



# Interim Results Presentation

Period ending 30 September 2009



# Introduction

Overview

Segmental analysis

Capital expenditure

Operational review

- Mining services
- Coal mining investments

Financial statements

Strategic objectives



# Overview

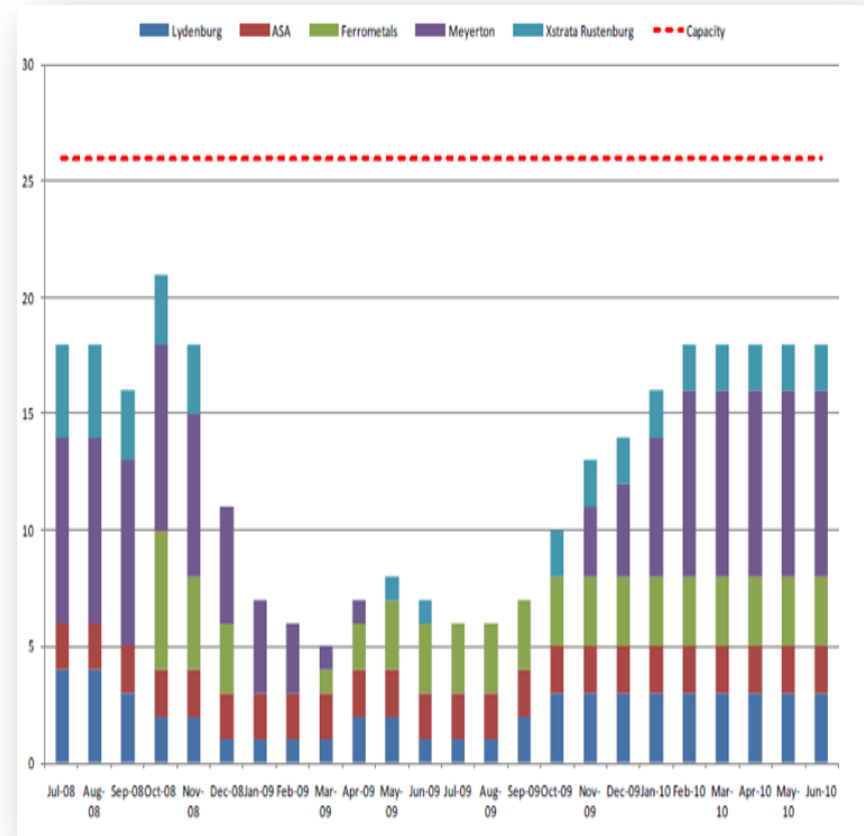
Capping and reduction in contracted volumes



# Overview

Capping and reduction in contracted volumes

Cut back in the production of ferrochrome



# Overview

Capping and reduction in contracted volumes

Cut back in the production of ferrochrome

Weak Rand denominated export coal prices



# Overview Sustainability



No serious injuries recorded

CIFR improved 27% to 1,89 per million man hours worked [2008: 2,59]

Audited level 6 BBEE rating



**Emex Trust**  
BEE Verification Agency

This is to certify that  
**SENTULA MINING LIMITED**  
Building 14 Woodlands Office Park Woodmead  
Registration Number: 1992/001973/06  
VAT Number: 4850240724

has been independently verified by Emex Trust (IT 4383/05) a SANAS Accredited BEE Verification Agency, No BVA 037 in terms of BROAD-BASED BLACK ECONOMIC EMPOWERMENT act number 53 of 2003, Codes of Good Practice and the DTI Methodology.

**B-BBEE CONTRIBUTOR: LEVEL 6 (≥45 but < 55)**  
**B-BBEE PROCUREMENT RECOGNITION LEVEL: 60%**  
**As Value Adding: FINAL B-BBEE PROCUREMENT RECOGNITION: 75%**

SIZE:	GENERIC ENTERPRISE	B-BBEE STATUS	WEIGHTING POINTS	ACTUAL POINTS
CERTIFICATE NUMBER:	EMEX6KCV	OWNERSHIP	20	0
ISSUE NUMBER:	1	MANAGEMENT AND CONTROL	10	6.67
BLACK OWNED:	0%	EMPLOYMENT	15	3.83
BLACK WOMAN OWNED:	0%	EQUITY	15	3.66
DATE VERIFIED:	Tuesday, November 10, 2009	SKILLS DEVELOPMENT	20	16.44
EXPIRY DATE:	Tuesday, November 09, 2010	PREFERENTIAL PROCUREMENT	15	15
SPECIAL EVALUATION:	No	ENTERPRISE DEVELOPMENT	5	5
RE-VERIFICATION:	No	SOCIO-ECONOMIC DEVELOPMENT		
VALUE-ADDING SUPPLIER:	Yes			

(Net profit before tax summed with its total labour cost exceeds 25% of its turnover and registered for VAT)

*M. Daba*  
EMEX SIGNATORY REPRESENTATIVE

**sanas**  
BEE Verification Agency  
BVA 037



# Overview

## Financial



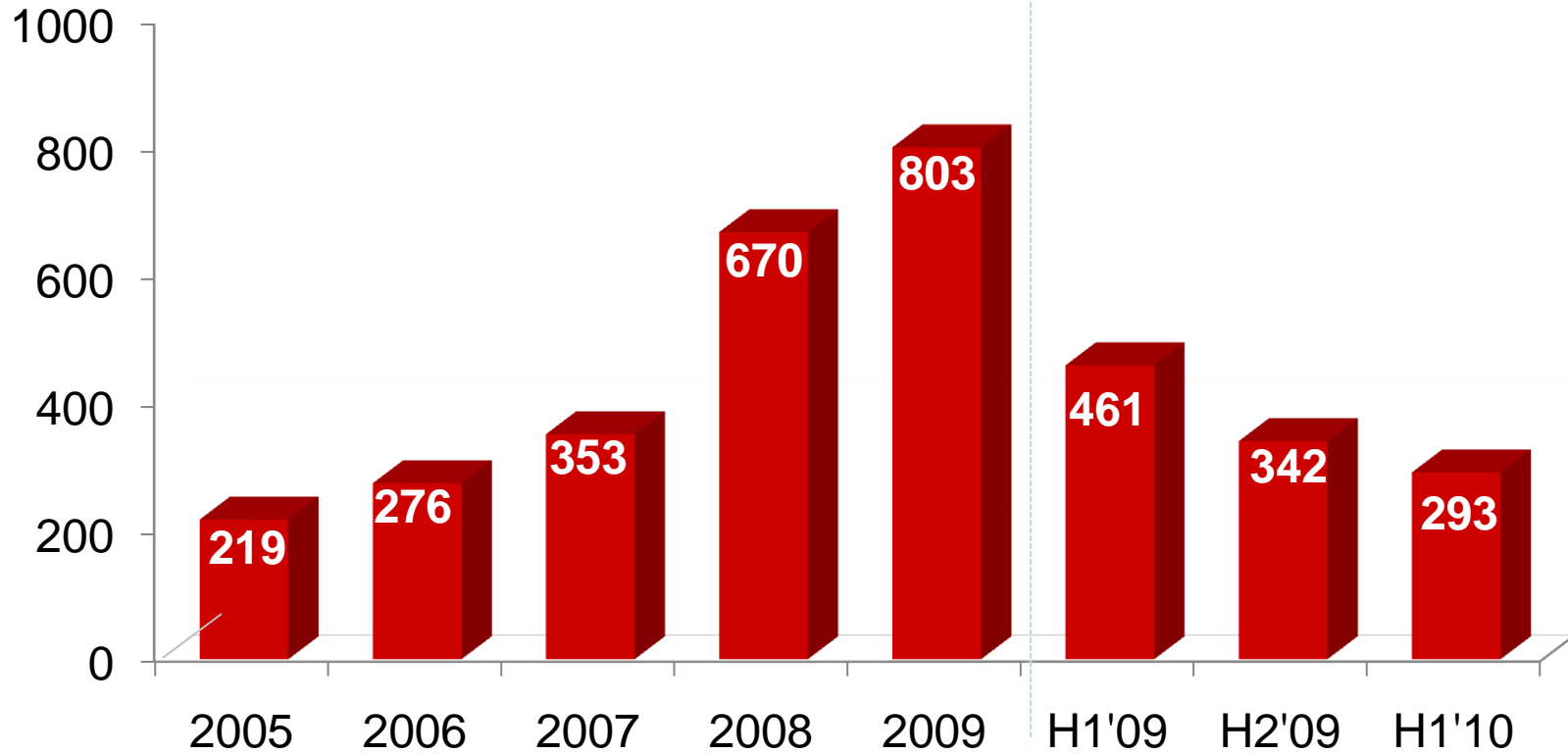
Revenue decreased by 32% to R1188,4m	[2008: R1740,6m]
Cash generated by operations R238m	[2008: R440m]
Operating profit reduced by 58% to R125.6m	[2008: R296.3m]
Profit attributable to owners R37m	[2008: R184m]
Basic EPS reduced by 80% to 16.2 cents	[2008: 79.8 cents]
Net asset value per share up 3% to 979 cents	[2008: 953 cents]
Tangible net asset value per share 788 cents	[2008: 788 cents]



