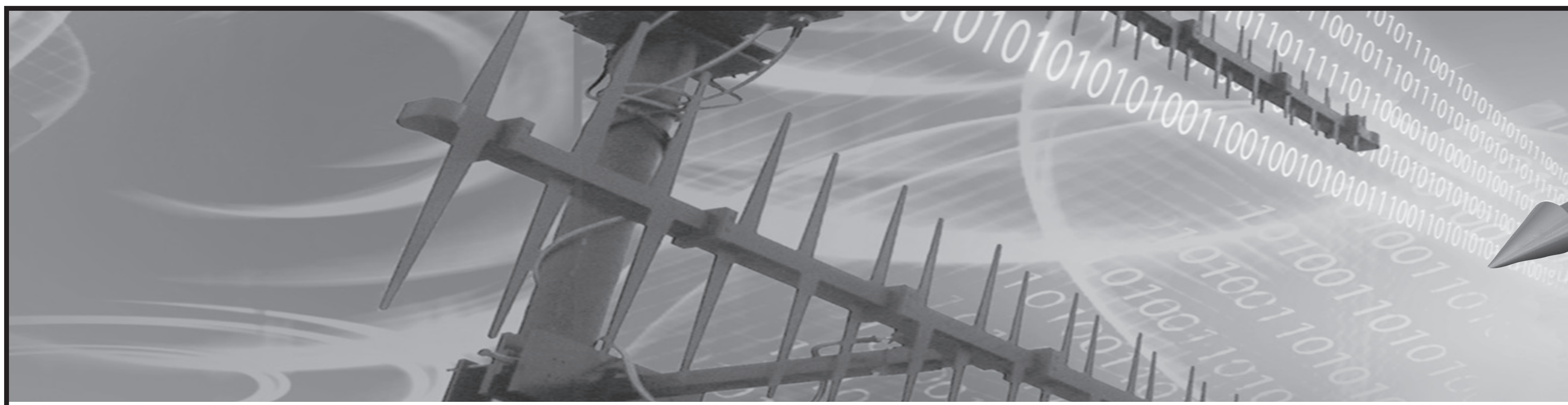

Poynting
Holdings Limited

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 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 December 2011 R'000	Unaudited six months ended 31 December 2010 R'000	Audited 12 months ended 30 June 2011 R'000
Revenue	**38 801**	**33 679**	**81 549**
Cost of sales	(13 776)	(14 458)	(28 102)
Gross profit	**25 025**	**19 221**	**53 447**
Other (expenses)/income	**(102)**	(33)	483
Operating costs	**(22 157)**	(19 488)	(47 628)
Operating profit/(loss)	**2 766**	**(300)**	**6 302**
Investment income	**240**	147	269
Finance costs	**(357)**	(368)	(730)
Profit/(Loss) before taxation	**2 649**	**(521)**	**5 841**
Taxation	**(707)**	509	(1 077)
Profit/(Loss) after taxation from continuing operations	**1 943**	**(12)**	**4 764**
Discontinued Operations	**-**	(2 779)	(2 156)
Profit/(Loss) after discontinued operations	1 943	(2 791)	2 608
Total comprehensive income/(loss)	**1 943**	**(2 791)**	**2 608**
Profit/(Loss) attributable to:			
Continuing operations	1 943	(12)	4 764
Discontinued operations	-	(2 779)	(2 156)
Equity holders of parent	1 944	(2 791)	2 608
Non-controlling interest	(1)	-	-
Total comprehensive income/(loss)	**1 943**	**(2 791)**	**2 608**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 December 2011 R'000	Unaudited as at 31 December 2010 R'000	Audited as at 30 June 2011 R'000
ASSETS			
Non-current assets	11 410	14 785	12 127
Property, plant and equipment	2 384	2 606	2 081
Intangible assets	8 855	10 648	9 993
Deferred taxation	-	1 414	-
Other financial assets	171	117	53
Current assets	33 653	26 405	32 798
Inventories	6 990	10 066	8 418
Trade and other receivables	14 074	8 908	19 528
Bank and cash balances	12 589	7 431	4 852
Total assets	**45 063**	**41 190**	**44 925**
EQUITY AND LIABILITIES			
Equity	33 846	26 503	31 903
Equity attributable to owners of parent	33 819	26 475	31 875
Non-controlling interests	27	28	28
Non-current liabilities			
Interest-bearing liabilities	1 935	2 050	1 633
Current liabilities	9 282	12 637	11 389
Interest-bearing liabilities	86	4 299	641
Trade and other payables	9 196	8 338	10 732
Bank overdraft	-	-	16
Total equity and liabilities	**45 063**	**41 190**	**44 925**
Number of ordinary shares in issue	88 554 275	88 554 275	88 554 275
Net asset value per ordinary share (cents)	38.19	29.93	36.03
Net tangible asset value per ordinary share (cents)	28.19	17.90	24.74

