

ANDULELA INVESTMENT HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1950/037061/06)
Share code: AND ISIN: ZAE 000125894
("Andulela" or "the company")

Reviewed condensed interim results for t		Reviewed	Reviewed	Audited
		6 Months ended	6 Months ended	18 Months ended
		30 June 2011	30 June 2010	31 December 2010
Condensed consolidated statement of financial position	Notes	(R'000)	(R'000)	(R'000)
Assets	140103	(1000)	(11 000)	(17 000)
Non-current assets				
nvestment in associates	1	-	_	-
Property, plant and equipment	2.1	32,570	35,103	34,060
Goodwill	2.2	418,679	418,679	418,679
Current assets		37,997	28,758	26,068
Frade and other receivables		35,659	26,683	23,647
Cash at bank		2,338	2,075	2,421
Total assets		489,246	482,540	478,807
Equity and liabilities		409,240	402,340	470,007
Capital and reserves		385,118	383,718	379,178
Share capital and share premium	3	803,567	803,567	803,567
Accumulated loss	3	(495,611)	(496,933)	(500,811
Non controlling interest		77,162	77,084	76,422
· ·			80,635	
Non-current liabilities		82,030		81,892
Redeemable preference share capital		75,000	75,000	75,000
Deferred tax liability		7,030	5,635	6,892
Current liabilities		22,098	18,187	17,737
Taxation		4,263	3,607	1,292
Trade and other payables		17,835	14,580	16,445
Total equity and liabilities		489,246	482,540	478,807
vet asset value per snare (cents)		7.79	7.76	7.66
· · · · · · · · · · · · · · · · · · ·		7.79 (2.80)	7.76 (2.84)	7.66 (2.93
Net tangible asset value per share (cents)	Notes			
Net asset value per share (cents) Net tangible asset value per share (cents) Condensed consolidated statement of comprehensive income Gross revenue	Notes			
Net tangible asset value per share (cents) Condensed consolidated statement of comprehensive income Gross revenue	Notes	(2.80) 43,320	(2.84) 9,588	(2.93 38,379
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations	Notes	(2.80) 43,320 15,540	9,588 (3,446)	(2.93 38,379 (3,003
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations investment income	Notes	(2.80) 43,320	9,588 (3,446) 2,466	(2.93 38,379 (3,003 8,412
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Loss from associates	Notes	(2.80) 43,320 15,540	9,588 (3,446) 2,466 (6,664)	(2.93 38,379 (3,003 8,412 (4,536
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Loss from associates Proportionate share of loss net of dividends	Notes	43,320 15,540 47 -	9,588 (3,446) 2,466	(2.93 38,379 (3,003 8,412 (4,536 (10,554
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Loss from associates Proportionate share of loss net of dividends Dividends received	Notes	(2.80) 43,320 15,540	9,588 (3,446) 2,466 (6,664) (6,664)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Loss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates		43,320 15,540 47 -	9,588 (3,446) 2,466 (6,664) (6,664) - 4,435	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Loss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates mpairment of goodwill on acquisition of subsidiaries	Notes	43,320 15,540 47 - - -	9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Loss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates Impairment of goodwill on acquisition of subsidiaries Finance costs		43,320 15,540 47 - - - (2,194)	9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536) (2,614)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Loss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates mpairment of goodwill on acquisition of subsidiaries Finance costs Profit / (loss) before taxation		(2.80) 43,320 15,540 47 (2,194) 13,393	9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536) (2,614) (225,359)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations Investment income Incom		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829)	9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536) (2,614) (225,359) (673)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Loss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates Impairment of goodwill on acquisition of subsidiaries Finance costs Profit / (loss) before taxation Taxation Net profit/(loss) for the period		(2.80) 43,320 15,540 47 (2,194) 13,393	9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536) (2,614) (225,359)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Loss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates mpairment of goodwill on acquisition of subsidiaries Finance costs Profit / (loss) before taxation Taxation Net profit/(loss) for the period Attributable to:		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564	9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536) (2,614) (225,359) (673) (226,032)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income .oss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates Impairment of goodwill on acquisition of subsidiaries Inance costs Profit / (loss) before taxation Taxation Net profit/(loss) for the period Attributable to: - Equity holders of Andulela Investment Holdings Limited		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320)
Condensed consolidated statement of comprehensive income Cross revenue Profit / (loss) from operations expression associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates Impairment of goodwill on acquisition of subsidiaries Impairment of goodwill		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564	9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536) (2,614) (225,359) (673) (226,032)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320)
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations Investment income Investment income Investment income Investment income Investment income Investment income Investment of loss net of dividends Investment of investment in associates Investment of investment in associates Impairment of goodwill on acquisition of subsidiaries Interpretation Investment of Investment in Investment i		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320 (208,619 1,299
