

**Reviewed abridged results for the six months ended 31 December 2009**

<b>Statement of financial position</b>				
		Reviewed	Reviewed	Audited
		6 Months ended	6 Months ended	Year ended
	Notes	31 December 2009	31 December 2008	30 June 2009
		(R'000)	(R'000)	(R'000)
<b>Assets</b>				
<b>Non-current assets</b>				
Investment in associates	1	195 499	159 245	171 975
<b>Current assets</b>				
Trade and other receivables		2 116	902	2 073
Cash at bank		314	-	1 546
		1 802	902	527
<b>Total assets</b>		<b>197 615</b>	<b>160 147</b>	<b>174 048</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital and share premium		108 133	78 162	86 558
Accumulated loss		378 750	378 714	378 750
		(270 617)	(300 552)	(292 192)
<b>Non-current liabilities</b>				
Redeemable preference share capital		81 066	77 276	80 334
Long term loan	2	75 000	75 000	75 000
		6 066	2 276	5 334
<b>Current liabilities</b>				
Taxation		8 416	4 709	7 156
Trade and other payables		321	19	19
		8 095	4 690	7 137
<b>Total equity and liabilities</b>		<b>197 615</b>	<b>160 147</b>	<b>174 048</b>
<b>Net asset value per share (cents)</b>				
		<b>25.8</b>	18.7	20.7

**Statement of comprehensive income**

Gross revenue		-	-	-
Loss from operations		(4 524)	(3 890)	(8 597)
Investment income		5 868	273	13 033
Profit/(loss) from associates		2 128	(3 912)	(5 407)
Proportionate share of loss net of dividends		(3 890)	(3 912)	(9 251)
Dividends received		6 018	-	3 844
Reversal of impairment/(impairment) of investment in associates		21 561	(286 843)	(281 505)
Finance costs		(3 156)	(1 646)	(5 182)
Profit/(loss) before taxation		21 877	(296 018)	(287 658)
Taxation		(302)	-	-
<b>Net profit/(loss) for the period/year</b>		<b>21 575</b>	<b>(296 018)</b>	<b>(287 658)</b>
Ordinary shares in issue (millions)		419	419	419
Weighted average number of ordinary shares in issue (millions)		419	256	338
Headline earnings / (loss)		14	(9 175)	(6 153)
- Attributable net profit / (loss) for the period/year		21 575	(296 018)	(287 658)
- Add back: (Reversal of impairment)/impairment of investments		(21 561)	286 843	281 505
Earnings / (loss) per ordinary share (cents) <sup>a</sup>		5.1	(115.6)	(85.2)
Headline earnings / (loss) per ordinary share (cents) <sup>a*</sup>		0.0	(3.6)	(1.8)
Dividends per ordinary share (cents)		-	-	-

<sup>a</sup> The earnings/(loss) and headline earnings/(loss) per ordinary share is calculated by dividing the earnings/(loss) and headline earnings/(loss) by the weighted average number of ordinary shares in issue during the period/year, which was 419 000 000 (31 December 2008: 256 364 130 and 30 June 2009: 337 794 521).

Shareholders are referred to the interim financial results of the company for the six months ended 31 December 2008 as published on SENS on 30 March 2009 and are advised that the headline loss per share of (115.6) cents published in the aforementioned results has been restated to be a headline loss of (3.6) cents per share. This is calculated by adding back the impairment of investment in associates to the attributable loss as previously reported and dividing it by the weighted average number of ordinary shares in issue for the period. The impairment of investment in associates was not taken into account in the previously reported headline loss per share for the comparative interim period ended 31 December 2008.

\* Less than 0.01 cents per share for the current period

**Abridged statement of cash flows**

	Reviewed 6 Months ended 31 December 2009 (R'000)	Reviewed 6 Months ended 31 December 2008 (R'000)	Audited Year ended 30 June 2009 (R'000)
<i>Cash flows from:</i>			
Operating activities	(5 476)	(1 160)	(8 472)
Investing activities	6 018	(365 000)	(1 157)
Financing activities	733	356 870	(37)
Change in cash and equivalents	1 275	(9 290)	(9 666)
Opening cash and equivalents	527	10 193	10 193
Closing cash and equivalents	1 802	903	527

**Abridged statement of changes in equity**

Opening balances	86 558	94 587	94 587
Net profit / (loss) for the period	21 575	(296 018)	(287 658)
Shares issued net of expenses	-	354 593	279 629
Closing balances	108 133	153 162	86 558

**Basis of preparation**

The company has complied with International Financial Reporting Standards (IFRS) for the six months ended 31 December 2009. The accounting policies have been consistently applied for all periods and are consistent with those used in the preparation of the latest audited financial statements. These financial results have been prepared in accordance with the requirements of the JSE Listings Requirements with regard to provisional and abridged results reports, including those relating to IAS 34: Interim Financial Reporting.