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share-based payment R'000	Retained earnings R'000	Non controlling interest R'000	Total R'000
Balance at 1 July 2010	**24 380**	**221**	**4 665**	**28**	**29 294**
Changes in equity					
Total comprehensive income for the period	-	-	(2 791)	-	(2 791)
Total changes	-	-	(2 791)	-	(2 791)
Balance at 31 December 2010	**24 380**	**221**	**1 874**	**28**	**26 503**
Changes in equity					
Total comprehensive income for the period	-	-	5 399	-	5 399
Total changes	-	-	5 399	-	5 399
Balance at 30 June 2011	**24 380**	**221**	**7 273**	**28**	**31 903**
Changes in equity					
Total comprehensive income for the period	-	-	1 944	(1)	1 943
Total changes	-	-	1 944	(1)	1 943
Balance at 31 December 2011	**24 380**	**221**	**9 217**	**27**	**33 846**

(Amounts less than R 1 000 rounded up)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited six months ended 31 December 2011 R'000	Unaudited six months ended 31 December 2010 R'000	Audited as at 30 June 2011 R'000
Cash flow from operating activities	**6 591**	**1 649**	**5 780**
Cash flow from continuing operations	6 591	2 225	5 780
Cash flow from discontinued operations	-	(576)	-
Cash flow from investing activities	**835**	**(951)**	**(3 939)**
Cash flow from continuing operations	835	(951)	(3 939)
Cash flow from financing activities	**(371)**	**769**	**(3 361)**
Net increase/(decrease) in cash and cash equivalents	**7 055**	**1 467**	**(1 520)**
Cash and cash equivalents at the beginning of the period	4 836	6 481	6 481
Effect of exchange rate movement on cash held	698	(517)	(125)
Cash and cash equivalents at the end of the period	**12 589**	**7 431**	**4 836**

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

	Unaudited six months ended 31 December 2011 R'000	Unaudited six months ended 31 December 2010 R'000	Audited 12 months ended 30 June 2011 R'000
Reconciliation of earnings/(loss) to headline earnings			
Earnings/(Loss) after tax	1 943	(2 791)	2 608
Adjustments for:			
Impairment of intangible assets	-	1 152	299
Headline earnings/(loss) attributable to ordinary shareholders	**1 943**	**(1 639)**	**2 907**
Weighted average number of ordinary shares in issue	88 554 275	88 554 275	88 554 275
Weighted average number of ordinary shares in issue (diluted)	90 586 388	90 586 388	90 586 388
From continuing and discontinued operations			
Basic earnings/(loss) per ordinary share (cents)	2.20	(3.15)	2.95
Diluted earnings/(loss) per ordinary share (cents)	2.15	(3.08)	2.88
Headline earnings/(loss) per ordinary share (cents)	2.20	(1.85)	3.28
Fully diluted headline earnings/(loss) per ordinary share (cents)	2.15	(1.81)	3.21
From continuing operations			
Basic earnings/(loss) per ordinary share (cents)	2.20	(0.01)	5.38
Diluted earnings/(loss) per ordinary share (cents)	2.15	(0.01)	5.26
Headline earnings/(loss) per ordinary share (cents)	2.20	(0.01)	5.72
Fully diluted headline earnings/(loss) per ordinary share (cents)	2.15	(0.01)	5.59

