



CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

for the six months ended 31 December 2012

SEPHAKU HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2005/003306/06)

Share code: SEP ISIN: ZAE000138459

("Sephaku Holdings" or "the Company" or "the Group")

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2012 Unaudited R'000	31 December 2011 Unaudited R'000	30 June 2012 Audited R'000
Assets			
Non-current assets	643 230	655 609	644 424
Current assets	21 985	26 046	29 181
Assets of disposal group held for distribution to owners and non-current assets held for sale	–	158 197	–
Total assets	665 215	839 852	673 605
Equity and liabilities			
Equity attributable to equity holders of parent	664 313	764 992	672 623
Current liabilities	902	516	982
Liabilities of disposal group held for distribution to owners	–	74 344	–
Total equity and liabilities	665 215	839 852	673 605
Net asset value per share (cents)	386,70	445,30	391,54
Tangible net asset value per share (cents)	386,70	445,30	391,54
Ordinary shares in issue	171 790 732	171 790 732	171 790 732

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 December 2012 Unaudited R'000	31 December 2011 Unaudited R'000	Year ended 30 June 2012 Audited R'000
Cash flows from operating activities	(8 468)	(13 570)	(19 776)
Cash flows from investing activities	156	(18 091)	(34 712)
Cash flows from financing activities	591	73 582	73 282
Total cash movement for the period	(7 721)	41 921	18 794
Cash at beginning of the period	24 629	5 835	5 835
Cash at end of the period	16 908	47 756	24 629

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total share capital R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
Balance at 30 June 2011 – Audited	592 128	(6 610)	161 266	746 784
Total comprehensive income/(loss) for the period	–	12 683	(5 600)	7 083
Issue of shares	9 000	–	–	9 000
Employees share option scheme	–	2 091	34	2 125
Balance at 31 December 2011 – Unaudited	601 128	8 164	155 700	764 992
Total comprehensive income for the period	–	–	6 593	6 593
Employees share option scheme	–	2 131	–	2 131
Dividend <i>in specie</i>	(101 093)	–	–	(101 093)
Balance at 30 June 2012 – Audited	500 035	10 295	162 293	672 623
Total comprehensive loss for the period	–	(1 207)	(9 784)	(10 991)
Employees share option scheme	–	2 681	–	2 681
Balance at 31 December 2012 – Unaudited	500 035	11 769	152 509	664 313

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 31 December 2012 Unaudited R'000	31 December 2011 Unaudited R'000	Year ended 30 June 2012 Audited R'000
Operating loss	(10 067)	(6 876)	(15 694)
Loss on disposal of companies	–	–	(5 629)
Investment revenue	510	64	127
(Loss)/profit from equity accounted investments	(226)	8 347	(107)
(Loss)/profit from continuing operations	(9 783)	1 535	(21 303)
(Loss)/profit for the period from discontinued operations	–	(7 135)	22 296
(Loss)/profit for the period	(9 783)	(5 600)	993
Other comprehensive (loss)/income for the period	(1 207)	12 683	12 683
Total comprehensive (loss)/income for the period	(10 990)	7 083	13 676
Total comprehensive (loss)/income attributable to:			
Equity holders of the parent	(10 990)	7 083	13 676
Ordinary shares:			
– basic weighted average number of shares	171 790 732	170 377 689	171 080 349
– diluted weighted average number of shares	190 714 202	185 751 159	186 503 819
Basic (loss)/earnings per share from total operations (cents):	(5,69)	(3,29)	0,58
– Continuing operations	(5,69)	0,90	(12,45)
– Discontinued operations	–	(4,19)	13,03
Diluted (loss)/earnings per share from total operations (cents):	(5,13)	(3,01)	0,53
– Continuing operations	(5,13)	0,83	(11,42)
– Discontinued operations	–	(3,84)	11,95
Headline loss (cents)	(5,69)	(3,29)	(13,27)
Diluted headline loss (cents)	(5,13)	(3,01)	(12,17)
Reconciliation of basic loss to diluted loss and headline loss:			
Basic (loss)/earnings and diluted (loss)/earnings from total operations attributable to equity holders of the parent	(9 783)	(5 600)	993
Profit on sale of non-current assets	–	–	5 629
Profit on unbundling of Sephaku Fluoride Limited	–	–	(30 445)
Impairments	–	–	1 119
Headline loss attributable to equity holders of the parent	(9 783)	(5 600)	(22 704)
Reconciliation of weighted average number of shares:			
Basic weighted average number of shares	171 790 732	170 377 689	171 080 349
Dilutive effect of share options	18 923 470	15 373 470	15 423 470
Diluted weighted average number of shares	190 714 202	185 751 159	186 503 819

