PINNACLE HOLDINGS

Technology Delivered™

(Registration number 1986/000334/06) • Share code: PNC • ISIN: ZAE000184149
("Pinnacle" or "the Group" or "the Company")
www.pinnacleholdings.co.za

REVIEWED CONDENSED CONSOLIDATED PRELIMINARY FINANCIAL RESULTS

for the year ended 30 June 2014

AT A GLANCE

REVENUE	NPAT	HEPS	Cash generated from operations
↑ 8% to	↓ 16% to	↓ 19% to	↑ 276% to
R7.1 billion	**R273 million**	**166.5 cents**	**R345 million**

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Condensed Consolidated
STATEMENT OF COMPREHENSIVE INCOME

	Full year 30 Jun 2014 Reviewed R'000	Full year 30 Jun 2013 Audited R'000
Revenue	**7 103 028**	6 596 232
Cost of sales	**(6 082 151)**	(5 566 701)
Gross profit	**1 020 877**	1 029 531
Operating expenses	**(615 314)**	(536 277)
Selling expenses	**(61 860)**	(34 417)
Employee expenses	**(478 689)**	(421 614)
Administration expenses	**(85 266)**	(90 734)
Gain on discounting of finance lease agreements	**778**	382
Profit on foreign exchange	**5 377**	10 106
Reclassification of fair value adjustment on derecognition of asset	**4 346**	–
EBITDA **	**405 563**	493 254
Depreciation and amortisation	**(23 926)**	(20 753)
Impairment of goodwill	**(2 169)**	–
Operating profit before interest	**379 468**	472 501
Net finance costs	**(28 764)**	(18 558)
Investment income	**60 713**	58 548
Interest paid	**(89 477)**	(77 106)
Share of equity accounted associate income	**20 747**	–
Profit before taxation	**371 451**	453 943
Taxation	**(98 394)**	(128 263)
Net profit for the year	**273 057**	325 680
Owners of the Company	**272 580**	324 948
Non-controlling interests	**477**	732
Other comprehensive income	**(20 499)**	1 060
Exchange differences from translating foreign operations	**1 011**	1 060
Revaluation of property, plant and equipment	**(21 510)**	–
Total comprehensive income for the year	**252 558**	326 740
Attributable to:		
Owners of the Company	**252 081**	326 008
Non-controlling interests	**477**	732

Reconciliation of
HEADLINE EARNINGS

	Full year 30 Jun 2014 Reviewed R'000	Full year 30 Jun 2013 Audited R'000
Net profit for the year attributable to ordinary shareholders	**272 580**	324 948
Impairment of goodwill	**2 169**	–
Reclassification of fair value adjustment on derecognition of asset after taxation	**(3 738)**	–
Reclassification of fair value adjustment on derecognition of asset	**(4 346)**	–
Less: Taxation thereon	**608**	–
Profit on sale of property, plant and equipment net of taxation	**(8 533)**	(314)
Profit on sale of property, plant and equipment	**(11 851)**	(436)
Less: Taxation thereon	**3 318**	122
Headline earnings	**262 478**	324 634
Total number of shares in issue ('000)		
– Total issued less treasury shares	**155 922**	157 889
– Weighted average	**157 638**	157 931

FINANCIAL REVIEW

	Full year 30 Jun 2014 Reviewed	Full year 30 Jun 2013 Audited
Performance per share (cents)		
Basic and diluted earnings per share *	**172.9**	205.8
Headline earnings and diluted headline earnings per share *	**166.5**	205.6
Dividends	**–**	41.0
Dividend cover (times)	**–**	5.0
Returns (%)		
Gross profit	**14.4**	15.6
Operating expenses	**(8.7)**	(8.1)
EBITDA **	**5.7**	7.5
Operating profit before interest and taxation	**5.3**	7.2
Effective tax rate	**28.1**	28.3
Net profit	**3.8**	4.9
Return on equity	**23.6**	34.3