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations Investment income Investment income Investment income Investment income Investment income Investment of loss net of dividends Investment of investment in associates Inspairment of investment in associates Impairment of goodwill on acquisition of subsidiaries Inspairment of goodwill on acquisition of subsidiaries Inspairment of Investment in In		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564 5,200 2,364 3,951	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536) (2,614) (225,359) (673) (226,032) (226,316) 284 3,951	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320 (208,619 1,299
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations Investment income Investment of loss net of dividends Invidends received Investment of investment in associates Investment of goodwill on acquisition of subsidiaries Investment of goodwill on acquisition of subsid		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564 5,200 2,364 3,951 3,951	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536) (2,614) (225,359) (673) (226,032) (226,316) 284 3,951 1,009	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320 (208,619 1,299 3,951 2,790
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nuestment income Loss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates Impairment of goodwill on acquisition of subsidiaries Finance costs Frofit / (loss) before taxation Taxation Let profit/(loss) for the period Attributable to: - Equity holders of Andulela Investment Holdings Limited - Non controlling interest Dividends verage number of ordinary shares in issue (millions) Weighted average number of ordinary shares in issue (millions) Headline earnings / (loss)		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564 5,200 2,364 3,951 3,951 5,200	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664) - 4,435 (219,536) (2,614) (225,359) (673) (226,032) (226,316) 284 3,951 1,009 (11,215)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320 (208,619 1,299 3,951 2,790 (15,017
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations Investment income Incom		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564 5,200 2,364 3,951 3,951	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664) (219,536) (2,614) (225,359) (673) (226,032) (226,316) 284 3,951 1,009 (11,215) (226,316)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320 (208,619 1,299 3,951 2,790 (15,017 (208,619
Condensed consolidated statement of comprehensive income Cross revenue Profit / (loss) from operations Investment income Income Investment of loss net of dividends Invidends received Investment of investment in associates Impairment of goodwill on acquisition of subsidiaries Interpretation Investment Invest		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564 5,200 2,364 3,951 3,951 5,200	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664) (219,536) (2,614) (225,359) (673) (226,032) (226,316) 284 3,951 1,009 (11,215) (226,316) (226,316) (4,435)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320 (208,619 1,299 3,951 2,790 (15,017 (208,619 (25,996
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations Investment income Investment of loss net of dividends Investment of investment in associates Investment of goodwill on acquisition of subsidiaries Interpretation Investment of goodwill on acquisition of subsidiaries Interpretation Investment of Investment Holdings Limited Investment In issue (millions) Investment In issue (millions) Investment In issue (millions) Investment In associates Investment Investment In associates Investment Investment In associates Investment Investment In associates Investment Investment Investment In associates Investment Investment Investment In associates Investment Investment Investment Investment In associates Investment Investme		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564 5,200 2,364 3,951 3,951 5,200	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664) (219,536) (2,614) (225,359) (673) (226,032) (226,316) 284 3,951 1,009 (11,215) (226,316)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320 (208,619 1,299 3,951 2,790 (15,017 (208,619 (25,996 219,536
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations Investment income Investment of loss net of dividends Investment of investment in associates Investment of goodwill on acquisition of subsidiaries Interpretation Investment of goodwill on acquisition of subsidiaries Interpretation Investment of Investment Holdings Limited Investment Holdings		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564 5,200 2,364 3,951 3,951 5,200 5,200	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320 (208,619 1,299 (15,017 (208,619 (25,996 219,536 62
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations nvestment income Coss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates mpairment of goodwill on acquisition of subsidiaries Finance costs Profit / (loss) before taxation faxation Net profit/(loss) for the period Attributable to: - Equity holders of Andulela Investment Holdings Limited - Non controlling interest Ordinary shares in issue (millions) Neighted average number of ordinary shares in issue (millions) - Less: Reversal of impairment of investment in associates - Add back: Impairment of goodwill on acquisition of subsidiaries - Add back: Loss on scrapping of property plant and equipment Earnings / (loss) and diluted earnings / (loss) per ordinary share (cents) a		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564 5,200 2,364 3,951 3,951 5,200 5,200 0.13	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664) (219,536) (2,614) (225,359) (673) (226,032) (226,316) 284 3,951 1,009 (11,215) (226,316) (226,316) (4,435) 219,536 - (22,42)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (200,823 (6,497 (207,320 (208,619 1,299 (15,017 (208,619 (25,996 219,536 62 (7.48
Condensed consolidated statement of comprehensive income Gross revenue Profit / (loss) from operations Investment income Loss from associates Proportionate share of loss net of dividends Dividends received Reversal of impairment of investment in associates Impairment of goodwill on acquisition of subsidiaries Finance costs Profit / (loss) before taxation Taxation Net profit/(loss) for the period		(2.80) 43,320 15,540 47 (2,194) 13,393 (5,829) 7,564 5,200 2,364 3,951 3,951 5,200 5,200	(2.84) 9,588 (3,446) 2,466 (6,664) (6,664)	(2.93 38,379 (3,003 8,412 (4,536 (10,554 6,018 25,996 (219,536 (8,156 (200,823 (6,497 (207,320 (208,619 1,299 (15,017 (208,619 (25,996 (25,996 (219,536 62

