

# ACHIEVEMENTS

- Revenue increased by 92% from R160 million to R306 million.
- Profit after tax increased by 145% from R39 million to R93 million.
- Headline earnings per share increased by 120% from 2.96 cents to 6.52 cents.
- Fully diluted earnings per share increased by 127% from 8.32 cents to 18.89 cents.

# petmin

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

**Petmin Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1972/001062/06)  
JSE code: PET AIM code: PTMN  
ISIN: ZAE00076014  
("Petmin" or "the Company" or "the Group")

<b>Condensed Consolidated Interim Income Statement</b> for the six months ended 31 December 2007			
GROUP	Reviewed Six months ended 31 December 2007 R'000	Reviewed Six months ended 31 December 2006 R'000	Audited Year ended 30 June 2007 R'000
Revenue	306 178	159 500	382 341
Cost of sales	(250 654)	(135 737)	(326 500)
<b>Gross profit</b>	<b>55 524</b>	<b>23 763</b>	<b>55 841</b>
Other income	–	26 052	54 943
– Profit on acquisition of subsidiary	–	26 052	26 052
– Profit on sale of subsidiary	–	–	28 891
Other operating income (Fair value derivatives)	5 803	–	607
Administration expenses	(11 941)	(6 020)	(20 260)
<b>Operating profit before financing costs</b>	<b>49 386</b>	<b>43 795</b>	<b>91 131</b>
Net finance expense	(1 573)	(488)	(1 104)
– Financial income (interest received)	1 560	874	3 352
– Financial expenses (interest paid)	(3 133)	(1 362)	(4 456)
Share of profit of equity accounted investee (net of income tax) (ii)	61 706	–	–
<b>Profit before tax</b>	<b>109 519</b>	<b>43 307</b>	<b>90 027</b>
Income tax expense	(16 358)	(4 809)	(15 613)
<b>Profit for the period</b>	<b>93 161</b>	<b>38 498</b>	<b>74 414</b>
Basic earnings per ordinary share (cents) 6	19.30	8.70	16.14
Diluted earnings per ordinary share (cents) 6	18.89	8.32	15.77

<b>Condensed Consolidated Interim Cash Flow Statement</b> for the six months ended 31 December 2007			
GROUP	Reviewed Six months ended 31 December 2007 R'000	Reviewed Six months ended 31 December 2006 R'000	Audited Year ended 30 June 2007 R'000
<b>Net cash flow from operating activities</b>	<b>56 316</b>	<b>(20 459)</b>	<b>27 889</b>
<b>Cash flows from investing activities</b>	<b>–</b>	<b>–</b>	<b>30 593</b>
Proceeds from sale of subsidiary	–	–	30 593
Investment in associate	(20 346)	–	–
Increase in investment in rehabilitation funds	(188)	(351)	(912)
Acquisition of property, plant and equipment	(55 138)	(67 881)	(127 522)
Proceeds from sale of property, plant and equipment	–	273	399
<b>Net cash flow from investing activities</b>	<b>(75 672)</b>	<b>(67 959)</b>	<b>(97 442)</b>
<b>Cash flows from financing activities</b>	<b>–</b>	<b>–</b>	<b>–</b>
Proceeds from specific and general share issues for cash during the period	32 578	34 091	34 053
Repayment of borrowings	(6 259)	(4 771)	(10 813)
Increase in borrowings	–	36 529	36 529

<b>Condensed Consolidated Interim Balance Sheet</b> at 31 December 2007			
GROUP	Reviewed 31 December 2007 R'000	Reviewed 31 December 2006 R'000	Audited 30 June 2007 R'000
<b>ASSETS</b>	<b>639 741</b>	<b>423 018</b>	<b>469 518</b>
<b>Non-current assets</b>	<b>491 620</b>	<b>406 718</b>	<b>453 122</b>
Property, plant and equipment	491 620	406 718	453 122
Intangible asset	5 963	6 556	6 222
Investment in associate (ii)	131 796	–	–
Investments	2	2	2
Restricted financial assets	10 360	9 742	10 172
<b>Current assets</b>	<b>227 981</b>	<b>167 418</b>	<b>207 901</b>
Assets classified as held for sale	–	1 485	–
Inventories	65 584	49 482	63 045
Trade and other receivables	95 084	68 886	83 713
Taxation pre-paid	–	–	793
Cash and cash equivalents	67 313	47 565	60 350
<b>Total assets</b>	<b>867 722</b>	<b>590 436</b>	<b>677 419</b>
<b>EQUITY AND LIABILITIES</b>	<b>867 722</b>	<b>590 436</b>	<b>677 419</b>
<b>Ordinary share capital and reserves</b>	<b>632 795</b>	<b>408 985</b>	<b>451 051</b>
Share capital	126 991	119 972	119 972
Share premium	231 297	158 912	155 995
Share option reserve	21 998	7 123	15 736
Contingent consideration	1 500	1 500	1 500
Retained earnings	251 009	121 478	157 848
<b>Non-current liabilities</b>	<b>131 557</b>	<b>111 966</b>	<b>118 627</b>
Interest bearing loans and borrowings	31 566	41 272	36 436
Deferred taxation	76 661	56 321	61 612
Environmental rehabilitation provisions	23 330	14 373	20 579
<b>Current liabilities</b>	<b>103 370</b>	<b>69 485</b>	<b>107 741</b>
Trade and other payables	90 517	52 513	87 115
Interest bearing loans and borrowings	12 792	15 387	14 181
Taxation payable	61	1 585	6 445
<b>Total equity and liabilities</b>	<b>867 722</b>	<b>590 436</b>	<b>677 419</b>
Net asset value ("NAV") per share (cents) 7	124.57	85.22	93.99
Fully diluted NAV per share (cents) 7	113.63	79.94	85.25