* *The Company has no dilutionary instruments in issue.*

** *Earnings before interest, taxation, depreciation and amortisation.*

Condensed
SEGMENTAL ANALYSIS

	Full year 30 Jun 2014 Reviewed R'000	Full year 30 Jun 2013 Audited R'000
Revenue		
ICT Distribution	**6 984 069**	6 461 101
IT Projects and Services	**169 047**	161 722
Financial Services	**105 750**	73 113
Group Central Services	**–**	–
Less: Interest received and discounted leases within Financial Services revenue above	**(61 772)**	(39 417)
Less: Intergroup revenue	**(94 066)**	(60 287)
	7 103 028	6 596 232
Net profit before taxation		
ICT Distribution	**294 669**	418 089
IT Projects and Services	**17 181**	17 867
Financial Services	**36 020**	22 274
Group Central Services	**23 581**	(4 287)
	371 451	453 943
Net profit after taxation		
ICT Distribution	**213 485**	303 806
IT Projects and Services	**13 444**	11 912
Financial Services	**25 880**	15 902
Group Central Services	**20 248**	(5 940)
	273 057	325 680
Net operating assets		
ICT Distribution	**989 510**	782 990
IT Projects and Services	**30 716**	26 879
Financial Services	**77 497**	34 323
Group Central Services	**137 119**	243 867
	1 234 842	1 088 059

Condensed Consolidated
STATEMENT OF FINANCIAL POSITION

	30 Jun 2014 Reviewed R'000	30 Jun 2013 Audited R'000
ASSETS		
Non-current assets	**913 787**	594 636
Property, plant and equipment	**176 028**	186 637
Intangible assets	**135 406**	129 117
Investments in listed shares	**–**	30 179
Investment in associate	**284 144**	–
Long-term loans	**28 795**	28 689
Finance lease receivables	**257 957**	184 782
Deferred taxation	**31 457**	35 232
Current assets	**2 432 892**	2 501 814
Inventories on hand	**895 702**	940 655
Inventories in transit	**76 034**	108 031
Trade and other receivables	**1 328 964**	1 125 423
Finance lease receivables	**105 758**	65 349
Taxation receivable	**1 171**	1 154
Short-term deposit	**–**	237 272
Cash and cash equivalents	**25 263**	23 930
Total assets	**3 346 679**	3 096 450
EQUITY AND LIABILITIES		
Capital and reserves	**1 234 842**	1 088 059
Share capital and premium	**1 680**	25 982
Treasury shares	**(41 766)**	(41 766)
Non-distributable reserves	**8 589**	32 588
Cash flow hedge reserve	**(12 143)**	–
Accumulated profits	**1 274 822**	1 066 308
Non-controlling interests	**3 660**	4 947
Non-current liabilities	**519 138**	503 594
Interest-bearing liabilities	**487 455**	482 075
Non-interest-bearing liability	**18 083**	–
Deferred taxation	**13 600**	21 519
Current liabilities	**1 592 699**	1 504 797
Trade and other payables	**1 129 699**	1 074 736
Interest-bearing liabilities	**17 944**	17 203
Short-term loans	**151 048**	115 543
Deferred revenue	**12 412**	14 519
Taxation payable	**4 357**	12 320
Bank overdrafts	**277 239**	270 476
Total equity and liabilities	**3 346 679**	3 096 450
Capital management		
Net asset value per share (cents)	**789.6**	686.0
Net tangible asset value per share (cents)	**702.8**	604.2
Working capital management		
Investment in working capital (R'000)	**1 158 589**	1 084 854
Days inventory outstanding (excluding in transit)	**45.0**	66.0
Days sales outstanding	**54.0**	50.0
Days purchases outstanding	**51.0**	48.0
Liquidity and solvency		
Debt to equity (%)	**77.1**	81.4
– Attributable to Distribution and Holdings	**29.9**	36.4
– Attributable to Datacentrix	**23.1**	24.7
– Attributable to Finance Assets (Centrafin)	**24.1**	20.3
Current ratio (excluding stock in transit)	**1.55**	1.71
Acid test (excluding stock in transit)	**0.96**	1.04

Condensed Consolidated
STATEMENT OF CHANGES IN EQUITY

	Full year 30 Jun 2014 Reviewed R'000	Full year 30 Jun 2013 Audited R'000
Opening balance	**1 088 059**	810 813
Shares issued	**14**	–
Treasury shares issued	**–**	400
Shares acquired and cancelled	**(29 059)**	–
CGT on treasury shares sold	**–**	(3 267)
Comprehensive income for the year	**252 558**	326 740
Cash flow hedge reserve	**(12 143)**	–
Acquisition of non-controlling interest	**(9 398)**	(968)
Equity-based compensation reserve	**9 598**	9 598
Dividends paid	**(64 787)**	(55 257)
Closing balance	**1 234 842**	1 088 059
Attributable to:		
Owners of the Company	**1 231 182**	1 083 112
Non-controlling interests	**3 660**	4 947