a 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.

Condensed consolidated statement of cash flows			
Cash flows from:			
Operating activities	4,042	(2,810)	2,410
Investing activities	-	(415,668)	8,800
Financing activities	(4,125)	418,751	(9,316)
Change in cash and equivalents	(83)	273	1,894
Opening cash and equivalents	2,421	1,802	527
Closing cash and equivalents	2.338	2 075	2 421

Condensed consolidated statement of changes in equity			
Opening balances	302,756	108,133	86,558
Net profit / (loss) for the period	5,200	(226,316)	(208,619)
Shares issued net of expenses	-	424,817	424,817
Non controlling interest	77,162	77,084	76,422
Closing balances	385,118	383,718	379,178

Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (in particular IAS 34, 'interim financial reporting'), the AC 500 standards as issued by the Accounting Practices Board or its successor, the South African Companies Act and the Listings Requirements of the JSE Limited. The condensed consolidated interim financial information is presented in South African rands, which is the group's functional currency. The accounting policies adopted are consistent with those of the previous year.

	Reviewed	Reviewed	Audited
	6 Months ended 30 June 2011	6 Months ended 30 June 2010	18 Months ended 31 December 2010
Notes to the reviewed condensed financial results	(R'000)	(R'000)	(R'000)
1. Investment in associates			
Opening carrying value at cost		450,000	450,000
Shares at cost	-	335,679	335,679
Loan receivable at acquisition	-	114,321	114,321
Loan receivable subsequent to acquisition b	-	20,978	20,978
Share of net loss from associate net of dividends received	-	(19,805)	(19,805)
Brought forward from prior period	-	(9,251)	(9,251)
Current period	-	(10,554)	(10,554)
- Share of associate (loss) - current year	-	(4,536)	(4,536)
- Less : Dividend received	_	(6,018)	(6,018)
Less: Impairment ^c	-	(255,509)	(255,509)
- Balance brought forward from prior year	-	(281,505)	(281,505)
- Add: Current period reversal		25,996	25,996
Less: Disposal of associates, controlling interest acquired	-	(195,664)	(195,664)
Carrying value	-	-	-

^b 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, bore interest at prime bank overdraft rates less 1% up to 31 March 2010, and have no fixed terms of repayment. As of 1 April 2010, the loans are interest free.

2. Non-current assets

Tangible

2.1 Property, plant and equipment			
Opening balance	34,060	-	-
Plant and machinery acquired through business combinations	-	35,083	35,083
Additions	-	531	933
Depreciation	(1,490)	(511)	(1,956)
Plant and machinery at carrying value	32,570	35,103	34,060
Intangible			
2.2 Goodwill			
Opening balance	418,679	-	-
Arising on acquisition of controlling interest in subsidiary	-	638,215	638,215
Impairment of goodwill on acquisition	<u>-</u>	(219,536)	(219,536)
Closing balance at period end	418,679	418,679	418,679

The goodwill has been impaired based on a valuation of the controlling interest per the Competent Persons' report dated 29 January 2010 and updated on 19 January 2011.

