South African Coal Mining Holding Limited
(Incorporated in the Republic of South Africa)
Registration number 1994/009012/06
Share code: SAH ISIN : ZAE0000102034
("SACMH" or "the company")

UNAUDITED RESULTS OF SACMH AND ITS SUBSIDIARIES ("THE GROUP") FOR THE 6 MONTHS ENDED 30 JUNE 2011

Consolidated statement of financial position	Unaudited as at 30 June 2011	Unaudited & Restated as at 30 June 2011	Audited as at 31 December 2010
Assets			
Non-current assets	**557 223**	**541 372**	**537 204**
Property, Plant & Equipment	134 171	113 829	111 003
Intangibles	418 517	427 543	421 666
Investments	4 535	-	4 535
Current assets	**47 555**	**12 378**	**67 717**
Inventories	17 463	-	44 286
Trade and other receivables	22 267	2 330	17 957
Cash and cash equivalents	7 825	10 048	5 474
Total assets	604 778	553 750	604 921
Equity and liabilities			
Capital and reserves	**139 246**	**165 238**	**173 166**
Issued capital	233 885	233 885	233 885
Retained loss	(94 639)	(83 153)	(75 965)
Shareholders' loans	-	14 506	15 246
Non-current liabilities	**416 490**	**236 819**	**372 420**
Interest bearing liabilities	220 611	46 723	176 562
Non-interest bearing liabilities	46 600	-	46 600
Non-current provisions	47 027	50 595	45 772
Deferred taxation	102 252	139 501	103 486
Current liabilities	**49 042**	**151 693**	**59 335**
Trade and other payables	24 372	12 307	27 066
Short term borrowings	-	-	7 012
Current portion of interest bearing liabilities	19 550	139 386	20 137
Current portion of provisions	5 120	-	5 120
Total equity and liabilities	**604 778**	**553 750**	**604 921**
Number of shares in issue ('000)	452 454	452 454	452 454
Net asset value per share	30.78	36.52	38.27
Net tangible asset value per share	(38.67)	(40.86)	(31.78)

Consolidated statement of comprehensive income (R'000)	Unaudited 6 months 30 June 2011	Unaudited 6 months 30 June 2010	Audited 12 months 31 Dec 2010
Revenue	174 247	5 093	18 810
Cost of sales	(159 309)	(538)	(7 444)
Gross profit	14 938	4 555	11 366
Other losses	(1 288)		(1 247)
Foreign exchange gain	601		3 781
Net impairment of assets	-		385
Loss on sale/scrapping of asset	-		(11 150)
Depreciation	(6 931)	(4 873)	(10 877)
Amortisation of mining rights	(3 149)		(1 340)
Rehabilitation provision	(1 255)		(296)
Operating expenses (see note 8)	(15 801)	(4 836)	(24 985)
Operating loss before finance costs and taxation	(14 087)	(5 154)	(34 363)
Finance costs	(5 816)	(12 065)	(11 683)
Loss before taxation	(19 903)	(17 219)	(46 046)
Taxation	1 229	-	36 015
Total comprehensive loss attributable to ordinary shareholders	(18 674)	(17 219)	(10 031)
Headline loss			
Weighted average shares in issue (R'000)	452 454	452 454	452 454
Basic loss per share (cents)	(4.13)	(3.81)	(2.21)
Headline loss per share (cents)	(4.13)	(3.81)	(0.53)

Consolidated statement of cash flow	Unaudited 6 months 30 June 2011	Unaudited 6 months 30 June 2010	Audited 12 months 31 Dec 2010
Cash flow from operations	17 064	5 037	(50 164)
Net finance charges	(5 816)	(12 065)	(11 683)
Taxation refunded/(paid)	(5)	2 083	2 083
Net cash flow from operating activities	**11 243**	**(4 945)**	**(59 765)**
Cash flow from investing activities			
Purchase of property, plant and equipment	(30 097)	-	(13 942)
Increase in investment	-	-	(4 535)
Net cash utilised in investing activities	**(30 097)**	**-**	**(18 477)**
Cash from financing activities			
New liabilities raised	21 205	8 011	76 734
Net cash from financing activities	**21 205**	**8 011**	**76 734**
Net decrease in cash and cash equivalent	**2 351**	**3 066**	**(1 508)**
Cash and cash equivalent at the beginning of the year	5 474	6 982	6 982
Cash and cash equivalent at the end of the year	**7 825**	**10 048**	**5 474**

