COGNITION HOLDINGS LIMITED
Incorporated in the Republic of South Africa
(Registration number 1997/010640/06)
Share code: CGN ISIN: ZAE000197042
("Cognition" or "the Group" or "the Company")

UNAUDITED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

COMMENTARY

The board of directors of Cognition ("the board") present the unaudited condensed consolidated interim financial results for the six months ended 31 December 2015 ("the interim period"), which should be read in conjunction with the audited annual financial statements for the year ended 30 June 2015.

The unaudited condensed consolidated interim financial statements are available to be viewed on the Company's website: www.cgn.co.za.

The Group's revenue for the interim period compared to the corresponding period increased by 63% from R50.4 million to R82.0 million. This is primarily due to the acquisition of the remaining BMi Research Proprietary Limited ("BMi Research") shares and subsequent consolidation of their financial results into the Group's results. However, only five months of BMi Research's results were included.

In terms of our core business, faxing solutions, which is part of Active Data Exchange Services, and has been in existence for over 19 years, now constitutes 33% of the Group's revenue as per the six month period under review and 48% of the Group's historical business which excludes revenue from acquisitions. Currently faxing solutions only comprises 22% of total revenue. Active Data Exchange Services, excluding faxing solutions, is well poised for good growth.

The decrease in earnings for the period under review is primarily due to a further decline in faxing volumes. Whilst the number of fax subscribers remained constant, the average rate per user (ARPU) for Fax2Email declined. Our statistics indicate that the number of pages being transmitted has reduced. Although this trend was anticipated, giving rise to the development of the Group's new products and services, the decline was greater than the increased revenue from new services being introduced to the market. For the same six months under review, Email2Fax grew by 15%, albeit off a lower base.

Profit before tax decreased by 32.2% from R17.7 million to R12.0 million and profit after tax for the period decreased by 31.3% from R12.8 million in the previous corresponding period to R8.8 million in this reporting period.

Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") decreased by 27.3% to R12 million, down from R16.5 million.

During the period under review, the Group used its cash resources to:

- acquire the remaining shares in BMi Research;
- pay out R17 million in dividends; and
- increase its working capital to fund the additional revenue of the Group.

The net result is that cash resources reduced by 32.3% from R100 million to R67.7 million compared to the corresponding period.

The net asset value per share of the Group remained steady at 98.99 cents (2014: 98.50 cents).

Active Data Exchange Services

Active Data Exchange Services incorporates MediaWorx and Faxing Solutions. MediaWorx provides clients with the technology and strategic input to interact with customers of their brands by using single or multiple bearer services developed and hosted on the Group's proprietary technical platform.

These bearer services include: SMS, USSD, Instant Messaging and MMS, to mention a few. In line with this strategy, the Group has, during the period under review:

- renewed the majority of contracts with existing clients;
- signed up a number of new clients;
- extended its service offering to existing clients with additional offerings;
- increased its sales and back-office support from 8 to 11 staff; and
- launched new services under its newly formed incentive and loyalty division.

MEDIAWORX HAS THREE CORE DIVISIONS

Media Infotainment ("MI")

MI focusses on providing media and production houses with the know-how and technology platform for consumer interaction incorporating voting services, competitions and comment lines.

These services are provided to well-known television and game show brands such as: Idols, Big Brother, X-Factor, Strictly Come Dancing, Noot vir Noot and similar shows.

These services are offered in South Africa and throughout Africa in over 39 countries. MediaWorx Africa remains one of the most successful companies to offer services of this nature into Africa. We anticipate exceptionally good growth into Africa for the 2016 calendar year.

Retail Promotions ("RP")

Whilst the primary purpose of RP is to assist clients in promoting brands via competitions, its secondary objective is to accumulate demographic, psychographic and geospatial data about customers using the brands. This data is then used for community building and panels and is the precursor to broader knowledge management.

We have made positive strides in unlocking the potential to build communities for our clients and believe this is a great foundation for our Knowledge Creation & Management division. A sample of clients involved in RP include: Huletts, Caxton, Unilever, Kellogg's, Imana, Pep, Spier, Bokomo, SAB and Robertsons.

