

## Income statement

	% change	2008 R millions	2007 R millions
Continuing operations			
Revenue <sup>(2)</sup>	+48	12 849	8 710
Net operating costs		11 814	7 963
Profit from operations	+39	1 035	747
Net (loss)/income from Pension Fund employer surplus account		(13)	30
Net (loss)/income from plan assets for post-employment liabilities		(57)	36
		965	813
Fair value adjustments on derivative instruments		(16)	5
Interest paid (net of costs capitalised)		(233)	(159)
Interest received		28	28
Income from associates and investments		13	12
		757	699
Impairment of goodwill		(42)	(20)
Other impairments and disposals		(4)	(32)
Profit before tax		711	647
Tax		(238)	(246)
Net profit from continuing operations		473	401
Net (loss)/profit from discontinued operations		(94)	66
Profit before tax		154	56
Closure costs		(204)	(117)
Impairments and disposals		(56)	98
Tax		12	29
Net profit		379	467
Attributable to preference and minority shareholders		6	(12)
Profit attributable to ordinary shareholders		385	455
Headline earnings are derived from:			
Profit attributable to ordinary shareholders		385	455
Impairment of goodwill		42	20
Other impairments and disposals before tax		60	(66)
Surplus on disposal of property, plant and equipment		(38)	*
Tax effects of the above items		(6)	(17)
Headline earnings		443	392
Per ordinary share (cents):			
Headline earnings	+16	412	355
Diluted headline earnings <sup>(3)</sup>		410	352
Attributable earnings		358	412
Diluted attributable earnings <sup>(3)</sup>		356	408
Continuing earnings		445	352
Diluted continuing earnings <sup>(3)</sup>		443	349
Dividends declared	+8	231	213
Dividends paid		231	213
Ordinary shares (millions) <sup>(4)</sup>			
– in issue		107	110
– weighted average number of shares		108	110
– diluted weighted average number of shares <sup>(3)</sup>		108	111

\* nominal amount

## Industry segment analysis

	Revenue		Profit from operations		Net assets	
	2008	2007	2008	2007	2008	2007
	R millions		R millions		R millions	
Continuing operations						
Mining solutions	4 052	2 698	248	163	1 963	1 386
Specialty chemicals	8 434	5 618	851	570	3 992	2 824
Property	432	450	45	75	524	497
Specialty fibres (USA)	282	189	49	(10)	184	143
Group services, intergroup and other	(351)	(245)	(158)	(51)	(155)	(94)
	12 849	8 710	1 035	747	6 508	4 756
Discontinued operations						
Decorative coatings	—	654	—	44	—	(5)
Specialty chemicals	—	15	—	(3)	—	—
Specialty fibres	1 464	1 949	155	19	116	213
	14 313	11 328	1 190	807	6 624	4 964

Net assets consist of property, plant, equipment, investment property and goodwill, inventory, accounts receivable less accounts payable.

## Balance sheet at 31 December 2008

	2008 R millions	2007 R millions
Assets		
Non-current assets	4 510	3 557
Property, plant and equipment	2 431	1 567
Investment property	422	411
Goodwill	1 013	986
Pension Fund surplus	213	226
Investments	98	124
Deferred tax	333	243
Current assets	6 441	4 699
Inventory	2 795	1 580
Accounts receivable	3 188	2 024
Assets classified as held for sale	14	667
Cash and cash equivalents	444	428
Total assets	10 951	8 256
Equity and liabilities		
Ordinary capital and reserves	3 852	3 788
Preference capital and minority interest in subsidiaries	117	141
Total shareholders' interest	3 969	3 929
Non-current liabilities	2 385	954
Deferred tax	61	78
Non-current borrowings	1 745	502
Non-current provisions	579	374
Current liabilities	4 597	3 373
Accounts payable	3 225	2 021
Current borrowings	1 058	927
Liabilities classified as held for sale	—	250
Tax payable	314	175
Total equity and liabilities	10 951	8 256

