



(Incorporated in the Republic of South Africa)
 Registration number 1994/009012/06
 Share code: SAH ISIN: ZAE000102034
 ("SACMH" or "the company" or "the Group")

REVIEWED CONDENSED RESULTS OF SACMH AND ITS SUBSIDIARIES ("THE GROUP")

for the six months ended 30 June 2013

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

R'000	Reviewed As at 30 June 2013	Audited As at 31 December 2012
ASSETS		
Non-current assets	483 018	490 864
Property, plant and equipment	82 750	90 596
Intangibles	349 768	349 768
Investments	50 500	50 500
Current assets	14 929	39 841
Inventories	242	499
Trade and other receivables	13 598	33 712
Cash and cash equivalents	1 089	5 630
Current assets held for sale	–	–
Total assets	497 947	530 705
EQUITY AND LIABILITIES		
Capital and reserves	(53 020)	10 585
Issued capital and premium	233 885	233 885
Accumulated loss	(286 905)	(223 300)
Non-current liabilities	505 166	472 278
Shareholder's loan	368 870	312 782
Non-interest bearing liabilities	–	23 200
Non-current provisions	41 353	41 353
Deferred taxation	94 943	94 943
Current liabilities	45 801	47 842
Current portion of interest bearing liabilities	2 486	1 051
Current portion of non-interest bearing liabilities	34 800	11 600
Current portion of provisions	2 933	2 933
Trade and other payables	5 582	32 013
Bank overdraft	–	245
Total equity and liabilities	497 947	530 705

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

R'000	Reviewed Six months to 30 June 2013	Reviewed Six months to 30 June 2012
Turnover	7 568	135 710
Cost of sales	(5 861)	(127 287)
Gross profit	1 707	8 423
Foreign exchange loss	(49 997)	(2 733)
Rehabilitation provision	–	(1 746)
Depreciation	(7 847)	(14 483)
Amortisation of mining rights	–	(10 689)
Finance income	–	–
Operating expenses	(3 607)	(11 778)
Operating loss before finance costs and taxation	(59 744)	(33 006)
Finance costs	(3 861)	(5 936)
Loss before taxation	(63 605)	(38 942)
Taxation	–	3 482
Total comprehensive loss attributable to shareholders	(63 605)	(35 460)
Total comprehensive income attributable to:		
– Equity holders	(63 605)	(35 460)
Loss attributable to equity holders	(63 605)	(35 460)
Headline and diluted loss per share	(0,14)	(0,08)

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOW

R'000	Reviewed Six months to 30 June 2013	Reviewed Six months to 30 June 2012
Cash flows generated from operations	(2 535)	12 605
Finance charges paid	(3 861)	(5 936)
Interest received	–	–
Net cash from/(utilised) in operating activities	(6 396)	6 669
Cash flows from investing activities	–	(560)
Purchase of property, plant and equipment	–	(560)
Proceeds on sale of assets held for resale	–	–
Net cash used in investing activities	–	(560)
Cash from financing activities	2 100	22 813
New loan from shareholder	2 100	22 813
Repayment of SBSA loan	–	(7 890)
Net cash from financing activities	2 100	14 923
Net decrease in cash and cash equivalents	(4 296)	21 032
Cash and cash equivalents at the beginning of the period	5 385	(16 523)
Cash and cash equivalents at the end of the period	1 089	4 509

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Share capital	Share premium	Accumulated loss	Total
Balance at 30 June 2011	45 246	188 639	(94 639)	139 246
Total comprehensive loss	–	–	(79 862)	(79 862)
Balance at 31 December 2011	45 246	188 639	(174 501)	59 384
Total comprehensive loss	–	–	(35 460)	(35 460)
Balance at 30 June 2012	45 246	188 639	(209 961)	23 924
Total comprehensive loss	–	–	(13 339)	(13 339)
Balance at 31 December 2012	45 246	188 639	(223 300)	10 585
Total comprehensive loss	–	–	(63 605)	(63 605)
Balance at 30 June 2013	45 246	188 639	(286 905)	(53 020)

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME STATEMENT

	30 June 2013 Reviewed	30 June 2012 Reviewed
Weighted number of ordinary shares in issue ('000)	452 454	452 454
Determination of headline loss:		
Basic and diluted loss per share	(0,14)	(0,08)
Impairments per share	–	–
Loss on sale/scraping of non-current assets per share (cents)	–	–
Headline and diluted loss per share	(0,14)	(0,08)

Statement of compliance and basis of preparation

The reviewed condensed consolidated interim results have been prepared, under the supervision of David Miller CA(SA), Chief Financial Officer, in accordance with and containing International Financial Reporting Standards (IFRS), including the information required by International Accounting Standard (IAS) 34, Interim Financial Reporting, the AC 500 standards issued by the Accounting Practices Board, the Listings Requirements of the JSE Limited and in compliance with the requirements of the South African Companies Act, No 71 of 2008. The accounting policies used are in terms of IFRS and are consistent with those of the Annual Financial Statements as at 31 December 2012.

The condensed consolidated financial report has been prepared in accordance with the historical cost convention, except for certain financial instruments which are stated at fair value, and is presented in Rand, which is SACMH's functional and presentation currency.

The interim results have been reviewed by the group's auditors, Mazars. Their unqualified review opinion is available for inspection at the company's registered office. Their review was conducted in accordance with ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity".

