The group experienced an increase in system-wide sales revenue (including gift cards) for the 2013 year of 67% to R220 million (2012: R132 million) in respect of its Placecol Skin Care Clinics, Dream Nails Beauty salons, Perfect 10 Nail & Body studios and Worldé of Beauté salons, mainly due to the acquisition of the Perfect 10 franchise chain.

The group owned 16 corporate outlets at year-end. These outlets are included under inventories as they are available for resale. Three of these corporate outlets were relocated during 2013 to improve their profitability and chances of being sold to prospective franchise owners. Management will continue to focus on selling these outlets to potential owner operator franchisees.

FINANCIAL RESULTS

Group revenue increased by 15.5% to R71.5 million (2012: R61.9 million) during the year as a result of increased marketing, the introduction of new brands, high technology skin rejuvenation and hair removal machines and increased royalty income earned from the Perfect 10 franchise chain acquired and existing outlets in the group. Gross profit increased by 3.3% to R43.8 million (2012: R42.4 million) and gross profit margins decreased by 7.2% to 61.3% (2012: 68.5%), due to the introduction of new brands and promotional offerings distributed by the group to beauty salons, which attract lower margins.

Operating expenses increased by 4.9% to R40.2 million (2012: R38.4 million), however marketing and advertising activities grew 30% compared to the previous period. The group incurred once-off costs during the year mainly due to the change of name of the holding company and the underlying subsidiaries and other costs associated with the acquisition of the Perfect 10 franchise chain.

The definite highlights for the 2013 year were:

- the integration of the Perfect 10 acquisition into the Imbalie Beauty group;
- the increase in group revenue to 15.5%;
- renovation and relocation of 31 outlets; and
- positive cash flows generated from operating activities.

The performance of the company's growth in earnings and headline earnings were flat when compared to the previous year and earnings per share decreased to 0.57 cents (2012: 1.07 cents), however headline earnings per share decreased to 0.58 cents (2012: 1.07 cents). The decline in earnings and headline earnings per share can be attributed primarily to the increase in shares in issue as a result of the company issuing shares for cash at the beginning of the 2013 financial year to fund the Perfect 10 acquisition.

Corporate outlets to the value of R7.5 million which are available for resale are included in inventories. It will be a priority for management to sell these outlets to franchisees in order to strengthen the cash flow of the group. During the year the group opened a Dream Nails Beauty concept outlet in Jubilee Mall and relocated three of its corporate outlets in Port Elizabeth, Welkom and Pretoria North to better locations, which led to the increase in inventories on hand.

To fund the acquisition of Perfect 10 the company completed a general issue of shares for cash whereby 109 375 000 ordinary shares were placed with a number of independent public shareholders at a price of 16 cents per share raising R17.5 million ("the general issue for cash").

The company has also entered into a loan agreement, whereby the company secured a R5 million three year term loan at an interest cost of 8% per annum. The total amount of R22.5 million raised was utilised to settle the Perfect 10 purchase consideration, repay other long-term liabilities and to strengthen the company's balance sheet.

The material increase in intangible assets relates to the acquisition of Perfect 10, which relate to trademarks and franchise agreements acquired by the group.

The group had no material capital commitments for the purchase of property, plant and equipment as at 28 February 2013.

BASIS OF PREPARATION OF THE AUDITED RESULTS

The audited consolidated annual financial statements results have been prepared by Melinda Malan CA (SA) in accordance with the recognition and measurement criteria of International Financial Reporting Standards "IFRS", the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the presentation and disclosure requirements of IAS 34 - Interim Financial Reporting, the Listings Requirements of the JSE Limited and the requirements of the South African Companies Act. The condensed consolidated financial results are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS.

All financial information presented in South African Rand has been rounded to the nearest thousand.

The accounting policies and method of measurement and recognition applied in preparation of the audited group annual financial results are consistent with those applied in the group's annual financial results for the year ended 28 February 2012, and are in accordance with International Financial Reporting Standards.

These condensed group annual financial results incorporate the financial results of the company and its subsidiaries.

STATEMENT OF GOING CONCERN

The financial results have been prepared on the going concern basis as the directors are of the view that the group has adequate resources in place to continue in operation for the foreseeable future.

AUDIT OPINION

The auditors, Nexia SAB&T, have audited the consolidated annual financial statements for the year ended 28 February 2013. The auditors' unmodified audit report is available for inspection at the company's registered office.

SUBSEQUENT EVENTS

There are no material subsequent events to report on.

