

# REVIEWED CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL RESULTS

## FOR THE YEAR ENDED 28 FEBRUARY 2015

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Reviewed 28 February 2015	Audited 28 February 2014	% Change
	Note	R000's	R000's	
<b>Revenue</b>		<b>337 274</b>	327 510	3,0
Cost of sales		(273 010)	(249 772)	
<b>Gross profit</b>	2	<b>64 264</b>	77 738	(17,3)
Other net gains/(losses)		266	1 720	
Operating expenses		(30 305)	(30 225)	
Depreciation and amortisation	3	(14 077)	(34 108)	
<b>Contribution from operations</b>		<b>20 148</b>	15 125	33,2
Impairments		(1 555)	(5 299)	
<b>Operating profit</b>		<b>18 593</b>	9 826	
Investment revenue		856	1 776	
Finance costs		(8 105)	(11 418)	
<b>Profit before tax</b>		<b>11 344</b>	184	
Taxation	4	4 016	4 723	
<b>Profit for the year</b>		<b>15 360</b>	4 907	
<b>Total comprehensive income for the year</b>		<b>15 360</b>	4 907	
<b>Profit attributable to:</b>				
Owners of the parent		15 448	4 413	
Non-controlling interest		(88)	494	
		<b>15 360</b>	4 907	
Earnings per ordinary share (cents) – basic and diluted	5	9,5	2,8	239,3

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Reviewed 28 February 2015	Audited 28 February 2014
	Note	R000's	R000's
<b>Assets</b>			
<b>Total non-current assets</b>		<b>237 173</b>	245 089
Property, plant and equipment		203 291	205 872
Investment property		3 040	3 040
Intangible assets		2 415	2 609
Other financial assets	9	11 808	22 446
Deferred tax		16 619	11 122
<b>Total current assets</b>		<b>86 957</b>	81 417
Inventories		12 744	14 171
Trade and other receivables		60 173	51 737
Other financial assets	9	727	-
Cash and cash equivalents		13 313	15 509
<b>Total assets</b>		<b>324 130</b>	326 506
<b>Equity and liabilities</b>			
<b>Total equity</b>		<b>150 154</b>	137 933
Stated and share capital		247 704	927
Share premium		-	256 959
Treasury shares		(245)	(9 962)
Net issued stated and share capital		247 459	247 924
Share-based payment reserve		243	96
Accumulated loss		(97 548)	(111 946)
Attributable to equity holders of parent		150 154	136 074
Non-controlling interest		-	1 859
<b>Liabilities</b>			
<b>Total non-current liabilities</b>		<b>94 424</b>	126 327
Borrowings non-current	11	20 661	52 841
Provisions		18 298	18 521
Holding company loan		17 165	14 276
Deferred tax		38 300	40 689
<b>Total current liabilities</b>		<b>79 552</b>	62 246
Borrowings current	11	18 438	16 582
Trade and other payables		52 404	36 736
Bank overdraft		8 341	8 181
Current tax payable		369	747
<b>Total liabilities</b>		<b>173 976</b>	188 573
<b>Total equity and liabilities</b>		<b>324 130</b>	326 506
<b>Note to the statement of financial position:</b>			
Net asset value per share (cents)		92,1	83,3
Borrowings, holding company loan and overdraft		64 605	91 880

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Reviewed 28 February 2015	Audited 28 February 2014
		R000's	R000's
<b>Cash flows from operating activities</b>			
Cash generated from operations		39 069	26 687
Interest revenue		856	1 776
Finance costs		(6 824)	(9 469)
Tax paid		(4 248)	(4 230)
<b>Net cash inflow from operating activities</b>		<b>28 853</b>	14 764
Acquisition of property, plant and equipment		(22 723)	(13 290)
Proceeds on disposal of property, plant and equipment		10 132	8 526
Proceeds on disposal of financial assets		14 288	3 869
Purchase of financial assets		(2 184)	(4 662)
<b>Net cash outflow from investing activities</b>		<b>(487)</b>	(5 557)
Proceeds from borrowings		1 521	1 683
Repayment of borrowings		(31 846)	(32 974)
Loan advances from holding company		2 889	14 276
Acquisition of additional non-controlling interest		(2 821)	-
Purchase of treasury shares		(245)	(810)
Equity related cost on share cancellation		(220)	-
Proceeds on share issue		-	4 790
<b>Net cash outflow from financing activities</b>		<b>(30 722)</b>	(13 035)
<b>Net decrease in cash, cash equivalents and bank overdrafts</b>		<b>(2 356)</b>	(3 828)
Cash, cash equivalents and bank overdrafts at the beginning of the year		7 328	11 156
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>		<b>4 972</b>	7 328

