Salient features

R'000	2015	2014	Change
Revenue	4 261 484	3 968 755	7,4%
Gross profit	1 169 237	1 143 622	2,2%
Gross margin	27%	29%	
Operating profit	561 498	649 023	(13,5%)
Operating profit – excluding impairments and capital items	634 697	667 527	(4,9%)
Operating margin	13%	16%	
Operating margin – excluding impairments and capital items	15%	17%	
Profit after tax	364 804	421 859	(13,5%)
Headline earnings	385 181	406 084	(5,1%)
Earnings per share – cents	110,9	131,4	(15,6%)
Headline earnings per share – cents	127,6	135,4	(5,8%)
Final gross dividend per share – cents	64,0	0,0	
Total gross dividend per share – cents	64,0	0,0	
Free cash flow	450 880	369 914	21,9%

Commentary

The 2015 financial year at Novus Holdings was dominated by the Group's decision to list on the JSE. The listing has significantly changed the face of Novus Holdings: a new brand was introduced into the marketplace and a new corporate identity was created for the entire Group. A more formal approach was initiated to stakeholders and governance. It was a deep and significant change, supported by a well-managed process.

Novus Holdings' main purpose for the listing was to:
- enhance the profile of Novus Holdings' brand;
- provide a capital raising platform for funding to facilitate organic and acquisitive growth prospects;
- enable Novus Holdings to retain and attract key employees by affording them the opportunity to participate in the equity and future growth of the business;
- allow institutions the opportunity to participate directly in Novus Holdings' equity; and
- increase transparency of Novus Holdings' businesses and assist in unlocking new business opportunities, particularly in sub-Saharan Africa.

The listing was substantially oversubscribed and the Novus Holdings investment case was well received by investors. It has enabled Novus Holdings to broaden its shareholder base to include a range of investors, from institutional to private, who are predominantly geared towards the long term.

During our roadshows to introduce the listing to investors and analysts, we were still challenged by entrenched perceptions about the sustainability of the print industry. Novus Holdings' core business that serves the printed newspaper, magazine, book, catalogue and retail leaflet markets, is in a mature phase and will be further challenged by an economy that is projected to have GDP growth of just more than 2%.

This led Novus Holdings to adopt an aggressive diversification strategy over the past year, with a long-term objective of earning 50% of revenue from previously non-core products and services. The foundation of this diversification strategy was laid with the purchase of the tissue-manufacturing facility in Durban and the new packaging gravure offering to producers of fast-moving consumer goods.

TRENDS AND OPPORTUNITIES

Global print trends are playing out very differently in emerging markets such as South Africa and parts of Africa, compared to Europe and the USA. In the latter markets, digital and television are the dominant communication channels. In emerging markets we are still dealing with development issues such as literacy and democracy, which results in continuous strong demand for printed products.

We are following the development of formal retail in other parts of Africa with interest, especially where our local retailers are expanding, as we believe that retailers will have to create infrastructure to penetrate new markets. This is potentially also a significant opportunity for Novus Holdings.

We approach business in African countries with partnerships in mind, specifically with funders and with operators in the market. Novus Holdings can offer experience, technology and scale, whereas local operators have a better understanding of the market dynamics and distribution options. We believe that Novus Holdings can eventually offer a one-stop shop for any printing requirements in Africa.

RISK MITIGATION

The resilience of Novus Holdings' business is owed to its long-serving customer base, diversified product offerings, outstanding service and the ability of the business to innovate and offer unique propositions to the market.

Novus Holdings is, for example, diversifying into other markets and products to mitigate the impact of low economic growth in South Africa, where we face additional challenges in terms of political, social and infrastructure risk. Novus Holdings is geared to remain fully operational in case of electricity supply interruptions with adequate short-term diesel supply. Even though the operational risk is mitigated we envisage rising costs related to increased maintenance and running expenses.

Fluctuating exchange rate risk is managed through forward cover.

Commentary (continued)

FINANCIAL PERFORMANCE

The 2015 financial results for the Group were solid and in line with the numbers communicated to the market during the listing roadshows. The Group had a market capitalisation of R5,8 billion at 31 March 2015, revenue of R4,26 billion, and net profit after tax generated for the year was R365 million.

