contribution increased from 51.7% to 68.3% of Group revenues.
- Tangible Net Asset Value per share increased by 76.9% from 35.3 cents to 62.5 cents.
- Bank and cash balances increased by 224.7% from R11.4 million to R36.9 million as at 31 December 2013.
- PSG Private Equity Proprietary Limited ("PSG Private Equity") commits to R100 million investment. R25 million was paid to Poynting Holdings Limited ("Poynting") for the issue of 16 million Poynting shares, R23.7 million was paid to existing shareholders and R51 million is subject to the Preference Share Subscription Agreement on 4 March 2014 in terms of which PSG Private Equity will subscribe for, and Poynting agreed to issue, 20 400 000 redeemable, convertible preference shares of no par value, at a subscription price of R2.50 per Preference Share (Refer Subsequent Events).
- Poynting acquired 100% of the entire issued share capital of African Union Communications (Pty) Limited ("Aucom"). Aucom had an unaudited and unconsolidated turnover of R52.4 million and profit after tax of approximately R8.4 million for the interim period up to 31 December 2013 (Refer Subsequent Events).

INTRODUCTION

Poynting has two main operating entities: Poynting Antennas (Proprietary) Ltd ("Poynting Antennas") and African Union Communications (Proprietary) Limited ("Aucom").

Poynting Antennas designs, manufactures and supplies antennas and telecommunication products to the cellular, wireless data and defence markets, both within South Africa and internationally through its subsidiaries and partner companies. Poynting Antennas export markets primarily incorporate Europe, the United States of America ("USA"), the Middle East and Asia. Poynting Antennas operates as four divisions, namely Commercial, Defence, Cellular Coverage Solutions ("CCS") as well as Aucom.

The Defence Division is focused on the Electronic Warfare ("EW") market which comprises of monitoring jamming and direction-finding antennas. This division sells to military system integrators and specialised distribution partners. Close partnerships are created with customers and antennas are often custom-designed. The Defence Division has also integrated the products of Radiant Antennas Proprietary Limited ("Radiant Antennas") which was acquired in July 2012 and is generating sales from this new product range. These products have extended the Defence Division to the defence communication market whereas before we mainly serviced the EW market.

The Defence communication market is fundamentally much larger than the more specialised EW market and promises good growth opportunities. Strategically this expansion makes sense since the EW market demanded very broad bandwidth antennas and our EW antennas as well as the Commercial 3G antennas has provided Poynting with leading technology and knowhow to design and manufacture these broad bandwidth antennas. Technological advances in Defence Communications similarly demands increasingly broader bandwidth antennas in large quantities.

The combination of broadband antenna technology and know-how in mass producing 3G broadband antennas, together with Radiant Antennas existing mechanical and electrical designs place Poynting in an almost unique position to capitalise on supplying the Defence Communication market.

Subsequent to period end Aucom provides Digital TV (DTV) transmission infrastructure to African customers. Their business, simply stated, is to design, supply and install equipment which delivers DTV signals to consumer television. The input for their equipment is video signal "content" generated by broadcasters which needs to be digitised, compressed, combined, distributed and transmitted either using terrestrial transmitters or satellites. Aucom is a market leader in this area in Africa with decades of experience in the TV broadcasting industry and long term relationships with leading suppliers of DTV broadcasting manufacturers in Europe, USA and Asia.

Aucom generates about 50% of its business in South Africa and 50% in the rest of Africa although this ratio can vary year-by-year due to the large size of their typical projects. Their business growth is strongly fuelled by the "African Digital Migration" which is an International Telecommunications Union ("ITO") driven initiative to transform all analogue TV transmission to DTV by 2015. This migration is mandated by international treaties agreed to by all member states since DTV transmission technology does not work well unless all neighbouring countries convert to DTV together. DTV uses TV spectrum (frequencies) much more efficiently than analogue TV and 20 DTV channels "TV stations" can be transmitted in a single traditional analogue TV channel. DTV hence has potential to provide a huge increase in TV channels and potential for private and local broadcasters to easily provide content to media starved consumers in Africa. Another strong driver for the Digital Migration is that this more efficient use of TV spectrum means that large chunks of traditional TV channels will be reallocated to 4G/LTE operators which again will boost cellular data delivery in Africa. This is known as the "Digital Dividend" and is key to enable Africa to cross the so called "Digital Divide" which refers to the divide between people in the world with access to internet and those who do not have such access.

Poynting Antennas commercial antennas are used in cellular and 3G end-user equipment, as well as wireless data networks employing Wi-Fi, iBurst and WiMAX technologies. These antennas enable and enhance internet access, and increase throughput while also making data links reliable.

Poynting is currently investing in entering the cellular micro base station market and has established the CCS division for this purpose. CCS is fundamentally different from the Commercial Division which also supplies cellular voice and data solutions for end user equipment, while CCS products are aimed at the base station market and are developed to provide coverage to cellular network operators.