Data Investment ("DI")

DI strategically adopts Call-2-Action campaigns to collect demographic, psychographic and ethnographic data, using technology such as USSD, SMS, panels and surveys. DI is a strategic and operational tool for Knowledge Creation & Management. DI offers great potential for the Group as its strategy and execution enables clients to easily migrate to Knowledge 350˚ in developing a granular database of customers for personalised marketing and data monetisation.

A sample of clients in DI include: Nine brands of SAB, Pep, Flash, DStv, Ackermans and Samsung.

Faxing Services

An overview of faxing has been provided in the introduction to the operational overview. Whilst we have seen the decline in Fax2Email and a growth in Email2Fax, we do believe that a market does exist for secure document exchange without the incorporation of fax as a receipt of delivery platform. There are a number of industries like: medical, insurance and legal that require authentication, audit trails and security to comply with regulation, legislation or defined industry protocols. To this end we are currently investigating this opportunity and have deployed research to obtain market feedback. Our existing client base of over 300 000 Fax2Email subscribers could be a sound base for the launch of Secure Document Exchange.

Knowledge Creation & Management

The Group's strategy of extending its service offering to existing Active Data Exchange Services clients into community and then into its Knowledge 350˚ ("K350˚") solution has gained momentum and the response has been positive. The market for the Knowledge Economy, including data analytics and insights, is huge and provides great opportunities for the Group. The Group has successfully started a number of community builds and K350˚ initiatives.

In order to provide focus and specialised services under the banner of Knowledge Management & Creation, it has been decided to create three distinct channels to market:

- K350˚;
- Incentive & Loyalty Programmes; and
- Vendor Relationship Management ("VRM").

The first two channels effectively focus on "data pull strategies", which entails using various touchpoints or data sources to collect, store and visualise demographic, psychographic and ethnographic data (personal data) of consumers.

The last channel (VRM) embraces "data push strategies", enabling consumers to share personal data with businesses of their choice in exchange for value.

K350˚

Knowledge granularity in the context of K350˚ represents structured data with the ability of interpretation and monetisation. When data is turned into knowledge, clients are better positioned to respond and innovate in all phases of their operations so as to gain competitive advantages and even to build entirely new business models.

K350˚ as a strategic and software solution, is offered in four blends: Bronze, Silver, Gold and Platinum. Clients pay a monthly fee for the service which enables them to collect and store personal data in a logical data warehouse (LDW) connected to our Visual Knowledge BI tool using MicroStrategy either as a cloud or deployment on site.

Our 15 step journey will ultimately enable our clients to:

- enhance marketing efforts by using narrow cast marketing
- enhance their balance sheet by self-creating intangible assets
- improve customer loyalty, brand affiliation, customer satisfaction and retention
- tailor-make offerings and personalisation

We have seen a distinct shift in the market whereby companies are starting to grasp the need to better understand their customers beyond basic demographics and have started to embrace the need for structured, organised data with visualisation tools, coupled with communication portals enabling companies to communicate on a one-to-one basis with consumers. We anticipate this momentum to grow and foresee the potential to enhance our annuity income in this division.

Incentive and Loyalty Programmes ("ILP")

ILP is a critical data source identified by the Group for collecting personal data. We have identified this as an opportunity for both a service offering and a source of data collection.

During the period under review, we accordingly researched, built and implemented a channel incentive programme that can be used by corporates for:

- Motivation
- Behaviour modification
- Morale enhancement
- Loyalty and retention
- Recognition and reward

We deployed the application with our first client, being a large well-known cell phone brand, and to date have successfully issued 5 600 cards to agents of the client, moderated over 50 000 transactions and paid rewards to the cardholders in excess of R12 million.

This programme has clearly demonstrated our ability to collect valuable data and offer our client meaningful insights around such data.

We are now in a position to market this service to a broad range of corporates. We have also been approached by the same aforementioned cell phone brand to evaluate the deployment of the service in Kenya, Tanzania and the DRC.

Vendor Relationship Management ("VRM")

Whilst this is a complementary strategy to K350°, it is the juxtaposition for data collection. K350° collects data from consumers ("pull strategy"), whilst VRM enables consumers to share or push data to businesses from their own personal information management system (PIMS).

