

REVIEWED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| Notes | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|--|--|--|---|
| ASSETS | | | |
| Non-current assets | | | |
| Plant and equipment | 401 403 | 32 570 | 409 007 |
| Deferred tax asset | 693 | - | - |
| Goodwill | 418 679 | 418 679 | 418 679 |
| Current assets | | | |
| Inventory | 85 616 | - | 54 906 |
| Trade and other receivables | 214 240 | 35 659 | 165 276 |
| Cash and cash equivalents | 72 802 | 2 338 | 58 255 |
| Total assets | 1 193 433 | 489 246 | 1 106 123 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Share capital and share premium | 976 114 | 803 567 | 976 114 |
| Revaluation reserve | 4 638 | - | 4 638 |
| Accumulated loss | (484 993) | (495 611) | (476 618) |
| Non controlling interest | 75 649 | 77 162 | 80 467 |
| Non-current liabilities | | | |
| Redeemable preference share capital | 53 081 | 75 000 | 60 000 |
| Deferred tax liability | 73 694 | 7 030 | 78 676 |
| Other financial liabilities | 202 967 | - | 169 792 |
| Current liabilities | | | |
| Taxation | 3 102 | 4 263 | 2 048 |
| Redeemable preference share capital | 13 647 | - | 15 000 |
| Other financial liabilities | 70 664 | - | 87 627 |
| Trade and other payables | 204 870 | 17 835 | 108 379 |
| Total equity and liabilities | 1 193 433 | 489 246 | 1 106 123 |
| Net asset value per share (cents) | 11,34 | 7,05 | 11,53 |
| Net tangible asset value per share (cents) | 3,34 | (0,96) | 3,53 |

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|---|--|--|---|
| Gross revenue | 693 691 | 43 320 | 542 788 |
| Cost of sales | (611 361) | (14 360) | (403 524) |
| Gross profit | 82 330 | 28 961 | 139 264 |
| Profit from operations | 1 014 | 15 540 | 59 681 |
| Investment income | 355 | 47 | 452 |
| Finance costs | (9 372) | (2 194) | (9 735) |
| (Loss)/profit before taxation | (8 003) | 13 393 | 50 398 |
| Taxation | 1 132 | (5 829) | (17 794) |
| Net (loss)/profit for the period/year | (6 871) | 7 564 | 32 604 |
| Other comprehensive income net of tax for the period/year | | | |
| Gains on revaluation of plant and equipment | - | - | 4 637 |
| Deferred tax charge on revaluation of plant and equipment | - | - | (1 804) |
| Total comprehensive (loss)/income for the period/year | (6 871) | 7 564 | 37 241 |
| Net (loss)/profit for the period/year attributable to: | | | |
| - Equity holders of Andulela Investment Holdings Limited | (8 373) | 5 200 | 24 954 |
| - Non controlling interest | 1 502 | 2 364 | 7 649 |
| Total comprehensive (loss)/income for the period/year attributable to: | (6 871) | 7 564 | 37 241 |
| - Equity holders of Andulela Investment Holdings Limited | (8 373) | 5 200 | 28 831 |
| - Non-controlling interest | 1 502 | 2 364 | 8 410 |
| Ordinary shares in issue (millions) | 4 371 | 3 951 | 4 371 |
| Weighted average number of ordinary shares in issue (millions) | 4 371 | 3 951 | 4 091 |
| Headline (loss)/earnings and attributable net (loss)/profit for the period/year | (8 373) | 5 200 | 24 954 |
| (Loss)/earnings per ordinary share (cents)* | (0,19) | 0,13 | 0,61 |
| Diluted (loss)/earnings per ordinary share (cents)* | (0,19) | 0,13 | 0,61 |
| Headline (loss)/earnings per ordinary share (cents)* | (0,19) | 0,13 | 0,61 |
| Diluted headline (loss)/earnings per ordinary share (cents)* | (0,19) | 0,13 | 0,61 |
| Dividends per ordinary share (cents) | - | - | - |