Poynting has a very strong Research and Development ("R&D") department of around 20 talented members, including PhD and MSc level engineers, who design the antennas, develop production methods, develop manufacturing plant (mainly moulds and stamping tools) and produce first prototypes.

RESULTS OVERVIEW

Shareholders are advised that the financial results of Aucom for the six months ended 31 December 2013 have not been included in Poynting's interim financial results.

- Group earnings before interest, taxes, depreciation and amortisation ("EBITDA") for six months increased by 36.6% from R6.4 million in December 2012 to R8.8 million in December 2013. The EBITDA number is the most representative indicator of profitability since our final earnings number includes amortisation and depreciation.
- Tangible Net Asset Value per share increased 76.9% from 35.3 cents to 62.5 cents between December 2012 and December 2013.
- The investment of PSG Private Equity in Poynting Holdings resulted in the bank and cash balances increasing by 224.7% from R11.4 million to R36.9 million as at 31 December 2013.

Performance was mainly driven by Defence Division's excellent results with profit after tax contribution of R9.9 million (227% increase) from revenues of R37.6 million (73% increase). This was offset with a disappointing loss of R2.1 million in the Commercial Division and a loss of R3.0 million in the CCS Division as well as losses of R1.0 million associated with business development in the New Business Division.

OPERATIONAL OVERVIEW

The Defence Division is continuing to become internationally established as a leader in EW antenna technology. The market penetration is now rapidly expanding and this is mainly due to the international large customers increasing and their order book after the excellent first 6 months has increased substantially compared to the beginning of the period. Defence Division performance is more remarkable given a cyclic downturn in the international defence industry and is certainly not spurious given the simultaneous growth in the order book and customer numbers.

The Defence Division's engineering, sales and operational functions are operating with established management teams and proven systems for each function. These are straining under the growth but are functioning effectively and are expanding to meet increased demand for the remainder of the financial year and thereafter.

Commercial Division operations are showing the benefits of mass production in China but restructuring of its sales channels and production facilities in China has negatively impacted on profitability. These disruptions are now largely complete and better performance is expected in the second half.

CCS Sales have been stagnant but management is engaged at restructuring to reduce operational costs and improve product sales and marketing.

New Business expenses relates to some new DTV consumer products such as the SunPoynt TV and the new DigiAnt DTV antenna. These are progressing well and we are continuing with these and other new business endeavours.

SUBSEQUENT EVENTS

ACQUISITION OF AUCOM

Shareholders are advised that the financial results of African Union Communications Proprietary Limited ("Aucom") for the six months ended 31 December 2013 have not been included in Poynting's interim financial results, following the acquisition of 100% of the issued share capital of Aucom by Poynting ("Aucom Acquisition") as detailed in the circular to shareholders dated 31 January 2014.

This is due to the effective date of Poynting's control over Aucom being 28 February 2014 in terms of International Financial Reporting Standards, as the last of the conditions precedent to the Aucom Acquisition, being shareholder approval, was obtained at the general meeting held on 28 February 2014.

Aucom had an unaudited turnover of R52.4 million and profit after tax of approximately R8.4 million for the interim period up to 31 December 2013. Aucom's financial results can only be consolidated as from 28 February 2014. The Aucom Acquisition is expected to deliver a better than expected contribution to Poynting.

SPECIFIC ISSUE OF REDEEMABLE, CONVERTIBLE PREFERENCE SHARES

Shareholders are referred to the announcement released on SENS on 6 March 2014 in which they were advised that the Company and PSG Private Equity had entered into a Preference Share Subscription Agreement on 4 March 2014 in terms of which PSG Private Equity will subscribe for, and the Company agreed to issue, 20 400 000 redeemable, convertible preference shares of no par value, at a subscription price of R2.50 per Preference Share, for a total subscription consideration of R51 000 000 ("the Specific Issue").

The circular containing, *inter alia*, full details of the specific issue will be posted to shareholders in due course and will contain a notice of the general meeting of shareholders to vote on the Specific Issue.

RATIONALE FOR SPECIFIC ISSUE

The Company will use the net proceeds of the Specific Issue for the purpose of the Company's acquisition strategy and to fund working capital going forward.

PROSPECTS

Defence Division is poised to continue producing excellent results in the second half with a larger order book, strong pipeline and well established customer relationships.

Commercial Divisions second half performance should be better than the dismal first half results. CCS division is not expected to produce any fireworks in the second half but costs have been reduced and a better performance in revenue is expected than the first six months.

Aucom has healthy orders and opportunities and indications are that their second half performance will also be equal to or better than the first half.

Poynting historically has had a stronger second half performance and this year market indications and the strong order books are all an indication that we should improve on the first half performance. Overall performance is never certain due to dependence on a significant portion of turnover associated with shorter term sales cycles and normal business risks.