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Reviewed 28 February 2015	Audited 28 February 2014
		R000's	R000's
<b>Stated and share capital</b>		<b>247 704</b>	927
Opening balance		927	927
Cancellation of treasury shares		(111)	-
Conversion to no-par value shares		246 888	-
<b>Share premium</b>		<b>-</b>	256 959
Opening balance		256 959	256 959
Cancellation of treasury shares		(9 851)	-
Equity related costs		(220)	-
Conversion to no-par value shares		(246 888)	-
<b>Treasury shares</b>		<b>(245)</b>	(9 962)
Opening balance		(9 962)	(2 266)
Consolidation of shares from Infrasors Empowerment Trust		-	(11 676)
Cancellation of treasury shares		9 962	-
Purchase of treasury shares		(245)	(810)
Treasury shares to be issued (issued in current year)		-	4 790
<b>Share-based payment reserve</b>		<b>243</b>	96
Opening balance		96	-
Share-based payments		147	96
<b>Accumulated loss</b>		<b>(97 548)</b>	(111 946)
Opening balance		(111 946)	(116 359)
Profit for the year in total comprehensive income (a)		15 448	4 413
Additional non-controlling interest acquired – Delf Silica Coastal (Proprietary) Limited		(1 050)	-
<b>Non-controlling interest</b>		<b>-</b>	1 859
Opening balance		1 859	1 365
(Loss)/profit for the year in total comprehensive income (b)		(88)	494
Additional non-controlling interest acquired – Delf Silica Coastal (Proprietary) Limited		(1 771)	-
<b>Balance at end of the year</b>		<b>150 154</b>	137 933
Total comprehensive income/(loss) included above (a+b)		15 360	4 907

### NOTES TO THE REVIEWED CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL STATEMENTS

#### 1. Segmental information

	Silica R000's	Dolomite and limestone R000's	Other R000's	Total R000's
<b>Reviewed year ended 28 February 2015</b>				
Revenue from external customers	72 272	265 002	-	337 274
Inter-segment revenues	1 167	4 181	25 592	30 940
Cost of sales	(70 613)	(202 397)	-	(273 010)
Gross profit	1 659	62 605	-	64 264
Other net gains/(losses)	435	(169)	-	266
Operating expenses	(9 548)	(11 655)	(9 102)	(30 305)
Depreciation and amortisation	(2 897)	(10 922)	(258)	(14 077)
(Loss)/contribution from operations	(10 351)	39 859	(9 360)	20 148
Impairments	(1 555)	-	-	(1 555)
Operating profit	(11 906)	39 859	(9 360)	18 593
(Loss)/profit before tax	(12 448)	38 718	(14 926)	11 344
Additions to non-current assets	1 711	20 848	164	22 723
Assets	67 413	232 137	24 580	324 130
Liabilities	21 840	85 274	66 862	173 976
<b>Audited year ended 28 February 2014</b>				
Revenue from external customers	90 725	236 785	-	327 510
Inter-segment revenues	-	-	33 985	33 985
Cost of sales	(68 325)	(181 447)	-	(249 772)
Gross profit	22 400	55 338	-	77 738
Other net gains/(losses)	-	1 665	55	1 720
Operating expenses	(10 252)	(12 299)	(7 674)	(30 225)
Depreciation and amortisation	(6 019)	(26 319)	(1 770)	(34 108)
Contribution/(loss) from operations	6 129	18 385	(9 389)	15 125
Impairments	(5 299)	-	-	(5 299)
Operating profit	830	18 385	(9 389)	9 826
Profit/(loss) before tax	5 207	17 359	(22 382)	184
Additions to non-current assets	4 434	8 846	10	13 290
Assets	83 926	223 752	18 828	326 506
Liabilities	28 968	84 458	75 147	188 573

#### 2. Gross profit

Reduction in gross profit is due to high costs incurred to transport raw material from Delf Cullinan to Delf Sand's processing plant (following the depletion of its silica resource), high increase in burning fuel prices, increased costs to address backlog maintenance and plant repairs and additional expenditures to meet mining requirements of the Department of Mineral Resources.

#### 3. Depreciation and amortisation

Depreciation	13 883	34 028
Amortisation	194	80
	<b>14 077</b>	34 108

Lower depreciation charge is due to outsourcing of the Delf Sand (Proprietary) Limited's transport fleet and the write off of fixed assets no longer in use and the re-estimation of depreciation rates in the previous year.