* The (loss)/earnings and the headline (loss)/earnings per ordinary share is calculated by dividing the (loss)/earnings and the headline (loss)/earnings by the weighted average number of ordinary shares in issue during the period/year. The diluted (loss)/earnings and the diluted headline (loss)/earnings per ordinary share is calculated by dividing the diluted (loss)/earnings and the diluted headline (loss)/earnings by the weighted average number of ordinary shares in issue and issuable during the period/year.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|-------------------------------------|--|--|---|
| Cash flows from: | | | |
| Operating activities | 19 586 | 4 042 | 5 861 |
| Investing activities | (7 290) | - | (79 185) |
| Financing activities | 2 251 | (4 125) | 129 158 |
| Change in cash and equivalents | 14 547 | (83) | 55 834 |
| Opening cash and equivalents | 58 255 | 2 421 | 2 421 |
| Closing cash and equivalents | 72 802 | 2 338 | 58 255 |

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|---|--|--|---|
| Opening balances | 584 600 | 302 756 | 379 178 |
| Movements for the period/year: | | | |
| - Net (loss)/profit for the period/year | (8 374) | 5 200 | 24 954 |
| - Shares issued | - | - | 167 914 |
| - Vendor shares | - | - | 4 633 |
| - Revaluation net of deferred tax | - | - | 3 877 |
| - Non-controlling interest | (4 817) | 77 162 | 4 044 |
| Closing balances | 571 409 | 385 118 | 584 600 |

NOTES TO THE REVIEWED PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL RESULTS

Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2012 has been presented in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the information required by IAS 34, "Interim Financial Reporting", the AC 500 standards as issued by the Accounting Practices Board or its successor, requirements of the South African Companies Act, as amended and the JSE Limited Listings Requirements. The condensed consolidated interim financial information is presented in South African rands, which is the group's functional currency. The results have been prepared in accordance with the accounting policies of the company that are in terms of IFRS and that are consistent with those accounting policies of the previous financial year. These results were prepared under the supervision of Pieter de Jager, the Group Chief Financial Officer.

| | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|--|--|--|---|
| 1. Non-current assets | | | |
| Tangible | | | |
| 1.1 Plant and equipment | | | |
| Opening balance | 409 007 | 34 060 | 34 060 |
| Plant and machinery acquired through business combinations | - | - | 379 462 |
| Revaluation of plant and equipment | - | - | 6 441 |
| Additions | 7 291 | - | 801 |
| Depreciation | (14 895) | (1 490) | (11 757) |
| Plant and machinery at carrying value | 401 403 | 32 570 | 409 007 |

| | Reviewed 6 months ended 30 June 2012 '000 | Reviewed 6 months ended 30 June 2011 '000 | Audited Year ended 31 December 2011 '000 |
|--|---|---|--|
| Number of shares | | | |
| Opening balance | 4 382 242 | 3 950 660 | 3 950 660 |
| Issued at a premium of R0,39 per share | - | - | 420 000 |
| Vendor shares issuable at a premium of R0,39 per share | - | - | 11 582 |
| Closing balance | 4 382 242 | 3 950 660 | 4 382 242 |

2. Share capital and share premium

2.1 Ordinary shares of R0,01 each
Authorised
There was no change to the authorised share capital which remained at 5 500 000 000 ordinary shares of R0,01 each representing R55 million

| | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|--|--|--|---|
| Issued | | | |
| Opening balance | 4 382 242 | 3 950 660 | 3 950 660 |
| Issued at a premium of R0,39 per share | - | - | 420 000 |
| Vendor shares issuable at a premium of R0,39 per share | - | - | 11 582 |
| Closing balance | 4 382 242 | 3 950 660 | 4 382 242 |

| | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|--|--|--|---|
| Authorised | | | |
| There was no change to the authorised share capital which remained at 5 500 000 000 ordinary shares of R0,01 each representing R55 million | | | |
| Issued | | | |
| Opening balance | 43 822 | 39 506 | 39 506 |
| Issued at a premium of R0,39 per share | - | - | 4 200 |
| Vendor shares issuable at a premium of R0,39 per share | - | - | 116 |
| Closing balance | 43 822 | 39 506 | 43 822 |

| | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|--|--|--|---|
| 2.2 Share premium | | | |
| Opening balance | 932 292 | 764 061 | 764 061 |
| Issued at a premium of R0,39 per share | - | - | 163 800 |
| Vendor shares issuable at a premium of R0,39 per share | - | - | 4 517 |
| Share issue costs | - | - | (86) |
| Closing balance | 932 292 | 764 061 | 932 292 |
| Total ordinary share capital and share premium | 976 114 | 803 567 | 976 114 |

3. Related party transactions and balances

| | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|---|--|--|---|
| Sales | | | |
| - E-Tile (Pty) Limited | (14 857) | - | (15 714) |
| - Changing Tides 74 (Pty) Limited | (6 408) | - | (2 039) |
| - Pro Steel International Trading (Pty) Limited | (3 996) | - | (3 153) |
| - Help-U-Build (Pty) Limited | (4 210) | - | (4 217) |
| - Mixshelf 1119 CC | (81) | - | (217) |
| Purchases | | | |
| - Tailing Technologies (Pty) Limited | 7 711 | 7 525 | 16 341 |
| - GTS Technologies (Pty) Limited | 7 934 | 4 810 | 15 449 |
| - Help-U-Build (Pty) Limited | 5 | - | - |
| - Pro Steel International Trading (Pty) Limited | 354 | - | 217 |
| - E-Tile (Pty) Limited | 4 559 | - | 1 296 |
| - Mono Steel Works | 93 | - | 49 |

Administration and management fees paid

| | | | |
|---|-------|---|-------|
| - Akzam Management Services (Pty) Limited | 450 | - | 1 005 |
| Rent expenses | | | |
| - Sheerprops 97 (Pty) Limited | 6 991 | - | 7 056 |
| - Wideprops 1087 CC | 2 277 | - | 2 899 |
| - Changing Tides 74 (Pty) Limited | 3 275 | - | 2 147 |
| - Normarc Investments | 170 | - | 71 |

Trade receivables

| | | | |
|---|-------|---|-------|
| - Changing Tides 74 (Pty) Limited | 6 097 | - | 474 |
| - E-Tile (Pty) Limited | 2 488 | - | 3 773 |
| - Pro Steel International Trading (Pty) Limited | 1 071 | - | 990 |
| - Help-U-Build (Pty) Limited | 931 | - | 2 064 |
| - Mixshelf 1119 CC | 90 | - | 247 |
| - Mono Steel Works | 584 | - | - |

Loan accounts owed

| | | | |
|---|----------|---|----------|
| - The Rafik Mohamed Trust | (647) | - | (647) |
| - Thunder Rate Investments (Pty) Limited | (37 442) | - | (36 940) |
| Trade payables | | | |
| - Euro Tile (Pty) Limited | (848) | - | (46) |
| - Pro Steel International Trading (Pty) Limited | (91) | - | - |
| - Help-U-Build (Pty) Limited | (6) | - | - |
| - Mono Steel Works | (15) | - | - |
| - Mixshelf 1119 CC | - | - | (1 099) |
| - Tailing Technologies (Pty) Limited | (1 598) | - | (1 424) |

4. Segment reporting

The strategic steering committee is the group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the strategic steering committee for the purposes of allocating resources and assessing performance. The strategic steering committee considers the business from a product perspective. The group has two sources of income namely, the production of Platinum Group Metals (PGM) by a tailings retreatment operation, and the processing and distribution of steel products.