The Growth Plan of Poynting is continuing with the main focus being acquisitions to improve international sales channels and add on acquisitions to current Defence, Telecommunication and DTV business areas. Poynting is trying to position itself as a leading player in the "Triple" play future market where it is widely believed that TV, Voice and Internet communications will converge since all are inherently digital. We are actively engaged in this growth plan with a pipeline of opportunities which are being actively pursued.

BASIS OF PREPARATION

The accounting policies applied in the preparation of these unaudited condensed consolidated interim results, which are based on reasonable judgments and estimates, are consistent with those applied in the annual financial statements for the year ended 30 June 2013. These unaudited condensed consolidated interim results as set out in this report have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 – Interim Financial Reporting, the Companies Act, 2008 (Act 71 of 2008), as amended, the SAICA Financial Reporting Guidelines as issued by the Accounting Practises Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of JSE Limited.

The unaudited condensed consolidated interim results have not been reviewed or audited by the Company's auditors, and have been prepared under the supervision of Johan Ebersohn, the financial director of the Group.

DIRECTORATE

Coen Bester*^ (Chairman)
Andre Fourie (Chief Executive Officer)
Juergen Dresel (Managing Director) (German)
Johan Ebersohn (Financial Director)
Zuko Kubukeli*^
Andries Mellet^

** Independent ^ Non-executive*

Changes to the Board

A Mellet	Non-executive director	Appointed 20 December 2013
R C Willis	Non-executive director	Resigned 05 March 2014
C Douglas	Non-executive director (Alternative to RC Willis)	Resigned 05 March 2014

By order of the board

Andre Fourie
Chief Executive Officer

Johan Ebersohn
Financial Director

31 March 2014
Johannesburg

Registered Office:	33 Thora Crescent, Wynberg 2090 PO Box 76579, Wendywood 2144
Designated Adviser:	Merchantec Capital
Company secretary:	Merchantec Capital

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 December 2013 R'000	Unaudited as at 31 December 2012 R'000	Audited as at 30 June 2013 R'000
ASSETS			
Non-current assets	**18 241**	**15 275**	**18 950**
Property, plant and equipment	5 116	3 831	4 976
Goodwill	2 207	-	2 207
Intangible assets	10 918	11 444	11 767
Current assets	**75 438**	**36 820**	**45 554**
Inventories	17 682	9 273	12 427
Other financial assets	-	-	171
Current tax receivable	-	-	413
Trade and other receivables	20 864	16 185	18 141
Bank and cash balances	36 892	11 362	14 402
Total assets	**93 679**	**52 095**	**64 504**
EQUITY AND LIABILITIES			
Equity	**80 563**	**43 902**	**51 497**
Equity attributable to owners of parent	80 563	43 902	51 497
Non-current liabilities			
Interest-bearing liabilities	284	206	300
Current liabilities	**12 832**	**7 987**	**12 707**
Interest-bearing liabilities	142	219	284
Trade and other payables	12 690	7 768	12 423
Total equity and liabilities	**93 679**	**52 095**	**64 504**
Number of ordinary shares in issue	107 921 053	91 911 008	93 921 053
Net asset value per ordinary share (cents)	74.65	47.77	54.83
Net tangible asset value per ordinary share (cents)	62.49	35.31	39.95

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months ended 31 December 2013 R'000	Unaudited 6 months ended 31 December 2012 R'000	Audited 12 months ended 30 June 2013 R'000
Revenue	**53 455**	**41 948**	**93 743**
Cost of sales	(15 800)	(13 900)	(30 010)
Gross profit	**37 655**	**28 048**	**63 733**
Other income	216	350	2 487
Operating costs	(33 669)	(25 911)	(55 413)
Operating profit	**4 202**	**2 487**	**10 807**
Investment income	156	262	488
Finance costs	(80)	(23)	(58)
Profit before taxation	**4 279**	**2 726**	**11 237**
Taxation	(493)	(482)	(1 397)
Profit after taxation	3 786	2 244	9 840
Total comprehensive income	**3 786**	**2 244**	**9 840**
Profit attributable to:			
Equity holders of parent	3 786	2 244	9 840
Non-controlling interest	-	-	-
Total comprehensive income	3 786	2 244	9 840