PROSPECTS

Our prospects in 2014, with cognisance of the current economic environment will be:

- the ongoing consolidation and repositioning of existing brands;
- furthering the process of the refreshing and refurbishing the salons in partnership with current franchise owners;
- expanding our retail offering in our salons;
- continuously seeking out additional growth opportunities;
- aligning the purchasing and processing systems in use across all beauty outlets; and
- strengthening the Imbalie Beauty Training Academy.

During May 2013 the group launched, a new anti-ageing serum and related products from a Biotechnology company in Iceland of which the group is the exclusive distributor. This skin care product range is the first and at the moment only skin care product range in the world that contains a replica of human growth factors produced in plants. This revolutionary and groundbreaking product range will be distributed to the group's retail footprint. It also enforces the group's stance to continue to innovate by providing revolutionary products to its customers that offer visible results.

This prospects statement has not been audited or reported on by the group's auditors.

CHANGES TO THE BOARD OF DIRECTORS

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

DIVIDEND POLICY

The group will not pay a dividend for the 2013 year.

APPRECIATION

The directors would like to thank our management team and staff for their extended efforts and our clients for their support during the year.

By order of the Board

31 May 2013

E Colyn	M Malan
Chief Executive Officer	*Financial Director*

IMBALIE BEAUTY

IMBALIE BEAUTY LIMITED
(formerly Skinwell Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2003/025374/06)
JSE code: ILE ISIN: ZAE000165239
("Imbalie Beauty" or "the company" or "the group")

AUDITED GROUP CONDENSED FINANCIAL RESULTS

FOR THE YEAR ENDED 28 FEBRUARY 2013

CORPORATE INFORMATION

Non-executive directors:	HA Lunderstedt (Chairman); T J Schoeman* (Lead Independent); G S J van Nieuwenhuizen*; M M Patel* (Chairman of Audit Committee); W P van der Merwe * *Independent*
Executive directors:	E Colyn *(Chief Executive Officer)*; M Malan *(Financial Director)*
Registration number:	2003/025374/06
Registered address:	Imbalie Beauty Boulevard, Samrand Avenue, Kosmosdal X4, Centurion 0157
Postal address:	PO Box 8833, Centurion, 0046
Company secretary:	Ithemba Governance and Statutory Solutions (Pty) Limited
Telephone:	(012) 621 3300
Facsimile:	(012) 621 3369
Transfer secretaries:	Computershare Investor Services 2004 (Pty) Limited
Designated Adviser:	Grindrod Bank Limited

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Audited Feb 2013 R'000	Audited Feb 2012 R'000
Revenue	**71 487**	61 888
Cost of sales	**(27 653)**	(19 469)
Gross profit	**43 834**	42 419
Other income	**1 363**	705
Operating expenses	**(40 237)**	(38 362)
Earnings before interest, taxation, depreciation and amortisation	**4 960**	4 762
Depreciation and amortisation	**(933)**	(856)
Profit before interest and taxation	**4 027**	3 906
Investment revenue	**70**	403
Finance costs	**(1 080)**	(1 214)
Profit before taxation	**3 017**	3 095
Taxation	**(1 032)**	(559)
Profit for the year	**1 985**	2 536
Revaluation surplus net of taxation	**163**	-
Total comprehensive income for the year attributable to ordinary shareholders	**2 148**	2 536
Reconciliation of headline earnings:		
Profit for the year	**1 985**	2 536
Adjusted for:		
Loss/(Profit) on sale of property, plant and equipment	**7**	(19)
Headline earnings attributable to ordinary shareholders	**1 992**	2 517
Number of ordinary shares in issue on which earnings per share are based - weighted and diluted average	**345 547 773**	236 172 773
Earnings per share (cents)	**0.57**	1.07
Headline earnings per share (cents)	**0.58**	1.07
Diluted earnings per share (cents)	**0.57**	1.07
Diluted headline earnings per share (cents)	**0.58**	1.07

CONDENSED STATEMENT OF CASH FLOWS

	Audited Feb 2013 R'000	Audited Feb 2012 R'000
Cash flows from/(used in) operating activities	**1 881**	(3 764)
Cash flows (used in)/from investing activities	**(901)**	2 384
Cash flows (in)/from financing activities	**(31)**	1 051
Net increase/(decrease) in cash and cash equivalents	**949**	(329)
Cash and cash equivalents at beginning of the year	**(4 539)**	(4 210)
Cash and cash equivalents at end of the year	**(3 590)**	(4 539)