NOTE 2 – UNAUDITED SEGMENTAL ANALYSIS FOR THE PERIOD ENDING 31 DECEMBER 2011

	Continued Operations Commercial Division R'000	Continued Operations Defence Division R'000	Discontinued Operations Base Station Equipment Division R'000	Total R'000
Total revenue	21 850	17 990	-	39 840
Inter-segment revenue	(1 039)	-	-	(1 039)
Total external revenue	20 811	17 990	-	38 801
Corporate office expense	(301)	(227)	-	(528)
Depreciation and amortisation	(1 955)	(1 089)	-	(3 044)
Operating profit	(1 583)	4 349	-	2 766
Investment income	71	169	-	240
Finance costs	(243)	(114)	-	(357)
(Loss)/Profit before taxation	(1 755)	4 404	-	2 649
Taxation	228	(935)	-	(707)
(Loss)/Profit from continuing operations	(1 527)	3 470	-	1 943
Loss from discontinued operations	-	-	-	-
(Loss)/Profit for the period	(1 527)	3 470	-	1 943

UNAUDITED SEGMENTAL ANALYSIS FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

	Continued Operations Commercial Division R'000	Continued Operations Defence Division R'000	Discontinued Operations Base Station Equipment Division R'000	Total R'000
Total revenue	22 238	12 623	-	34 861
Inter-segment revenue	(1 182)	-	-	(1 182)
Total external revenue	21 056	12 623	-	33 679
Corporate office expense	(348)	(263)	-	(611)
Depreciation and amortisation	(1 949)	(1 114)	-	(3 063)
Operating profit	(1 571)	1 271	-	(300)
Investment income	97	50	-	147
Finance costs	(197)	(171)	-	(368)
Profit/(Loss) before taxation	(1 671)	1 150	-	(521)
Taxation	319	190	-	509
Profit/(Loss) from continuing operations	(1 352)	1 340	-	(12)
Loss from discontinued operations	-	-	(2 779)	(2 779)
Profit/(Loss) for the period	(1 352)	1 340	(2 799)	(2 791)

GROUP COMMENTARY

INTRODUCTION

Poynting 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's export markets primarily incorporate Europe, the United States of America ("USA"), the Middle East and Asia.

Poynting operates on a divisional basis, comprising of its Commercial and Defence divisions.

The Defence Division designs and manufactures antennas mainly for use in the area of electronic warfare. These antennas, which are used for direction finding, monitoring and jamming systems, are often custom designed for customers' system integrators on a project basis. Engineering costs are typically recovered during the design phase. The vast majority of Defence products are used by international customers, even though Poynting often sells to locally based system integrators who in turn supply international customers.

The Commercial Division designs and manufactures antennas for wireless data and cellular applications. Sales via distributors, network operators and equipment manufacturers is performed internationally by Poynting's partner company in Europe, Poynting Europe GmbH ("Poynting Europe"), and locally by the sales staff of Poynting and its subsidiary, Cascade Avenue Trading 90 (Proprietary) Limited (trading as "Poynting Direct"), who supply trade clients and end users. This division has also started to manufacture cellular micro base stations and provide installation services, which installs fixed antennas for customers in areas of inadequate signal coverage.

RESULTS OVERVIEW

Group earnings before interest, taxes, depreciation and amortisation ("EBITDA") for six months increased by 110% from R2.76 million in December 2010 to R5.81 million in December 2011. We feel the EBITDA number to be the most representative indicator of profitability since our final earnings number includes amortisation and depreciation of about R3 million which mainly relates to changes in intangible assets. Group revenues increased by 15%.

Our Defence Division's growth in revenue and profitability continued during this period. Defence revenues increased by 43% and EBITDA increased by 128% compared to the previous comparative period.

Commercial Division revenues and EBITDA was roughly the same as the previous comparative period.

The tangible net asset value per share increased by 57% from 17.90c to 28.19c between December 2010 and December 2011.

The Company generated R6.59 million in cash from operating activities during this 6 month period. The statement of financial position is healthy with good liquidity and low gearing.