There is mounting international pressure from consumers who want to exercise greater control over the data companies hold about them and have realised the actual value of their data. Consumers want to have the ability to exchange their personal data for value.

To explore this growing trend, we have been developing a PIMS platform under the brand "mibubble". We anticipate launching this service via a website and mobile app at the end of May 2016.

Investment Updates

BMi Sport Group ("BMi Sport")

The Group owns 63% of BMi Sport. The relocation of BMi Sport to our head office has been successful and the company's technical infrastructure has been upgraded and hosted in our state-of-the-art hosting environment.

Upgrades were made to all personal computers, scanners and television and radio feeds enabling an enhanced throughput of research.

Dave Sidenberg has been appointed as the Managing Director to replace Johan Grobler who will be retiring at the end of March 2016. Dave has been with the business for 14 years and has a solid understanding of the industry and clients.

New technical staff with MicroStrategy expertise have been deployed to enhance the Group's reporting capabilities and to gear BMi Sport to enter the African market where we anticipate great opportunities.

BMi Sport provides the following services:

- Media tracking and audience analysis
- Sponsoring tracking
- Sport demographics and trend analysis
- Advertising evaluation
- Strategic consulting
- Media research
- Sponsorship evaluations

BMi Sport has developed long-term relationships with blue-chip brands such as: Sasol, Nike, Telkom, Toyota, Blue Bulls, Standard Bank, Vodacom, Coca-Cola, Discovery, ABSA, MTN, Nedbank, Cell C and Cricket SA.

BMi Sport has remained at the forefront of the sporting industry for the past 25 years and is recognised as a leader in the field. Our intention is to replicate the service offering in South Africa to the rest of the African continent and internationally.

LivingFacts Proprietary Limited ("LivingFacts")

LivingFacts develops specialised research capabilities that help their clients understand stakeholders' and customers' needs, perceptions and realities.

LivingFacts offers both qualitative and quantitative research for blue-chip clients within selected consumer segments including: financial, health, retail and logistics.

BMi Research Proprietary Limited ("BMi Research")

The Group acquired 100% of the equity in BMi Research during December 2015.

BMi Research is a turnkey service house, specialising in qualitative and quantitative research solutions, with multi-sector experience which understands industrial and manufacturing research, wholesale to retail intelligence and shopper insights.

The services offered by BMi Research include:

- Annual category quantifications
- Client commissioned reports
- Consumer insights
- In-store observation services
- Mystery shopping
- Print ad evaluations
- Dashboards and advanced analytics

These services are offered in South Africa and throughout the African continent.

PROSPECTS

We anticipate that trading conditions in general will be difficult for the foreseeable future and expect a plateauing or slight decline in faxing volumes.

However, we believe that our Active Data Exchange Services will continue to grow as we have a number of positive prospects in our pipeline. We will increase the size of our sales team and anticipate growing the number of clients.

We furthermore remain optimistic about our K350˚, Incentive and Loyalty Programmes and Vendor Relationship Management as these bring new revenue streams to the Group.

It is important to note that although the aforementioned services and channels to market are new from a revenue perspective, they are mainly an extension of the service offering to our existing clients where we have long-standing relationships.

The Company has also developed a number of new products in the VRM space which will be launched during May 2016. This is anticipated to introduce yet another new and distinct revenue stream in an area that is gaining traction worldwide.