**Notes to the reviewed financial results**

## 1. Investment in associates

Opening carrying value at cost	450 000	450 000	450 000
Shares at cost	335 679	335 679	335 679
Loan receivable at acquisition	114 321	114 321	114 321
Loan receivable subsequent to acquisition <sup>b</sup>	18 585	-	12 730
Share of net loss from associate net of dividends received	(13 141)	(3 912)	(9 251)
Brought forward from prior year	(9 251)	-	-
Current year	(3 890)	(3 912)	(9 251)
- Share of associate income/(loss) - current year	2 128	(3 912)	(5 407)
- Less : Dividend received	(6 018)	-	(3 844)
Less : Impairment <sup>c</sup>	(259 945)	(286 843)	(281 504)
Balance brought forward from prior year	(281 505)	-	-
Current period reversal/(impairment)	21 560	(286 843)	(281 504)
Carrying value	195 499	159 245	171 975

<sup>b</sup> These loans represent the interest accrued and not paid on the acquisition loans from the date of acquisition to the reporting date. These loans are unsecured, bear interest at prime bank overdraft rates less 1%, and have no fixed terms of repayment.

<sup>c</sup> Based on fair value of investments as per competent persons' report dated 31 December 2009

## 2. Long term loan

The loan due to Newshelf 1005 (Pty) Limited is unsecured, bears interest at prime overdraft rate payable quarterly in arrears.

**Review opinion**

These results have been reviewed by the company's auditors, PKF (Jhb) Inc., whose unmodified review opinion is available for inspection at the company's registered office.

**Nature of the business**

The company is an investment holding company.

**Going concern**

The financial statements have been prepared on the going concern basis.

## Directorate

The current directors of the company and changes in directorate during the period under review and to the date of this report are as follows:

<b>Name</b>	<b>Change in appointment</b>
M J Husain (Chairman) #	Appointed as Chairman 26 February 2010
A Kaka (CEO)	Appointed as CEO 26 February 2010
D A S Currie	Appointed 26 February 2010
G Rosenthal #	Appointed 26 February 2010
P C de Jager (CFO)	Appointed 14 November 2008
P Vallet *	Resigned 26 February 2010
J P Barton-Bridges	Resigned 26 February 2010
S E Jonah *	Resigned 26 February 2010
R K Jonah *	Resigned 26 February 2010
D N Rosen *	Retired by rotation 11 February 2010
V D Rubin #	Resigned 26 February 2010

\* Non-executive; # Independent non-executive

Pursuant to the acquisition by Newshelf 1005 (Pty) Limited ("Newshelf") of a majority shareholding in the company, the board of directors was reconstituted on 26 February 2010.

## Commentary

### Introduction

During the six months ended 31 December 2009 Andulela continued to receive dividends from its 50% shareholding in each of Abalengani Mining Investments (Pty) Limited ("AMI") and JB Platinum Holdings (Pty) Limited ("JBPH"). AMI and JBPH effectively own a combined 83.6% stake in Kilken Platinum (Pty) Limited ("Kilken"), a platinum group metals tailings retreatment operation, thus giving the company an effective 41.8% stake in Kilken.

### Kilken

The R25 million capital expenditure incurred during the latter part of 2008 has successfully increased the capacity of the tailings retreatment facility, improving the opportunity to increase the volumes of platinum group metals concentrate delivered to Rustenburg Platinum Mines (Pty) Limited ("RustPlat").

### Financial review

Dividends from the associate companies totalling R6,0 million were declared and paid during the six months ended 31 December 2009.

Preference dividends due to Newshelf totalling R2,6 million for the period have not been paid but have been accrued and expensed as finance costs in the financial results for the period. Total preference dividends payable in the amount of R7,4 million are included in current liabilities.

With effect from 20 November 2009, Jonah Capital (Pty) Limited sold all of its claims on a working capital facility with the company to Newshelf. As at the reporting date the outstanding loan due to Newshelf amounted R6,1 million (including interest) and is included in long term loans.

Based on the recent improved demand for and increase in the price of platinum, management is pleased to report the improvement in overall profitability of the investment in Kilken and subsequent dividend cash inflows.

In accordance with IAS and IFRS, management recognised a reversal of impairment of R21,6 million to the carrying value of the indirect investment in Kilken in the statement of comprehensive income to reflect fair value based on a valuation presented in a competent person's report dated 31 December 2009.

