

COMMENTS

Business Activities

Business Partners Ltd is a specialist investment group, providing risk finance, mentorship and property management services to small and medium enterprises in South Africa. Investment funds, targeted at risk-based financing of small and medium enterprises, are managed on behalf of international investors in African and Indian Ocean countries. Business Partners has established an operational presence in Nairobi, Kenya and Antananarivo, Madagascar.

Net Profit

The net profit attributable to shareholders amounted to R65,3 million for the period under review, marginally less than the profits of R65,7 million over the same period last year. Interest revenue from the investment portfolio has increased by 37,1 percent to R123,6 million (September 2007: R90,2 million) and property rental income increased by 20,6 percent to R34,8 million (September 2007: R28,8 million). There was a decrease in the surplus realised on the sale of investments from R31,1 million in the period ended September 2007 to R12,3 million for the period under review. Operational expenses increased by 12 percent to R118,4 million and net bad debts increased from R8,3 million last year to R19,2 million for the period ending September 2008.

Operational Results

Recent negative developments in financial markets have resulted in many SMEs not being able to arrange traditional sources of financing, which has improved the quality and volume of investment opportunities for Business Partners, with an increased demand and acceptance of our risk based financing model.

The above market conditions and the initiatives undertaken over the past 18 months to improve the quality and capacity of our operational ability have resulted in the investments approved during the first six months of the financial year increasing to R645 million from R496 million during the same period last year, an improvement of 30,0 percent.

Investments advanced amounted to R475,2 million over the period under review, an increase of 58,3 percent for the same period last year (September 2007: R300,2 million). Investments approved, but not yet advanced, increased from R318,6 million at the end of September 2007 to R380,5 million at the end of September 2008, an increase of 19,4 percent.

The Business Partners investment portfolio has increased in value from R1 420 million in September 2007 to R1 652 million in September 2008, representing growth over the twelve months of 16,4 percent.

The deterioration in macro economic conditions has affected the risk profile of the investment portfolio, with the exposure to non-performing investments increasing from 13,3 percent to 16,1 percent of the portfolio. Consequently the carrying value of the investments in the portfolio was decreased by an additional impairment charge of R20,0 million.

Future prospects

The slow down in economic activity as a result of macro economic changes has had a negative impact on the small and medium business sector. However, because of the improved deal flow experienced - as referred to above - our investment activities will continue to seek out viable SME businesses that will be sustainable and profitable in the current market conditions, and we should nevertheless achieve an investment activity level in the second part of the current financial year matching the levels achieved in the first six months.

Additional impairment charges to the carrying value of the investment portfolio might be required over the remaining six months, largely as a result of the deterioration in economic conditions and the expected growth in the investment portfolio. However, we will increase our focus on post-investment management in an effort to minimise the impact of the events on our clients.

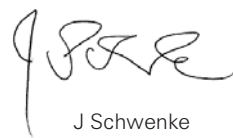
The outlook for Business Partners' profitability remains positive for the balance of the financial year with results expected to match the profits realised in the first six months.

On behalf of the board.



T van Wyk
Deputy Chairman

11 November 2008



J Schwenke
Managing Director

Directors: JP Rupert (Chairman), T van Wyk (Deputy Chairman), J Schwenke (Managing Director)*, N Martin (Deputy Managing Director)*, PM Baum, C Botes*, DR Geeringh #, Dr P Huysamer, Dr E Links, ZJ Matlala, F Meisenholz, D Moshapalo, Dr MA Ramphele, Dr ZZR Rustonjee, XGS Sithole, G van Biljon*.

Company Secretary: CM Gerbrands # Alternate: SST Ngcobo * Executive Director

enquiries@businesspartners.co.za

www.businesspartners.co.za

Registration number: 1981/000918/06

Investing in entrepreneurs
builds business that builds people

2008

Unaudited Group results
for the six months ended 30 September 2008

Business
PARTNERS
Investing in Entrepreneurs



BALANCE SHEET

as at

	Notes	UNAUDITED		AUDITED	
		2008 R000	% Change	2007 R000	2008 R000
				30 September	31 March 2008
ASSETS					
Non-current assets		2,225,349	19.0%	1,870,395	2,044,806
Investment properties	1	389,728	41.5%	275,370	357,469
Business investments		1,652,522	16.4%	1,419,668	1,506,277
Investments in associates		45,445	8.3%	41,971	44,231
Property and equipment		28,988	41.3%	20,518	28,163
Defined benefit pension fund surplus	2	108,666	-3.7%	112,868	108,666
Current assets		63,188	-76.1%	264,415	249,677
Inventory and assets held for resale		725	-79.1%	3,468	759
Accounts receivable		22,229	107.9%	10,690	12,167
Deposits and bank balances		40,234	-83.9%	250,257	236,751
Total assets		2,288,537	7.2%	2,134,810	2,294,483
EQUITY AND LIABILITIES					
Capital and reserves		2,158,958	9.2%	1,976,456	2,132,264
Share capital	3	178,835	-	178,835	178,835
Treasury shares	3	(19,973)	-27.6%	(27,571)	(19,973)
Fair value and other reserves		77,048	-4.5%	80,639	77,961
Retained earnings		1,923,048	10.2%	1,744,553	1,895,441
Minority interest		920	-	-	872
Non-current liabilities		55,218	-1.6%	56,108	57,912
Borrowings		1,350	367.1%	289	640
Provisions for post-retirement medical aid benefits		49,520	12.6%	43,982	49,520
Deferred tax liability		4,348	-63.3%	11,837	7,752
Current liabilities		73,441	-28.2%	102,246	103,435
Accounts payable		37,386	60.3%	23,321	35,563
Provisions		29,680	-12.8%	34,030	44,044
Current tax liability		5,620	-86.9%	43,013	23,815
Shareholders for dividend		755	-59.9%	1,882	13
Total equity and liabilities		2,288,537	7.2%	2,134,810	2,294,483

