

INCOME STATEMENT

	% change	2009 R millions	2008 R millions
Continuing operations			
Revenue ⁽²⁾	-17	10 730	12 876
Net operating costs		9 963	11 841
Profit from operations	-26	767	1 035
Net income/(loss) from Pension Fund employer surplus account		22	(13)
Net income/(loss) from plan assets for post-retirement medical aid liabilities		12	(57)
		801	965
Fair value adjustments – interest		4	(16)
Interest expense (net of costs capitalised)		(243)	(233)
Interest received		21	28
Income from associates and investments		7	13
		590	757
Impairment of goodwill		(18)	(42)
Other impairments		(9)	(4)
Profit before tax		563	711
Tax		(176)	(238)
Net profit from continuing operations		387	473
Net profit/(loss) from discontinued operations		53	(94)
Profit/(loss) before tax		65	(50)
Impairments and disposals		–	(56)
Tax		(12)	12
Profit for the period		440	379
Profit for the year attributable to:			
– ordinary shareholders		421	385
– preference shareholders		2	2
– non-controlling interest		17	(8)
		440	379
Headline earnings are derived from:			
Profit attributable to ordinary shareholders		421	385
Impairment of goodwill		18	42
Other impairments and disposals before tax		9	60
Surplus on disposal of property, plant and equipment		(88)	(38)
Tax effects of the above items		10	(6)
Headline earnings		370	443
Per ordinary share (cents):			
Headline earnings	-16	346	412
Diluted headline earnings ⁽³⁾		344	410
Attributable earnings		393	358
Diluted attributable earnings ⁽³⁾		392	356
Continuing earnings		344	445
Diluted continuing earnings ⁽³⁾		343	443
Discontinued earnings ⁽³⁾		50	(87)
Dividends declared	-61	90	231
Dividends paid		169	231
Ordinary shares (millions) ⁽⁴⁾			
– in issue		107	107
– weighted average number of shares		107	108
– diluted weighted average number of shares ⁽³⁾		107	108

STATEMENT OF COMPREHENSIVE INCOME

	2009 R millions	2008 R millions
Profit for the year	440	379
Other comprehensive income net of tax:		
Revaluation of derivative instruments	(2)	6
Foreign currency translation differences net of deferred tax	(170)	146
Acquisition of businesses	(9)	–
Subsidiaries disposed	–	(9)
Other	(2)	6
Total comprehensive income for the year	257	528
Total comprehensive income attributable to:		
– ordinary shareholders	251	550
– preference shareholders	2	2
– non-controlling interest	4	(24)
	257	528

STATEMENT OF FINANCIAL POSITION

	2009 R millions	2008 R millions
Assets		
Non-current assets	5 358	4 510
Property, plant and equipment	3 260	2 431
Investment property	430	422
Goodwill	1 063	1 013
Pension Fund employer surplus account	236	213
Investments	13	98
Non-current loans receivable	12	–
Deferred tax	344	333
Current assets	4 670	6 441
Inventories	1 827	2 795
Accounts receivable	2 161	3 188
Assets classified as held for sale	14	14
Cash and cash equivalents	668	444
Total assets	10 028	10 951
Equity and liabilities		
Ordinary capital and reserves	3 938	3 852
Preference capital and non-controlling interest	121	117
Total shareholders' interest	4 059	3 969
Non-current liabilities	2 564	2 385
Deferred tax	85	61
Non-current borrowings	1 731	1 745
Non-current provisions	748	579
Current liabilities	3 405	4 597
Accounts payable	2 208	3 225
Current borrowings	1 080	1 058
Tax payable	117	314
Total equity and liabilities	10 028	10 951

STATEMENT OF CASH FLOWS

	2009 R millions	2008 R millions
Cash generated by operations	1 109	1 656
Dividends received	12	12
Interest paid	(349)	(276)
Interest received	22	30
Income tax paid	(333)	(232)
Changes in working capital	1 158	(978)
Expenditure relating to non-current provisions	(64)	(80)
Expenditure relating to retrenchments and restructuring	(105)	(103)
Cash available from operating activities	1 450	29
Dividends paid	(167)	(250)
Cash retained from/(applied to) operating activities	1 283	(221)
Cash utilised in investment activities	(981)	(1 002)
Proceeds from disposal of investments and businesses	95	24
Investments	(92)	(103)
Net capital expenditure	(984)	(923)
Net cash generated/(utilised)	302	(1 223)
Cash effects of financing activities	(4)	1 136
Share repurchase	–	(238)
Non-current loans receivable	(12)	–
Borrowings	8	1 374
Increase/(decrease) in cash and cash equivalents	298	(87)
Cash and cash equivalents at the beginning of the year	444	428
Translation (loss)/gain on cash and cash equivalents	(74)	90
Classified as held for sale	–	13
Cash and cash equivalents at the end of the year	668	444

STATEMENT OF CHANGES IN EQUITY

	2009 R millions	2008 R millions
Total comprehensive income for the year	257	528
Dividends paid	(167)	(250)
Share repurchase	–	(238)
Equity at the beginning of the year	3 969	3 929
Equity at the end of the year	4 059	3 969
Made up as follows:		
Issued ordinary capital	215	215
Reserves	252	427
Surplus arising on revaluation of property	235	240
Foreign currency translation reserve net of deferred tax	2	168
Other	15	19
Retained income	3 471	3 210
Preference capital	6	6
Non-controlling interest	115	111
	4 059	3 969

OTHER SALIENT FEATURES

	2009 R millions	2008 R millions
Capital expenditure – property, plant and equipment	1 151	1 005
– expansion	963	644
– replacement	188	361
Capital commitments	737	978
– contracted for	71	550
– not contracted for	666	428
Future rentals on property, plant and equipment leased	185	317
– payable within one year	84	144
– payable thereafter	101	173
Contingent liabilities	83	82
Net borrowings	2 143	2 359
Gearing (%)	53	59
Current assets to current liabilities	1,4	1,4
Net asset value per ordinary share (cents)	3 672	3 601
Depreciation – continuing operations	267	211
– discontinued operations	–	5

INDUSTRY SEGMENT ANALYSIS

	Revenue		Profit from operations		Net assets	
	2009	2008	2009	2008	2009	2008
	R millions		R millions		R millions	
Continuing operations						
AEL Mining Services	4 091	4 079	298	248	2 187	1 963
Chemical Services	6 524	8 434	483	851	3 645	3 992
Heartland	211	432	33	45	669	524
SANS Technical Fibers – (USA)	222	282	15	49	116	184
Group services, intergroup and other	(318)	(351)	(62)	(158)	(51)	(155)
	10 730	12 876	767	1 035	6 566	6 508
Discontinued operations						
SANS Fibres – Bellville	469	1 464	83	155	48	286
Closure costs	–	–	(16)	(204)	(81)	(170)
	469	1 464	67	(49)	(33)	116
	11 199	14 340	834	986	6 533	6 624

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

NOTES

- (1) 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 (No. 61 of 1973), as amended.
- (2) Includes foreign revenue of R2 541 million (2008: R3 406 million).
- (3) Calculated in accordance with IAS 33. 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.
- (4) Net of 11 884 669 (2008: 11 884 669) treasury shares held by a subsidiary company.
- (5) Discontinued operations
The remaining South African businesses of SANS Fibres discontinued manufacturing activities at the end of March 2009.
- (6) 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.
- (7) 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 2008.
- (8) 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.