# Overview

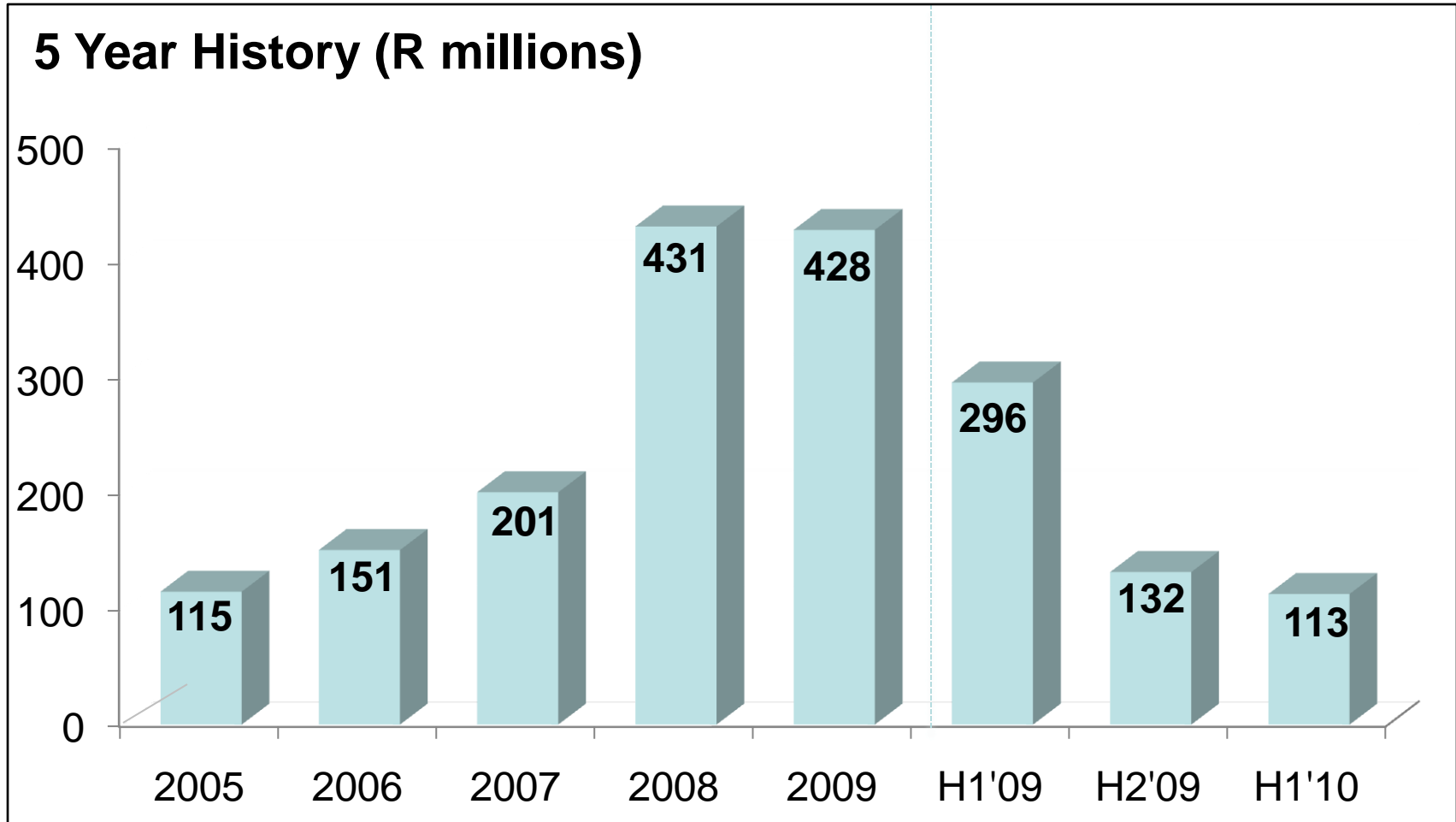
## EBITDA

### 5 Year History (R millions)



# Overview

## Operating Profit - EBITA



# Segmental Analysis

## Revenue and Operating Profit (adj. for Koornfontein)



	Revenue R' million	Operating profit R' million
<b>Opencast Mining Services</b>	<b>838 102</b>	<b>99 483</b>
Megacube:	434 399	16 222
Benicon:	287 216	56 933
CCT:	69 167	11 287
JEF:	47 320	15 041
<b>Exploration Drilling</b>	<b>301 453</b>	<b>51 390</b>
<b>Crane Hire</b>	<b>27 411</b>	<b>17 524</b>
<b>Coal mining - Nkomati</b>	<b>16 548</b>	<b>(20 203)</b>
<b>Corporate &amp; Services</b>	<b>4 902</b>	<b>(22 587)</b>
<b>Total per subsidiary</b>	<b>1 181 416</b>	<b>125 607</b>
<b>Koornfontein - Associate</b>		<b>36 170</b>
<b>Total</b>	<b>1 181 416</b>	<b>161 777</b>

# Net Capital Expenditure

**R78 million net capex invested during the year under review**

## **Megacube**

Net outflow of (R7.7m).

## **Benicon**

Benicon acquired plant to the value of R67.5m to expand operations in the 2009 year.

## **CCT**

Investment in capacity for the ramp up in ferrochrome production, amounting to R9.5m.

## **JEF Drill and Blast**

The group invested R753k in the acquisition support equipment.

## **Geosearch**

R2.8m invested during the year to upgrade drilling capacity.

## **Ritchie Crane Hire**

Investment in replacement cranes of R6.9m.

## **Coal mining**

R1.5m, predominantly at Nkomati, for the development of the underground operation.

## **Corporate Services**

Net outflow of (R3.2m)

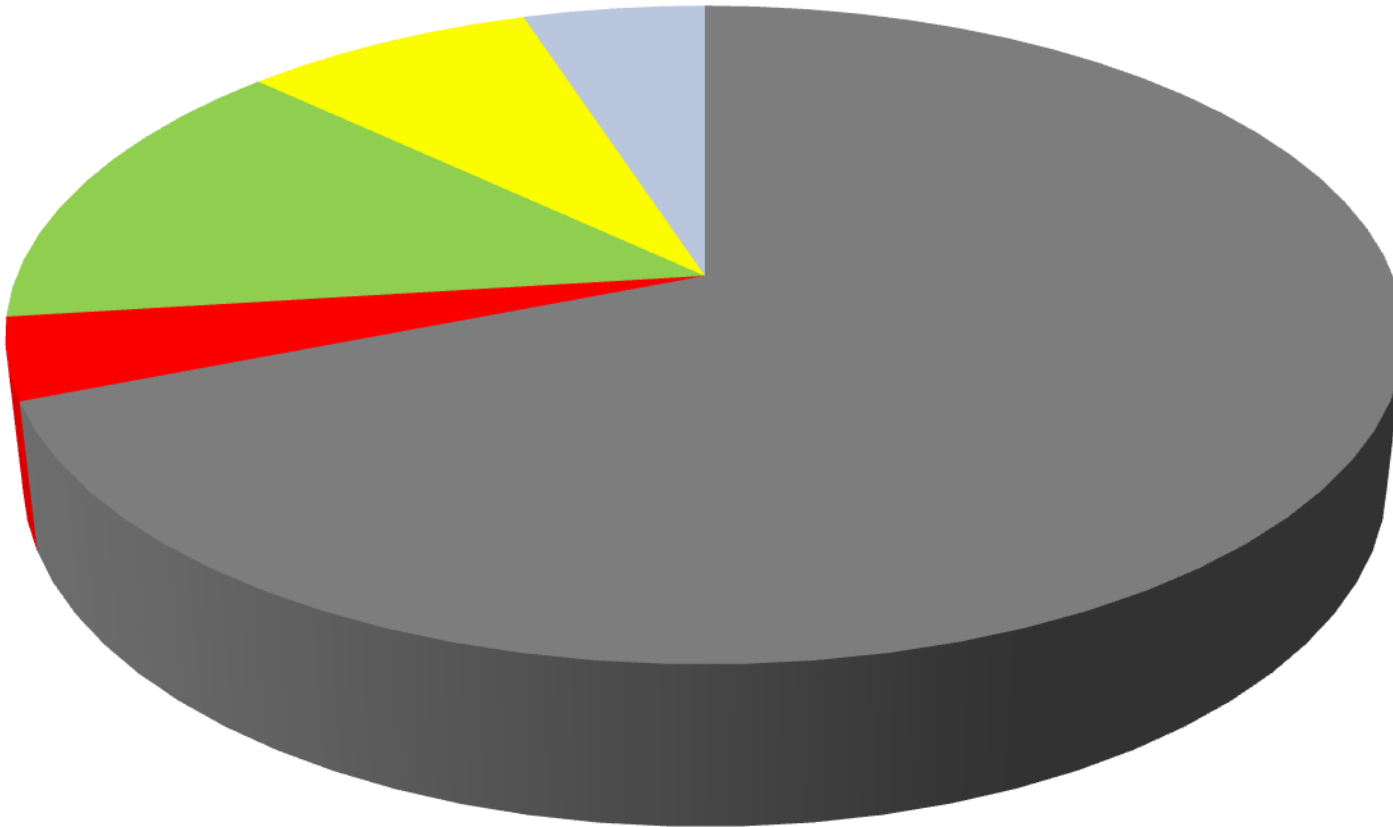


# Operational review

## Contribution of earnings

NPAT

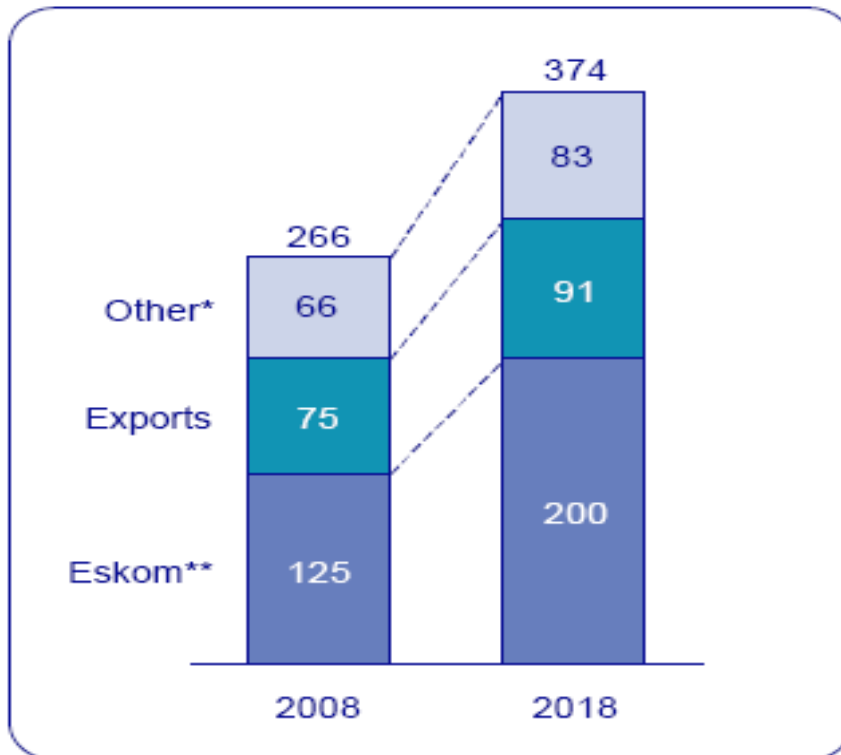
- Coal 69%
- Chrome 4%
- PGM's 14%
- Gold 8%
- Other 5%