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share-based payment R'000	Retained earnings R'000	Total R'000
Balance at 1 July 2012	**24 379**	**150**	**14 515**	**39 044**
Changes in equity	2 640	-	-	2 640
Total comprehensive income for the period	-	-	2 244	2 244
Total changes	**2 640**	**-**	**2 244**	**4 884**
Balance at 31 December 2012	**27 019**	**150**	**16 759**	**43 928**
Changes in equity				
Share options forfeited	-	(26)	-	(26)
Share options exercised	-	(1)	-	(1)
Total comprehensive income for the period	-	-	7 596	7 596
Total changes	**-**	**(27)**	**7 596**	**7 569**
Balance at 30 June 2013	**27 019**	**123**	**24 355**	**51 497**
Changes in equity	25 280	-	-	25 280
Net profit for the period	-	-	3 786	3 786
Total changes	**25 280**	**-**	**3 786**	**29 066**
Balance at 31 December 2013	**52 299**	**123**	**28 141**	**80 563**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 6 months ended 31 December 2013 R'000	Unaudited 6 months ended 31 December 2012 R'000	Audited 12 months ended 30 June 2013 R'000
Cash flow from operating activities	**(2 979)**	**(9 054)**	**6 451**
Cash flow from investing activities	**-**	**87**	**(14 321)**
Cash flow from financing activities	**25 122**	**2 638**	**2 823**
Net increase / (decrease) in cash and cash equivalents	**22 142**	**(6 329)**	**(5 047)**
Cash and cash equivalents at beginning of the period	13 585	17 398	17 398
Effect of exchange rate movement on cash held	1 165	293	1 234
Cash and cash equivalents at end of the period	**36 892**	**11 362**	**13 585**

NOTE 1 - RECONCILIATION OF PROFIT FOR THE YEAR TO HEADLINE EARNINGS

	Unaudited 6 months ended 31 December 2013 R'000	Unaudited 6 months ended 31 December 2012 R'000	Audited 12 months ended 30 June 2013 R'000
Reconciliation of earnings to headline earnings			
Earnings after tax	3 786	2 244	9 840
Deduct: profit on disposal of property, plant and equipment	(6)	-	-
Add: tax on profit on disposal of property, plant and equipment	2	-	-
Headline earnings attributable to ordinary shareholders	**3 781**	**2 244**	**9 840**
Weighted average number of ordinary shares in issue	92 140 231	91 911 008	93 921 053
Weighted average number of diluted ordinary shares in issue	94 824 085	90 920 276	94 711 843
Basic earnings per ordinary share (cents)	4.11	2.44	10.48
Diluted earnings per ordinary share (cents)	3.99	2.47	10.39
Headline earnings per ordinary share (cents)	4.10	2.44	10.48
Diluted headline earnings per ordinary share (cents)	3.99	2.47	10.39

UNAUDITED SEGMENTAL ANALYSIS FOR THE PERIOD ENDING 31 DECEMBER 2013

	Commercial Division R'000	CCS Division R'000	New Business Division R'000	Defense Division R'000	Total R'000
Total revenue	20 432	2 025	42	37 578	60 077
Inter-segment revenue	(6 610)	-	-	(12)	(6 622)
Total external revenue	13 822	2 025	42	37 566	53 455
Corporate office expense	(484)	(118)	(71)	(508)	(1 180)
Depreciation and amortisation	(2 263)	(335)	(164)	(1 827)	(4 588)
Operating profit	(2 748)	(4 624)	(1 709)	13 283	4 202
Investment income	4	1	29	124	156
Finance costs	(57)	-	-	(22)	(80)
(Loss)/Profit before taxation	(2 801)	(4 624)	(1 680)	13 385	4 279
Taxation	733	1 597	637	(3 460)	(493)
(Loss)/Profit for the period	(2 068)	(3 027)	(1 044)	9 925	3 786
Operating profit	(2 748)	(4 624)	(1 709)	13 283	4 202
Depreciation and Amortisation	2 263	335	164	1 827	4 588
EBITDA	**(484)**	**(4 290)**	**(1 545)**	**15 110**	**8 790**

UNAUDITED SEGMENTAL ANALYSIS FOR THE PERIOD ENDING 31 DECEMBER 2012

	Commercial Division R'000	CCS Division R'000	New Business Division R'000	Defense Division R'000	Total R'000
Total revenue	19 288	2 853	-	21 742	43 883
Inter-segment revenue	(1 897)	-	-	(38)	(1 935)
Total external revenue	17 391	2 853	-	21 704	41 948
Corporate office expense	(268)	(79)	-	(262)	(609)
Depreciation and amortisation	(2 121)	(179)	-	(1 648)	(3 948)
Operating profit	473	(1 813)	-	3 827	2 487
Investment income	9	-	-	253	262
Finance costs	(9)	-	-	(14)	(23)
Profit/(Loss) before taxation	473	(1 813)	-	4 066	2 726
Taxation	65	486	-	(1 033)	(482)
Profit/(Loss) for the period	538	(1 327)	-	3 033	2 244
Operating profit	473	(1 813)	-	3 827	2 487
Depreciation and amortisation	2 121	179	-	1 648	3 948
EBITDA	**2 594**	**(1 634)**	**-**	**5 475**	**6 435**

UB CORPORATE COMMUNICATIONS