

Income statement

	% change	2009 First half Unaudited R millions	2008 First half Unaudited R millions	2008 Year Audited R millions
Continuing operations				
Revenue ⁽²⁾	-9	5 263	5 793	12 876
Net operating costs		(4 935)	(5 241)	(11 841)
Profit from operations	-41	328	552	1 035
Net (loss)/income from Pension Fund employer surplus account		*	6	(13)
Net loss from plan assets for post-retirement medical aid liabilities		(20)	(3)	(57)
		308	555	965
Fair value adjustments – interest		*	3	(16)
Interest expense ⁽³⁾		(168)	(104)	(233)
Interest received		30	19	28
Income from associates and investments		5	8	13
		175	481	757
Impairment of goodwill		-	(1)	(42)
Other impairments and disposals		-	(6)	(4)
Profit before tax		175	474	711
Income tax expense		(64)	(146)	(238)
Net profit from continuing operations		111	328	473
Net profit/(loss) from discontinued operations		4	10	(94)
Profit before tax		7	15	154
Closure costs		-	-	(204)
Impairments and disposals		-	5	(56)
Tax		(3)	(10)	12
Profit for the period		115	338	379
Profit for the period attributable to:				
– ordinary shareholders		118	350	385
– preference shareholders		1	1	2
– minority interest		(4)	(13)	(8)
		115	338	379
Headline earnings are derived from:				
Net profit attributable to ordinary shareholders		118	350	385
Impairment of goodwill		-	1	42
Other impairments and disposals before tax		-	1	60
Surplus on disposal of property, plant and equipment		(9)	*	(38)
Tax effects of the above items		3	-	(6)
Headline earnings		112	352	443
Per ordinary share (cents):				
Headline earnings	-68	105	325	412
Diluted headline earnings ⁽⁴⁾		104	323	410
Attributable earnings		110	324	358
Diluted attributable earnings ⁽⁴⁾		110	321	356
Continuing earnings		107	314	445
Diluted continuing earnings ⁽⁴⁾		106	312	443
Discontinued earnings		4	9	(87)
Dividends declared	-69	28	90	231
Dividends paid		141	141	231
Ordinary shares (millions) ⁽⁵⁾				
– in issue		107	107	107
– weighted average number of shares		107	108	108
– diluted weighted average number of shares ⁽⁴⁾		107	109	108

* nominal amount

Statement of comprehensive income

	2009 First half Unaudited R millions	2008 First half Unaudited R millions	2008 Year Audited R millions
Profit for the period	115	338	379
Other comprehensive income net of tax:			
Revaluation of derivative instruments	(12)	19	6
Foreign currency translation differences	(145)	96	146
Changes in the Group	-	-	(3)
Other	*	1	*
Total comprehensive income for the period	(42)	454	528
Total comprehensive income attributable to:			
– ordinary shareholders	(38)	459	550
– preference shareholders	1	1	2
– minority interest	(5)	(6)	(24)
	(42)	454	528

* nominal amount

Statement of changes in equity

	2009 First half Unaudited R millions	2008 First half Unaudited R millions	2008 Year Audited R millions
Total comprehensive income for the period	(42)	454	528
Dividends paid	(152)	(152)	(250)
Share repurchase	-	(237)	(238)
Equity at the beginning of the period	3 969	3 929	3 929
Equity at the end of the period	3 775	3 994	3 969
Made up as follows:			
Issued ordinary capital	215	216	215
Non-distributable reserves	271	374	427
Surplus arising on revaluation of property, plant and equipment	240	236	240
Foreign currency translation reserve net of deferred tax	23	111	168
Other	8	27	19
Retained income	3 177	3 269	3 210
Preference capital	6	6	6
Minority interest	106	129	111
	3 775	3 994	3 969

Balance sheet

	2009 30 June Unaudited R millions	2008 30 June Unaudited R millions	2008 31 Dec Audited R millions
Assets			
Non-current assets	5 022	3 847	4 510
Property, plant and equipment	2 912	1 871	2 431
Investment property	429	410	422
Goodwill	1 062	978	1 013
Pension Fund employer surplus account	213	232	213
Investments	98	134	98
Deferred tax	308	222	333
Current assets	5 002	6 237	6 441
Inventories	2 033	2 276	2 795
Accounts receivable	2 514	2 668	3 188
Assets classified as held for sale	14	772	14
Cash and cash equivalents	441	521	444
Total assets	10 024	10 084	10 951
Equity and liabilities			
Ordinary capital and reserves	3 663	3 859	3 852
Preference capital and minority interest	112	135	117
Total shareholders' interest	3 775	3 994	3 969
Non-current liabilities	2 406	1 037	2 385
Deferred tax	57	73	61
Non-current borrowings	1 731	557	1 745
Non-current provisions	618	407	579
Current liabilities	3 843	5 053	4 597
Accounts payable	2 221	2 924	3 225
Current borrowings	1 558	1 639	1 058
Liabilities classified as held for sale	-	325	-
Tax payable	64	165	314
Total equity and liabilities	10 024	10 084	10 951