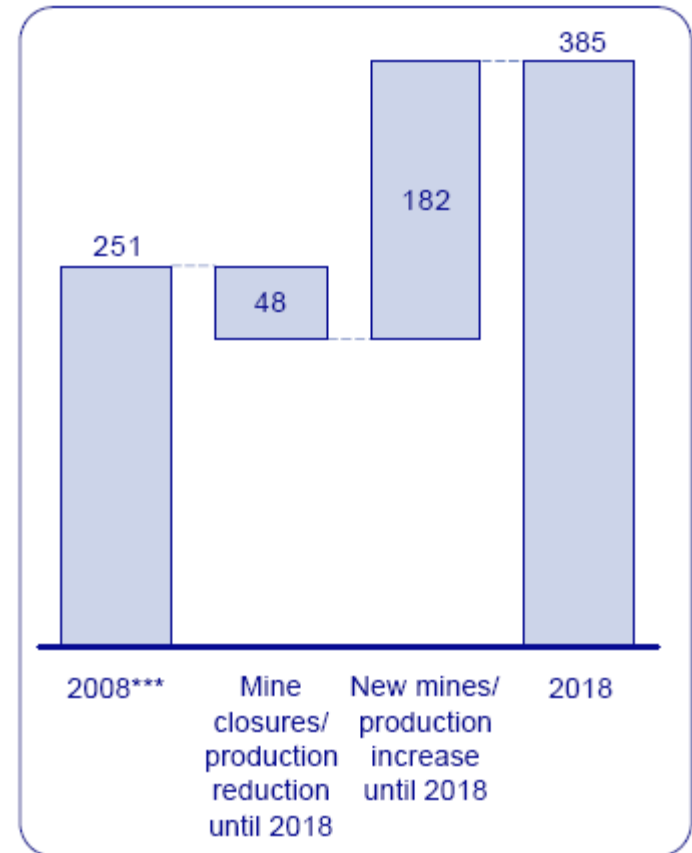
# Operational review

## SA coal demand

Thermal coal consumption, Mtpa



Thermal coal production, Mtpa



\* Includes consumption by Sasol and other consumers

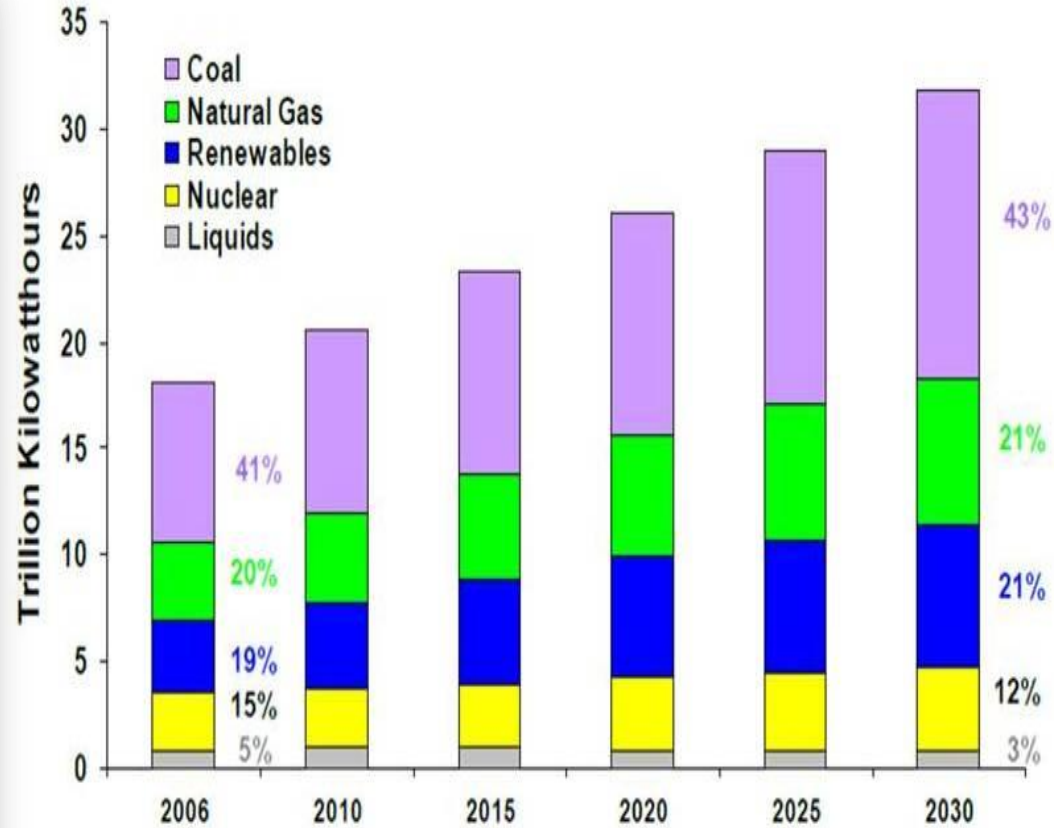
\*\* Reflects FY2008 burn and projected demand for FY 2018

Source: Eskom



# Operational review

## Power generation from coal



International Energy Outlook 2009 Presentation — May 27, 2009

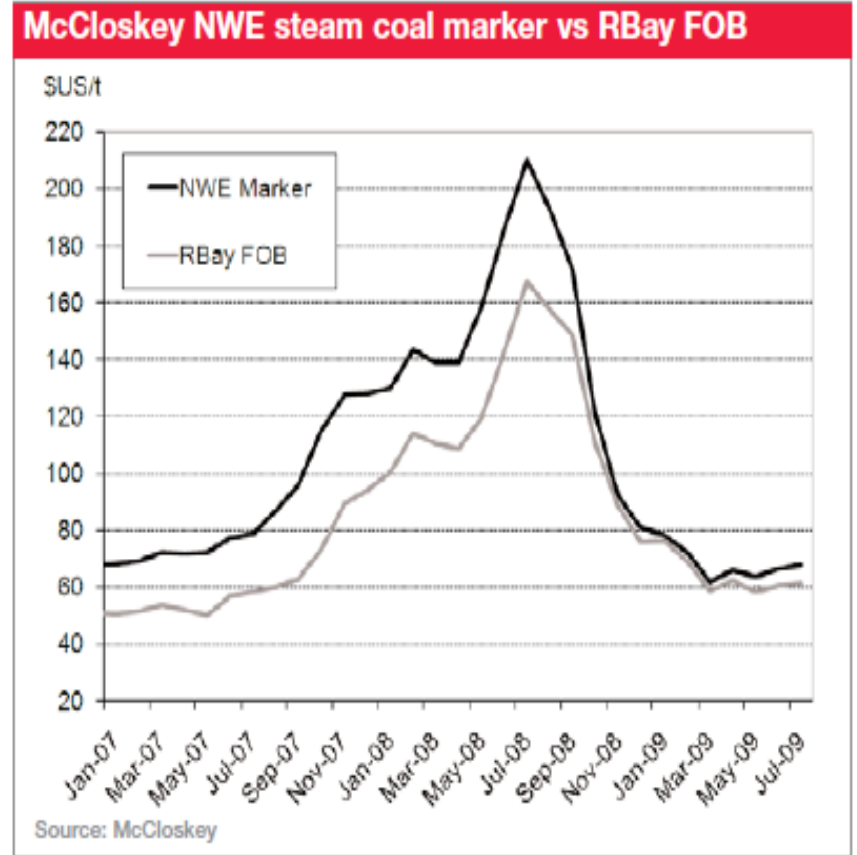


# Operational review

## SA coal exports

2008

- Thermal coal \$US price peak
- Weak Rand/\$US exchange rate
- 61,9 million tons RBCT throughput



# Operational review

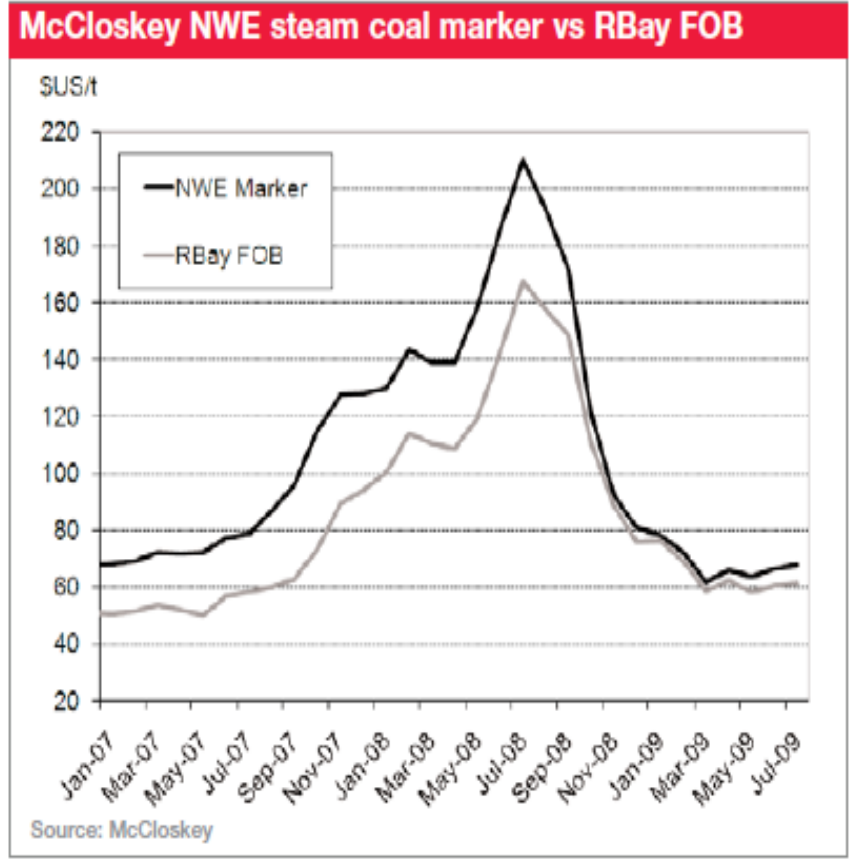
## SA coal exports

### 2008

- Thermal coal \$US price peak
- Weak Rand/\$US exchange rate
- 61,9 million tons RBCT throughput

