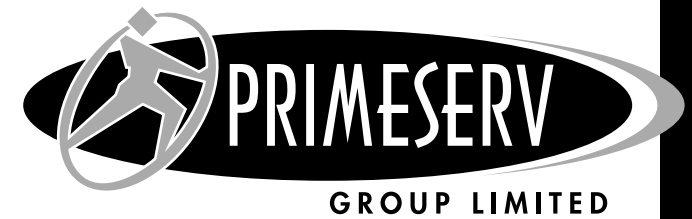


Reviewed Group Results

FOR THE YEAR ENDED 30 JUNE 2005

("Primeserv" or "the Group")
Incorporated in the Republic of South Africa
(Registration number 1997/013448/06)



Income statement

	Reviewed year ended 30 June 2005 R'000	Audited year ended 30 June 2004 R'000
Revenue (1)	374 641	397 244
EBITDA before exceptional debt provisions and forex movements	3 633	5 448
Profit/(loss) on forex	32	(739)
Depreciation	(1 490)	(2 226)
Goodwill amortisation	-	(81)
Exceptional debt provisions	-	(5 875)
Operating profit/(loss)	2 175	(3 473)
Interest received (2)	927	3 240
Interest paid	(1 704)	(2 915)
Capital surplus on sale of business	4 234	-
Share of impairment of goodwill in associate	(1 558)	-
Share of profits from associate	44	-
Net profit/(loss) before other exceptional items	4 118	(3 148)
Other exceptional items	(1 500)	(6 800)
Net profit/(loss) before taxation	2 618	(9 948)
Taxation	716	1 410
Net profit/(loss) after taxation	3 334	(8 538)
Outside shareholders' interest	(255)	(2)
Net profit/(loss) attributable to shareholders	3 079	(8 540)
Reconciliation of headline earnings/(loss)		
Net profit/(loss) attributable to shareholders	3 079	(8 540)
After tax effect of profit on sale of fixed assets	(98)	(98)
Goodwill amortisation	-	81
Capital surplus on sale of business	(4 234)	-
Share of impairment of goodwill in associate	1 558	-
Headline earnings/(loss)	305	(8 557)
Weighted average number of shares ('000)	115 766	117 123
Diluted number of shares ('000)	117 179	118 744
Earnings/(loss) per share (cents)	2,66	(7,29)
Diluted earnings/(loss) per share (cents)	2,63	(7,19)
Headline earnings/(loss) per share (cents)	0,26	(7,31)
Diluted headline earnings/(loss) per share (cents)	0,26	(7,21)

(1) Excluded from revenue is R24,7 million as a result of the deconsolidation of the Outsourcing division's Secunda branch and Bathusi Staffing Services (Pty) Ltd ("Bathusi") from 29 January 2005 and since accounted for as an associate.

(2) Included in interest received is R0,2 million arising from the application of AC133 (Year ended 30 June 2004: R2,5 million).

Segmental analysis

	Reviewed year ended 30 June 2005 R'000	Audited year ended 30 June 2004 R'000
Revenue		
Outsourcing (1)	334 452	345 069
Computer Training Colleges	21 297	19 557
HR Solutions	18 892	32 618
	374 641	397 244
Operating profit/(loss) before exceptional debt provisions		
Outsourcing	10 733	12 529
Computer Training Colleges	3 931	2 755
HR Solutions	(9 273)	(9 955)
Central Services	(3 216)	(2 927)
	2 175	2 402
Operating profit/(loss)		
Outsourcing	10 733	6 654
Computer Training Colleges	3 931	2 755
HR Solutions	(9 273)	(9 955)
Central Services	(3 216)	(2 927)
	2 175	(3 473)

Directors: JM Judin (Chairman)*, M Abel, Professor S Klein* (American), AT McMillan (British), C Nkosi*, NN Rodrigues, DL Rose*, DC Seaton* (*non-executive)

Company secretary: NN Rodrigues

Balance sheet

	Reviewed 30 June 2005 R'000	Audited 30 June 2004 R'000
ASSETS		
Non-current assets	19 042	14 636
Equipment and vehicles	2 412	3 297
Intangibles	576	576
Investment and loan in associate	5 247	-
Long-term receivables	770	1 662
Deferred tax asset	10 037	9 101
Current assets	47 346	60 369
Inventories	979	619
Trade receivables	32 419	47 502
Other receivables	2 170	3 196
Taxation receivable	173	-
Cash at bank	11 605	9 052
Total assets	66 388	75 005
EQUITY AND LIABILITIES		
Capital and reserves	39 336	36 627
Minority interest	61	4
Non-current liabilities	382	1 300
Current liabilities	26 609	37 074
Trade and other payables	19 818	26 334
Short-term interest bearing borrowings	190	205
Taxation	51	495
Bank borrowings	6 550	10 040
Total equity and liabilities	66 388	75 005
Number of shares in issue at end of year ('000)	114 859	116 691
Net asset value per share (cents)	34	31

Cash flow statement

	Reviewed year ended 30 June 2005 R'000	Audited year ended 30 June 2004 R'000
Operating activities	6 434	6 605
Investing activities	(7)	(431)
Financing activities	(369)	59
Net increase in cash at bank and reduction of borrowings	6 058	6 233
Borrowings net of cash at bank at beginning of the year	(1 193)	(7 426)
Cash at bank net of borrowings at end of the year	4 865	(1 193)

Statement of changes in equity

	Reviewed year ended 30 June 2005 R'000	Audited year ended 30 June 2004 R'000
Balance at beginning of the year as previously stated	36 627	47 232
Adjustment for change in accounting of share trust	-	(739)
Balance at beginning of the year - restated	36 627	46 493
Purchase of shares by share trust	(374)	-
Repurchase of securities	-	(787)
Issue of shares from share trust	4	43
Dividend paid	-	(582)
Net profit/(loss) for the year	3 079	(8 540)
Balance at the end of the year	39 336	36 627

Registered address: Venture House, Peter Place Park, 54 Peter Place, Bryanston 2021 (PO Box 3008, Saxonwold 2132)

Sponsor: Deloitte & Touche Sponsor Services (Pty) Limited

Transfer secretaries: Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Marshalltown, Johannesburg 2001 (PO Box 61051, Marshalltown 2107)

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Commentary

Profile

Primeserv is a holding company with specialised subsidiary and associate operations that meet the human resources (HR) needs of the South African corporate, industrial and government sectors.