CASH FLOW STATEMENT

for the period ended

	Notes	UNAUDITED		AUDITED	
		2008 R000	% Change	2007 R000	2008 R000
				30 September	31 March 2008
Cash flow from operating activities		110,743	-22.3%	142,617	217,471
Tax paid		(36,924)	96.5%	(18,794)	(62,814)
Dividends paid	6	(32,259)	1.7%	(31,706)	(33,575)
Net cash flow resulting from operating activities		41,560	-54.9%	92,117	121,082
Net cash flow resulting from investing activities		(238,077)	94.4%	(122,475)	(164,946)
Net cash flow resulting from financing activities		-	-	-	-
Movement in cash and cash equivalents		(196,517)	547.3%	(30,358)	(43,864)
Cash and cash equivalents – beginning of period		236,751	-15.6%	280,615	280,615
Cash and cash equivalents – end of period		40,234	-83.9%	250,257	236,751

STATEMENT OF CHANGES IN EQUITY

for the period ended

	Notes	Share Capital R000	Fair value and other reserves R000	Retained earnings R000	Total R000
Balance at 1 April 2008		158,862	77,961	1,895,441	2,132,264
Fair Value adjustment of financial instruments			(70)		(70)
Foreign currency translation reserve movement			(843)		(843)
Net income				65,273	65,273
Dividend				(37,666)	(37,666)
Balance at 30 September 2008		158,862	77,048	1,923,048	2,158,958

INCOME STATEMENT

for the
period ended

	Notes	UNAUDITED		AUDITED	
		2008 R000	% Change	2007 R000	2008 R000
				30 September	31 March 2008
Revenue		214,179	21.9%	175,744	365,612
Profit from operations		82,072	-12.5%	93,764	260,182
Income from associated companies		5,874	15.5%	5,085	18,653
Profit before tax	4	87,946	-11.0%	98,849	278,835
Tax expense		(22,625)	-31.7%	(33,139)	(61,364)
Net profit		65,321	-0.6%	65,710	217,471
Attributable to:					
Equity holders of the parent		65,273	-0.7%	65,710	216,599
Minority interest		48	-	-	872
Determination of headline earnings		65,321	-0.6%	65,710	217,471
Net profit		65,273	-0.7%	65,710	216,599
Profit on sale of property and equipment		-	-100.0%	(10)	(23)
Profit on sale of investment property		-	-100.0%	(2,753)	(3,514)
Headline earnings		65,273	3.7%	62,947	213,062
Weighted number of ordinary shares in issue ('000)	3	171,207	2.0%	167,769	168,280
Earnings per share (cents)		38.1	-2.8%	39.2	128.7
Headline earnings per share (cents)		38.1	1.6%	37.5	126.6
Dividends per share (cents)	6	-	-	-	22.0

NOTES TO THE FINANCIAL STATEMENTS

UNAUDITED

AUDITED

30 September

31 March 2008

1. Investment properties

The increase in the carrying value of the Investment Properties is the result of new acquisitions and capital expenditure on existing property projects. Valuations of the properties in the portfolio are performed annually on a Capitalised Income Basis, and increases in value will be reflected in the Income Statement.

2. Defined benefit pension fund surplus

An actuarial valuation of the Defined Benefit Fund is performed in April every year. The recent material decrease in the value of listed investments will have a negative impact on the value of the surplus as disclosed which was determined at the end of the previous financial year. Changes in the value of the surplus is accounted for directly in equity through the Statement of Recognised Income and Expenditure.

3. Share Capital

Authorised

400 000 000 ordinary shares of R1 each

	2008 R000	% Change	2007 R000	2008 R000
400 000 000 ordinary shares of R1 each	400,000	-	400,000	400,000
Issued				
178 834 594 ordinary shares of R1 each	178,835	-	178,835	178,835
10 527 200 treasury shares held by the employee share trust	(19,973)	-27.6%	(27,571)	(19,973)
7 627 200 treasury shares held by the employee share trust				
171 207 394 ordinary shares	158,862	5.0%	151,264	158,862

4. Profit before tax

Profit before tax is stated after charging:

Depreciation on property and equipment

Interest paid

Net bad debts

Impairment created

Leasing charges – equipment

	2008 R000	% Change	2007 R000	2008 R000
Depreciation on property and equipment	1,437	72.7%	832	2,086
Interest paid	56	71.9%	33	677
Net bad debts	19,231	130.2%	8,354	13,258
Impairment created	20,039	198.1%	6,723	22,452
Leasing charges – equipment	10	25.0%	8	22

5. Commitments and contingent liabilities

Business investments approved but not yet advanced

Capital committed to *En Commandite* partnerships

Unexpired portion of lease agreements

Guarantees

	2008 R000	% Change	2007 R000	2008 R000
Business investments approved but not yet advanced	367,055	15.2%	318,635	295,427
Capital committed to <i>En Commandite</i> partnerships	16,344	0.4%	16,280	18,308
Unexpired portion of lease agreements	6,442	-22.2%	8,282	7,941
Guarantees	457	-6.2%	487	457

6. Dividend

A dividend in respect of the year ended March 2008 of 22 cents per share (2007: 20 cents per share) was declared on 15 May 2008 and paid on 15 August 2008 to shareholders registered on 29 July 2008. No interim dividend has been approved.