### 2009

- Thermal coal price - 60 to 70 \$US/ton
- Strong Rand/\$US exchange rate
- RBCT throughput - 58 to 59 million tons



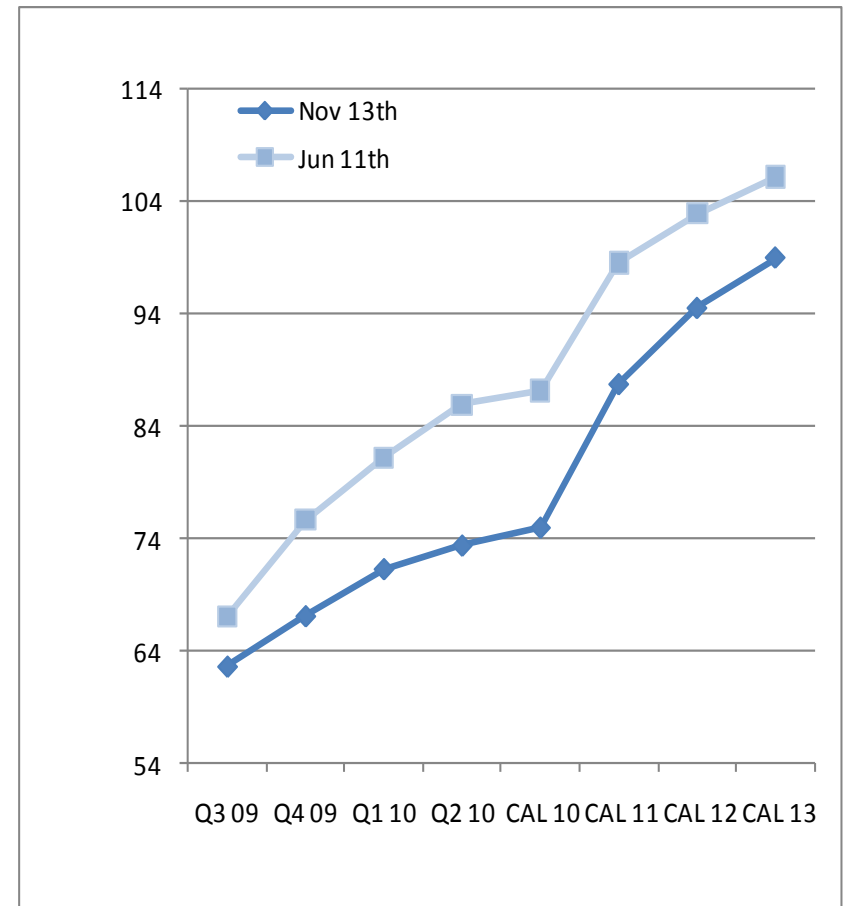
# Operational review

## RBCT export coal pricing



### API #4 (6,000kc NAR FOB RBCT)

Duration	Bid	Offer	Mid Point
Q1 10	71.20	71.95	71.58
Q2 10	73.30	74.05	73.68
Q3 10	75.95	76.70	76.33
Q4 10	79.55	80.30	79.93
Cal 10	74.90	75.80	75.35
Cal 11	87.65	88.55	88.10
Cal 12	94.45	95.40	94.93
Cal 13	98.95	100.10	99.53



Source: McCloskey



# Operational review

“Sentula is uniquely positioned to benefit from the increased demand for energy, specifically Derived from coal, in Southern Africa”



Komati Power Station



# Operational review

## Mining services



# Opencast Mining Services



- Megacube:

- Issues identified
- Turnaround strategy continues take traction
- Cost base restructured

- Benicon:

- Solid overall performance
- Capacity is being utilised

- CCT:

- Satisfactory overall performance, despite turn down in ferrochrome production

- JEF Drill & Blast:

- Solid performance in the current climate



# Megacube turnaround

- **Management**

New management in place

Resourced and structured to deal with the issues indentified

- **Rates**

Contract accounting introduced

Re-pricing of contracts completed

- **Equipment**

Refurbishment of key fleets

Renewed focus on maintenance and equipment availability and utilisation



# Megacube turnaround

YOY volume comparison - current contracts

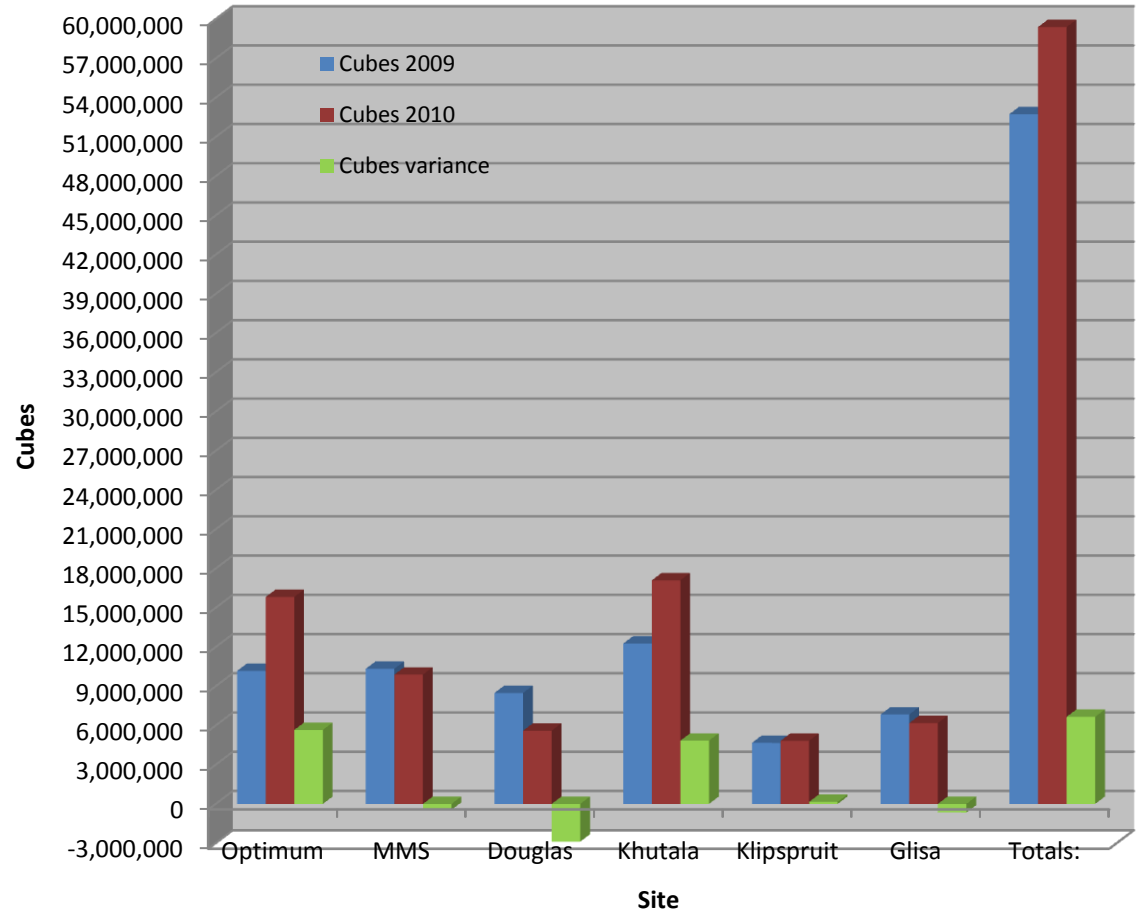
## Current sites by contribution

Zondagsvlei	R20 m
Optimum	R12 m
MMS	R14 m
Glisa	R10 m
Klipspruit	R7 m
Westpoint*	R8 m
Nkomati	R1 m

## Additional work awarded

Klipspruit topsoil	R2 m
Eerstelingsfontein	R5 m
Khutala - S1	R3 m

\* Completed in February 2010



# Megacube turnaround

## Additional capacity

Loading units	18
Dozers D10/D11	14
Rigid dumpers	28
Tippers	15
Support equipment	

## Additional potential work

MMS rehabilitation  
Nkomati anthracite  
Khutala rehabilitation



# Exploration Drilling



- Solid contribution for the first six months of the 2010 year.
- Expertise in deep hole drilling.
- Demand for exploration drilling outside of SA showing positive signs of strengthening.
- Main areas of stable business prospects in Northern Mozambique, Botswana and Central Africa.
- Increased exploration activity in certain mineral sectors.
- Diversification of the Group's earnings stream.



# Mobile Crane Hire

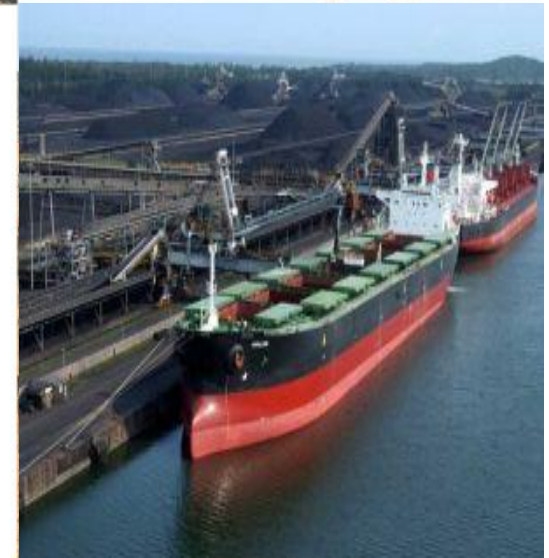


- Solid contribution for the period under review.
- Medium and heavy duty mobile crane hire company supported by dedicated rigging expertise.
- Demand in the mining, construction and infrastructure development sectors (large capital projects: Road upgrades, Eskom and mining projects), remains strong.
- Synergies with mining services.
- Forecasting continued good earnings for the remainder of the current year.