3. Share capital and share premium	6 Months ended 30 June 2011 No. Of shares	6 Months ended 30 June 2010 No. Of shares	18 Months ended 31 December 2010 No. Of shares	6 Months ended 30 June 2011 (R'000)	6 Months ended 30 June 2010 (R'000)	18 Months ended 31 December 2010 (R'000)
3.1 Ordinary shares of R0.01 each Authorised 5 500 000 000 ordinary shares of R0.01 each						
Opening balance Increase	5,500,000,000	1,925,000,000 3,575,000,000	1,925,000,000 3,575,000,000	55,000 -	19,250 35,750	19,250 35,750
Authorised share capital at period end	5,500,000,000	5,500,000,000	5,500,000,000	55,000	55,000	55,000
Issued						
Opening balance	3,950,660,296	419,000,000	419,000,000	39,507	4,190	4,190
Issued at a premium of R0.1103 per share Closing balance	3,950,660,296	3,531,660,296 3,950,660,296	3,531,660,296 3,950,660,296	39,507	35,317 39,507	35,317 39,507
3.2 Share premium						
Opening balance				764,060	374,560	374,560
Issued at a premium of R0.1103 per share				-	389,683	389,683
Share issue costs					(183)	(183)
Closing balance				764,060	764,060	764,060
Total ordinary share capital and share premium				803,567	803,567	803,567

^c Based on fair value of investments as per competent person's report dated 29 January 2010 and updated on 19 January 2011.

		6 Months ended 30 June 2011 (R'000)	6 Months ended 30 June 2010 (R'000)	18 Months ended 31 December 2010 (R'000)
		(K 000)	(K 000)	(K 000)
4. Business combinations				
On 1 May 2010, the group acquired a controlling interest in Kilken Platinum of subsidiaries Abalengani Mining Investments (Pty) Ltd ("AMI") and Ji investment in associates was fairly valued, based on the Competent Persor. The following table summarises the fair value of the consideration paid recognised at the acquisition date, as well as the fair value at the acquisition.	B Platinum Holdings (Pty) Ltd ("JBPH"). At acquisition, ns Report. for Kilken and the fair value of the assets acquired and	the previously held		
Equity instruments issued in respect of option exercised		-	425,000	425,000
Fair value of previously held associate interests		-	195,664	195,664
Fair value of non controlling interest	-		76,799 697,463	76,799 697,463
		-	097,403	097,403
Fair value of net assets acquired	-	-	59,248	59,248
Property, plant and equipment Bank and cash		-	35,083	35,083
Trade and other receivables		-	3,766 35,344	3,766 35,344
Trade and other payables		-	(14,945)	(14,945)
Goodwill arising on acquisition of controlling interest	-		638,215	638,215
Financial information in respect of the subsidiaries' investment	- nt in Kilken			
Summarised statement of financial position Non-current assets Current assets Equity and reserves Non-current liabilities Current liabilities	-	32,570 37,622 (50,879) (7,030) (12,283)	35,103 28,666 (51,103) (5,635) (7,031)	34,060 25,717 (46,371) (6,892) (6,514)
Results of operations				
Revenue	_	43,320	9,588	38,379
Operating profit Finance income		20,201 36	2,376 28	9,509 94
Profit before taxation	-	20,237	2,404	9,603
Taxation		(5,829)	(673)	(3,786)
Profit for the period	-	14,408	1,731	5,817
5. Material related party transactions				
Purchases from related parties	- Tailing Technologies (Pty) Ltd - GTS Technologies (Pty) Ltd	7,525 4,810	5,373 3,602	17,104 6,984
Administration and management fees paid to related parties	- Jonah Capital (Pty) Limited	-	686	1,765
Consulting fees per agreement	- D N Rosen	-	1,515	3,165
Interest received on shareholders loans	- Abalengani Mining Investments (Pty) Limited - JB Platinum Holdings (Pty) Limited	-	1,235 1,178	4,910 3,357
Interest paid on working capital loans	- Newshelf 1005 (Pty) Limited - Jonah Capital (Pty) Limited	-	134 -	447 231

Reviewed

Reviewed

Audited

6. Segment reporting

No segmental reporting has been presented as the entity has no separately reportable segments. It operates in one geographical location and only derives income from one customer.

Review opinion

These results have been reviewed by the company's auditors, BDO South Africa 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 at date of this report are as follows:

Name
M J Husain (Chairman) #
A Kaka (CEO)
P C de Jager (CFO)
G Rosenthal #

Date of appointment
Appointed as Chairman 26 February 2010
Appointed as CEO 26 February 2010
Appointed as CFO 25 October 2010
Appointed 26 February 2010

Independent non-executive

Commentary

Introduction

For the six months to 30 June 2011, the consolidated group results reflect normal operating earnings post the prior period impairment and transaction costs related to the acquisition of controlling stakes in Abalengani Mining Investments (Pty) Limited ("AMI") and JB Platinum Holdings (Pty) Limited ("JBPH").

