



REVIEWED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

Condensed consolidated statement of financial position

R'000	Reviewed at September 2015	Reviewed at September 2014	Audited March 2015
ASSETS			
Total non-current assets	962 528	850 175	801 617
Property, plant and equipment	896 511	798 937	749 942
Restricted investments	285	–	–
Intangible assets	–	1 346	672
Goodwill	37 427	37 427	37 427
Deferred income tax asset	28 305	12 465	13 576
Total current assets	366 582	494 632	403 328
Inventories	66 190	114 460	70 492
Trade and other receivables	276 268	348 053	312 947
Cash and cash equivalents	24 117	28 163	19 245
Current tax receivable	7	3 956	644
Assets of disposal group classified as held-for-sale	2 946	328 873	219 490
Total assets	1 332 056	1 673 680	1 424 435
EQUITY AND LIABILITIES			
Total equity attributable to equity holders of the parent	700 137	950 927	732 012
Share capital and premium	1 994 406	1 994 406	1 994 406
Reserves	111 667	114 397	110 689
Accumulated loss	(1 405 936)	(1 157 876)	(1 373 083)
Non-controlling interest	–	1 855	–
Total equity	700 137	952 782	732 012
LIABILITIES			
Total non-current liabilities	163 689	103 628	114 856
Loans and borrowings	1 143	12 907	3 699
Rehabilitation provision	67 981	–	–
Finance lease obligations	27 129	5 068	44 356
Deferred income tax liabilities	67 436	85 653	66 801
Total current liabilities	468 230	549 960	509 534
Trade and other payables	218 847	208 501	208 865
Loans and borrowings	94 809	257 822	133 134
Finance lease obligations	20 988	5 967	26 260
Bank overdraft	80 179	35 710	81 214
Current income tax liabilities	53 407	41 960	60 061
Liabilities of disposal group classified as held-for-sale	–	67 310	68 033
Total liabilities	631 919	720 898	692 423
TOTAL EQUITY AND LIABILITIES	1 332 056	1 673 680	1 424 435
Net asset value per share (excluding treasury shares)	121 cents	164 cents	126 cents
Tangible net asset value per share (excluding goodwill) – (excluding treasury shares)	114 cents	157 cents	119 cents

Condensed consolidated income statement

R'000	Reviewed for the six months ended September 2015	Reviewed for the six months ended September 2014	Audited for the year ended March 2015
Revenue	649 885	723 622	1 374 753
Loss from operations	(12 143)	(28 528)	(153 880)
Net profit/(loss) on disposal of assets	542	(14 807)	(52 099)
Impairment of plant and equipment	–	(132)	(14 795)
Impairment of assets held-for-sale	–	(11 803)	(815)
Operating loss	(11 601)	(55 270)	(221 589)
Finance charges	(19 059)	(26 647)	(52 918)
Fair value adjustment on interest rate cap	–	(159)	(159)
Loss before taxation	(30 660)	(82 076)	(274 666)
Taxation	(2 193)	5 374	(16 244)
Loss for the period from continuing operations	(32 853)	(76 702)	(290 910)
Discontinued operations			
Loss for the period from discontinued operations (attributable to the owners of the parent)	–	(147)	(275)
Loss on disposal of discontinued operations	–	–	(3 727)
Total loss for the period	(32 853)	(76 849)	(294 912)
Loss attributable to:			
– Owners of the parent	(32 853)	(77 237)	(293 445)
– continuing operations	(32 853)	(77 090)	(289 443)
– discontinued operations	–	(147)	(4 002)
– Non-controlling interest	–	388	(1 467)
– continuing operations	–	388	(1 467)
– discontinued operations	–	–	–
Basic and diluted loss per share (cents)	(5,65)	(13,29)	(50,51)
– continuing operations (cents)	(5,65)	(13,27)	(49,82)
– discontinued operations (cents)	–	(0,02)	(0,69)

Condensed consolidated cash flow statement

R'000	Reviewed for the six months ended September 2015	Reviewed for the six months ended September 2014	Audited for the year ended March 2015
Cash flows from operating activities	75 253	11 918	47 138
Cash generated from operating activities	101 226	50 660	119 808
Income taxes paid	(8 720)	(14 340)	(20 622)
Interest paid	(17 253)	(24 402)	(52 048)
Cash flows from investing activities	(19 622)	11 267	(3 534)
Interest received	583	182	769
Purchase of property, plant and equipment	(25 792)	(22 188)	(103 959)
Proceeds from disposal of property, plant and equipment	3 505	20 513	42 021
Capitalised exploration expenditure	–	–	(1 187)
Additions to assets held-for-sale	–	(7 526)	(830)
Proceeds from disposal of assets held-for-sale	2 297	20 286	27 279
Proceeds from disposal of subsidiary	–	–	23 680
Movement in restricted investments	(285)	–	8 693
Cash flows from financing activities	(51 902)	(64 575)	(139 033)
Increase in borrowings	–	971	77 476
Decrease in borrowings	(51 902)	(65 546)	(216 509)
Net increase/(decrease) in cash and cash equivalents	3 659	(41 390)	(95 429)
Cash and cash equivalents at the beginning of the period	(60 569)	33 744	33 744
Exchange gain on cash and cash equivalents	848	1 012	1 116
Cash and cash equivalents at the end of the period	(56 062)	(6 634)	(60 569)
Cash and cash equivalents classified as discontinued operations	–	(7 547)	(61 969)
Cash and cash equivalents per statement of financial position	(56 062)	913	1 400
Cash and cash equivalents at the end of the period	(56 062)	(6 634)	(60 569)