#### 4. Taxation

Local income tax	(3 870)	(4 243)
Increase in deferred tax assets	4 852	8 949
Decrease in deferred tax liabilities	3 034	17
	<b>4 016</b>	4 723

Tax reversal arose primarily due to the recognition of deferred tax assets on assessed losses due to subsidiaries having recovered and generating taxable profits in both the current and prior years.

#### 5. Earnings per share reconciliation: Basic and diluted

Net profit attributable to the owners of the parent	15 448	4 413
Total shares in issue (000's)	163 290	185 521
Treasury shares (000's)	(198)	(22 231)
Net shares in issue (000's)	163 092	163 290
Weighted average number of shares in issue (000's)	163 194	159 548
Earnings per share (cents)	9,5	2,8

#### 6. Headlines earnings per share reconciliation: Basic and diluted

Net profit attributable to the owners of the parent	15 448	4 413
(Profit)/loss on disposal of property, plant and equipment	(266)	1 946
Impairments	1 555	5 299
Total adjustments	1 289	7 245
Total tax effects of adjustments	(360)	(2 028)
Headline earnings	16 377	9 630
Weighted average number of shares in issue (000's)	163 194	159 548
Headline earnings per ordinary share (cents)	10,0	6,0

#### 7. Authorised capital expenditures

Not yet contracted for		
- Property, plant and equipment	25 426	10 928
The capital expenditures will be funded by surplus cash and bank financing.		

	Number of shares 2015	2014
<b>8. Movement in number of treasury shares</b>		
Opening balance	22 230 754	1 811 927
Consolidation of shares from Infrasors Empowerment Trust	-	24 325 348
Purchased during the year	197 500	883 479
Cancellation of treasury shares	(22 230 754)	-
Treasury shares to be issued (issued in current year)	-	(4 790 000)
<b>Closing balance</b>	<b>197 500</b>	<b>22 230 754</b>

	Reviewed 28 February 2015	Audited 28 February 2014
	R000's	R000's
<b>9. Other financial assets</b>		
<b>Non-current assets</b>		
At fair value through profit or loss - designated	11 808	17 583
Held-to-maturity	-	4 863
		22 446

<b>Current assets</b>		
At fair value through profit or loss - designated	-	-
Held-to-maturity	727	-
	727	-
<b>Total other financial assets</b>	<b>12 535</b>	<b>22 446</b>

<b>At fair value through profit and loss</b>		
Opening balance	17 583	15 135
Investment in environmental insurance policies	1 023	775
Fair value adjustment	2 193	1 673
Payout of environmental insurance policies	(8 991)	-
<b>Closing balance</b>	<b>11 808</b>	<b>17 583</b>

The fair value of all equity securities is based on their current bid prices in an active market, with changes in fair value being recognised in 'operating expenses' in the statement of profit or loss and other comprehensive income.

The fair value of unquoted unit trusts is derived using the adjusted net asset method. The adjusted net asset method determines the fair value of the investment in the unit trust by reference to the fair value of the individual assets and liabilities recognised in a unit trust's statement of financial position. The significant inputs to the adjusted net asset method are the fair values of the individual assets and liabilities whose fair value is derived from quoted market prices in active markets. The fair values are indirectly derived from prices quoted in Level 1, and therefore included in Level 2 of the fair value hierarchy.

<b>Held-to-Maturity</b>		
Opening balance	4 863	6 518
Investment in guaranteed endowment policies	1 162	3 361
Settlement of Wesbank (Proprietary) Limited liability	(5 298)	(5 016)
<b>Closing balance</b>	<b>727</b>	<b>4 863</b>

#### 10. Related parties

Management and consulting fees paid to Afrimat group companies	6 433	9 735
Sales to Afrimat group companies	1 469	6 590
Amount receivable from Afrimat group companies	1 633	2 465
Purchases from Afrimat group companies	6 344	293
Amount payable to Afrimat group companies	4 402	334
Loan amount payable to Afrimat Limited	17 165	14 276
Interest owing to Afrimat Limited	1 629	791
Rent paid to director/shareholder controlled entity	-	191

	Reviewed 28 February 2015	Audited 28 February 2014
	R000's	R000's
<b>11. Borrowings</b>		
Total borrowings	56 264	83 699
Overdraft less cash and cash equivalents	(4 972)	(7 328)
<b>Net debt</b>		