# Operational review

## Coal mining investments



# Operational review

Coal mining Investments



## Sentula Coal Mining (Pty) Ltd

Operating Assets

Nkomati Anthracite

Koornfontein Mine



60%

49,9%



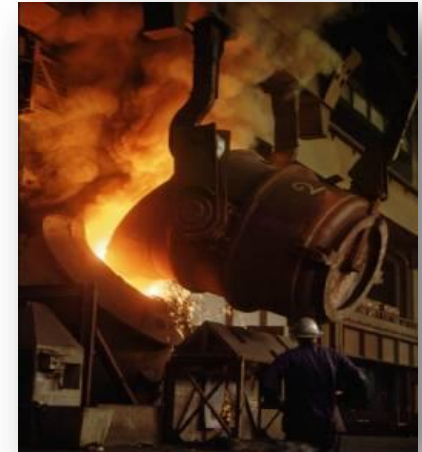
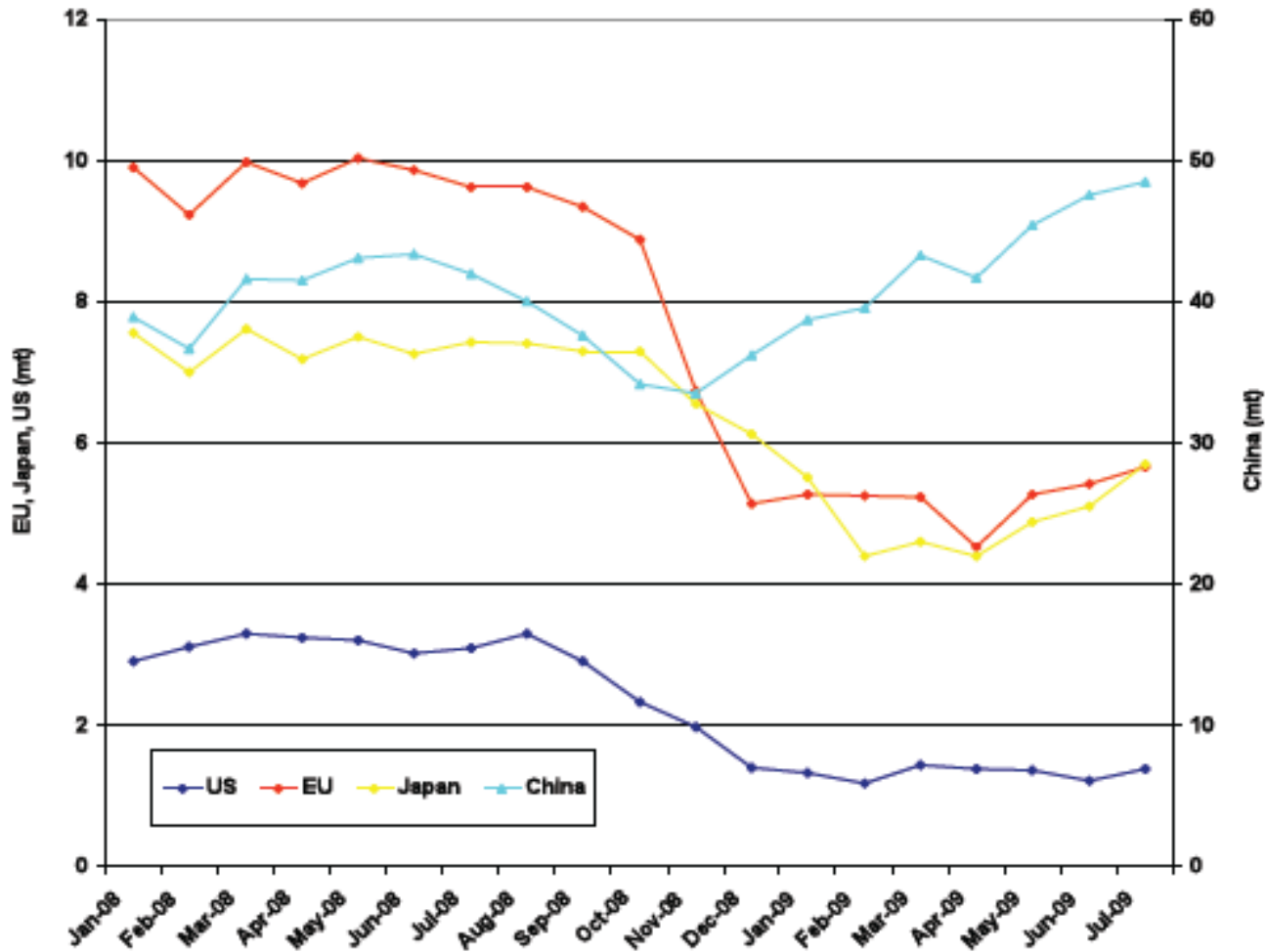
# Operating coal assets

## Nkomati Anthracite [60% stake]

- Underground production, in the Mangweni block, underway since mid December 2008.
- Market for anthracite boosted by a recovering demand for steel and resultant ferrochrome production.



# Iron production



# Operating coal assets

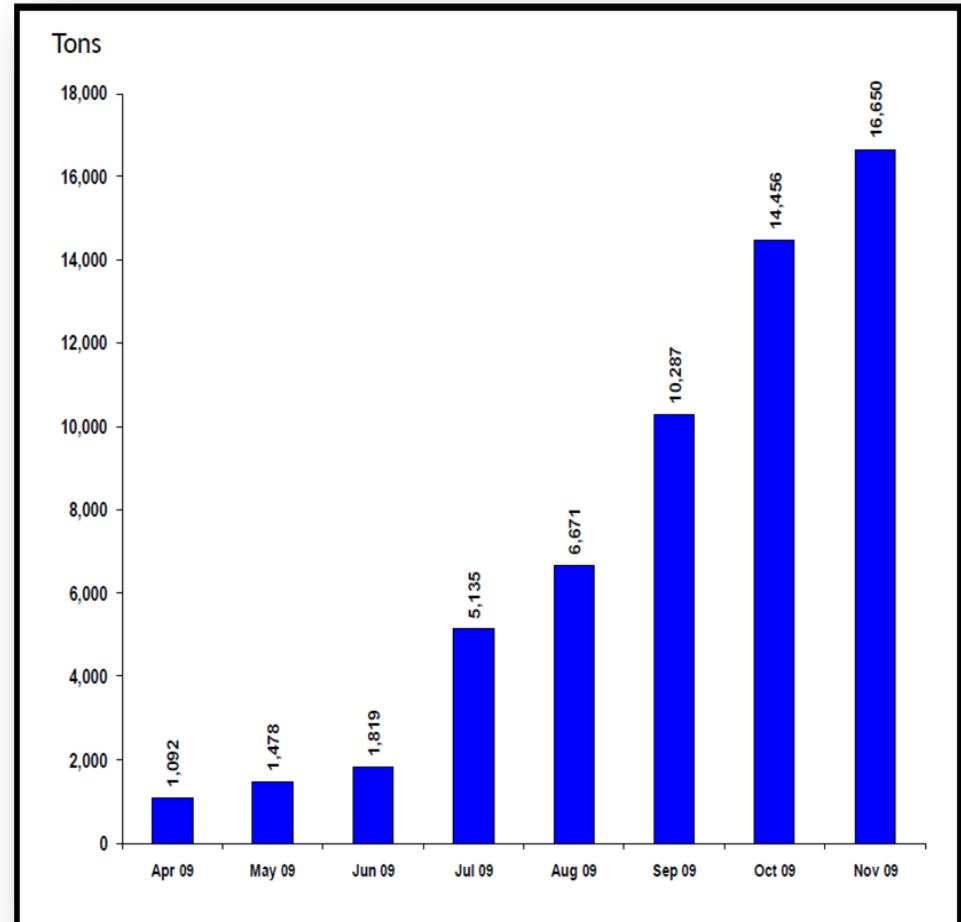
## Nkomati Anthracite [60% stake]

- Underground production, in the Mangweni block, underway since mid December 2008.
- Market for anthracite boosted by a recovering demand for steel and resultant ferrochrome production.
- Sales up to 30 September 2009 - 26 500 tons.
- Increase in sales demand projected for the remainder of the financial year.

