

SEPHAKU HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2005/003306/06)

Share code: SEP ISIN: ZAE000138459

("Sephaku Holdings" or "the Company" or "the Group")

CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL RESULTS

for the twelve months ended 30 June 2011

CONDENSED CONSOLIDATED STATEMENT

OF FINANCIAL POSITION

	30 June 2011 R'000 Audited	30 June 2010 R'000 Audited
Assets		
Non-current assets	691 771	507 314
Current assets	38 773	105 276
Non-current assets held for sale	21 164	-
Total assets	751 708	612 590
Equity and liabilities		
Equity attributable to equity holders of the parent	746 784	406 415
Non-controlling interest	-	71 674
Non-current liabilities	-	32 249
Current liabilities	4 924	102 252
Total equity and liabilities	751 708	612 590
Net asset value per share (cents)	441,13	260,85
Tangible net asset value per share (cents)	406,16	203,25
Ordinary shares in issue	169 290 732	155 805 362

CONDENSED CONSOLIDATED STATEMENT

OF CASH FLOWS

	Twelve months ended 30 June 2011 R'000 Audited	Sixteen months ended 30 June 2010 R'000 Audited
Cash flows from operating activities	(51 780)	(112 866)
Cash flows from investing activities	(3 927)	(172 283)
Cash flows from financing activities	46 644	28 370
Total cash movement for the period	(9 063)	(256 779)
Cash at beginning of the period	14 898	271 678
Cash at end of the period	5 835	14 899

CONDENSED CONSOLIDATED STATEMENT

OF COMPREHENSIVE INCOME

Twelve months ended 30 June	Sixteen months ended 30 June
-----------------------------------	------------------------------------

	2011 R'000 Audited	2010 R'000 Audited
Operating loss	(37 277)	(27 255)
Profit on dilution/disposal of interest in companies	409 998	31 124
Investment revenue	1 163	4 258
Loss from equity accounted investments	(8 859)	(2 048)
Finance costs	(926)	(122)
Profit before taxation	364 099	5 957
Taxation	(1 558)	1 059
Profit from continuing operations	362 541	7 016
Loss for the period from discontinued operations	(18 842)	(97 190)
Profit/(loss) for the period	343 699	(90 174)
Other comprehensive (loss)/income for the period	(46 921)	34 239
Total comprehensive income/(loss) for the period	296 778	(55 935)
Profit/(loss) attributable to:		
Equity holders of the parent	343 699	(71 497)
Non-controlling interest	-	(18 677)
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent	303 550	(44 030)
Non-controlling interest	(6 772)	(11 905)
Ordinary shares:		
- weighted average number of shares	161 305 112	154 896 985
- diluted weighted average number of shares	176 788 582	160 836 985
Attributable profit/(loss) per share:		
- basic earnings from continuing operations (cents)	224,75	4,53
- basic earnings/(loss) from total operations (cents)	213,07	(46,16)
- diluted earnings from continuing operations (cents)	205,07	4,36
- diluted earnings/(loss) from total operations (cents)	194,41	(44,45)
- headline loss (cents)	(39,63)	(63,23)
- diluted headline loss (cents)	(36,16)	(60,89)
Reconciliation of basic loss to diluted loss and headline loss:		
Basic earnings/(loss) and diluted earnings/(loss) from total operations attributable to equity holders of the parent	343 699	(71 497)
Profit on sale of non-current assets	(409 997)	(31 124)
Impairments	2 366	4 684
Headline loss attributable to equity holders of the parent	(63 932)	(97 937)
Reconciliation of weighted average number of shares:		
Basic weighted average number of shares	161 305 112	154 896 985
Diluted effect of share options	15 483 470	5 940 000

Diluted weighted average number of shares	176 788 582	160 836 985
---	-------------	-------------

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total share capital R'000	Total reserves R'000	Retained earnings R'000
Balance at 1 March 2009	214 982	1 678	212 702
Total comprehensive income/(loss) for the period	-	27 466	(71 496)
Issue of shares	7 816	-	-
Subsidiary holding treasury shares sold	2 417	-	-
Cross Company Management (Pty) Limited transferred to Trust	-	-	8 003
Employees share option scheme	-	2 847	-
Balance at 1 July 2010			
Audited	225 215	31 991	149 209
Total comprehensive income/(loss) for the period	-	(40 149)	343 699
Issue of shares	47 054	-	-
Dilution of control in Sephaku Cement (Pty) Limited	319 859	-	(319 859)
Employees share option scheme	-	1 548	1 782
Dividend paid	-	-	(13 565)
Balance at 30 June 2011			
Audited	592 128	(6 610)	161 266
Dividend paid per share (cents)	8,71		

