

The Kelly Group

Kelly Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1999/026249/06)
Share code: KEL ISIN: ZAE000093373
("Kelly Group" or "the company")

Repurchase Announcement

1 Introduction

The Kelly Group herewith announces the repurchase of 3 111 877 (3.1% of the issued ordinary shares) Kelly Group ordinary shares effected through the order book operated by the JSE Limited ("JSE"), since and in accordance with the general authority granted by the company's shareholders at the annual general meeting held on 15 February 2008 ("the repurchase").

2 Authorised repurchase limits

In terms of the special resolution:

- (a) the general authority is limited to a maximum of 15% of the company's issued share capital; and
- (b) any repurchase may not be made at a price greater than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date of such repurchase.

A maximum of 15 000 000 ordinary shares could be repurchased in terms of the general authority obtained from shareholders.

3 Implementation

Details are as follows:

Total number of ordinary shares repurchased	3 111 877
Total value of ordinary shares repurchased	R21 650 321
Highest price paid per ordinary share	R8.29
Lowest price paid per ordinary share	R6.67
Average price paid per ordinary share including costs	R6.96
The number of ordinary shares which may still be repurchased by the company in terms of the general authority	11 888 123
Ordinary shares in issue on 30 September 2007	100 000 000
Ordinary shares in issue on date of this announcement	100 000 000

4 Source of funds

Repurchases to date have been, and future repurchases will also be, funded from available cash resources.

5 Opinion of the directors

The directors of Kelly Group have considered the impact of the repurchases and are of the opinion that:

- 5.1 the company and the group will be able, in the ordinary course of business, to pay its debts for a period of 12 months from the date of this announcement;
- 5.2 the assets of the company and the group are in excess of the liabilities, measured in accordance with the accounting policies used in the audited annual financial statements for the year ended 30 September 2007;
- 5.3 the ordinary share capital and reserves of the company and the group will be adequate for a period of 12 months from the date of this announcement; and
- 5.4 the working capital of the company and the group will be adequate for a period of 12 months from the date of this announcement.

6 Financial effects

The financial effects of the repurchases are as follows:

The table below sets out the pro forma financial effects on Kelly Group of the repurchase based on the last published interim results of the company on 31 March 2008. These financial effects are the responsibility of the directors of the company, are prepared for illustrative purposes only and because of their nature, may not fairly present the financial position, changes in equity, results of operations or cash flows of the company, after the repurchase.

	Before ¹	After ²	% Change
Earnings per share (cents)	38.55	39.77	3.06
Headline earnings per share (cents)	38.55	39.77	3.06
Net asset value per share (cents)	174.91	157.35	(11.16)
Tangible net asset value per share (cents)	25.16	2.55	(887.21)

Notes:

- 1 Based on Kelly Group's interim results for the six months ended 31 March 2008.
- 2 The financial effects are calculated based on the assumption that the repurchases had been carried out on 1 October 2007 and that the shares acquired were included in treasury stock from that date.
- 3 Interest is earned at an average rate of 9.25% on positive cash balances.

7 JSE listing

As all the ordinary shares have been repurchased by a wholly-owned subsidiary of the Kelly Group, none of the ordinary shares will be cancelled nor will the JSE listing in respect of those shares be terminated.

Sandton
17 July 2008

Sponsor



RAND
MERCHANT
BANK

A division of FirstRand Bank Limited