

Audited financial results for the year ended 31 March 2007

Highlights

- Over **33 000** jobs expected to be created/saved as a result of financing activities in South Africa
- A record **R5,9 billion** in funding approvals for 241 enterprises
- **70%** of the number of approvals went to SMEs
- **R3,4 billion** (58%) financing for black-empowered companies
- More than **680** SME clients received training and business support
- Earmarked **R250 million** in venture capital for next five years
- **24%** of the jobs to be created in three provinces with the highest unemployment rates
- Facilitated six workers trusts and 15 community foundations in our investments
- IDC won BusinessMap Foundation's award for Top Development Financier of Black Economic Empowerment for the third consecutive year, with one of our clients winning the Top Black Business award and another two clients reaching the finals in this category

Group Balance Sheet

as at 31 March 2007

R'm	2007	2006
ASSETS		
Loans, advances and investments	54 951	40 613
Property, plant and equipment	2 383	2 414
Other non-current assets	89	49
Total non-current assets	57 423	43 076
Cash and cash equivalents	4 466	3 558
Other current assets	1 726	1 521
Total current assets	6 192	5 079
Total assets	63 615	48 155
EQUITY		
Share capital	1 393	1 393
Reserves	51 143	37 566
Total equity attributable to the holders of the parent	52 536	38 959
Minority shareholders' interests	38	25
Total equity	52 574	38 984
LIABILITIES		
Deferred taxation liability	3 640	1 997
Loans	5 716	5 525
Other non-current liabilities	330	452
Total non-current liabilities	9 686	7 974
Bank overdrafts	5	3
Other liabilities	1 350	1 194
Total current liabilities	1 355	1 197
Total liabilities	11 041	9 171
Total equity and liabilities	63 615	48 155

Commentary

Our *Leadership in Development* strategy has led to record socio-economic returns for South Africa. One of our overarching objectives is the creation of sustainable jobs in all our funding activities, thus contributing to Accelerated Shared Growth Initiative for South Africa goal of halving South Africa's unemployment rate by 2011. We continue to place more emphasis on efficiencies in job creation and on attaining a larger developmental impact from our investments.

Through financing approved in 2007, the IDC expects more than 29 300 direct jobs to be created in South Africa, with an additional 3 800 jobs being saved through assistance to companies under financial pressure. Funding activities elsewhere in the continent are expected to create an additional 3 900 jobs. In total, this exceeds the previous year's figure (26 000 jobs) by more than 40%.

The IDC is also a catalyst for equitable regional development in South Africa. Almost 20% of the IDC's impact in terms of job creation in South Africa will be in townships and more than 25% in rural areas. Over 160 of the funding approvals effected during the year will benefit black-empowered companies. The value of these funding approvals is in excess of R3,4 billion, with the largest portion of approvals pertaining to expansions of existing black-empowered businesses or new start-ups.

The financial performance of the IDC Group improved significantly, resulting in a record profit for the year of R4 345 million (2006: R753 million). The increased profitability was due to improved performances by the Group's subsidiaries and associated entities, as well as the Corporation's financing activities. In addition, included in the capital gains of R1 796 million (2006: R341 million) is an amount of R1 653 million realised due to the Kumba Resources unbundling transaction. Attributable earnings of 2007, plus gains on IDC's listed investments, improved our capital and reserves by 35%, thus providing a strong base for the Corporation to continue delivering on our developmental objectives.

In order to continuously improve our processes and engagements with various stakeholders, we also undertook research to establish the IDC's positioning in the marketplace. To this end, we have launched a new brand positioning and corporate identity that translates the IDC's strategic intent in a dynamic economy, a logo that truly reflects our mission and values as a partner in development finance.

The developmental impact of our funding activities in financial year 2007 is an unparalleled milestone in the history of the IDC, reflecting our determination to be an effective agent of change in South Africa and in the rest of the African continent.

Looking forward, our focus on greater efficiencies in the use of our financial resources will continue. In line with our new brand promise and corporate identity, we will form partnerships with various stakeholders to deepen the developmental impact of all our activities. We will continue to play a catalytic role in the shaping of South Africa's industrial and overall economic base through contributions to the policy formulation process, and directly by means of our funding activities. Our focus areas will remain the development of SMEs, a more equitable distribution of economic gains through regional development, particularly rural areas and townships, and the growth of labour-intensive and high value-add industries.

"IDC – your partner in Development Finance"

On behalf of the board

Geoffrey Qhena

Chief Executive Officer/Managing Director

Group Income Statement

for the year ended 31 March 2007

R'm	2007	2006
Revenue	5 169	4 524
Cost of sales	2 082	1 928
Gross profit	3 087	2 596
Financing expenses	457	495
Gross profit after financing expenses	2 630	2 101
Net capital gains	1 796	341
Other income	133	55
Operating expenses	1 914	2 119
Net operating income	2 645	378
Share of equity-accounted investments		
Profits from ordinary operations	1 673	417
Net profit before tax	4 318	795
Taxation	(27)	42
Profit for the year	4 345	753
Attributable to:		
Equity holders of the parent	4 332	751
Minority interest	13	2
	4 345	753

Statement of Changes in Equity

for the year ended 31 March 2007

R'm	Share capital	Revaluation reserves	Associated entities retained earnings	Foreign currency translation reserves	Retaining earnings	Minority shareholders' interest	Total
Balance at 1 April 2005	1 393	15 564	1 584	(166)	11 714	2	30 091
Profit for the year					751	2	753
Revaluation of investments to fair value		9 270					9 270
Revaluation of property, plant and equipment to fair value		(21)					(21)
Reversal of previous equity impairments		28					28
Minority interest on acquisition of subsidiaries						21	21
Deferred taxation		(1 215)					(1 215)
Share of equity accounted investments accounted for directly in equity			142	(20)			122
Dividends paid					(65)		(65)
Balance at 31 March 2006	1 393	23 626	1 726	(186)	12 400	25	38 984
Balance at 1 April 2006	1 393	23 626	1 726	(186)	12 400	25	38 984
Profit for the year					4 332	13	4 345
Revaluation of investments to fair value		7 844					7 844
Reversal of previous equity impairments		2					2
Deferred taxation		(1 843)					(1 843)
Share of equity accounted investments accounted for directly in equity			3 062	250			3 312
Dividends paid					(70)		(70)
Balance at 31 March 2007	1 393	29 629	4 788	64	16 662	38	52 574