Highlights for the past financial year include the acquisition of the Correll Tissue plant and tissue pulping facility. We have also made a breakthrough into the high-volume wet glue label market that serves the fast-moving consumer goods sector. Further optimisation was achieved through the amalgamation of two commercial printing facilities in KwaZulu-Natal and the establishment of a commercial unit in Gauteng that offers a hybrid heatset and coldset printing solution.

A lowlight for Novus Holdings was absorbing the costs related to the fluctuating exchange rate as there is always a lag in the recovery of these costs. The further closure of magazines, the decline in daily newspaper circulation and the domino effect of African Bank's collapse affected revenue in some of our core product categories.

Retail inserts and catalogues had the highest contribution to revenue at 29%. These products depend on the health of the retail sector, which was under pressure following major strikes and the drop in unsecured loans. Novus Holdings' newly established commercial facility was created specifically for this sector, based on projected growth and the opportunity for Novus Holdings to gain market share through existing relationships. We expect retail to be resurgent in 2016 and expect that this will gain further momentum with demand in the rest of Africa picking up.

Revenues from magazines are almost all under printing contracts between Novus Holdings and numerous publishers and contribute 23% to Group revenue. This sector has been under pressure in the past five years, which was characterised by magazine closures, reduced pagination, grammage and circulation as well as the migration to digital platforms, mostly due to economic pressure. We expect the current conditions to stabilise for 2016.

The newsprint business has been the most challenging of late, with a constant decline in volumes. It contributed 22% to total revenue. The subdued growth trend in English weekend newspapers and an overall decline in Afrikaans daily volumes are expected to continue into 2016.

The largest contributor in the books and directories category is the education workbook tender for the Department of Basic Education (DBE). The workbook volumes have remained consistent whereas text book demand has decreased due to the curriculum cycle. A new tender with the DBE, related to the workbooks project, is expected to come up for renewal at the end of the 2015 calendar year. Given the Group's success in delivering the tender during previous years, Novus Holdings is reasonably confident that it will have continued involvement as long as the DBE supports this initiative.

The directory market is characterised by long-term contracts for directories in South Africa, Namibia and Botswana. It is the only category that has been significantly impacted by the migration to digital platforms. Books and directories contributed 22% to total revenue and are expected to deliver consistent revenue in the 2016 financial year.

Labels delivered 45% growth in its contribution to total revenue in the past year, albeit off a low base. Excellent growth is expected in this category following renewed focus and investment.

The full effect of the acquisition of Correll Tissue will only be visible in the ensuing financial years, with additional investment expected to drive solid growth in this category from 2017 onwards.

IMPAIRMENT

An impairment charge of R73,5 million was passed in 2015 relating to the following:

Printing equipment (R29,0 million) and Buildings (R31,4 million)

A detailed assessment was done on printing equipment and buildings to remove inefficient and underutilised capacity and to evaluate the best geographic fit. The identified items will be phased out and disposed of. The carrying values were accordingly impaired to realisable values. These impairments resulted from a recent change in product focus and management's planned future use of the assets.

Inserting and other equipment (R13,1 million)

The inserting equipment was previously used in a leaflet distribution business that was closed down. The equipment was not suitable to use in the existing business and has been impaired to realisable value.

GOVERNANCE AT NOVUS HOLDINGS

Novus Holdings has developed an entrenched governance and reporting system with specific strengths in areas such as internal audit and financial controls. In preparation for listing, the board reviewed its entire governance structure. This included the board's composition, especially considering independence and diversity. As a result, we have appointed five new independent non-executive directors and took leave of two of our previous board members. During the past year, the board also established a new social and ethics committee and reviewed all board and committee charters.

This listing was primarily driven by the executive management team and its network of advisors and service providers, but the board and key stakeholders were continuously updated and consulted during the process.

With these changes implemented the board's focus in the next year will be to ensure that all members are exposed to and familiar with the business operations, plants, products, technology and key members of management. This will bring the necessary alignment and insights to evaluate and consider any future strategic opportunities.

EMPLOYEES

The success of the Novus Holdings growth strategy is dependent on the availability and commitment of employees with the appropriate skills and competencies. We continue investing in the recruitment, training and retention of employees with the profile to match our requirements. Therefore, the Novus Academy remains a key component of our business model.

The listing and the integration of new business units into the Group in the past year required very specific change management and communication interventions to ensure that we maintain operational standards and align employees with the Group's ambitions. Novus Holdings has an entrepreneurial background – the kind of spirit that we would like to protect and apply in a larger future environment.