The Company has adopted a six point strategy that provides focus, structure and the ability to open new markets which will enable solid future growth.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Growth	Unaudited as at 31 Dec 2015 R'000	Restated* Unaudited as at 31 Dec 2014 R'000	Audited as at 30 Jun 2015 R'000
ASSETS				
Non-current assets	12.7%	**67 061**	**59 504**	**60 867**
Property, plant and equipment	20.7%	**18 916**	**15 672**	**15 715**
Intangible assets	22.0%	**14 165**	**11 613**	**11 735**
Goodwill	100.0%	**24 362**	**-**	**16 535**
Investment in associates	(66.6%)	**3 919**	**11 723**	**12 180**
Loans receivable	-	**4 496**	**4 496**	**4 496**
Investments	(98.9%)	**176**	**16 000**	**-**
Deferred tax asset		**1 027**	**-**	**206**
Current assets	(12.4%)	**104 660**	**119 433**	**122 217**
Inventory	(66.8%)	**422**	**1 270**	**411**
Current tax receivable	(100.0%)	**-**	**520**	**-**
Trade and other receivables	107.0%	**36 461**	**17 611**	**26 667**
Cash and cash equivalents	(32.2%)	**67 777**	**100 032**	**95 139**
Total assets		**171 721**	**178 937**	**183 084**
EQUITY AND LIABILITIES				
Capital and reserves	0.2%	**137 821**	**137 484**	**151 777**
Share capital	-	**137**	**137**	**137**
Share premium	-	**55 973**	**55 972**	**55 973**
Accumulated profits	5.6%	**85 959**	**81 375**	**94 201**
Change in ownership		**(5 844)**	**-**	**-**
Attributable to the equity holders of the parent	(0.9%)	**136 225**	**137 484**	**150 311**
Non-controlling interests	100.0%	**1 596**	**-**	**1 466**
Non-current liabilities	32.9%	**8 128**	**6 115**	**8 017**
Interest bearing liabilities	(8.8%)	**3 150**	**3 454**	**2 499**
Other Financial Liabilities		**1 666**	**-**	**1 666**
Deferred tax liability	24.5%	**3 312**	**2 661**	**3 852**
Current liabilities	(27.1%)	**25 772**	**35 338**	**23 290**
Trade and other payables	(36.4%)	**20 910**	**32 876**	**19 147**
Provisions	14.0%	**1 305**	**1 145**	**1 320**
Tax payable		**869**	**-**	**951**
Unclaimed dividends	31.1%	**139**	**106**	**139**
Current portion of interest bearing liabilities	110.5%	**2 549**	**1 211**	**1 733**
Total equity and liabilities		**171 721**	**178 937**	**183 084**
Net asset value per share (cents)	0.5%	**98.99**	**98.50**	**109.23**
Net tangible asset value per share (cents)	(9.9%)	**70.99**	**78.80**	**88.68**
Number of shares in issue	-	**137 615 798**	**137 615 798**	**137 615 798**