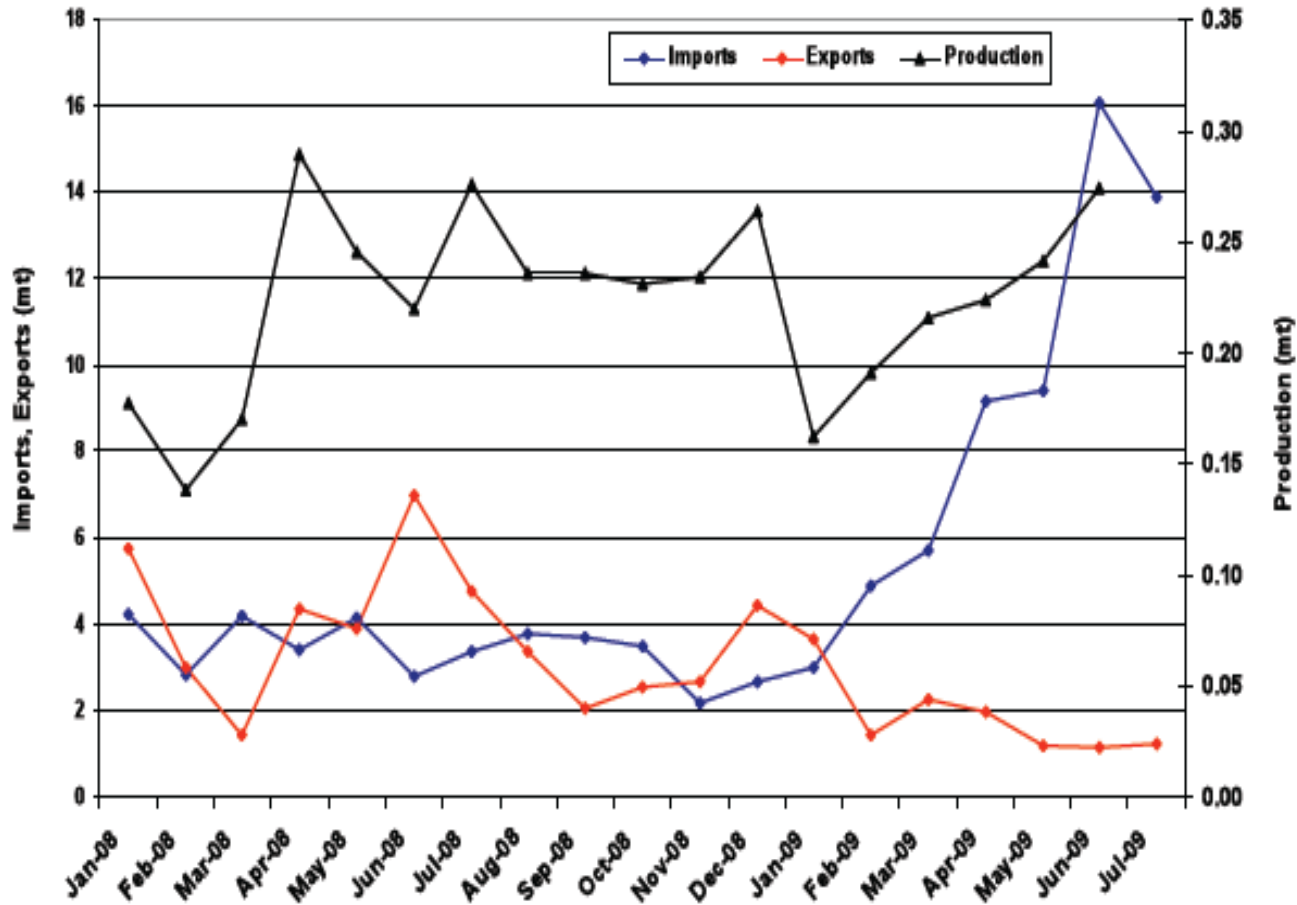


# Nkomati Anthracite Sales profile

- Currently, sustainable sales of 20 000 tons per month are being projected.
- Sales (ex stock) will boost tonnages in the short term.



# Met. Coal and Coke - China



# Operating coal assets

## Nkomati Anthracite [60% stake]

- Underground production, in the Mangweni block, underway since mid December 2008.
- Market for anthracite boosted by a recovering demand for steel and resultant ferrochrome production.
- Sales up to 30 September 2009 - 26 500 tons.
- Increase in sales demand projected for the remainder of the financial year.
- Development of the Madadeni open pit, which was placed on hold, pending an improvement in market conditions, is currently undergoing review.



# Operating coal assets

## Koornfontein [49,9% stake]



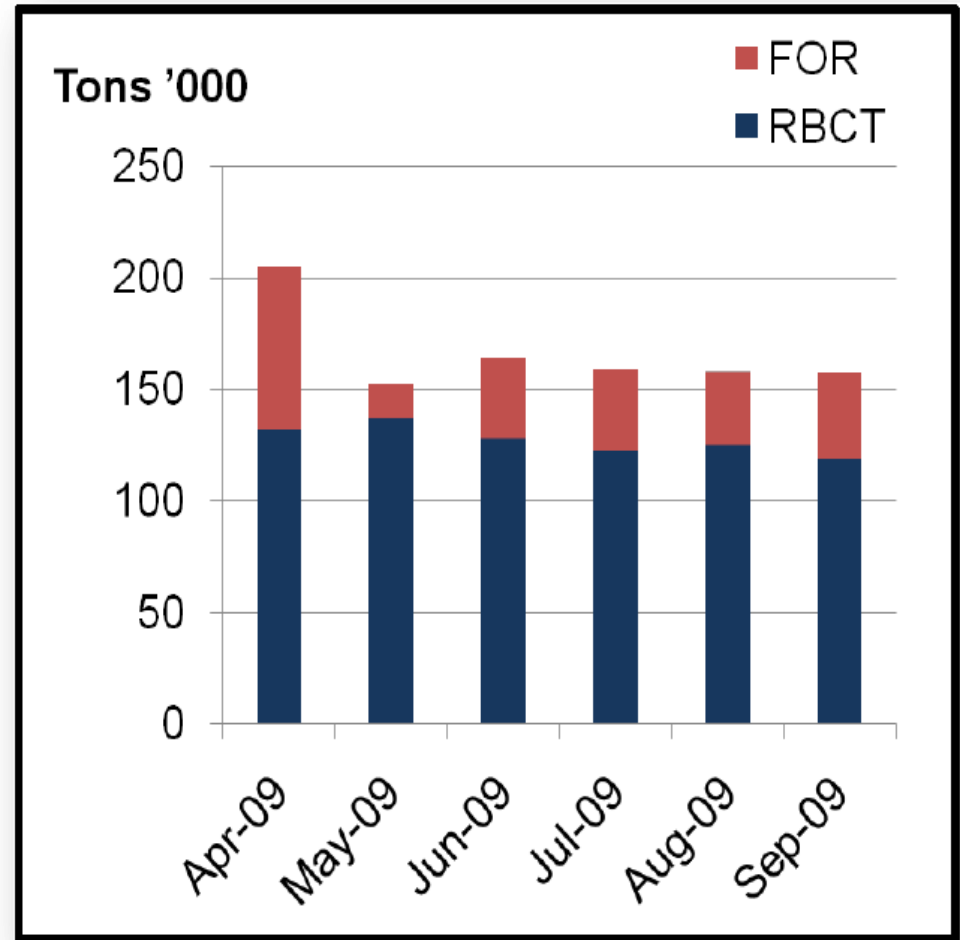
- Large underground mine with good surface infrastructure.
- Thermal coal producer with export and domestic sales.
- Annual sales production capacity of 4,5 million tons, with 1,5 million tons of RBCT entitlement.
- Sales currently in line with capacity, despite lower export pricing and domestic demand.



# Koornfontein

## Export sales

- Export sales for the period ending 30 September 2009 - 973 000 tons.
- Sales forecasts remain steady for the remainder of the financial year.



# Operating coal assets

## Koornfontein [49,9% stake]



- Large underground mine with good surface infrastructure.
- Thermal coal producer with export and domestic sales.
- Annual sales production capacity of 4,5 million tons, with 1,5 million tons of RBCT entitlement.
- Sales currently in line with capacity, despite lower export pricing and domestic demand.
- Situated adjacent to Eskom's Komati power station.



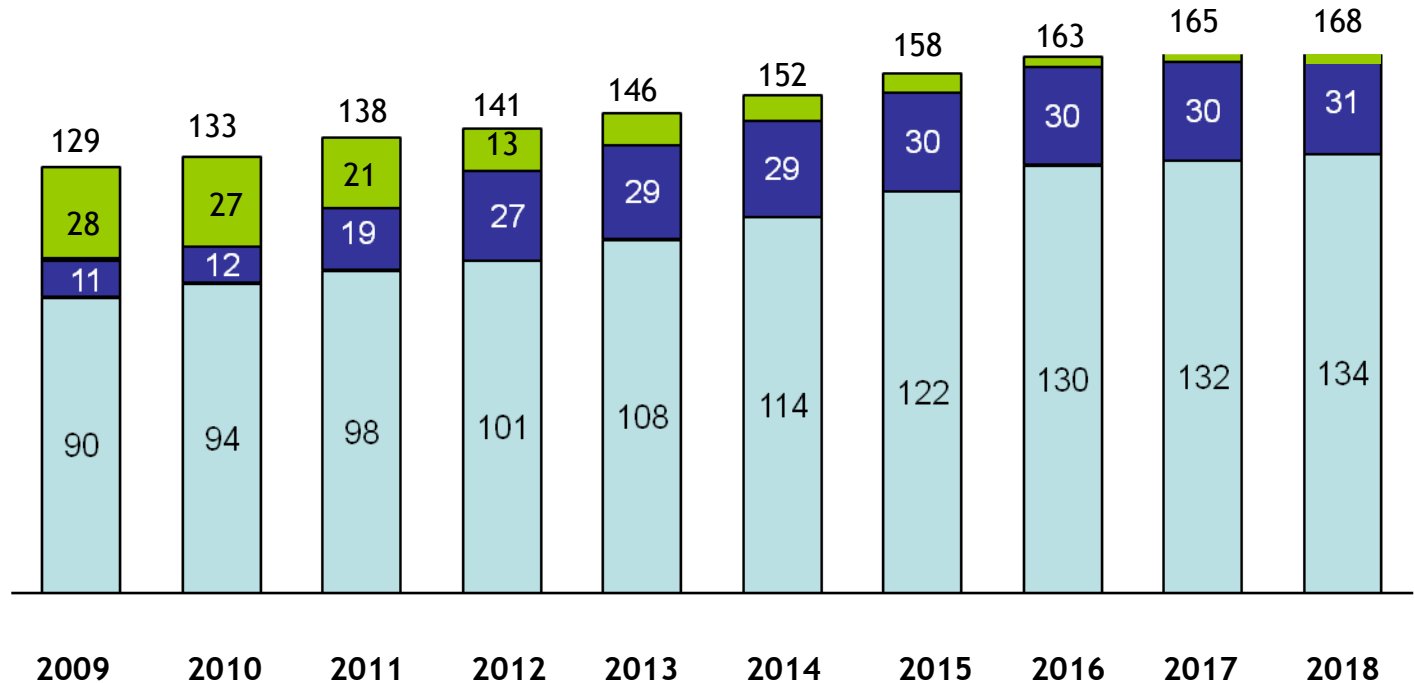
# ESKOM is committed to reduce road tonnages over the next 10 years