We also continue optimising our employee practices:

- During the year, risk benefits of the existing retirement and provident funds were pooled together to offer employees improved risk benefits and lower cost.
- A new remuneration strategy was developed to support the attraction and retention of critical talent and to serve as motivator for continuous learning and performance improvement.

BLACK ECONOMIC EMPOWERMENT

Novus Holdings has a long track record in empowerment through the Novus Academy and ownership initiatives. Empowerment milestones included the share acquisition by the Mineworkers' Investment Company Empowerment Fund (MICEF), and subsequently Welkom Yizani and Kurisani Investments.

Procurement remains a challenge as the Group has to increasingly source paper internationally. The equipment and technology that we require are also not available in South Africa. With these limitations the Group's focus has been in the two areas of control and impact: skills development and socio-economic development.

Going forward, Novus Holdings will continue contributing to the B-BBEE scorecard by increasing black employees in management positions and by achieving an even higher score on skills development, which are critical elements on the amended B-BBEE scorecard.

EVENTS AFTER REPORTING DATE

In line with Novus Holdings' strategy to repositioning our printing offering through digital print, it acquired 100% of the share capital of Victory Ticket 376 Proprietary Limited trading as Digital Print Solutions for a consideration of R7,9 million. The effective date of the acquisition was 1 May 2015.

APPOINTMENT OF COMPANY SECRETARY

In terms of paragraph 3.59 of the JSE Limited Listings Requirements, shareholders are advised that Gernus Swanepoel has been appointed company secretary of Novus Holdings with effect from 1 July 2015.

DIVIDENDS

The board approved a gross dividend No. 1 of 64 cents per share (2014: nil) for the year ended 31 March 2015. The source of the dividend is from distributable reserves and paid in cash. The dividend declared is subject to dividend withholding tax at 15%. The tax payable is 9,6 cents per share, leaving shareholders who are not exempt from dividends tax with a net dividend of 54,4 cents per share.

Novus Holdings' shares in issue as at the date of this declaration is 347 332 454. The income tax reference number is 9656/360/15/4.

Last day to trade (cum dividend)	Friday, 28 August 2015
Trading ex dividend commences	Monday, 31 August 2015
Record date	Friday, 4 September 2015
Payment date	Monday, 7 September 2015

Share certificates may not be dematerialised or rematerialised between Monday, 31 August 2015 and Friday, 4 September 2015, both dates inclusive.

OUTLOOK

Novus is focused on the strategy outlined in the pre-listing statement and will continue to be cautious and discerning when considering future opportunities.

As a board, we constantly monitor the most important indicators within our sphere of operations. The Group has a strong financial position and significant capacity to raise debt, which will be taken into consideration when appropriate opportunities emerge.

APPRECIATION

As a board, we would like to welcome our new shareholders and look forward to a long and rewarding relationship with them.

We want to thank management as well as external teams that completed the listing process with such success. We recognise the efforts of the executive team who supported the entire Novus Holdings Group through the changes that had to be implemented during the past year.

A special word of thanks to the previous board, who brought the Group to a new phase in its history, with specific reference to Salie de Swardt who served as director for 15 years (including four years as chairman) and Nicol Retief as a director for 14 years. Your continued interest and commitment to the Group – albeit on the sidelines – is much appreciated.

Lastly, we want to thank the new board for joining us on the journey forward to create value for all Novus Holdings shareholders as a leader in our industry.