## Cash flow statement

	2008 R millions	2007 R millions
Cash generated by operations	1 590	1 122
Dividends received	12	12
Financing costs	(276)	(173)
Interest received	30	30
Taxes paid	(232)	(196)
Changes in working capital	(921)	(601)
Expenditure relating to non-current provisions	(71)	(67)
Expenditure relating to restructuring/retrrenchments	(103)	(1)
Cash available from operating activities	29	126
Dividends paid	(250)	(237)
Cash applied to operating activities	(221)	(111)
Cash (utilised in)/generated by investment activities	(1 002)	74
Proceeds from disposal of investments and businesses	23	17
Proceeds from disposal of discontinued operations	—	761
Investments	(102)	(59)
Net capital expenditure	(923)	(645)
Net cash utilised	(1 223)	(37)
Cash effects of financing activities	1 136	108
(Decrease)/increase in cash and cash equivalents	(87)	71
Cash and cash equivalents at the beginning of the year	428	375
Translation gain/(loss) on cash and cash equivalents	90	(5)
Classified as held for sale	13	(13)
Cash and cash equivalents at the end of the year	444	428

## Statement of changes in equity

	2008 R millions	2007 R millions
Net profit for the year	379	467
Dividends paid	(250)	(237)
Revaluation of derivative instruments	6	(1)
Foreign currency translation differences net of deferred tax	146	(8)
Changes in the Group	(3)	(17)
Other	*	(2)
Net increase in equity for the year before share repurchase	278	202
Share repurchase	(238)	—
Equity at the beginning of the year	3 929	3 727
Equity at the end of the year	3 969	3 929
Made up as follows:		
Issued ordinary capital	215	453
Non-distributable reserves	427	271
Surplus arising on revaluation of property, plant and equipment	240	243
Foreign currency translation reserve net of deferred tax	138	17
Other	49	11
Retained income	3 210	3 064
Preference capital	6	6
Minority interest	111	135
	3 969	3 929

\* nominal amount

## Other salient features

	2008 R millions	2007 R millions
Capital expenditure – property, plant and equipment	1 044	688
– expansion	683	381
– replacement	361	307
Capital commitments	978	1 251
– contracted for	550	340
– not contracted for	428	911
Future rentals on property, plant and equipment leased	317	253
– payable within one year	144	77
– payable thereafter	173	176
Net contingent liabilities and guarantees	115	140
Net borrowings	2 359	1 001
Gearing (%)	59	25
Current assets to current liabilities	1,4	1,4
Net asset value per ordinary share (cents)	3 601	3 430
Depreciation – continuing operations	211	172
– discontinued operations	5	61

## Notes

- Basis of preparation and accounting policies  
The reviewed condensed consolidated financial results have been prepared in accordance with the historic cost convention except for certain financial instruments, which have been stated at fair value. Accounting policies have been applied consistently by all entities in the Group and are consistent with those applied in the previous financial year.  
The reviewed condensed consolidated financial results and accounting policies comply with the Listings Requirements of the JSE Limited, International Financial Reporting Standards, the disclosure requirements of IAS 34 – Interim Financial Reporting and the South African Companies Act, 1973, as amended.
- Includes foreign sales of R3 379 million (2007: R1 722 million).
- Calculated in accordance with IAS33. The Company has purchased call options over AECI shares which will obviate the need for the Company to issue new shares in terms of the AECI share option scheme. In practice, therefore, there will be no future dilution.
- Net of 11 884 669 (2007: 10 311 120) treasury shares held by a subsidiary company.
- Discontinued operations  
Following unsuccessful attempts to dispose of the SANS Fibres businesses, the decision was taken that SANS Technical Fibres, Stoneville, USA will run as a stand-alone and self-sustaining entity for the foreseeable future and has, therefore, been reclassified as a continuing operation with the comparative figures adjusted accordingly. The remaining South African businesses of SANS Fibres will discontinue manufacturing activities at the end of March 2009. As a result, closure costs and impairments in respect of these businesses amounting to R204 million before tax have been charged against income in the year to 31 December 2008.
- The auditors, KPMG Inc., have reviewed these condensed consolidated financial results. The auditors' unqualified review report is available for inspection at the Company's registered office.
- The reviewed condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2007.
- The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.