- Road
- Rail GFB
- Conveyor

## Logistics scenarios

## Variation of tonnages on transport modes (Mt)

**Strategic Plan:** All logistics projects are approved and implemented on time

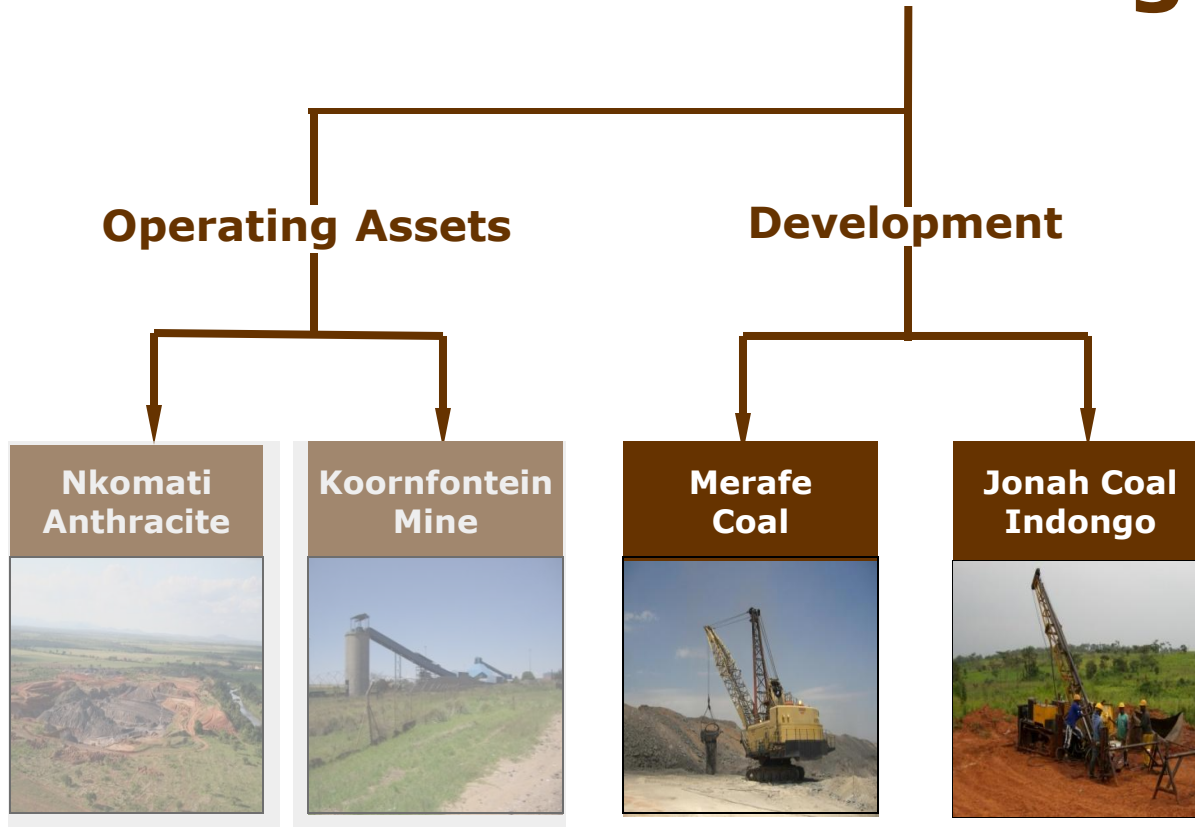


# Operational update

Coal mining investments



## Sentula Coal Mining (Pty) Ltd



60%

49,9%

50%

25%



# Development coal assets

## Merafe [50% stake]



### Development properties

- Application for mining rights submitted for the Schoongezicht and Bankfontein properties.
- Licensing process - well advanced.
- Sales - Thermal export, domestic and Eskom products.
- Additional resources identified and in the process of being evaluated on the Bankfontein property.

### Exploration properties

- Kaallaagte and Goedgevonden.
- Pre-feasibility phase of exploration drilling in progress.

### Additional resources

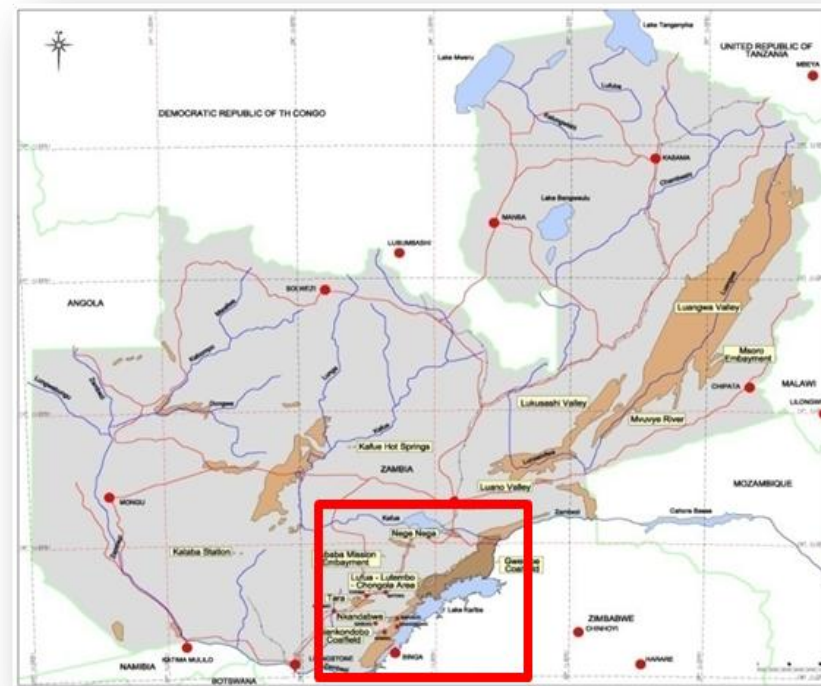
- Ongoing negotiations on properties surrounding current prospecting licenses.



# Development coal assets Indongo [25% stake]



- Sentula [50%] with Jonah Capital[50%] have earned a 50% plus 1 share stake in the Mulungwa project.
- Phase 3 exploration drilling has been completed.
- Mining license application process - well advanced.



**Zambezi Valley Coalfield**



# Development coal assets Indongo [25% stake]

- Total resource estimate of 80 million tons.
- Identified opencastable resources of 6,7 million tons.
- Strong local demand for coal for boilers, smelters and the mining, cement, steel and beer industries.
- Planned production - 500 kt per annum.
- Investment decision in early 2010.
- Contract mining opportunity at the neighboring Maamba colliery.

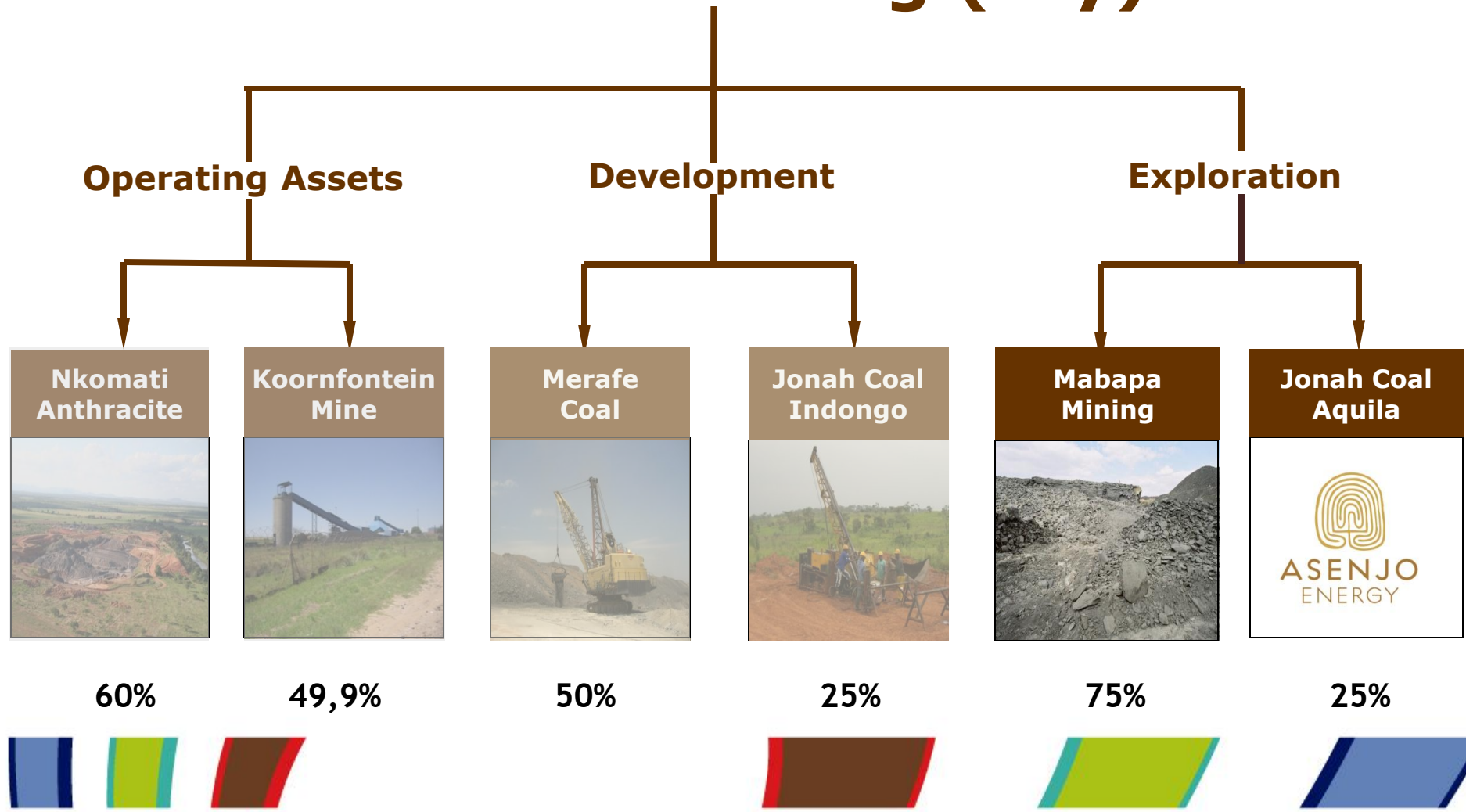


# Operational update

Coal mining investments



## Sentula Coal Mining (Pty) Ltd



# Exploration coal assets

- Mabapa [75% stake] - SA

Phase 1 exploration drilling has been completed - further exploration was suspended given project economics that prevailed earlier this year. Project currently undergoing review.