Lambert Retief
Chairman

Stephen van der Walt
Chief executive officer

Summary consolidated statement of financial position

as at 31 March

	Audited 2015 R'000	Audited 2014 R'000
ASSETS		
Non-current assets	**2 298 867**	2 255 728
Property, plant and equipment	**2 134 523**	2 150 677
Goodwill	**132 052**	86 701
Other intangible assets	**27 254**	14 920
Loans and receivables	**1 920**	2 784
Derivative financial instruments	**75**	646
Deferred taxation assets	**3 043**	–
Current assets	**1 222 840**	905 116
Inventory	**325 714**	333 509
Trade and other receivables	**351 508**	287 861
Related-party receivables	**150 895**	180 130
Loans and receivables	**1 333**	500
Derivative financial instruments	**1 486**	4 504
Current income tax receivable	**2 860**	–
Cash and cash equivalents	**389 044**	98 612
TOTAL ASSETS	**3 521 707**	3 160 844
EQUITY		
Capital and reserves attributable to the Group's equity holders	**2 536 235**	2 085 069
Share capital	**606 040**	1
Treasury shares	**(368 172)**	–
Other reserves	**(872 575)**	(750 970)
Retained earnings	**3 170 942**	2 836 038
Non-controlling interest	**30 480**	121 536
TOTAL EQUITY	**2 566 715**	2 206 605
LIABILITIES		
Non-current liabilities	**408 975**	404 372
Post-employment medical liability	**4 133**	3 949
Provisions	**13 390**	11 106
Long-term liabilities	**80 636**	62 895
Cash-settled share-based payment liability	**12 061**	8 767
Deferred taxation liabilities	**267 015**	287 935
Deferred income	**31 740**	29 720
Current liabilities	**546 017**	549 867
Current portion of long-term liabilities	**71 149**	172 382
Trade and other payables	**317 385**	266 719
Related-party payables	**3 087**	1 849
Cash-settled share-based payment liability	**26 477**	28 898
Current income tax payable	**–**	7 072
Derivative financial instruments	**18 877**	11 662
Bank overdrafts and call loans	**107 203**	59 810
Deferred income	**1 839**	1 475
TOTAL EQUITY AND LIABILITIES	**3 521 707**	3 160 844

Summary consolidated income statement

for the year ended 31 March

	Audited 2015 R'000	Audited 2014 R'000
Revenue	4 261 484	3 968 755
Cost of sales	(3 092 247)	(2 825 133)
Gross profit	1 169 237	1 143 622
Operating expenses	(534 255)	(476 122)
Other expenses	(73 484)	(18 477)
Operating profit	561 498	649 023
Finance income	12 572	7 313
Finance costs	(67 735)	(59 007)
Share of net loss of associate	–	(872)
Profit before taxation	506 335	596 457
Taxation	(141 531)	(174 598)
Net profit for the year	364 804	421 859
Attributable to:		
Equity holders of the Group	334 904	394 083
Non-controlling interests	29 900	27 776
	364 804	421 859
Earnings per share (cents)		
Basic	110,9	131,4
Diluted	110,9	131,4
Headline earnings per share (cents)		
Basic	127,6	135,4
Diluted	127,6	135,4
Earnings		
Net profit attributable to shareholders	334 904	394 083
Headline adjustments (net of tax and non-controlling interest)	50 277	12 001
(Loss)/profit on sale of property, plant and equipment	(213)	6 870
Insurance proceeds	–	(13)
Impairment in value of property, plant and equipment	50 490	4 642
Loss on sale of associate	–	502
Headline earnings	385 181	406 084
Number of ordinary shares in issue at year end	347 332 454	300 000 000
Weighted average number of shares		
Shares for earnings and diluted earnings per share adjusted for weighting	301 927 811	300 000 000

Summary consolidated statement of comprehensive income
for the year ended 31 March

	Audited 2015 R'000	Audited 2014 R'000
Profit for the year	364 804	421 859
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Hedging reserve	(4 388)	(410)
Net fair value (losses)/gains, gross	(711)	2 503
Net fair value losses/(gains), tax portion	199	(701)
Foreign exchange movement, gross	904	(27 267)
Foreign exchange movement, tax portion	(253)	7 635
Derecognised and added to asset, gross	4 115	40
Derecognised and added to asset, tax portion	(1 152)	(11)
Derecognised and reported in cost of sales, gross	(10 484)	24 154
Derecognised and reported in cost of sales, tax portion	2 994	(6 763)
Items that will not be reclassified to profit or loss		
Post-employment benefit obligations and provisions	(1 459)	(1 291)
Remeasurement of post-employment benefit obligations and provisions, gross	(2 026)	(1 793)
Remeasurement of post-employment benefit obligations and provisions, tax portion	567	502
Total other comprehensive income, net of tax	(5 847)	(1 701)
Total comprehensive income for the year	358 957	420 158
Attributable to:		
Equity holders of the Group	329 655	392 410
Non-controlling interests	29 302	27 748
	358 957	420 158