Consolidated statement of changes in equity (R'000)	Share capital	Share premium	Shareholder loan	Accumulated loss	Total
Balance at 1 January 2010	45 246	188 639	11 607	(65 934)	179 558
Increase in equity loans			3 639		3 639
Total comprehensive loss attributable to ordinary shareholders				(10 031)	(10 031)
Balance at 31 December 2010	45 246	188 639	15 246	(75 965)	173 166
Transfer to interest bearing liabilities			(15 246)		(15 246)
Total comprehensive loss attributable to ordinary shareholders				(18 674)	(18 674)
Balance at 30 June 2011	45 246	188 639	-	(94 639)	139 246)

Statement of compliance and basis of preparation

The condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IAS34 Interim financial reporting and AC500 standards as issued by the Accounting Practice Board), the Companies Act of South Africa and the Listings Requirements of the JSE Limited. The accounting policies used to prepare the financial statements have been consistently applied to all periods presented. These financial results have not been reviewed or audited by the company's auditors, Deloitte & Touche.

The financial statements have been prepared on the going concern basis taking into account JSW Energy Limited, (a company listed on the Mumbai stock exchange and operating through its subsidiary JSW Natural Resources South Africa (Proprietary) Limited)("JSW"), continues to support SACMH as reflected in the Annual Report issued in July 2011.

Commentary

1. **Restatement of comparative figures**

   The financial position at 30 June 2010 has been restated to reflect the estimated cost of rehabilitation of historical mining operation shortfalls in existence prior to the acquisition of Umlabu Colliery as well as historical shortfalls not previously valued by the company. These have no impact on the performance for the 6 months period to 30 June 2010. The net effect of the restatement is to increase the net tangible asset value at 30 June 2010 by R5.7 million.
   These changes were effected in the 31 December 2010 results and reported in the company's annual report.

2. **Performance for the 6 months to 30 June 2011**

   2.1 Mining Performance

   Open cast and underground mining activities continued to be in ramp-up phase during these 6 months, with monthly ROM levels, increasing from 13,406 tons per month to 76,864 tons (2010: Nil) in June 2011.

   High strip ratios and difficulties with the underlying geology continued to plague the mining operations, resulting in a higher cost per ton and lower ROM volumes than originally anticipated. The new management instituted a comprehensive review of the resource to obtain more detailed geological information and improve the geoscientific confidence in the resource. This has resulted in a comprehensive drilling programme and consequent detailed new life of mine plan being prepared which will be completed during the month of October.

The open cast mining operations are contracted to Megacube and to STA for the underground operations.

2.2 Production Performance

During the period the wash plant was upgraded to a 200 t.p.h facility with a spiral and centrifuge component.

A total of 139,477 tons (2010: Nil) was produced from operations, during this period with and average yield of 52 %, the underlying resource, inter alia, constraining yield to below than expected levels for the period.

ROM has been processed to a RB1 specification during the period, save for the products inherent sulphur levels which are between 1.0% and 1.2% on average, which is consistent with expectations from the reserve.,

2.3 Health and Safety

The company managed to achieve a 0 Lost Time Injury Frequency Rate during the period, and continues to have a key focus on maintaining this standard and achievement.

2.4 Management

During the period, management decided to effect changes to the operations and mining teams; Phillip Buckle was appointed as the mine manager and Roelof Hugo as Chief Operating Officer [subsequent to the period in review], replacing previous incumbents. Both Philip and Roelof have significant experience in the industry; we believe they will add meaningful value to the company's operations and in particular in improving the mining and operational controls and systems.