Condensed Consolidated
STATEMENT OF CASH FLOWS

	Full year 30 Jun 2014 Reviewed R'000	Full year 30 Jun 2013 Audited R'000
EBITDA **	**405 563**	493 254
Changes in working capital	**(74 019)**	(378 331)
Other non-fund flow items	**13 046**	10 037
Cash generated by operating activities	**344 590**	124 960
Net finance costs	**(28 764)**	(18 558)
Finance income received	**60 713**	58 548
Finance expenses paid	**(89 477)**	(77 106)
Taxation paid	**(104 247)**	(117 583)
	211 579	(11 181)
Cash flows from investing activities		
Property, plant and equipment acquired	**(58 725)**	(84 328)
Proceeds on disposal of property, plant and equipment	**34 559**	8 162
Acquisition of intangible assets	**(8 675)**	(7 912)
Net investment in finance leases receivable	**(113 584)**	(105 945)
Acquisition of subsidiaries	**(2 580)**	(6 000)
Acquisition of shares in Datacentrix (including deposit)	**(16 693)**	(267 451)
Acquisition of non-controlling interest	**(2 939)**	–
	(168 637)	(463 474)
Cash flows from financing activities		
Interest-bearing liabilities raised	**68 707**	439 229
Interest-bearing liabilities repaid	**(28 087)**	(14 724)
Non-interest-bearing liabilities raised	**18 083**	–
Shares issued	**14**	–
Repurchase of shares	**(29 059)**	–
Short-term loans raised	**–**	64 720
Short-term loans repaid	**–**	(64 561)
Decrease in long-term loans receivable	**–**	(475)
Increase in cash flow hedge reserve	**(12 143)**	–
Decrease in trust loans	**(106)**	–
Dividends paid	**(64 787)**	(55 257)
	(47 378)	368 932
Decrease in net cash, cash equivalents and overdrafts	**(4 436)**	(105 723)
Net overdraft acquired from business combinations	**(994)**	(576)
Net overdraft at beginning of year	**(246 546)**	(140 247)
Net overdraft at end of year	**(251 976)**	(246 546)

*** Earnings before interest, taxation, depreciation and amortisation.*

BUSINESS COMBINATIONS

	30 June 2014			30 June 2013				
	Pacific Cables (Pty) Ltd R'000	**DSP Techno-logies R'000**	**Total R'000**	Devtrade Securities (Pty) Ltd R'000	JAG R'000	Modrac (Pty) Ltd R'000	Precision ICT (Pty) Ltd R'000	**Total R'000**
Assets								
Property, plant and equipment	250	115	365	273	13 817	1 638	72	15 800
Deferred taxation	–	–	–	–	–	–	–	–
Inventories	294	222	516	652	306	–	8 619	9 577
Trade and other receivables	1 230	–	1 230	4 520	1 995	9 822	4 869	21 206
Less: Provisions raised	–	–	–	–	–	(8 633)	(1 200)	(9 833)
Taxation receivable	–	–	–	2	–	–	–	2
Cash and cash equivalents	–	–	–	629	40	–	1 888	2 557
	1 774	337	2 111	6 076	16 158	2 827	14 248	39 309
Liabilities								
Trade and other payables	(2 032)	–	(2 032)	(6 162)	(9 299)	(12 710)	(16 806)	(44 977)
Bank overdrafts	(994)	–	(994)	–	(3 133)	–	–	(3 133)
Short-term loan	(554)	–	(554)	–	(4 426)	–	–	(4 426)
Long-term loan	(450)	–	(450)	–	(4 098)	–	–	(4 098)
Deferred taxation	(196)	(97)	(293)	–	(1 603)	(13)	–	(1 616)
Shareholders' loan	–	–	–	–	–	(6 329)	(1 036)	(7 365)
	(4 226)	(97)	(4 323)	(6 162)	(22 559)	(19 052)	(17 842)	(65 615)
Net assets acquired	(2 452)	240	(2 212)	(86)	(6 401)	(16 225)	(3 594)	(26 306)
Less: Non-controlling interests	–	–	–	–	640	–	–	640
Intangible asset on acquisition	701	345	1 046	–	–	–	–	–
Goodwill on acquisition	1 751	1 995	3 746	25 360	6 761	16 225	3 594	51 940
Purchase amount – paid	–	2 580	2 580	5 000	1 000	–	–	6 000
– to be paid	–	–	–	20 274	–	–	–	20 274
Revenue since acquisition	21 885	126	22 011	11 302	12 444	–	4 270	28 016
Profit before taxation since acquisition	635	5	640	3 027	2 787	–	1 810	7 624
Group revenue *			7 103 656					6 692 856
Group profit before taxation *			371 474					433 419