Summary consolidated statement of changes in equity

for the year ended 31 March

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP					
	Share capital and premium R'000	Treasury shares R'000	Total other reserves R'000	Retained earnings R'000	Non-controlling interest R'000	Total equity R'000
Balance as at 1 April 2013 – Audited	1	–	(751 291)	2 443 246	93 788	1 785 744
Total comprehensive income for the year	–	–	(345)	392 792	27 711	420 158
Profit for the year	–	–	–	394 083	27 776	421 859
Other comprehensive income	–	–	(345)	(1 291)	(65)	(1 701)
Share-based compensation movement	–	–	666	–	37	703
Balance as at 31 March 2014 – Audited	1	–	(750 970)	2 836 038	121 536	2 206 605
Total comprehensive income for the year	–	–	(5 227)	334 904	29 280	358 957
Profit for the year	–	–	–	334 904	29 900	364 804
Other comprehensive income	–	–	(5 227)	–	(620)	(5 847)
Share-based compensation movement	–	–	1 131	–	22	1 153
Share capital issued	1 428 172	–	–	–	–	1 428 172
Share issue expenses	(15 105)	–	–	–	–	(15 105)
Cancellation of repurchased shares	(1 044 895)	–	–	–	–	(1 044 895)
Shares issued to entities controlled by the Group	–	(368 172)	–	–	–	(368 172)
Transactions with non-controlling interests	237 867	–	(117 509)	–	(120 358)	–
Balance as at 31 March 2015 – Audited	606 040	(368 172)	(872 575)	3 170 942	30 480	2 566 715

Summary consolidated statement of cash flows

for the year ended 31 March

	Audited 2015 R'000	Audited 2014 R'000
Cash generated from operating activities	**802 486**	777 283
Finance income	**12 572**	7 313
Finance costs	**(26 223)**	(59 007)
Taxation paid	**(173 239)**	(171 706)
Dividends received	**–**	3
Cash generated from operating activities	**615 596**	553 886
Cash flows from investment activities		
Property, plant and equipment acquired	**(168 056)**	(250 953)
Proceeds from Government grants	**4 286**	–
Proceeds from sale of property, plant and equipment	**2 743**	4 401
Proceeds from the sale of non-current assets held for sale	**–**	20 500
Purchase of intangible assets	**(17 340)**	(9 635)
Insurance proceeds	**–**	24
Cash movement in associate loan	**–**	1 046
Loans and receivables advanced	**(787)**	(851)
Loans and receivables repaid	**818**	–
Acquisition of subsidiaries/businesses	**(103 844)**	(91 904)
Cash utilised in investing activities	**(282 180)**	(327 372)
Cash flows from financing activities		
Proceeds from share issue	**1 044 895**	–
Repayment of long-term loans	**(190 377)**	(181 623)
Proceeds from long-term loans	**100 000**	100 000
Repayment of related-party loans	**–**	(302 865)
Repurchase of shares	**(1 044 895)**	–
Proceeds from related-party loans	**–**	13 753
Cash utilised in financing activities	**(90 377)**	(370 735)
Net increase/(decrease) in cash and cash equivalents	**243 039**	(144 221)
Cash and cash equivalents at beginning of the year	**38 802**	183 023
Cash and cash equivalents at end of the year	**281 841**	38 802

Notes to the summary consolidated financial statements
for the year ended 31 March 2015

1. REPORTING ENTITY

The financial data in the summary consolidated financial statements covers the Group's comprehensive commercial printing and manufacturing operations in South Africa. Revenue derived from African business interests outside of South Africa is not yet material enough to warrant increased geographical reporting boundaries. The report is structured to cover the operations according to two business segments:

– Printing (which includes heatset, coldset and commercial)
– Other (which includes labels and tissue manufacturing)

Financial reporting for the Other division incorporates 10 months' revenue (R116,3 million) following the acquisition of the Correll Tissue plant from 1 June 2014 and the commencement of the new wet glue label operation (revenue of R22,5 million).

2. BASIS OF PRESENTATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) Listings Requirements for preliminary reports, and the requirements of the Companies Act, as amended applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

3. PREPARATION

These summary consolidated financial statements were prepared by BF Meyers, CA(SA), under the supervision of the chief financial officer, E van Niekerk, CA(SA). Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditor.

4. AUDITOR'S REPORT

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office.

The directors take full responsibility for the preparation of the preliminary report and the financial information has been correctly extracted from the underlying annual financial statements.

5. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these summary consolidated financial statements conform to IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The following new accounting standards and amendments to IFRSs became effective and were adopted by the Group during the current financial year:

Standard/Interpretation	Effective date: Years beginning on or after
Amendments to IAS 32: Financial Instruments Presentation – Offsetting financial assets and financial liabilities	1 January 2014
Amendments to IAS 36: Impairment of Assets – Recoverable amount for non-financial disclosures	1 January 2014
Amendments to IAS 39: Financial Instruments – Novation of derivatives and continuation of hedge accounting	1 January 2014
IFRIC 21: Levies	1 January 2014

The relevance of these amendments to the published standards has been assessed with respect to the Group's operations and it was concluded that, other than the additional presentational disclosures required, they did not have a material impact on the Group.

6. USE OF ESTIMATES AND ASSUMPTIONS

In preparing these summary consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 31 March 2014.

7. SEGMENT INFORMATION

IFRS 8: Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the executive committee that makes strategic decisions.

The executive committee has identified three operating segments based on its business by service or product. However, two operating segments have been combined in one reportable segment as they are similar in nature and meet the aggregation criteria in terms of IFRS 8 paragraph 12. The reportable segments are "Printing" that comprises printing of books, magazines, newspapers and related products and "Other" that comprises Paarl Labels Proprietary Limited, which prints self-adhesive labels and Paarl Tissue Proprietary Limited, which manufactures tissue paper.

Notes to the summary consolidated financial statements (continued)

for the year ended 31 March 2015

7. SEGMENT INFORMATION (continued)

	Printing R'000	Other R'000	Eliminations R'000	Total R'000
2015				
External revenue	4 043 480	218 004	–	4 261 484
Intersegmental revenue	15 750	15	(15 765)	–
Total revenue	4 059 230	218 019	(15 765)	4 261 484
Profit attributable to equity holders of the company	339 861	(4 957)	–	334 904
Additional disclosure				
Capital commitments	40 196	17 283	–	57 479
Impairment of assets	72 796	741	–	73 537
Total assets	3 445 753	299 883	(223 929)	3 521 707
Total liabilities	884 969	293 952	(223 929)	954 992
2014				
External revenue	3 898 384	70 371	–	3 968 755
Intersegmental revenue	132	26	(158)	–
Total revenue	3 898 516	70 397	(158)	3 968 755
Profit attributable to equity holders of the company	387 957	6 126	–	394 083
Additional disclosure				
Capital commitments	30 875	289	–	31 164
Impairment of assets	7 379	–	–	7 379
Total assets	3 121 943	38 901	–	3 160 844
Total liabilities	926 228	28 011	–	954 239

8. TRANSACTIONS WITH NON-CONTROLLING INTEREST AND SHARE ISSUES

On 23 February 2015, Adbait Proprietary Limited's shareholding in Paarl Media Holdings Proprietary Limited and Paarl Coldset Proprietary Limited were exchanged for 19 545 857 shares in Novus Holdings Limited. As this was a transaction with non-controlling interests, it was accounted for in equity.

Novus repurchased 26,7% of Media24's shareholding. This equates to 80 000 000 shares which were cancelled and became authorised but unissued shares.

24 313 272 ordinary shares were issued to the Novus Holdings Share Trust (ESOP) in respect of options allotted to selected employees and 3 473 325 ordinary shares were issued to Latiano 554 Proprietary Limited (Latiano) in respect of the options allotted to Mr LP Retief in his capacity as non-executive chairman and director of the Company. Both the shares issued to the ESOP and to Latiano are considered to be treasury shares.

9. ACQUISITION OF SUBSIDIARIES

For the year ended 31 March 2015

Acquisition of the business of Correll Tissue Proprietary Limited

On 1 June 2014, the Group acquired the entire business of Correll Tissue Proprietary Limited for a consideration of R144,3 million. The acquisition was a result of management's diversification strategy.

Goodwill of R45,3 million relates to expected synergies resulting from the Group's use of waste paper generated at its existing printing plants as an input in the tissue manufacturing process. None of the goodwill recognised is expected to be deductible for income tax purposes.

	2015 R'000
Fair value of assets and liabilities acquired	
Property, plant and equipment	92 717
Inventory	8 620
Trade and other receivables	16 273
Trade and other payables	(13 070)
Finance lease liability	(5 640)
Identifiable assets and liabilities at acquisition date	98 900
Goodwill	45 351
Total purchase consideration	144 251
Consideration as at acquisition date	
Total purchase consideration	144 251
Amount owing in respect of acquisition	(40 407)
	103 844

Acquisition-related costs of R0,3 million have been included in profit and loss.