*as announced on SENS on 26 February 2016, the results for the six month period ended 31 December 2014 were restated to reflect the effective date of the BMi Sport acquisition as 1 March 2015 which is the date of control for IFRS purposes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Growth	Unaudited six months ended 31 Dec 2015 R'000	Restated* Unaudited six months ended 31 Dec 2014 R'000	Audited 12 months ended 30 Jun 2015 R'000
Revenue	62.8%	**82 079**	**50 413**	**102 604**
Cost of Sales	104.9%	**(41 686)**	**(20 343)**	**(40 706)**
Gross profit	34.3%	**40 393**	**30 070**	**61 898**
Other operating income	143.6%	**787**	**323**	**774**
Staff costs	121.3%	**(20 968)**	**(9 475)**	**(18 902)**
Depreciation and amortisation expense	43.3%	**(2 942)**	**(2 053)**	**(4 118)**
Other operating expenses	72.2%	**(8 261)**	**(4 797)**	**(10 334)**
Finance costs	27.4%	**(251)**	**(197)**	**(390)**
Income from associates	(39.7%)	**388**	**643**	**1 099**
Investment income	(9.0%)	**2 868**	**3 151**	**6 158**
Profit before tax	(32.0%)	**12 014**	**17 665**	**36 185**
Income tax expense	(34.5%)	**(3 198)**	**(4 884)**	**(9 777)**
Profit for the period	(31.0%)	**8 816**	**12 782**	**26 408**
Other comprehensive income	-	**-**	**-**	**-**
Total comprehensive income for the period	(31.0%)	**8 816**	**12 782**	**26 408**
Profit attributable to:				
Non-controlling interest		**544**	**-**	**801**
Owners of the parent	(35.3%)	**8 272**	**12 782**	**25 607**
		8 816	**12 782**	**26 408**
Weighted average number of shares in issue	0.2%	**137 615 798**	**137 282 522**	**137 448 249**
Basic earnings per share (cents)	(35.4%)	**6.01**	**9.31**	**18.63**
Headline earnings per share (cents)	(35.2%)	**6.01**	**9.27**	**18.56**
Diluted basic earnings per share(cents)	(35.4%)	**6.01**	**9.31**	**18.63**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital R'000	Share Premium R'000	Change in-ownership R'000	Total Share Capital R'000	Retained Income R'000	Attributable to Equity Holders R'000	Non-controlling Interest R'000	Total Equity R'000
Audited balance at 1 July 2014	**136**	**52 488**	**-**	**52 624**	**85 107**	**137 731**	**-**	**137 731**
Changes in equity								
Total comprehensive income for the period	-	-	-	-	12 781	**12 781**	**-**	**12 781**
Issue of shares	1	3 485	-	3 486	-	**3 486**	**-**	**3 486**
Dividends	-	-	-	-	(16 514)	**(16 514)**	**-**	**(16 514)**
Total changes	**1**	**3 485**	**-**	**3 486**	**(3 733)**	**(247)**	**-**	**(247)**
Unaudited balance at 1 January 2015	**137**	**55 973**	**-**	**56 110**	**81 374**	**137 484**	**-**	**137 484**
Changes in equity								
Total comprehensive income for the period	-	-	-	-	12 826	**12 826**	**802**	**13 628**
Non-controlling interest as result of acquisition	-	-	-	-	-	**-**	**665**	**665**
Total changes	**-**	**-**	**-**	**-**	**12 826**	**12 826**	**1 467**	**14 293**
Audited balance at 1 July 2015	**137**	**55 973**	**-**	**56 110**	**94 200**	**150 310**	**1 467**	**151 777**
Changes in equity								
Total comprehensive income for the period	-	-	-	-	8 816	**8 816**	**544**	**9 360**
Non-controlling interest as a result of acquisition	-	-	-	-	-	**-**	**4 761**	**4 761**
Change in ownership in subsidiary	-	-	(5 844)	(5 844)	-	**(5 844)**	**(5 177)**	**(11 021)**
Dividends	-	-	-	-	(17 057)	**(17 057)**	**-**	**(17 057)**
Total changes	**-**	**-**	**(5 844)**	**(5 844)**	**(8 241)**	**(14 085)**	**128**	**(13 957)**
Unaudited balance at 31 December 2015	**137**	**55 973**	**(5 844)**	**50 266**	**85 959**	**136 225**	**1 595**	**137 820**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 Dec 2015 R'000	Restated* Unaudited six months ended 31 Dec 2014 R'000	Audited 12 months ended 30 Jun 2015 R'000
Cash flow from operating activities	4 910	26 173	17 161
Net cash generated from operations	3 894	27 447	18 609
Finance costs	(251)	(197)	(391)
Investment income	2 868	3 151	6 158
Normal tax paid	(1 602)	(4 229)	(7 215)
Cash flow from investing Activities	(16 695)	(28 523)	(24 005)
Purchase of property, plant and equipment	(3 350)	(668)	(1 618)
Proceeds on disposal of property, plant and equipment	-	77	335
Business combination	(7 179)	-	(13 824)
Purchase of additional equity in Subsidiary	(11 019)	-	-
Increase in investment	(176)	(16 000)	-
Increase in loans receivable	-	(4 496)	-
Decrease / (Increase) Investment in Associate	8 261	(4 514)	(4 514)
Normal Product Development costs	(3 232)	(2 922)	(4 384)
Cash flow from financing activities	1 467	(246)	(678)
Dividends paid	(17 043)	(16 514)	(16 481)
Net decrease in cash and cash equivalents	(27 362)	(19 110)	(24 003)
Cash and cash equivalents at beginning of the period	95 139	119 142	119 142
Cash and cash equivalents at end of the period	67 777	100 032	95 139

*as announced on SENS on 26 February 2016, the results for the six month period ended 31 December 2014 were restated to reflect the effective date of the BMi Sport acquisition as 1 March 2015 which is the date of control for IFRS purposes.

BASIS OF PREPARATION

The unaudited condensed consolidated interim results for the six months ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in terms of the disclosure requirements set out in International Accounting Standards ("IAS") 34, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act, No. 71 of 2008. The unaudited condensed consolidated interim financial information should be read in conjunction with the audited annual financial statements for the year ended 30 June 2015.