Condensed consolidated statement of comprehensive income

R'000	Reviewed for the six months ended September 2015	Reviewed for the six months ended September 2014	Audited for the year ended March 2015
Loss for the period	(32 853)	(76 849)	(294 912)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation differences for foreign operations	978	3 547	2 339
Other comprehensive income for the period, net of income tax	978	3 547	2 339
Total comprehensive loss for the period	(31 875)	(73 302)	(292 573)
Loss attributable to:			
– Owners of the parent	(31 875)	(73 690)	(291 106)
– continuing operations	(31 875)	(73 543)	(287 104)
– discontinued operations	–	(147)	(4 002)
– Non-controlling interest	–	388	(1 467)
– continuing operations	–	388	(1 467)
– discontinued operations	–	–	–

Notes to the condensed interim financial information

1 Basis of preparation
The condensed consolidated interim financial statements for the six months ended 30 September 2015 have been prepared under the supervision of Mr JC Lemmer (CA)SA in accordance with International Financial Reporting Standards IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa and the Listings Requirements of the JSE Limited.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2015, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The accounting standards and amendments to issued accounting standards and interpretations, which are relevant to the Group, but not yet effective on 30 September 2015 have not been early adopted.

2 Accounting policies
The significant accounting policies, judgments, estimates and methods of computation are in terms of IFRS and are consistent in all material respects with those applied in the annual financial statements for the year ended 31 March 2015 and are presented in South African rand, which is the functional and presentational currency.

There have been no material changes to the items measured at fair value as disclosed in the financial statements subsequent to 31 March 2015. The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost approximate their fair values.

3 Review conclusion
These condensed consolidated interim financial statements for the six months to 30 September 2015 have been reviewed by PricewaterhouseCoopers Inc. who expressed an unmodified review conclusion. A copy of the auditor's review conclusion is available for inspection at the company's registered office together with the interim financial statements identified in the auditor's report.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

4 Assets and liabilities classified as held-for-sale
Benicon Coal Proprietary Limited ("Benicon Coal") and its subsidiary, Nkomati Anthracite Proprietary Limited ("Nkomati"), can no longer be classified as held-for-sale as the requirements of IFRS 5 are no longer met. However, the Board remains committed to disposing of this asset.

The prior year numbers on the Income statement, Statement of Comprehensive Income, basic and headline loss per share have been represented to include Benicon Coal and Nkomati in Continuing operations. In terms of IFRS 5, the Statement of Financial position for September 2015 includes these operations on a line by line basis.

The remaining assets classified as held-for-sale mainly relate to equipment that will be disposed of within the next 12 months.

R'000	Reviewed September 2015	Transferred (from)/to held-for-sale	Audited March 2015	Reviewed September 2014
Assets held-for-sale				
Property, plant and equipment	2 946	(2 598)	(184 202)	189 746
Mineral right	–	–	–	45 330
Intangible assets	–	–	–	7 402
Restricted investment	–	–	–	11 888
Deferred tax asset	–	–	(14 729)	14 729
Inventories	–	–	(10 384)	10 384
Trade and other receivables	–	–	(3 231)	3 231
Cash and cash equivalents	–	–	(1 400)	1 400
	2 946	(2 598)	(213 946)	219 490
Liabilities held-for-sale				
Rehabilitation provision	–	–	(66 899)	66 899
Trade and other payables	–	–	(1 134)	1 134
	–	–	(68 033)	68 033

5 Contingent liabilities
Keaton
During the 2013 financial year, Megacube Mining Proprietary Limited ("Megacube") instituted legal proceedings against Keaton Mining Proprietary Limited ("Keaton") for the recovery of R41,5 million owing to Megacube for mining services rendered on its Vanggatfontein operation.

Subsequent to the above action, Keaton instituted a counter claim of R119,9 million against Megacube in respect of an alleged breach of contract and standard mining practices. A hearing with the Arbitrator was held on 4 April 2014 in order to obtain a ruling aimed at splitting the claims. Despite an acknowledgement that Megacube's claim is not in dispute, the Arbitrator ruled that the merits of the claims could not be split and that the outcome would be subject to a ruling on both claims. The legal arbitration process is scheduled to be heard in the week commencing 29 February 2016 to 11 March 2016.