Business Segments	Silica			Anthracite		Other (Corporate office)			Eliminations		Consolidated entity			
	Reviewed Six months ended 31 December 2007 R'000	Reviewed Six months ended 31 December 2006 R'000	Audited Year ended 30 June 2007 R'000	Reviewed Six months ended 31 December 2007 R'000	Audited Year ended 30 June 2007 R'000	Reviewed Six months ended 31 December 2007 R'000	Reviewed Six months ended 31 December 2006 R'000	Audited Year ended 30 June 2007 R'000	Reviewed Six months ended 31 December 2007 R'000	Reviewed Six months ended 31 December 2006 R'000	Audited Year ended 30 June 2007 R'000	Reviewed Six months ended 31 December 2007 R'000	Reviewed Six months ended 31 December 2006 R'000	Audited Year ended 30 June 2007 R'000
Saleable tonnes produced	615 887	694 580	1 240 000	615 360	720 135	–	–	–	–	–	–	1 231 247	1 007 943	1 960 135
Tonnes sold	630 089	710 806	1 394 810	597 084	733 999	334 391	–	–	–	–	–	1 227 173	1 045 197	2 128 809
Segment revenue	68 653	61 291	127 712	237 525	254 629	98 209	–	–	–	–	–	306 178	159 500	382 341
<b>Segment profit/(loss) before tax</b>	<b>19 975</b>	<b>20 467</b>	<b>35 379</b>	<b>30 565</b>	<b>6 667</b>	<b>(630)</b>	<b>(2 727)</b>	<b>(2 582)</b>	<b>(6 962)</b>	<b>–</b>	<b>–</b>	<b>47 813</b>	<b>17 255</b>	<b>35 084</b>
– profit on sale of subsidiary	–	–	–	–	28 891	–	–	–	–	–	–	–	–	28 891
– share of profit of equity accounted investee	–	–	–	–	–	–	61 706	–	–	–	–	61 706	–	–
– profit on acquisition of subsidiary	–	–	–	–	–	–	–	26 052	26 052	–	–	–	26 052	26 052
<b>Segment profit/(loss) before tax</b>	<b>19 975</b>	<b>20 467</b>	<b>35 379</b>	<b>30 565</b>	<b>35 558</b>	<b>(630)</b>	<b>58 979</b>	<b>23 470</b>	<b>19 090</b>	<b>–</b>	<b>–</b>	<b>109 519</b>	<b>43 307</b>	<b>90 027</b>

### Condensed Consolidated Interim Statement of Changes in Equity

for the six months ended 31 December 2007

GROUP	Share capital R'000	Share premium R'000	Share option reserve R'000	Contingent consideration reserve R'000	Retained earnings R'000	Total R'000
<b>Balance at 1 July 2006</b>	<b>109 972</b>	<b>134 821</b>	<b>5 141</b>	<b>27 552</b>	<b>82 980</b>	<b>360 466</b>
Shares issued during the year	–	–	–	–	–	–
– General issue for cash	10 000	39 097	–	–	–	49 097
Share options granted	–	–	10 595	–	–	10 595
Contingent share issue on acquisition of Springlake reversed	–	–	–	(26 052)	–	(26 052)
Cost capitalised to share premium	–	(17 923)	–	–	–	(17 923)
Dividends forfeited	–	–	–	–	454	454
Profit for the year	–	–	–	–	74 414	74 414
<b>Balance at 30 June 2007</b>	<b>119 972</b>	<b>155 995</b>	<b>15 736</b>	<b>1 500</b>	<b>157 848</b>	<b>451 051</b>
Shares issued during the period	–	–	–	–	–	–
– General issue for cash	3 250	30 550	–	–	–	33 800
– Issued on acquisition of investment in associate	3 769	45 975	–	–	–	49 744
Costs capitalised to share premium	–	(1 223)	–	–	–	(1 223)
Share options granted	–	–	6 317	–	–	6 317
Fair value of options forfeited	–	–	(55)	–	–	(55)
Profit for the period	–	–	–	–	93 161	93 161
<b>Balance at 31 December 2007</b>	<b>126 991</b>	<b>231 297</b>	<b>21 998</b>	<b>1 500</b>	<b>251 009</b>	<b>632 795</b>

### SEGMENT REPORTING

Segment information is presented in the condensed consolidated interim financial statements in respect of the Group's business segments, which are the primary basis of segment reporting. The business segment reporting format reflects the Group's management reporting structures. Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### BUSINESS SEGMENTS

The Group comprises the following main business segments:

- Silica mining and marketing.
- Anthracite mining and marketing.