Accounting policies and computations are consistently applied as in the annual financial statements for the year ended 30 June 2015.

During the interim period the Group adopted those standards and interpretations in issue and effective for the interim period. The adopting of these new and amended standards and interpretations has not had a significant impact on the Group's adopted accounting policies.

These financial statements have been compiled under the supervision of the Financial Director, Pieter Scholtz.

The unaudited consolidated interim results for the six months ended 31 December 2015 have not been reviewed by the Group's auditors.

CASH GENERATED (USED IN) OPERATIONS

	Unaudited six months ended 31 Dec 2015 R'000	Restated* Unaudited six months ended 31 Dec 2014 R'000	Audited 12 months ended 30 Jun 2015 R'000
A RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS			
Profit before taxation	12 014	17 665	36 185
Adjustments for:	(78)	(6 791)	(7 892)
Depreciation and amortisation	2 942	2 053	4 118
Provisions	(15)	(5 178)	(5 003)
Finance costs	251	197	391
(Profit) on disposal of property, plant and equipment	-	(69)	(141)
Income in associates	(388)	(643)	(1 099)
Investment income	(2 868)	(3 151)	(6 158)
Operating profit before working capital changes			
Working capital changes	(8 042)	16 572	(9 684)
Decrease / (Increase) in inventory	**(11)**	**(810)**	**49**
Decrease / (increase) in trade and other receivables	**(9 794)**	**1 333**	**(8 945)**
(Decrease) / Increase in trade and other payables	**1 763**	**16 049**	**(788)**
Cash generated from operations	**3 894**	**27 447**	**18 609**

SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers (the "CODM"). The CODM has been identified as the executive committee members who make strategic decisions. The CODM have organised the operations of the Company based on its brands and this has resulted in the creation of the following reportable segments:

- **Active Data Exchange Services**
- **Knowledge Creation and Management**

	Unaudited six months ended 31 Dec 2015 R'000	**Restated* Unaudited six months ended 31 Dec 2014 R'000**	**Audited 12 months ended 30 Jun 2015 R'000**
Revenue			
Active Data Exchange Services	38 967	49 171	88 744
Knowledge Creation and Management	43 112	1 242	13 860
	82 079	**50 413**	**102 604**
Cost of sales			
Active Data Exchange Services	(19 037)	(20 343)	(37 862)
Knowledge Creation and Management	(22 649)	-	(2 844)
	(41 686)	**(20 343)**	**(40 706)**
Gross Profit			
Active Data Exchange Services	19 930	28 828	50 882
Knowledge Creation and Management	20 463	1 242	11 016
	40 393	**30 070**	**61 898**

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SEGMENTAL REPORTING

The accounting policies applied to the operating segments are the same as those described in the basis of preparation paragraph above. Active Data Exchange Services are provided within South Africa as well as in 36 African countries ("Africa sales"). Within the period under review, 3.6% (2014: 1.1%) of its revenue can be attributed to Africa sales. The Company allocates revenue to each country based on the relevant domicile of the client. All of the Company's assets are located in South Africa.

Active Data Exchange Services currently generates 64.3% (2014: 59.2%) of its revenue through three large network service providers. The reconciliation of the gross profit to profit before taxation is provided in the statement of comprehensive income. The CODM reviews these income and expense items on a Group basis and not per individual segment. All assets and liabilities are reviewed on a Group basis by the CODM.

The new business combinations are reported within the Knowledge Creation and Management segment. The related operational cost of these new business combinations are R3.1 million (2014: nil) and staff costs are R11.5 million (2014: nil).

All assets and liabilities are reviewed on a Group basis by the CODM.