Financial review

The Group recorded a turnaround on the prior financial year, delivering an operating profit of R2,2 million compared to an operating loss of R3,5 million for the previous year. Group revenue including Bathusi Staffing Services (Pty) Ltd ("Bathusi") (see note (1) to the Income Statement) was flat at R399,3 million (2004: R397,2 million). As anticipated the Group's results were negatively affected by the loss incurred by the HR Solutions division. However, these losses were substantially reduced in the second half of the financial year.

The Group's cashflow was once again strongly positive at R6,1 million, which resulted in net cash resources of R4,9 million, up R6,1 million from R1,2 million in net borrowings in the previous year. Group debtors days improved favourably by 11 days to 25 days (2004: 36 days). The Group's balance sheet has strengthened from the prior year.

The exceptional items of R1,5 million relate to the settlement of an historical vendor related agreement and the provision for a disputed claim with SARS as previously reported. The Group is positively engaged with SARS in resolving the dispute.

Net profit attributable to shareholders of R3,1 million improved substantially by R1,6 million from a net loss attributable to shareholders of R8,5 million in the previous year. This translates into the Group recording a turnaround from a headline loss of 7,31 cents per share for the prior financial year to headline earnings of 0,26 cents per share for the current year.

Operational review

The Outsourcing division, the Group's largest business unit, generated adequate performance with sound profits and cashflows. Revenue including Bathusi (see note (1) to the Income Statement) was up 4% to R359,1 million (2004: R345,1 million). Nationally the logistics and industrial service units performed solidly. The engineering and blue collar staffing units maintained revenues. The petrochemical unit was weakened by margin pressure and delays in shutdowns. The white collar staffing unit performed poorly. The division's key focus remains on margin improvement, working capital management and revenue growth.

The Computer Training Colleges division once again had a good year with organic growth in revenue and operating profit being achieved. Year on year revenue increased by 9% from R19,6 million to R21,3 million and operating profit by 43% from R2,8 million to R3,9 million. The division is maintaining its programme of upgrading training facilities and equipment so as to ensure an ongoing improvement in the learning experience offered to learners. Continual development of course material relevant to the South African work environment has assisted in positioning this training operation for growth.

The HR Solutions division comprising the Technical and Corporate training units and the HR Consulting operation experienced a problematic year. As a result of the carry over of costs related to the previous year's difficulties, the first half of the financial year resulted in a particularly disappointing performance. Albeit that weak sales resulted in revenue being down at R18,9 million (2004: R32,6 million), and with high fixed expenses and downsizing costs remaining burdensome, the second half of the financial year saw a marked reduction in the operating loss. Corrective management action has been implemented and the division is positioned to improve its performance in the year ahead, with a much smaller loss (due to ongoing lease and other commitments) being anticipated.

BEE Transaction

The sale of the business of the Secunda Branch of Primeserv ABC Recruitment (Pty) Ltd and its related assets and liabilities to Bathusi, a Black owned company in which Primeserv holds a significant minority interest, was unanimously approved by Primeserv shareholders on 28 January 2005. This transaction resulted in a capital surplus of R4,2 million. Bathusi, which was previously accounted for as a subsidiary, became an associate with effect from 29 January 2005 and was therefore deconsolidated from the Group's results.

Accounting policies

The Group has changed its accounting policy with regard to the amortisation of goodwill in accordance with AC140, Business Combinations. The Group no longer amortises goodwill and goodwill is now subject to an annual impairment test. This has resulted in amortisation of R0,1 million not being charged against income in the current year. The Group's share of the impairment of goodwill in the associate amounting to R1,6 million has been charged against income.

The effect of the new interpretation of AC105, Operating Leases, was not sufficiently material to require an adjustment.

The Group's results have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. With effect from 01 July 2005, the Group will adopt International Financial Reporting Standards and the effect of this will be disclosed in the interim results for the six months to 31 December 2005 and the 2006 financial statements.

The results have been reviewed by the Group's auditors, PKF (Jhb) Inc, and their unqualified review report is available for inspection at Primeserv's registered offices.

Dividend

No dividend has been declared for the year ended 30 June 2005.

Post balance sheet events

The Group has entered into agreements resulting in a substantial commitment for the supply and installation of new digital office automation and IT systems with particular emphasis on the needs of the Outsourcing division.

Prospects

The Group is committed to maximizing organic growth whilst seeking to expand its product and service offerings. Acquisition opportunities that are in line with the Group's strategy will be sought and evaluated. Where appropriate, further BEE initiatives will be considered where this provides the Group with increased market opportunities. The Group anticipates an improved performance for the year ahead.

For and on behalf of the board

JM JUDIN
Chairman

M ABEL
Chief Executive Officer

NN RODRIGUES
Chief Financial Officer

5 September 2005
Bryanston