	Attributable to equity holders of the parent R'000	Non- controlling interests R'000	Total equity R'000
Balance at 1 March 2009	429 362	83 579	512 941
Total comprehensive income/(loss) for the period	(44 030)	(11 905)	(55 935)
Issue of shares	7 816	-	7 816
Subsidiary holding treasury shares sold	2 417	-	2 417
Cross Company Management (Pty) Limited transferred to Trust	8 003	-	8 003
Employees share option scheme	2 847	-	2 847
Balance at 1 July 2010			
Audited	406 415	71 674	478 089
Total comprehensive income/(loss) for the period	303 550	(6 772)	296 778
Issue of shares	47 054	-	47 054
Dilution of control in Sephaku Cement (Pty) Limited		(64 902)	(64 902)

Employees share option scheme	3 330	-	3 330
Dividend paid	(13 565)	-	(13 565)
Balance at 30 June 2011			
Audited	746 784	-	746 784
Dividend paid per share (cents)			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS

Segmental reporting

	Cement R'000	Fluorspar R'000	Other R'000
Segment information for the Group - 30 June 2010			
Audited			
Segment (profit)/loss	86 215	2 712	(12 590)
Segment assets	470 558	53 252	149 631
Segment liability	(127 410)	(59 033)	(22 427)

	Consolidation R'000	Total R'000
Segment information for the Group - 30 June 2010		
Audited		
Segment (profit)/loss	13 837	90 174
Segment assets	(60 851)	612 590
Segment liability	74 369	(134 501)

Segment information for the Group - 30 June 2011 - Audited

Due to the dilution of Sephaku Holdings' interest in Sephaku Cement (Pty) Limited and the unbundling of Incubex Minerals Limited ("Incubex") subsidiaries' assets and liabilities, the only reportable segment in 2011 is Fluorspar. No segment reporting has therefore been presented in the current reporting period.

Basis of preparation

The condensed consolidated provisional results for the twelve months ended 30 June 2011 ("annual reporting period") have been prepared in accordance with IAS 34: Interim Financial Reporting, as well as the AC 500 statements and interpretations, on a historical cost basis and conform to International Financial Reporting Standards ("IFRS").

The accounting policies adopted for the annual reporting period are consistent with those applied in the financial statements for the Group for the period ended 30 June 2010.

The annual reporting period announcement has been prepared in accordance with the disclosure requirements of the JSE Limited Listings Requirements and the Companies Act of South Africa.

The preparation of the financial statements have been supervised by NR

Crafford-Lazarus (CA (SA)) and Steven Steyn (CA(SA)).

Audit opinion

The financial results have been audited by the Group's external auditors PKF (Pta) Inc. A copy of their unqualified audit report is available for inspection at the Company's registered office.

Statement on going concern

The financial statements for the annual reporting period have been prepared on the going-concern basis as the directors have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

Significant events and transactions

Restructuring

The Group was restructured during the annual reporting period in order to represent a more defined and focused investment opportunity to the market. Sephaku Holdings has disposed of all of the shares that it held in its subsidiaries to Incubex, save for its cement and fluorspar interests.

Subsequently, Sephaku Holdings distributed all of the issued shares in Incubex to its shareholders in the form of a dividend in specie of R13,6 million in the ratio of one Incubex share for every ten Sephaku Holdings shares held.

The impact of the restructuring on the annual reporting period results is the removal of the Incubex subsidiaries' assets and liabilities from Sephaku Holdings consolidation. The total loss for the Incubex subsidiaries for the annual period up to the unbundling on 31 October 2010, is included in the Statement of Comprehensive Income as a R2 million loss from discontinued operations.

Dilution of interest in Sephaku Cement

Sephaku Cement (Pty) Limited ("Sephaku Cement") issued shares for cash to Dangote Industries Limited ("Dangote Industries") during the annual reporting period in order to settle a loan of R75,6 million.