* *If business combinations had been acquired at the beginning of the year.*

Condensed ANALYSIS OF GOODWILL

	Full year 30 Jun 2014 Reviewed R'000	**Full year 30 Jun 2013 Audited R'000**
Opening balance	114 940	63 000
Business combination acquisitions	3 746	51 940
Impairments	(2 169)	–
Closing balance	116 517	114 940
Business combination acquisitions		
Devtrade	–	25 360
DSP	1 995	–
JAG	–	6 761
Modrac	–	16 225
Pacific	1 751	–
Precision	–	3 594
	3 746	51 940
Impairments		
E-Secure	(883)	–
Pinnacle Micro	(1 286)	–
	(2 169)	–

COMMENTARY

INTRODUCTION

The Company presents its financial results for the year ended 30 June 2014. This year would have to rank as one of the most challenging in the 21-year history of the Company, with the attempted bribery allegations against one of our long serving executive directors, Mr Takalani Tshivhase, in March 2014 being the single most significant issue. These allegations have now been retracted, and the charges, which led to the arrest, are in the process of being withdrawn, as advised to the market in the SENS announcement dated 25 August 2014. However, the incident caused our stakeholders a great deal of concern and resulted in a steep decline in the share price. As advised to our stakeholders in the various SENS announcements, the Company, on the evidence available to it, was of the view that there was no reason to doubt the veracity of Mr Tshivhase's denial of the allegations. Whilst, therefore, the Company is greatly aggrieved that these unfounded allegations were made against one of its directors, which caused reputational harm to the Company, it draws some comfort from the fact that the senior directorate of the NPA, on reviewing the matter and assessing the reliability of the witnesses concerned, determined that the allegations were unsustainable and that the charges should be withdrawn.

Whilst the Company is presently considering its legal position with regard to the matter, on a positive note, the Company is grateful for the ongoing and unflinching support which it received from all its major suppliers and customers who continued, without interruption, to support the business of the Company throughout this ordeal.

FINANCIAL RESULTS

Group revenue increased by 8% to R7.1 billion, but gross profit decreased by 1% on margins that decreased to 14.4% (2013: 15.6%). Towards the end of the year, the Company decided to discount certain slow moving inventory that would have become technologically obsolete. This resulted in substantial write downs but helped ensure that the Company starts the new year with inventory that is better priced and technologically up to date. In addition, margins decreased during the last 6 months due to certain large deals that were done at low margins and due to competitive pressures. Operating expenses increased by 15% which resulted in EBITDA reducing by 18%. It should be noted that operating expenses include the reclassification of the fair value adjustment on the derecognition of the investment in Datacentrix from an available for sale listed share to an equity accounted investment of approximately R4.3 million. Our annual assessment of goodwill resulted in an impairment charge of R2.1 million. The acquisition of the 34.99% share in Datacentrix affected interest paid by approximately R16.6 million, and the income of R20.7 million, calculated in accordance with IAS 28, meant that this investment showed a R4.1 million positive effect on earnings for the 8 months since October 2013. Group borrowing costs otherwise decreased as a result of the growing net contribution of Centrafin's financial assets. These factors therefore have contributed to a reduction in earnings per share to 172.9 cents (2013: 205.8 cents) and headline earnings per share of 166.5 cents (2013: 205.6 cents).

DIVISIONAL PERFORMANCE

The Distribution division increased revenue by 8% although net profit after tax decreased by 30%, mainly due to factors listed in the Group commentary above. On a positive note, revenue in the second half of the year grew by 14%, albeit at lower margins, indicating the investment into new focus areas, such as the Advanced Technologies unit, is beginning to bear fruit.

Infrasol, the IT Projects and Services division, showed a marginal revenue increase of 5% for the year. Profit after tax in this division increased by 11% and we continue to believe that emphasis into this exciting part of the Group will show the desired outcome in the years ahead.

Centrafin was the star performer of the Group with a revenue growth of 45% and achieved a net profit after tax growth of 63%. The book continues to grow strongly (now at R382 million from R269 million a year ago). The management of the book remains of the highest order with delinquent debtors remaining well below industry norms. This can be attributed to the application of strict credit control policies, the specific selection of assets to fund and a dedicated credit collection team.

The Group's focus of diversifying into higher margin business areas is working, with the profit contribution emanating from outside distribution now reaching 22% as against 7% in the prior year.