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Audited Feb 2013 R'000	Audited Feb 2012 R'000
ASSETS		
Non-current assets	**37 705**	24 131
Property, plant and equipment	**4 380**	4 857
Goodwill	**6 809**	6 809
Intangible assets	**15 610**	534
Other financial assets	**770**	780
Deferred taxation	**10 136**	11 151
Current assets	**28 061**	23 710
Inventories	**15 562**	12 659
Other financial assets	**2 118**	2 200
Current tax receivable	**86**	86
Trade and other receivables	**9 960**	8 612
Cash and cash equivalents	**335**	153
Total assets	**65 766**	47 841
EQUITY AND LIABILITIES		
Equity	**41 663**	22 015
Share capital	**67 330**	49 830
Revaluation reserve	**163**	-
Accumulated loss	**(25 830)**	(27 815)
Non-current liabilities	**8 461**	3 786
Other financial liabilities	**8 396**	3 775
Deferred taxation	**65**	11
Current liabilities	**15 642**	22 040
Shareholders' loans	**-**	5 218
Trade and other payables	**8 217**	5 724
Other financial liabilities	**3 269**	5 813
Current tax payable	**9**	375
Finance and operating lease liabilities	**222**	218
Bank overdraft	**3 925**	4 692
Total equity and liabilities	**65 766**	47 841
Number of ordinary shares in issue at year-end	**345 547 773**	236 172 773
Net asset value per share (cents)	**12.06**	9.32
Net tangible asset value per share (cents)	**5.57**	6.21

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Total share capital R'000	Re-valuation reserve R'000	Accu-mulated loss R'000	Total equity R'000
Balance 1 March 2012	24	49 806	49 830	-	(27 815)	22 015
Profit for the year	-	-	-	-	1 985	1 985
Other comprehensive income: fair value adjustment	-	-	-	163	-	163
Total comprehensive income for the year	-	-	-	163	1 985	2 148
Total issue of shares	17 500	-	17 500	-	-	17 500
Balance 28 February 2013	**17 524**	**49 806**	**67 330**	**163**	**(25 830)**	**41 663**

SEGMENTAL REPORTING

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker.

Therefore, the group determines and presents its operating segments based on the information that is internally provided to the Chief Executive Officer, who is the chief operating decision maker.

Furthermore, a segment is a distinguishable component of the group that is engaged either in providing related products or services (business segment), in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of the other segments.

The group does not have different operating segments. The business is conducted in South Africa and is managed at a central head office with no branches. The group is managed as one operating unit.

All revenues from external customers originate in South Africa.

The Standard on Segment reporting will not be implemented as Imbalie Beauty has only one segment.

OVERVIEW

The directors of Imbalie Beauty herewith present the audited annual financial results for the year ended 28 February 2013 ("the 2013 year" or "2013"). Imbalie Beauty is a franchisor, distributor and service provider of beauty offerings and products. Imbalie Beauty has both its own distribution footprint and a franchised distribution footprint which together total 153 beauty salons nationally. In addition, Imbalie Beauty's products are distributed through other large retailers, independent salons and pharmacies.

The group experienced trading conditions during the latter part of the 2013 financial year that were more difficult than expected, mainly due to a slow-down in consumer spending (not only confined to South Africa but also part of a worldwide trend). During 2013, the group focused on the integration of the Perfect 10 chain, which was acquired with effect from 1 March 2012. The Perfect 10 chain has since the acquisition grown from 55 to 62 studios nationally.

The announcement of the acquisition of Perfect 10 was made simultaneous to Imbalie Beauty launching its new corporate name and brand, namely "Imbalie Beauty". The word "Imbalie" is derived from the Zulu word for flower. This is appropriately symbolic of the group's holistic and comprehensive beauty offering which encompasses skincare, nail care, hair care and various other beauty products and services.

The group will continue to be a multiple brand owner, owning Placecol Skin Care Clinics, Dream Nails Beauty salons, Perfect 10 studios and Worldé of Beauté salons.

The 2013 was a year of both consolidation and building on the solid foundations laid after the acquisition of the Perfect 10 franchise chain. To assist the group in fulfilling one of its goals, which is to provide great support to its underlying salons, the group embarked upon "Project Facelift" and has to date renovated 31 of its own and franchised beauty salons. The major objectives of "Project Facelift" are:

- to rebrand Placecol Beauty Centres to Placecol Skin Care Clinics, with the introduction of Hair Removal and Skin Rejuvenation technology into the Placecol Skin Care Clinics;
- rebranding of the DNB salons to Dream Nails Beauty salons;
- to improve the trading densities of existing salons; and
- to improve the retail offerings in salons.

The Imbalie Beauty Training Academy was strengthened during 2013 with the offering of induction courses to new franchisees, business training to existing franchisees and beauty and nail training to employees of franchisees. The group introduced a defined contribution pension fund during the year for its employees and the employees of the franchisees.

As part of the Perfect 10 acquisition, the group embarked on a process to implement standardised computer systems into all Perfect 10 salons. This was not fully implemented at year end and the group will continue with the process during the current year.