OPERATIONAL OVERVIEW

The Commercial Division of Poynting has moved to new premises in Samrand, Centurion. The 1300 square meter building comprise new offices as well as factory and warehousing space. The Poynting Direct Pretoria and Johannesburg branches were also moved to the same premises.

The current Wynberg building now houses a considerably larger Defense Division as well as our finance and administration department.

The Defense Division is focusing on considerable marketing and sales efforts to expand into new markets. We have seen good growth in sales to the USA which is currently by far the biggest defense market in the world. The Defense Division is also achieving increased sales of existing products as opposed to custom developed products. This has been an aim of the Defense Division for some years, increasing the scalability of this operation.

The Defense Division has strengthened its sales and marketing department with some high level appointments and we are clearly experiencing the benefits, as shown by the increased revenues. Several very talented engineers joined the Company to bolster our market-leader position in antenna design.

The Commercial Division is transferring the manufacturing of more of its largest volume antenna products to China. We have built valuable relations and acquired rare experience in the past 3 years where we have been engaged in outsourced manufacture to China.

The Commercial Division has diversified its offering by developing an innovative range of cellular micro base station products. One version, a subterranean equipment container next to a streetlight- or flagpole-like mast is generating considerable local and international interest and some initial trial units were deployed in the past few months. The Commercial Division is growing its countrywide antenna installation service which is used by network operators, wireless solution companies and the general public - mainly to improve cellular data speed and reliability.

SUBSEQUENT EVENTS

The board of directors of Poynting ("the Board") is not aware of any material events that have occurred between the end of the December 2011 interim period and the date of this report.

PROSPECTS

We expect similar or better Defence revenues in the second half of the financial year and have an order book supporting this assessment. We are also actively looking for acquisitions which will enhance the Defence product range and/or give us better access to the USA market.

The Defence Division products are sold via long-term relationships with several local and international partners. Company brand and reputation is key to acceptance in this market, which took many years to develop. We lately see many signs that Poynting is recognised as an internationally respected supplier in this marketplace. Whereas Poynting previously battled to get customers to visit our exhibits at international defence shows, we now find that we have to allocate additional personnel to deal with the increase in enquiries. Our order pipeline has also grown in size and number of interested customers from all over the world.

Commercial revenues and profits will be better due to healthy existing product sales and additional revenue from the micro base stations for which significant orders are already in place or imminent. Poynting Direct has been turned around from a loss making first half to an expected profitable second half year, which positively impacts on Commercial Division profitability.

Commercial products in the cellular data space is benefiting from the exponential growth in cellular data, both locally and internationally. Cellular antennas now comprise the majority of revenue and also show the fastest growth. Sales of products in the Wi-Fi/WiMax space have been shrinking during the past 2 years.

Poynting historically has had a stronger second half performance and indications are that we should maintain or improve on first half performance. Overall performance is however never certain due to the uncertainty associated with the Commercial Division sales, which can change relatively quickly due to fluctuations in market sentiment.

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 2011. These unaudited condensed consolidated interim results as set out in this report have been prepared in terms of the recognition and measurement requirements of the International Financial Reporting Standards ("IFRS"), presentation and disclosure requirements of IAS 34 – Interim Financial Reporting, the Companies Act, 2008 (Act 71 of 2008), the AC500 standards as issued by the APB and the Listings Requirements of JSE Limited.

The unaudited condensed consolidated interim results have not been reviewed or audited by the Company's auditors.

DIRECTORATE

Jones Kalunga resigned as a director on 2 November 2011. There have been no additional changes to the Board up to and including the date of this report.

By order of the board

Andre Fourie — *Chief Executive Officer*
Johan Ebersohn — *Financial Director*

28 February 2012
Johannesburg

Directors
Coen Bester*^ (Chairman), Andre Fourie (Chief Executive Officer), Juergen Dresel (Managing Director) (German), Johan Ebersohn (Financial Director), Zuko Kubukeli*^, Richard Willis^ *Independent ^Non-executives

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Designated Adviser
Merchantec Capital

Company secretary
Merchantec Capital