Acquisition of remaining equity in subsidiary

The Group acquired the remaining 60.30% of BMi Research with the effective date of the acquisition of the remaining shares being 31 July 2015. The fair values of the identifiable net assets and liabilities of BMi Research as at the date of acquisition of the remaining shares were:

	R'000
Acquisition of new business	
Cash and Cash Equivalents	2 247
Trade and other receivables	5 944
Property Plant and Equipment	2 471
Total Assets	10 662
Trade creditor	(2 993)
Non-controlling interest in subsidiaries	(319)
Taxation	(422)
Net fair value of assets	6 928
Non-controlling Interest	(4 442)
Net fair value held by Group	2 486
Goodwill	6 940
Purchase consideration	9 426
Cash and Cash equivalent received	(2 247)
	7 179

RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS

	Unaudited six months ended 31 Dec 2015 R'000	**Restated* Unaudited six months ended 31 Dec 2014 R'000**	**Audited 12 months ended 30 Jun 2015 R'000**
The calculation of earnings per share is based on profits of R8.3 million attributable to equity holders of the parent (2014: R12.7 million) and a weighted average of 137 615 798 (2014: 137 282 522) ordinary shares in issue during the period.	6.01 cents	9.31 cents	18.63 cents
The calculation of headline earnings per share is based on profits of R8.3 million with no adjustments in the current period (2014 adjusted: R12.7 million) and a weighted average of 137 615 798 (2014: 137 282 522) ordinary shares in issue during the period.	6.01 cents	9.27 cents	18.56 cents
Reconciliation between earnings and headline earnings			
Profit attributable to equity holders of parent	8 272	12 782	25 607
After Tax effect on profit on disposal of property, plant and equipment:	-	(50)	(102)
Headline earnings	8 272	12 732	25 505
The calculation of diluted earnings per share is based on profits of R8.3 million attributable to equity holders of the parent (2014: R12.7 million) and a weighted average of 137 615 798 (2014: 137 282 522) ordinary shares in issue during the period.	6.01 cents	9.31 cents	18.63 cents

There were no instruments issued during the current period that have a dilutive impact.

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DIVIDEND POLICY

As the Group has traditionally paid annual dividends, the board has accordingly decided that no interim dividend be declared.

DIRECTORATE

There were no changes to the board during the interim period.

SUBSEQUENT EVENTS

The board is not aware of any material events that have occurred between the end of the interim period and the date of this report.

APPRECIATION

We would like to thank all our management teams, staff, business partners, customers, suppliers, business advisers and shareholders for their invaluable support.

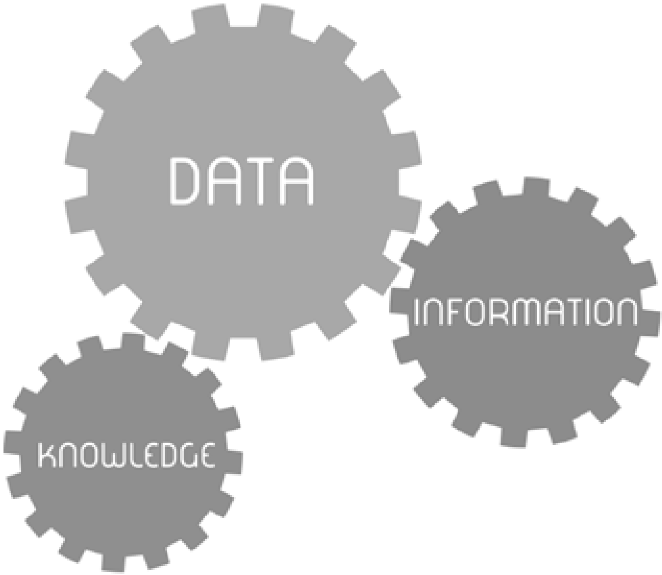
For and on behalf of the board

Ashvin Mancha
Chairman

Mark Smith
Chief Executive Officer

Pieter Scholtz
Financial Director

Johannesburg
24 March 2016



COGNITION
HOLDINGS LTD
creating intelligent dialogue

Directors: Ashvin Mancha#* - Chairman,
Mark Smith – Chief Executive Officer, Pieter Scholtz - Financial Director,
Gaurang Mooney*# (Botswana), Graham Groenewaldt – Sales Director,
Paul Jenkins#*, Roger Pitt#*, Marc du Plessis#, Piet Greyling#

 # Non-executive

** Independent*

Website: www.cgn.co.za

Company Secretary: Stefan Kleynhans

Sponsor: Merchantec Capital

Transfer Secretaries: Computershare Investor Services Proprietary Limited