FINANCIAL POSITION AND CASH FLOW

Inventory decreased by R77 million from June 2013 and we believe that it can be reduced further. Much emphasis has been put on this side of the business and some hard calls taken on slow moving lines. With an increased last half revenue, and lower inventory holdings, stock days reduced impressively from 66 days to 45 days.

Trade Receivables are by and large well controlled although there is one large deal that is being held up for payment due to delays on installation with the end user. Daily Sales Outstanding ("DSOs") was at 54 days compared to 50 at the end of June 2013, with the above deal contributing to 5 days of the total.

Daily Purchases Outstanding ("DPOs") increased to 51 days (48 in June 2013) largely as a result of better buying patterns and stock planning.

The main cash outflows comprised:

- Further investment of R114 million into Centrafin's customer base as it continues to build its financial lease book (R364 million) and its leased asset base (R18 million after depreciation);
- Repurchase of shares for R29 million;
- Taxation paid of R104 million; and
- The annual dividend to shareholders of R65 million.

This was mainly funded by an impressive improvement in the net operational cash flow of R345 million, compared to R125 million in 2013. New funding was raised as follows:

- R35 million in an increased facility with Investec; and
- R33 million introduced by First National Bank for the land purchase in Samrand last year.

Borrowings now comprise R151 million in short-term loans secured by Centrafin's finance lease book and rental asset pool, R130 million in subsidiary preference shares issued to Nedbank (treated as interest-bearing liabilities at Group level), R24 million for the Nedbank loan to fund the purchase of Axiz, R315 million for the medium term domestic note, R33 million for the Samrand land funding and overdrafts of R277 million.

It must be borne in mind that this year's borrowings profile is considerably distorted by two assets that should be ring-fenced due to their non-operational nature insofar as they relate to mainstream ICT distribution. These are the investment in Datacentrix of R284 million and the investment into Centrafin's financial assets totalling R382 million. Without these the Group's borrowings would be in the order of R370 million and its debt to equity ratio would be 30%, down from 36% in 2013.

CORPORATE ACTIVITY

Datacentrix: On 30 October 2013, the Competition authorities approved the acquisition by Pinnacle of a controlling stake in Datacentrix Holdings Limited ("Datacentrix"), subject to certain conditions. Consequently, the sale agreement, entered into with Co-ordinated Network Investments (Pty) Ltd and Hoolican Investments (Pty) Ltd on 6 June 2013 to acquire 61 152 467 shares in Datacentrix, became unconditional.

The directors have classified the investment in Datacentrix as an associated company on the basis that Pinnacle has significant influence, but not control, over the financial and operating policies of Datacentrix. Thus, with effect 1 November 2013 the results of Datacentrix have been equity accounted.

IAS 28 Investments in Associates and Joint Ventures requires equity accounting to be based on financial information that is not more than 3 months old. However, Datacentrix is a listed company and only the most recently published financial information that is available to the public can be used for equity accounting purposes. The financial year-end of Datacentrix is 28 February and therefore published results for the periods ended 28 February have been used to account for the income.

It is not anticipated that Pinnacle will be able to increase its holding in the short-term into this strategic asset. The Board will continue to monitor the returns associated with the investment to ensure that the Group's long-term interests are met.

DSP: On 1 May 2014 Pinnacle acquired the business and certain assets of DSP. The purchase price for the acquisition was R2 580 331, payable in cash on 7 May 2014. The net asset value and the intangible asset identified came to R586 749, resulting in goodwill of R1 994 582. DSP was a small, but established, owner-managed business specialising in the sale and support of large, multi-function photocopy machines and related spares. The business was quickly absorbed into our Pinnacle Business Solutions division and is already adding value.

Merqu: With effect 1 November 2013 Pinnacle acquired the balance of the shares that it did not already own (49%) in Merqu Communications (Pty) Ltd ("Merqu"). The purchase price of R9 383 040 was made up of a fixed amount of R2 929 339, 50% payable immediately with the balance paid on 30 June 2014, and the balance of R6 453 701 payable on reaching certain profitability targets. The targets should be concluded on or around 30 September 2014 and the balance paid. The managers, and previous owners, remain committed to the entity and have confidence in its future.

Pacific Cables: With effect 16 July 2013, Pinnacle acquired 100% of the issued share capital of Pacific Cables (Pty) Ltd at a price of R1. The entity had a negative equity at the time of the acquisition which gave rise to a goodwill of R1.75 million and an intangible, identified as part of the purchase price allocation, of R701 000. The rationale behind the purchase was to take on the employees involved in the distribution of Krone cables to add to the ranges sold in the Datanet division. The business has already been accommodated and settled into this division.