### AMI and JBPH options

On 27 October 2009 Abalengani Platinum Holdings (Proprietary) Limited ("Abalengani Platinum") exercised each of the put options granted to Abalengani Platinum to sell to the company the remaining 50% of the issued share capital in and all of Abalengani Platinum's claims on loan account against each of AMI and JBPH (collectively "the option equity").

As stated in the announcement released on SENS on 29 October 2009, the company elected to settle the purchase price of the option equity, being in aggregate R425 000 000, by way of the allotment and issue of ordinary shares in the company at an issue price equal to the volume weighted average ("VWAP") traded price at which the company's shares traded on the JSE over the 30 trading days immediately prior to the date on which the option notice was furnished to the company.

The purchase price of the option equity will be settled by the issue of 3,531,660,296 Andulela shares at a VWAP traded price of 12.034 cents each.

The settlement shares required an increase in the authorised share capital of the company, which was approved by special resolution at the annual general meeting of the company convened on 11 February 2010.

The special resolutions are in the process of being registered by the Companies Intellectual Property and Registration Office ("CIPRO").

The transaction will be perfected after the new shares have been issued and delivered to Abalengani Platinum. When the transaction is perfected, AMI and JBPH will become wholly owned subsidiaries of Andulela and consequently the company's effective shareholding in Kilken will increase to 83.6% from 41.8%. These changes will result in Kilken, AMI and JBPH being consolidated into the results of Andulela in future reporting periods.

#### **Events subsequent to the interim reporting date**

##### **Results of offer to minority shareholders**

Newshelf announced on SENS on 20 November 2009 and in the press on 23 November 2009 that it had acquired 144 576 717 Andulela shares equating to 34.51% of the issued ordinary share capital of the company from Jonah Mining (Proprietary) Limited, at a price of 12 cents per Andulela share (the "sold shares").

Prior to the acquisition of the sold shares, Newshelf had advised that it owned 144 575 374 Andulela shares representing 34.50% of the issued share capital of the company. Thus at the time of the said announcements Newshelf owned 69.01% of the issued ordinary share capital of Andulela.

As Newshelf was the holder of more than 35% of the issued ordinary share capital of Andulela it was obliged in terms of the Securities Regulation Code on Takeovers and Mergers ("the Code") to extend a mandatory cash offer to the other shareholders of Andulela to acquire their shares.

A firm offer was made by Newshelf in its offer circular to Andulela shareholders dated Monday, 18 January 2010. The offer was made by way of an unconditional cash offer by Newshelf to the shareholders of Andulela other than Newshelf to acquire their ordinary shares at an offer price of 12 cents per Andulela share ("the offer").

The Andulela board issued a circular dated 9 February 2010 regarding the views of the Andulela board on the offer and containing the substance of the advice to the Andulela board by its external advisor, Java Capital (Proprietary) Limited.

The offer closed on Friday, 26 February 2010 and acceptances in respect of 68,611,593 Andulela shares, comprising 16.38% of the issued share capital of Andulela, were received by Newshelf.

Accordingly, at the closing date of the offer, Newshelf's shareholding in Andulela has increased from 289,152,091 Andulela ordinary shares (equal to 69.01% of the issued ordinary share capital of Andulela) to 357,763,684 Andulela ordinary shares (equal to 85.39% of the issued ordinary share capital of Andulela).

#### **Strategic review and outlook**

Kilken is a low-cost producer of platinum group metals. Andulela indirectly acquired the Kilken asset to participate in the positive growth outlook for platinum in the long term. Market expectations are that platinum prices will continue to strengthen and world demand will increase in the medium to long term. No material capital expenditure is contemplated by Kilken for the next financial year and it is anticipated that the company will continue to receive regular dividend payments from AMI & JBPH.

#### **Appreciation**

The board of Andulela wishes to thank the outgoing directors for their valued service to the company.

For and on behalf of the board

M J Husain  
Independent Non-Executive Chairman

A Kaka  
Chief Executive Officer

Sandton  
29 March 2010

#### **Directors**

Mohamed J Husain<sup>^</sup> (Chairman); Ashruf Kaka (CEO); David Currie; Graham Rosenthal<sup>^</sup>; Pieter de Jager (CFO) ( <sup>^</sup>Independent non-executive)

#### **Registered Office**

108 4th Street, Parkmore, Sandton, 2196

#### **Company Secretary**

J R Jones (Mrs)

#### **Transfer Secretaries**

Link Market Services (Pty) Limited  
5th Floor, 11 Diagonal Street, Johannesburg, 2000

#### **Sponsor**

Java Capital (Pty) Limited