These financial results have been prepared on the going concern basis taking into account that JSW Energy Limited (a company listed on the Indian stock exchanges and operating through its subsidiary JSW Energy Natural Resources South Africa Proprietary Limited, continues to support SACMH as reflected in the Annual Report for the year ended 31 December 2012 issued in June 2013.

COMMENTARY

1. Performance for the six months to 30 June 2013

Operations at the Group's Umlabu Colliery continue to be suspended pending the finalisation of the Water Use Licence Application (WULA) by the Department of Minerals and Resources (DMR). All assets and infrastructure are being maintained under a "Care and Maintenance" programme.

The Group is utilising its logistical and infrastructural assets to generate rental income to offset the costs incurred while operations remain suspended. This has resulted in a greater than 10% movement in the following items reflected in the statement of comprehensive income:

- Turnover
- Cost of sales
- Gross profit
- Operating expenses

2. Foreign exchange loss

The depreciation of the US\$/ZAR rate from R8,67 to R10,13 during the reporting period resulted in an unrealised loss of R50 million (2012: R3 million) on the shareholder's loan.

3. Depreciation

Depreciation charges of R7,8 million (2012: R14,5 million) are lower than the previous comparative period as a result of accelerated charges in the previous year.

4. Statement of reserves and resources and prospects

There are no changes to the Group's estimated reserves and resources.

5. Financing activities

Finance costs of R3,9 million (2012: R5,9 million) on shareholders' advances are at lower rates than liabilities to third parties repaid during the previous period.

During the period the Group's major shareholder advanced a further R2,1 million to the Group for working capital purposes. Increases in the shareholder's loan relate to foreign exchange movements as discussed in note 2 above.

6. Asset management

Working capital requirements have been reduced by more than 10% during the period as a result of suspension of operations at Umlabu Colliery, this includes:

- Inventory
- Accounts receivable
- Accounts payable

7. Taxation

No taxation has been provided as the Group has incurred a taxable loss for the period. No adjustment of the deferred tax provisions was made (2012: R3,5 million) as there was no change reduction in the carrying value of the mineral right or rehabilitation liability.

8. Mining Rights

The carrying value of Mining Rights is tested against expected economic benefit based on expected cash flows discounted to their present value to determine whether there is any impairment of the value of the Mineral Rights at year-end. No impairment was considered necessary.

The following significant assumptions have been made in determining the economic value of mineral rights:

- *Selling Prices* – the API4 index as quoted by McCloskeys;
- *Foreign Exchange* – the forecast as quoted by The Standard Bank of South Africa Limited; and
- *Discount Rate* – expected future cash flows have been discounted to their present value based on a Weighted Average Cost of Capital (WACC) of 19% (2012: 17,3%).

9. Going concern

The Group incurred a net loss of R63 million (2012: R35 million) during the six months. The Group's going concern has been underwritten by the support of JSW Energy (a company listed on the Indian stock exchanges) which operates through its subsidiary JSW Energy Natural Resources South Africa Proprietary Limited ("JSWENRSAL") supporting SACMH. JSW Energy has confirmed its support in writing of their intention to continue financial support of SACMH, subject to the following:

- JSW obtains Board approval for additional funding at the time;
- JSW fulfils all regulatory requirements as prescribed by Indian legislation; and
- JSW remains the majority shareholder.

In terms of the loan agreements JSW Energy has undertaken not to accept repayment of its loan accounts until such stage as SACMH's assets, fairly valued, exceed its liabilities.

10. Events after the reporting period

The loan from The Standard Bank of South Africa has been settled in full, the necessary funds were advanced by JSW Energy, India. Consequently all amounts due have been reclassified to current non-interest bearing liabilities.

Other than the abovementioned, there have been no further subsequent events for the period ended 30 June 2013.

11. Capital expenditure commitments

The Group has no capital expenditure commitments.

12. Contingencies and commitments

There have been no changes from those disclosed in the Group's Integrated Report for the year ended 31 December 2012.

13. Prospects

Until such stage as approval of the WULA for the Voorslag reserve at Umlabu Colliery is received, operations will remain suspended. The Group is actively pursuing opportunities to lease its logistical and its infrastructural assets to third parties in the interim to offset the costs of 'Care and Maintenance'.

No commitment has been received from the DMR with regard to finalisation of the WULA.

This general forecast has not been reviewed or audited by the auditors.

14. Related party transactions

During the period under review, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	2013 R'000	2012 R'000
Interest paid		
– Mainsail Trading 55 (Pty) Limited	406	761
– JSW Energy Natural Resources South Africa (Pty) Limited	349 860	2 440
Loans from related parties		
– Mainsail Trading 55 (Pty) Limited	19 010	17 375
– JSW Energy Natural Resources South Africa (Pty) Limited	349 860	218 254

There were no other related party transactions during the period.

15. Changes to directorate

There have been no changes to the board of directors during the period under review.

QMSM Mokoetle

Chairman
26 September 2013

DGA Miller

Chief Financial Officer and Acting Chief Executive Officer

Directors:

QMSM Mokoetle (Independent non-executive Chairman), DGA Miller (CFO/Acting CEO)
VP Garg (non-executive)*, PP Menon (non-executive)* *Indian

Registered office:

1st Floor, 198 Oxford Road, Illovo, Sandton

Company secretary:

Mrs PF Smit

Transfer secretary:

Computershare Investor Services (Pty) Limited

Sponsor:

Exchange Sponsors

Auditors:

Mazars Incorporated

Website:

www.sacmh.co.za