CHANGE IN DIRECTORATE

Mr Henry Ferreira (61) was appointed on 1 June 2014 as an executive director of the Company. Henry previously had held the role of Chief Executive Officer ("CEO") of Axiz (Pty) Ltd ("Axiz"), a major subsidiary of the Group. He is an industry veteran, bringing over 30 years' experience in the ICT industry to the table. He is well known in the South African market for his roles as Country General Manager for Hewlett Packard South Africa (Pty) Ltd and Managing Director of Compaq Africa (Pty) Ltd. Prior to joining Axiz as CEO in February 2012, he held the position of Country General Manager for Lenovo Africa (Pty) Ltd. He has also held senior executive positions with Microsoft Southern Africa, Nokia Networks, Unisys Africa and Hewlett Packard UK and Ireland.

Ms Ndumi Medupe was appointed on 29 August 2014 as an independent non-executive director of the Company. Ndumi is a founder and director of Indyebo Consulting (Pty) Ltd. Her areas of expertise include Governance, Risk, Compliance, Audit and Financial Management. She is currently a member of the South African Institute of Chartered Accountants, the Institute of Directors and the Institute of Internal Auditors. She has also been appointed as a Member and Chairperson of the Audit and Risk Committee.

SUBSEQUENT EVENTS

No other events material to the understanding of the report occurred in the period between the period-end date and the date of the report.

DIVIDENDS

The Company's policy has been to declare a dividend of 20% of HEPS (and since the introduction of Dividend Tax, a gross dividend of 20% of HEPS before deducting Dividend Tax). After careful consideration, the board has decided that this policy be suspended and that no dividend be declared for the current year. The Group wishes to preserve its cash resources to ensure that gearing reduces to more acceptable levels and that it invests into growth areas of the business.

PROSPECTS

The overall economy faces challenging times ahead, with the consumer becoming more financially constrained than ever before and the manufacturing and resources sector, bedevilled by labour and demand issues. Nonetheless, the IT sector has remained relatively resilient in the face of these and other economic challenges and it is envisaged that it will continue to remain reasonably so.

We are rigorously pursuing all commercial opportunities to take advantage of our efficient infrastructure and broad offerings in our Distribution cluster. The efforts of the Group to expand its offerings into the rest of Africa are paying off, with year on year revenue growth into the region reaching 23% for the year to June 2014. Infrasol is expanding its services offering and is seeing increased traction, while Centrafin, Pinnacle's finance subsidiary, continues to enable transactions to take place within the Group.

STATEMENT OF COMPLIANCE

These condensed consolidated preliminary financial statements for the year ended 30 June 2014 have been prepared in accordance with the Group's accounting policies by the Chief Financial Officer, RD Lyon CA, with and containing the information required by IAS 34. They comply with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), SAICA financial reporting guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council., the Listings Requirements of the JSE Limited and the Companies Act of South Africa. No new standards came into effect during the year that materially affected the financial statements and the accounting policies adopted are consistent with those applied in the preparation of the audited annual financial statements for the year ended 30 June 2013.

REVIEW

The condensed consolidated preliminary financial statements for the year have been reviewed by BDO South Africa Incorporated, and their unmodified review report is available for inspection at the Company's registered office. Any forward looking statement in this announcement has not been reviewed nor reported on by the Company's auditors.

For and on behalf of the Board

D Mashile-Nkosi *Chairperson*	**AJ Fourie** *Chief Executive Officer*	Midrand 5 September 2014

PINNACLE HOLDINGS LIMITED

(previously Pinnacle Technology Holdings Limited)

Directors:

D Mashile-Nkosi ^ (Chairperson), AJ Fourie (Chief Executive Officer), SH Chaba ^, HMP Ferreira, RD Lyon (Chief Financial Officer), N Medupe ^, RN Nkuna, TAM Tshivhase, A Tugendhaft *, E van der Merwe ^

** (Non-executive)   ^ (Independent non-executive)*

Preparer of results:

RD Lyon CA

Company Secretary:

JV Parkin (BCompt(Hons), CTA)

Registered Office:

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Transfer Secretaries:

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Auditors:

BDO South Africa Inc, Registered Auditors, 22 Wellington Road, Parktown, 2193

Sponsor:

Deloitte & Touche Sponsor Services (Pty) Ltd