| | Reviewed 6 months ended 30 June 2012 R'000 | Reviewed 6 months ended 30 June 2011 R'000 | Audited Year ended 31 December 2011 R'000 |
|--------------------------------------|--|--|---|
| Revenue | | | |
| Tailings retreatment | 44 946 | 43 320 | 123 560 |
| Steel processing | 648 745 | - | 419 228 |
| Total revenue | 693 691 | 43 320 | 542 788 |
| (Loss)/profit after tax | | | |
| Tailings retreatment | 11 738 | 14 408 | 46 638 |
| Steel processing | (12 043) | - | (2 890) |
| Other unallocated | (6 566) | (6 844) | (11 145) |
| Total (loss)/profit after tax | (6 871) | 7 564 | 32 603 |
| Assets | | | |
| Tailings retreatment | 73 589 | 70 192 | 87 202 |
| Steel processing | 694 621 | - | 598 838 |
| Other unallocated | 425 223 | 419 053 | 420 083 |
| Total assets | 1 193 433 | 489 245 | 1 106 123 |
| Liabilities | | | |
| Tailings retreatment | 31 912 | 19 313 | 16 183 |
| Steel processing | 537 569 | - | 429 095 |
| Other unallocated | 52 544 | 84 815 | 76 245 |
| Total liabilities | 622 025 | 104 128 | 521 523 |

Review opinion

These results have been reviewed by the company's auditors, BDO South Africa Incorporated, 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 information has been prepared on the going concern basis.

Directorate

The current directors of the company at date of this report are as follows:

| Name | Date of appointment |
|-----------------------|--|
| MJ Husain (Chairman)* | Appointed as Chairman 26 February 2010 |
| A Kaka (CEO) | Appointed as CEO 26 February 2010 |
| PC de Jager (CFO) | Appointed as CFO 25 October 2010 |
| GR Rosenthal* | Appointed 26 February 2010 |
| PE du Preez* | Appointed 1 October 2011 |
| I Kajee | Appointed 1 October 2011 |
| CWN Molope* | Appointed 1 July 2012 |

*Independent non-executive

COMMENTARY

Introduction

The consolidated group results for the six months ended 30 June 2012 resulted in an attributable headline loss of R8.4 million compared to a profit of R5.2 million for the comparable six month period ended 30 June 2011 and a full year profit of R25 million reported for the year ended 31 December 2011. The most significant impact on the group results for the six months ended 30 June 2012 was the net loss after tax of Pro Roof Steel Merchants (Pty) Limited and its subsidiaries (PRSM), a steel processing and distribution group acquired on 1 September 2011. The continued decline in world steel prices and the still depressed construction industry weighed heavily on the steel processing group's results.

Management is committed to its continued programme of rationalising overhead costs and the reduction of the production cost per ton in PRSM to yield positive net returns.

Financial review

There was an improvement in the group's cash generation from operating activities to R19,6 million for the six months compared to R5,9 million for the year ended 31 December 2011. The group further maintained a net asset value per share at 11,34 cents compared to 11,53 cents as reported for the year ended 31 December 2011 despite the headline loss for the period.

The steel processing operations yielded positive cash earnings before interest, tax and depreciation, adjusted for the effect of lease smoothing (IAS 17), of R6,7 million and a cash loss after interest of R0,6 million, with depreciation and finance costs being the most significant drivers contributing to PRSM's loss after tax.

The PGM tailings retreatment operation of Kilken Platinum (Pty) Limited through its Joint Venture with Imbani Minerals (Kilken) continues to perform well and contributed significantly to the group's results.

For the current six months preference share dividends on the cumulative redeemable preference shares due to the holder thereof (Newshelf 1005 (Pty) Limited), in the amount of R2,5 million were accrued and expensed as finance costs, in accordance with the rights attaching to the preference shares. As at 30 June 2012 there were no arrear preference dividends. With reference to the announcement on SENS dated 14 February 2012, the holder of the preference shares and the company agreed that the preference shares shall be redeemed on an orderly basis over an extended five year period. The company redeemed R8,3 million preference share capital for the six months under review from positive operational cash flows and remains well ahead of minimum capital redemption payments.

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.

Kilken's PGM production recoveries improved by 16% for the six months to 30 June 2012 compared to the same six month period in 2011