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

Segment information

Due to the dilution of Sephaku Holdings' interest in Sephaku Cement (Pty) Limited ("Sephaku Cement") and the unbundling of Sephaku Fluoride Limited, Sephaku Holdings does not have any reportable segment and no segment reporting has therefore been presented.

Basis of preparation

The condensed consolidated interim financial results for the six months ended 31 December 2012 ("interim reporting period") have been prepared in accordance with IAS 34: Interim Financial Reporting, as well as the AC 500 series of interpretations as issued by the Accounting Practices Board, on a historical cost basis, except for the measurement of property at revalued amounts and conform to International Financial Reporting Standards ("IFRS").

The accounting policies adopted for the interim reporting period are consistent with those applied in the annual financial statements for the Group for the year ended 30 June 2012.

The interim reporting period results have been prepared in accordance with the disclosure requirements of the JSE Limited Listings Requirements and the Companies Act of South Africa, 2008 (as amended).

The preparation of the financial statements have been supervised by NR Crafford-Lazarus CA(SA).

The financial information on which these interim period results are based, has not been reviewed or reported on by Sephaku Holdings' auditors.

Statement on going concern

The financial statements for the interim reporting period 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.

Events subsequent to 31 December 2012

On 3 October 2012, Sephaku Holdings announced that its Board had approved the principal terms on which the Company would acquire the entire issued share capital of Métier Mixed Concrete (Pty) Limited ("Métier") from its shareholders and on 7 November 2012 the Board signed the acquisition agreement.

Shareholder approval was obtained on 11 January 2013 for all the resolutions pertaining to the approval of the acquisition, as set out in the circular to shareholders dated 30 November 2012.

The Competition Commission granted its approval for the acquisition on 6 February 2013. The transaction is expected to be unconditional by the end of February 2013.

Significant events and transactions

On 22 October 2012, Sephaku Cement concluded a ten-year funding deal valued at R1,95 billion with The Standard Bank of South Africa Limited and Nedbank Limited. The agreement effectively closes the gap in terms of the required capital for Sephaku Cement to be fully prepared for market entry and to become a significant competitor in wholesale and retail cement trade.

The construction of the cement plant is proceeding according to plan and on budget. Production remains scheduled for the end of the year.

Changes to the board

On 11 January 2013, Mr PM Makwana was appointed as an Independent Non-Executive Director of the Company and a member of the audit and risk committee. Dr GS Mahlati resigned as Non-Executive Director on 2 July 2012.

On behalf of the Board

Neil Crafford-Lazarus
Financial Director

Pretoria
20 February 2013

Lelau Mohuba
Chief Executive Officer

COMPANY INFORMATION:

Directors:

B Williams (Independent Chairman)
Dr L Mohuba * (Chief Executive Officer)
NR Crafford-Lazarus * (Financial Director)
RR Matjiu* (ISD Executive Director)
CRDW de Bruin, Dr D Twist
MG Mahlare (Independent), MM Ngoasheng
PF Fourie, PM Makwana (Independent)
J Bennette[#], JW Wessels[#]
*Executive [#]Alternate

Company secretary:

Jennifer Bennette

Registered office:

1st Floor, Hennops House
Riverside Office Park
1303 Heuwel Avenue
Centurion, 0157

Transfer secretaries:

Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg, 2001

JSE sponsor:

Questco (Pty) Limited