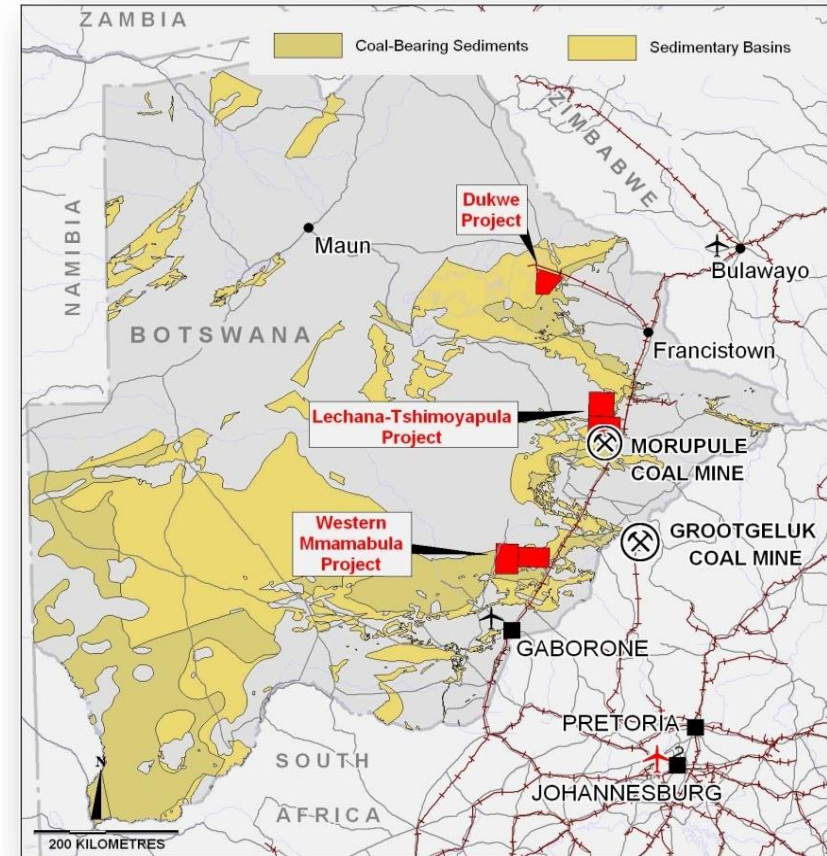
# Exploration coal assets

- **Mabapa [75% stake] - SA**

Phase 1 exploration drilling has been completed - further exploration was suspended given project economics that prevailed earlier this year. Project currently undergoing review.

- **ASENJO [25% stake] - Botswana**

Exploration is proceeding in line with the defined work programme. The project is currently funded until mid 2010. Advisor appointed by of the shareholders, to assist with the process of value unlock.



# Financial Statements



# Condensed consolidated income statement

(R'000)



	Reviewed six months ended 30 September 2009	Reviewed six months ended 30 September 2008	Audited year ended 31 March 2009
Revenue	1,188,416	1,740,602	2,989,835
Results from operating activities	125,607	296,324	479,669
Net finance charges	(109,804)	(114,609)	(252,305)
Excess of fair value of assets and liabilities acquired over purchase price	-	22,011	21,075
Income from investment in associate (net of tax)	23,944	59,665	90,307
Profit before income tax	39,747	263,390	338,746
Income tax expense	(14,704)	(72,113)	(60,099)
<b>Profit for the period</b>	<b>25,043</b>	<b>191,277</b>	<b>278,647</b>
Attributable to:			
- Owners of the company	37,266	-	278,531
- Non-controlling interest	(12,223)	7,763	116
<b>Profit for the period</b>	<b>25,043</b>	<b>7,763</b>	<b>278,647</b>
Basic earnings per share	16.2	79.8	121.1
Headline earnings per share	15.2	69.6	109.1
Shares in issue at the end of the period ('000)	235,566	235,566	235,566
Weighted average number of shares at the end of the period ('000)	230,012	230,012	230,012



# Condensed consolidated statement of comprehensive income

(R'000)



	Reviewed six months ended 30 September 2009	Reviewed six months ended 30 September 2008	Audited year ended 31 March 2009
Profit for the period	25,043	191,277	278,647
<b>Other comprehensive (loss) \ income</b>			
Foreign currency translation differences for foreign operations	(42,489)	7,268	25,044
<b>Other comprehensive (loss) \ income for the period, net of tax</b>	<b>(42,489)</b>	<b>7,268</b>	<b>25,044</b>
<b>Total comprehensive (loss) \ income for the period</b>	<b>(17,446)</b>	<b>198,545</b>	<b>303,691</b>
Attributable to :			
- Owners of the company	(5,223)	190,782	303,575
- Non-controlling interest	(12,223)	7,763	116
<b>Total comprehensive (loss) \ income for the period</b>	<b>(17,446)</b>	<b>198,545</b>	<b>303,691</b>



# Condensed consolidated statement of financial position - assets

(R'000)



	Reviewed six months ended 30 September 2009	Reviewed six months ended 30 September 2008	Audited year ended 31 March 2009
Property, plant and equipment	2,718,517	2,618,167	2,829,525
Intangible assets	15,153	7,453	12,174
Investment in jointly controlled entity	-	61,455	-
Investment in equity-accounted associate	334,046	296,652	333,225
Goodwill	423,275	372,691	423,275
Mineral rights	418,410	413,198	418,410
Deferred tax assets	12,375	26,701	13,907
<b>Total non current assets</b>	<b>3,921,776</b>	<b>3,796,317</b>	4,030,516
Inventories	335,839	267,052	322,570
Trade and other receivables	451,971	677,982	471,571
Cash and cash equivalents	131,040	163,364	125,774
<b>Total current assets</b>	<b>918,850</b>	<b>1,108,398</b>	919,915
<b>TOTAL ASSETS</b>	<b>4,840,626</b>	<b>4,904,715</b>	4,950,431



# Condensed consolidated statement of financial position - equity and liabilities

(R'000)



	Reviewed six months ended 30 September 2009	Reviewed six months ended 30 September 2008	Audited year ended 31 March 2009
<b>Equity</b>			
Share capital and premium	1,534,370	1,533,861	1,534,370
Reserves	641,810	562,588	642,200
<b>Total equity attributable to equity holders of the company</b>	<b>2,176,180</b>	<b>2,096,449</b>	2,176,570
Non-controlling interest	75,228	95,098	87,451
<b>Total equity</b>	<b>2,251,408</b>	<b>2,191,547</b>	2,264,021
<b>Liabilities</b>			
Loans and borrowings	1,380,564	1,390,945	1,153,383
Deferred tax liabilities	243,579	264,926	251,221
<b>Total non-current liabilities</b>	<b>1,624,143</b>	<b>1,655,871</b>	1,404,604
Trade and other payables	417,134	415,023	466,345
Loans and borrowings	373,034	534,780	660,493
Bank overdraft	115,540	54,152	88,326
Taxation	59,367	53,342	66,642
<b>Total current liabilities</b>	<b>965,075</b>	<b>1,057,297</b>	1,281,806
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,840,626</b>	<b>4,904,715</b>	4,950,431
Net asset value per share (cents)	979	953	984
Tangible net asset value per share (excluding goodwill) (cents)	788	788	795



# Condensed consolidated statement of cashflows

(R'000)



	Reviewed six months ended 30 September 2009	Reviewed six months ended 30 September 2008	Audited year ended 31 March 2009
<b>Cash flows from operating activities</b>	<b>98,053</b>	<b>301,170</b>	688,585
Cash generated by operations	237,559	439,764	967,385
Interest paid	(111,417)	(90,397)	(237,470)
Income taxes paid	(28,089)	(48,197)	(41,330)
<b>Cash flows from investing activities</b>	<b>(57,889)</b>	<b>(592,334)</b>	(914,198)
Purchase of property, plant and equipment	(171,156)	(571,855)	(1,044,399)
Proceeds from disposal of property, plant and equipment	93,182	49,861	151,797
Net movement in intangibles	(4,651)	-	-
Investments	-	(78,393)	-
Purchase of investment in joint venture	-	-	(61,482)
Interest received	1,613	8,053	15,694
Cash received from investment in associate	23,123	-	24,192
<b>Cash flows from financing activities</b>	<b>(62,112)</b>	<b>115,201</b>	(22,114)
(Repayment of) / Proceeds from borrowings	(62,112)	115,201	889
Dividends paid	-	-	(23,003)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(21,948)</b>	<b>(175,963)</b>	(247,727)
Cash and cash equivalents at beginning of the period	37,448	285,175	285,175
Cash and cash equivalents at end of the period	15,500	109,212	37,448



# Reconciliation of headline earnings

(R'000)

	Reviewed six months ended 30 September 2009	Reviewed six months ended 30 September 2008	Audited year ended 31 March 2009
<b>Reconciliation of Headline Earnings</b>			
Net profit for the year attributable to owners of the company	37,266	183,514	278,531
Adjust for:			
(Profit) \ Loss on sale of plant and equipment	(3,336)	(2,041)	1,364
Impairment of plant and equipment	-	200	506
Scrapping of assets	170	-	8,517
Profit on disposal of subsidiary	-	-	(16,346)
Excess of fair value of assets and liabilities acquired over purchase price	-	(22,011)	(21,075)
Tax effect of above adjustment	934	515	(538)
<b>Headline earnings attributed to ordinary shareholders</b>	<b>35,034</b>	<b>160,177</b>	<b>250,959</b>



# Calculation of EBITDA and EBITA - (R'000)

Profit from Operations	125,607.00
Recovery of misappropriated assets:	(18,934.00)
Depreciation	180,010.00
Amortisation	1,672.00
Share Based Payments	4,833.00
<b>EBITDA</b>	<b>293,188.00</b>
Less: depreciation	180,010.00
<b>EBITA</b>	<b>113,178.00</b>



# Strategic vision

“To be the diversified mining services company of choice across the African continent.”



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“To be the diversified mining services company of choice across the African continent.”

and

“through the resources, expertise and experience base, of the collective Group, to nurture the development and value unlock, associated with a growing portfolio of coal investments”



# Strategic Review

Sentula is well positioned to take advantage of contract mining services opportunities in Southern Africa.



Southern African and worldwide demand for energy and coal will remain intact for the foreseeable future - new mining projects in Africa will present opportunities to Sentula's mining service businesses.



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Sentula has the resources to identify, develop and manage its own coal resources.



Sentula is in a unique position to evaluate, acquire, exploit and to unlock the value in coal opportunities, and believes its objective of becoming a recognised junior coal mining company in the medium term, is attainable.



# Questions?