6 Contingent assets
During the year judgment was granted in favour of the Golden Autumn Trust against Argent Industrial Limited ("Argent") for payment of the sum of R 8,8 million with interest on this sum *tempore morea*, as well as costs of the suit. Argent was granted leave to appeal this matter on 8 May 2015. Any funds recovered through the Golden Autumn Trust, net of costs, are paid over to Megacube.

Argent's claim against Sentula and Megacube were dismissed with costs.

7 Events after the reporting period
The directors are not aware of any subsequent events that occurred between the reporting period up to the date of this report, not otherwise dealt within this report.

8 Going concern
The financial statements have been prepared on the going concern basis as the directors have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Reconciliation of headline loss

R'000	Reviewed September 2015 Group	Reviewed re-presented September 2014	Audited re-presented March 2015	
		Continuing operations	Discontinued operations	Group
Loss for the period attributable to equity holders of the parent	(32 853)	(77 090)	(147)	(77 237)
Adjusted for:				
Profit on disposal of plant and equipment	(60)	(2 750)	–	(2 750)
Loss on disposal of subsidiary	–	–	–	–
Loss on disposal of plant and equipment	383	17 557	–	17 557
Scrapping of assets	–	1 357	–	1 357
Profit on disposal of held-for-sale assets	(865)	(213)	–	(213)
Impairment of property, plant and equipment	–	132	–	132
Impairment of assets held-for-sale	–	11 803	–	11 803
Tax effect of above adjustments	16	–	–	–
Headline loss attributed to ordinary shareholders	(33 379)	(49 204)	(147)	(49 351)
Headline and diluted loss per share (cents)	(5,75)	(8,47)	(0,02)	(8,49)
Shares and weighted shares in issue at the end of the period excluding treasury shares ('000)	581 005	581 005	581 005	581 005

Condensed consolidated statement of changes in equity

R'000	Share capital	Share premium	Share-based payment reserve	Treasury shares	Foreign currency translation reserve	Accumulated loss	Total	Non-controlling interest	Total ordinary shareholders' funds
Restated balance as at 31 March 2014	5 866	2 014 438	36 684	(25 898)	74 166	(1 080 639)	1 024 617	1 467	1 026 084
Loss for the period	–	–	–	–	–	(77 237)	(77 237)	388	(76 849)
Other comprehensive income	–	–	–	–	3 547	–	3 547	–	3 547
Balance as at 30 September 2014	5 866	2 014 438	36 684	(25 898)	77 713	(1 157 876)	950 927	1 855	952 782
Loss for the period	–	–	–	–	–	(216 208)	(216 208)	(1 855)	(218 063)
Other comprehensive income	–	–	–	–	(1 208)	–	(1 208)	–	(1 208)
Transactions with owners, recorded directly in equity									
Disposal of subsidiary	–	–	(2 500)	–	–	1 001	(1 499)	–	(1 499)
Balance as at 31 March 2015	5 866	2 014 438	34 184	(25 898)	76 505	(1 373 083)	732 012	–	732 012
Loss for the period	–	–	–	–	–	(32 853)	(32 853)	–	(32 853)
Other comprehensive income	–	–	–	–	978	–	978	–	978
Balance as at 30 September 2015	5 866	2 014 438	34 184	(25 898)	77 483	(1 405 936)	700 137	–	700 137

Information about reportable segments

The Group is organised in five operating segments, namely opencast mining services, exploration drilling, overburden drilling and blasting, mobile crane hire and coal mining. Megacube has been moved to corporate and other services as it is in the process of being wound down and this led to the restatement in the prior year. Benicon, CCT, Benicon Sales and Caston are included in the opencast mining services. Benicon Coal, Nkomati, Sentula Coal and Mauritius are included in the coal mining operations. Benicon Coal and Nkomati have been represented in the prior year as they are no longer classified as held-for-sale. Segment performance is measured based on the segment profit before interest and income tax. Inter-segment revenue is priced on an arm's-length basis.

R'000	Opencast mining services	Exploration drilling	Overburden drilling and blasting	Mobile Crane hire	Coal mining	Corporate and other services	Total
Reviewed six months ended 30 September 2015							
Total segment revenue	376 883	111 538	170 042	37 777	91 951	550	788 741
Inter-segment revenue	66 614	1 289	59 722	579	10 102	550	138 856
External revenue	310 269	110 249	110 320	37 198	81 849	–	649 885
Total segment results pre-impairment	(21 810)	(3 362)	22 001	11 685	(1 539)	(19 118)	(12 143)
Net gain on disposal of assets	(379)	865	58	–	(4)	2	542
Segment results	(22 188)	(2 497)	22 059	11 685	(1 543)	(19 116)	(11 601)
Reviewed restated six months ended 30 September 2014							
Total segment revenue	453 653	134 794	182 484	49 877	547	10 292	831 647
Inter-segment revenue	44 423	1 329	51 32				