3. Logistics

The Companys rail allocation to Richards Bay Coal Terminal (RBCT) in terms of the Quattro allocation scheme administrated by the Department of Minerals and Resources [DMR] was reduced to 157,000 tons (2010: 207,000 tons) resulting in a total rail allocation of 227,000 tons (2010: 257,000 tons) of rail allocation being available. The company is concerned about this reduction and has made representation on this matter to DMR. The impact of reducing allocation at this stage of the company's life is effectively to significantly constrain future export potential and concomitant profitability. Production in excess of the RBCT / Quattro Channel is being shipped through an alternative export channel. Additional export channels are being explored, in addition to inland market opportunities.

4. Revenue

A total of 204,304 tons (2010: Nil) of product was sold on the export market during the period, representing R171 million (2010: Nil) of total turnover.

5. **Asset Management**

Capital expenditure of R30 million was incurred during the year. The upgraded wash plant was fully commissioned at a cost of R12 million during the year and development of the Vlakfontein open cast reserve was completed together with the recommencement of mining operations on the Mooifontein underground section at a cost of R14.5 million. No further major capital commitments were approved.

Mining rights were amortised based on production volumes. The necessary rehabilitation costs have been provided for and include full mine closure and the rehabilitations of previous operations.

6. **Updated Statement of Reserves and Resources and Prospects**

As an integral part of the aforementioned resource evaluation programme, the company is in the process of updating the statement of reserves and resources; this is expected to be issued by the end of October. Once the statement is complete, details of the company's future prospects will be made available.

7. **Financing Activities**

JSW
During the year a further R21.2 million was advanced by JSW to finance the upgrades to the wash plant and to supplement working capital requirements.

Standard Bank of South Africa
The company formalised banking facilities with the Standard Bank of South Africa over and above the existing term loan of R58 million previously in existence.

8. Taxation

Due to the losses incurred during the period no income tax liability was incurred. A reduction in the deferred tax provision of R1.2 million (2010: Nil) was recorded.
Mining Royalty tax of R1.9million [2010: nil] has been included in operating expenses.

Condensed Segmental Analysis

Segmental information has not been prepared as more than 90% of the company's operations relate to its mining activities.

Post Balance Sheet Events

The following events occurred after the balance sheet date:

1. **Mainsail Shareholder Loan**

The shareholder loan of R15,8 million by Mainsail Trading 55 (Pty) Limited was acquired by JSW, which has elected not to convert the loan to equity, and the loan has been reclassified to an interest bearing liability. The loan will continue to bear interest at the prime overdraft rate.

2. **Mining Activities**

An independent investigation which may include a forensic investigation is currently being undertaken into certain of the company's mining activities over the period. Shareholders will be informed of the outcome of the investigation.

Capital Expenditure Commitments

No material commitments have been approved.

Contingencies and Commitments

There has been no change in the previously disclosed contingent assets and liabilities.

Changes to Directorate

Dr V Lickfold, an independent non-executive director was required to retire by rotation at the annual general meeting held on 18 August 2011 and advised that she would not seek re-election.

Mr L M Ndala, a non-executive director and audit committee chairman, resigned with effect from 31 August 2011.

The board wishes to extend its appreciation to both Dr Lickfold and Mr Ndala for their invaluable contributions to the board over the past years.

Change of address

The company relocated from 2nd Floor, 198 Oxford Road to 3rd Floor, 198 Oxford Road on 30 September 2011.

For and behalf of the board

TV MOKGATLHA
Chairman

AJL RAYMENT
Chief Executive Officer

7 October 2011
Johannesburg

Directors : TV Mokgatlha (Chairman), AJL Rayment (Chief Executive Officer), VP Garg (Non-Executive), DGA Miller (Chief Financial Officer)
Registered Office : 3rd Floor, 198 Oxford Road, Illovo, Sandton, Gauteng
Company Secretary: Mrs P F Smit
Transfer Secretary : Computershare Investor Services (Pty) Ltd
Sponsor : Exchange Sponsors (2008) (Pty) Ltd
Auditors : Deloitte & Touche