The group's attributable headline earnings rose to R5.2 million from the loss of R11.2 million and from the loss of R15.0 million reported for the periods ended 30 June 2010 and 31 December 2010 respectively due to stable and improved PGM production at Kilken coupled with stronger Platinum Group Metals ("PGM") prices.

Financial review

As at the reporting date Andulela had access to a working capital facility of R5.0 million which was renewed to the end of August 2011 and which was subsequently settled and is no longer required.

Preference dividends on the cumulative redeemable preference shares due to the holder thereof (Newshelf) in the amount of R2.2 million were accrued and expensed as finance costs in the current period in accordance with the rights attaching to the preference shares. R2.5 million was paid towards the arrear preference dividends owing and the cumulative arrears amount to R9.8 million which is included in current liabilities.

The value of Kilken is recorded at fair value in terms of IFRS 3 for the purpose of recording the business combination of AMI, JBPH and Kilken. As a result of the business combination, the group continues to carry goodwill of R419 million in the financial statements of Andulela. In accordance with IFRS, management will continue to assess the fair value of the investment. Having regard to the improved production and PGM prices over the last two quarters, management is confident of the improved fundamentals for the real value of the underlying investment in Kilken.

Kilken Platinum

Andulela owns an effective 83.6% stake in Kilken's PGM tailings retreatment facility that delivers PGM concentrate to Rustenburg Platinum Mines (Pty) Limited ("RPM").

A proactive maintenance and refurbishment regime has been implemented to improve efficiency and plant availability. These initiatives yielded the expected positive returns. Kilken's PGM production improved by 41% for the six months to June 2011 compared to the comparative period in 2010 and by 10% compared to the 18 months ended 31 December 2010. This represents a marked improvement in constant production volumes with less unplanned stoppages.

Management remains optimistic about the continued positive growth outlook for PGM's for the foreseeable future

Events subsequent to the period end

The improved production recoveries of Kilken for the period under review have continued for the period up to 31 August 2011. As at the date of this report production for the eight months has already surpassed that of the twelve months to 31 December 2010 of the prior financial year by more than 34% with four months of production still left in the current year.

With reference to the announcements on SENS, the last of which was dated 2 September 2011, Andulela concluded the transaction to acquire the entire issued share capital of, and all claims against Pro Roof Steel Merchants (Pty) Limited ("PRSM"), a steel processing, distribution and services group with six branches in South Africa, from both The Rafik Mohamed Family Trust and Pro Roof Steel Merchants (East London) (Pty) Limited. As at 30 August 2011 all the suspensive conditions were fulfilled and the effective date of the transaction is consequently 1 September 2011, from which date PRSM will be consolidated into the results of Andulela. The purchase consideration of a maximum of R252 million and a minimum of R168 million, based on the consolidated tangible net asset value ("NAV") of PRSM and its subsidiaries as at 31 August 2011, will be settled by the issue of a maximum of 630 million and a minimum of 420 million Andulela shares, at an issue price of 40 cents per share. The company is in the process of determining the effective date NAV, subsequent to which the purchase consideration shares will be calculated and issued to the Sellers.

With reference to further announcements on SENS the last of which was dated 22 June 2011, Andulela or its nominee will acquire the entire steel processing and distribution business, including the assets and liabilities, of GIBB Steel (Pty) Limited (GIBB Steel) indivisibly as a going concern.

The maximum transaction purchase consideration of R95 million will be based on the tangible net asset value ("TNAV") of GIBB Steel at the anticipated effective date, and will be settled by way of a maximum cash amount of R35 million and the balance by way of the issue of the maximum of 150 million Andulela ordinary shares at an issue price of 40 cents per share. The effective date TNAV of GIBB Steel is anticipated to be R95 million. The transaction is conditional upon the fulfilment or waiver of certain suspensive conditions as detailed in the announcement of 1 February 2011. As at the date of this report all the suspensive conditions have not been fulfilled.

Restructuring Review

As indicated in the annual report for the 18 months ending 31 December 2010, management have initiated a review of the newly formed group structure. The review is expected to be completed before the next reporting period. The outcome of the review and the initiatives implemented will be reported to shareholders.

For and on behalf of the board

M J Husain Independent Non-Executive Chairman A Kaka Chief Executive Officer

Sandton 23 September 2011

Directors

Mohamed J Husain^A (Chairman); Ashruf Kaka (CEO); Pieter de Jager (CFO); Graham Rosenthal^A (Andependent non-executive)

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