Dangote Industries also subscribed for shares in an amount of R703,4 million resulting in Dangote Industries increasing its interest in Sephaku Cement from 19,76% to 64,00% with Sephaku Holdings retaining a 35,994% interest. The finalisation of the Dangote Industries' transaction places Sephaku Cement firmly on track to develop its Aganang and Delmas projects with sufficient equity funding and the necessary guarantees provided by Dangote Industries to secure the required debt financing.

Sephaku Cement's assets and liabilities are no longer consolidated in Sephaku Holdings but are shown as an equity accounted investment in associate at a fair value of R635 million on the date of dilution. Profit on dilution of interest in Sephaku Cement of R408 million is included in the Statement of Comprehensive Income as well as a loss of R16,7 million for the annual period to 15 October 2010, which is classified as loss from discontinued operations, as a result of the change in Sephaku Holdings' interest in Sephaku Cement from

a subsidiary to an associate.

African Nickel Holdings

Sephaku Holdings' investment in African Nickel Holdings (Pty) Limited is carried at fair value less cost to sell of R21 million and is disclosed as an asset held for sale, as management is committed to a plan to dispose of the nickel assets in the near future.

Fluorspar

Mining Right GP/30/5/1/2/2 (293) MR was notarially executed by the Department of Mineral Resources on 26 July 2011 and is valid until 25 July 2031. Sephaku Fluoride Limited's ("Sephaku Fluoride") two major deposits, the Outwash Fan deposit and the Plattekop deposit, are together believed to rank among the highest-grade fluorspar deposits in the world. Sephaku Fluoride intends developing these into a fluorspar mine, aiming to initially produce 180 000tpa of chemical-grade fluorspar by the end of 2013.

Mineral resource and mineral reserve statements

There have been no material changes to the Company's mineral resource and mineral reserve statements as compared to those presented in the financial results for the sixteen months ended 30 June 2010.

Events subsequent to 30 June 2011

On 12 October 2010 Ulipac (Pty) Limited ("Ulipac") (a wholly-owned subsidiary of Sephaku Fluoride) and Umbono Fluorspar Wallmannsthal (Pty) Limited ("Umbono") entered into an agreement whereby Ulipac acquired the Prospecting Right for the Fluorspar deposit on the Wallmannsthal Agricultural Holdings and the associated property from Umbono.

This agreement was subject to the consent of the Minister of Mineral Resources in terms of section 11 of the Mineral and Petroleum Resources Development Act, which was obtained and executed on 8 August 2011.

The purchase price of R15 million for the prospecting right and property will be settled by Ulipac as follows:

- R6 million cash payable in monthly instalments of R1 million from 1 September 2011 to 1 February 2012. The balance of the cash portion shall accrue interest at the prime lending rate, which will be repaid with the final instalment; and

- the issue of 2,5 million listed shares in Sephaku Holdings at R3,60 per share. One-third of the shares are subject to an 18-month restriction period and two-thirds of the shares are subject to a 24-month restriction period, in that Umbono will not be able to sell the restricted shares during the restriction period.

Subsequent to year-end Sephaku Fluoride received a loan of US\$10 000 000 which may be converted into an equity participation of 10% to 15%, subject to certain investment criteria. The conversion will take place at the earliest of a restructuring transaction by Sephaku Holdings and 31 January 2012. In the event that a restructuring transaction has not taken place by 31 January 2012,

the loan will either be settled in cash together with accrued interest or shares.

Changes to the board

Mr Morrison Smit resigned as the financial director of the Company with effect from 28 February 2011 and Mr Steven Steyn was appointed as acting chief financial officer. There have been no further changes to the board of directors.

On behalf of the board

Neil Crafford-Lazarus
CEO

Lelau Mohuba
Chairman

Pretoria
29 September 2011

Company information

Directors

L Mohuba (Chairman), NR Crafford-Lazarus* (Chief Executive Officer)

RR Matjiu*, CR de Bruin, MG Mahlare, GS Mahlati

MM Ngoasheng, PF Fourie, J Bennette#, D Twist#, JW Wessels#

*Executive #Alternate

Company secretary

Cross Company Management (Pty) Limited

Registered office

Suite 4A, Manhattan Office Park

16 Pieter Road, Highveld Technopark

Centurion, 0169

Transfer Secretaries

Computershare Investor Services (Proprietary) Limited

70 Marshall Street

Johannesburg

Sponsor

Questco Sponsors (Proprietary) Limited

www.sephakuholdings.co.za