Revenue of R116 million and a loss of R7,9 million have been included in the consolidated statement of comprehensive income since the acquisition date.

The Group's revenue and profit would have been R4 284,7 million and R363,2 million respectively if the acquisition had occurred at the beginning of the reporting period.

10. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

All of the Group's financial assets are classified as "loans and receivables" and are carried at amortised cost, apart from derivatives, which are held for hedging purposes. Similarly, all of the Group's financial liabilities are classified as "other financial liabilities" and are carried at amortised cost apart from derivatives which are held for hedging purposes.

The summary consolidated financial statements do not include all risk management information and disclosure required in the annual financial statements and should be read in conjunction with the group's annual financial statements as at 31 March 2015.

There have been no changes in the group's financial risk management objectives and policies since the previous financial year.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market (for example, derivatives such as interest rate swaps, foreign exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the summary consolidated financial statements (continued)

for the year ended 31 March 2015

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
At 31 March 2015				
Group				
Assets				
Interest rate swap	–	116	–	116
Foreign exchange contracts	–	1 445	–	1 445
	–	1 561	–	1 561
Liabilities				
Foreign exchange contracts	–	18 877	–	18 877
At 31 March 2014				
Assets				
Interest rate swap	–	699	–	699
Foreign exchange contracts	–	4 451	–	4 451
	–	5 150	–	5 150
Liabilities				
Interest rate swap	–	129	–	129
Foreign exchange contracts	–	11 533	–	11 533
	–	11 662	–	11 662

Valuation techniques and key inputs used to measure significant level 2 fair values

Foreign exchange contracts – In measuring the fair value of foreign exchange contracts, the Group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the Group's foreign exchange contracts. Key inputs used in measuring the fair value of foreign exchange contracts include current spot exchange rates, market forward exchange rates, and the term of the Group's foreign exchange contracts.

Interest rate swaps – The fair value of the Group's interest rate swaps is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of interest rate swaps include spot market interest rates, contractually fixed interest rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates, as well as the duration of the relevant interest rate swap arrangement.

The carrying amount of the financial assets and liabilities is a reasonable approximation of their fair values.

Financial instruments disclosed in the statement of financial position include interest-bearing borrowings, financial assets, cash and cash equivalents, trade and other receivables and trade and other payables.

11. RELATED-PARTY TRANSACTIONS

Related-party transactions similar to those disclosed in the Group's annual financial statements for the year ended 31 March 2014 took place during the financial year.

12. CAPITAL COMMITMENTS AND CONTINGENCIES

Authorised capital expenditure

	2015 R'000	2014 R'000
Authorised capital expenditure		
Already contracted for but not provided for		
– Property, plant and equipment	57 479	31 164
Operating leases – as lessee (expense)		
Minimum lease payments due		
– within one year	427	693
– in second to fifth year inclusive	48	886

The Group leases office space and equipment under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time.

13. Events after the reporting date

With effect from 1 May 2015, the Group acquired 100% of the share capital of Victory Ticket 376 Proprietary Limited trading as Digital Print Solutions for a consideration of R7,9 million.

Directorate

Independent non-executive Directors

Uys Meyer (Lead independent Director)
Sandile Zungu
Bernard Olivier
Fred Robertson
Jan Potgieter
Gugulethu Dingaan

Non-executive Directors

Lambert Retief (Chairman of the Board)
Esmaré Weideman
Manie Mayman

Executive Directors

Stephen van der Walt (CEO)
Edward van Niekerk (CFO)
Keith Vroon (COO)*

* *Alternative executive director*

Company Secretary

Bradley Meyers

Company information

Novus Holdings registered office: 10 Freedom Way, Milnerton, Cape Town, 7441

Listing: Johannesburg Stock Exchange (JSE)

Transfer secretary: Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001

Sponsor: Investec Bank Limited

Auditor: PricewaterhouseCoopers Inc. Paarl

Administrative information

Novus Holdings Limited

(Incorporated in the Republic of South Africa)

(‘Novus Holdings’ or ‘the company’ or ‘the Group’)

Registration number: 2008/011165/06

JSE share code: NVS

ISIN code: ZAE000202149

www.novus.holdings