Industry segment analysis

	Revenue		Profit from operations		Net assets	
	2009 Unaudited R millions	2008	2009 Unaudited R millions	2008	2009 Unaudited R millions	2008
Continuing operations	5 263	5 793	328	552	6 750	5 459
Mining solutions	1 945	1 655	92	92	2 138	1 693
Specialty chemicals	3 233	3 863	241	386	4 008	3 141
Property	152	292	45	88	588	525
Specialty fibres (USA)	100	134	(7)	25	126	175
Group services, intergroup and other	(167)	(151)	(43)	(39)	(110)	(75)
Discontinued operations	458	724	7	16	(21)	238
Specialty fibres	458	724	7	16	(21)	238
	5 721	6 517	335	568	6 729	5 697

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

Cash flow statement

	2009 First half Unaudited R millions	2008 First half Unaudited R millions	2008 Year Audited R millions
Cash generated by operations	474	715	1 590
Dividends received	6	7	12
Interest paid	(209)	(117)	(276)
Interest received	30	20	30
Income tax paid	(294)	(151)	(232)
Changes in working capital	481	(282)	(921)
Expenditure relating to non-current provisions	(8)	(26)	(71)
Expenditure relating to retrenchments and restructuring	(84)	(102)	(103)
Cash available from operating activities	396	64	29
Dividends paid	(152)	(152)	(250)
Cash flows from operating activities	244	(88)	(221)
Cash flows from investing activities	(676)	(372)	(1 002)
Proceeds from disposal of investments and businesses	-	-	24
Investments	(61)	(1)	(103)
Net capital expenditure	(615)	(371)	(923)
Net cash utilised	(432)	(460)	(1 223)
Cash flows from financing activities	486	530	1 136
Share repurchase	-	(237)	(238)
Borrowings	486	767	1 374
Increase/(decrease) in cash and cash equivalents	54	70	(87)
Cash and cash equivalents at the beginning of the period	444	428	428
Translation (loss)/gain on cash and cash equivalents	(57)	39	90
Classified as held for sale	-	(16)	13
Cash and cash equivalents at the end of the period	441	521	444

Other salient features

	2009 First half Unaudited R millions	2008 First half Unaudited R millions	2008 Year Audited R millions
Capital expenditure – property, plant and equipment ⁽³⁾	675	395	1 044
– expansion	544	260	683
– replacement	131	135	361
Capital commitments	589	1 379	978
– contracted for	451	887	550
– not contracted for	138	492	428
Future rentals on property, plant and equipment leased	211	211	317
– payable within one year	90	36	144
– payable thereafter	121	175	173
Contingent liabilities	105	94	82
Performance guarantees	69	47	34
Net borrowings	2 848	1 675	2 359
Gearing (%)	75	42	59
Current assets to current liabilities	1,3	1,2	1,4
Net book value per ordinary share (cents)	3 425	3 608	3 601
Depreciation – continuing operations	122	100	211
– discontinued operations	-	-	5

Notes

- (1) Basis of preparation
The condensed consolidated interim 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 reporting period.
The condensed consolidated interim 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 (Act 61 of 1973) as amended.
- (2) Includes foreign sales of R1 240 million (2008 first half – R1 223 million).
- (3) Interest capitalised in the period amounting to R41 million (2008 first half – R11 million).
- (4) 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.
- (5) Net of 11 884 699 (2008 – 11 884 699) treasury shares held by a subsidiary company.
- (6) Discontinued operations
During 2008 a decision was taken that SANS Technical Fibres, USA, will not be disposed of and will run as a stand-alone and self-sustaining entity for the foreseeable future. It has, therefore, been reclassified in the comparative figures for June 2008 as a continuing operation. The remaining South African businesses of SANS Fibres discontinued manufacturing activities at the end of March 2009 and will be closed.
- (7) 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.