The JSE Journal

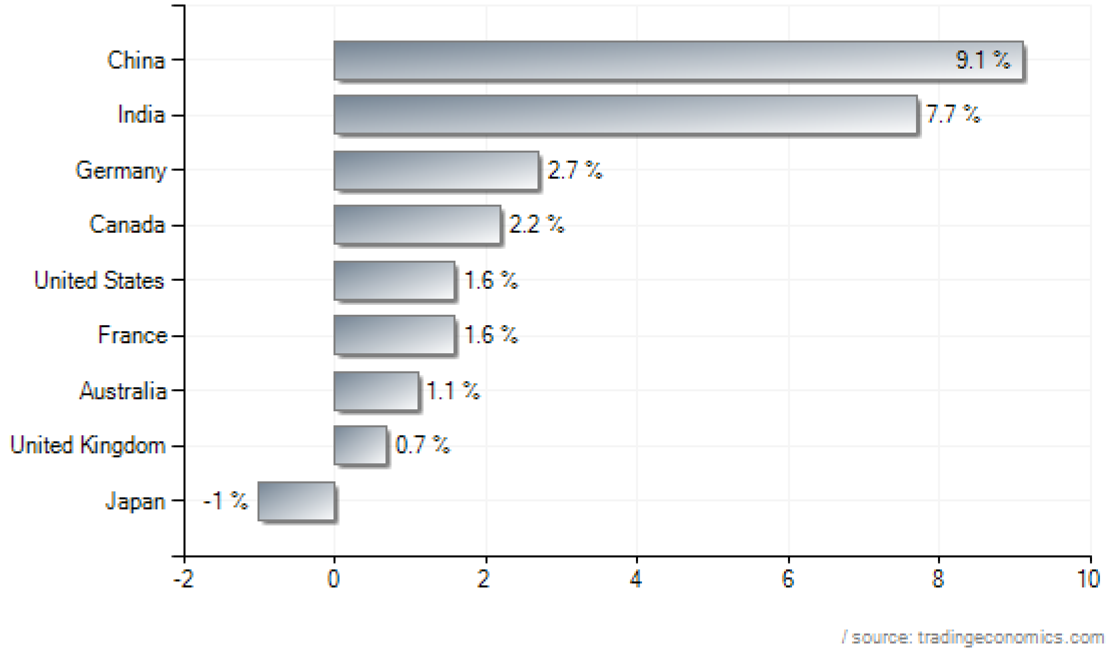
Welcome to the Noveber edition of the JSE Journal. Every month we release this free publication containing the previous months economic trends, news, company results and prospects, as well as an independent review of a few selected companies on the JSE with buy, sell or hold recommendations.

The contents for this month's newsletter are as follows:

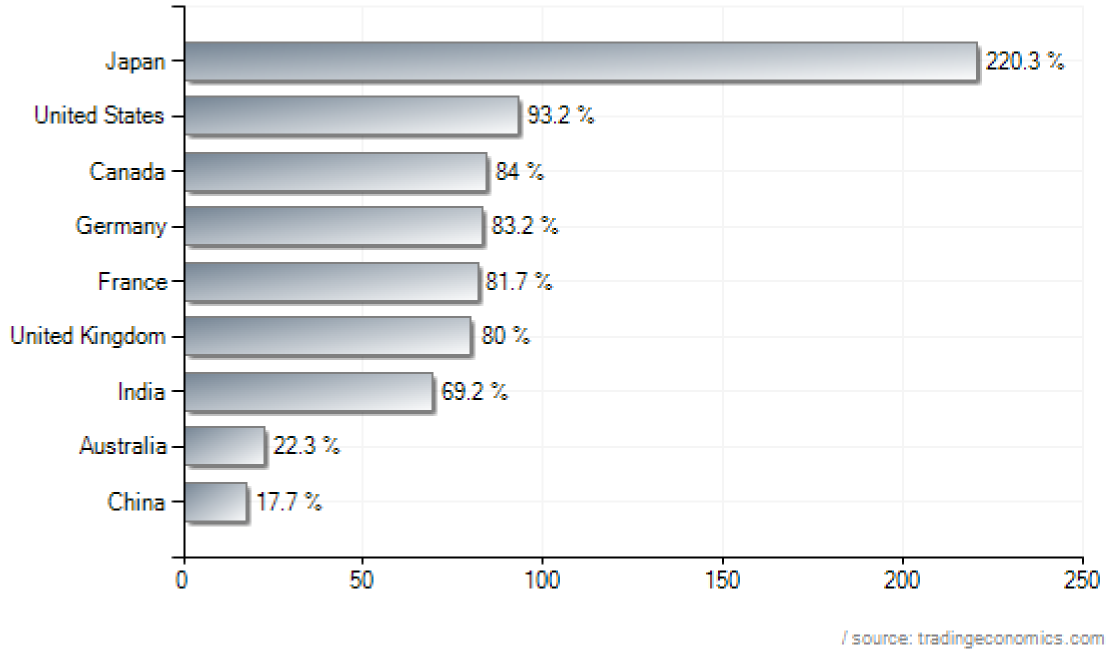
- Economic data and trends for the US and Euro region economies
- Company final, quarterly or interim results for November
    - Sea Kay Holdings
    - Net 1 UEPS Technologies
    - Harmony
    - Chemspec
    - Redefine Ltd
    - Blue Financial Services
    - Santova Logistics Ltd
    - Sekunjalo Investments Ltd
    - Redefine Properties Ltd
    - Mas PLC
    - Foshini
    - Arcmittal
    - Afrimat
    - Stratcorp
    - Colliers
    - Vodacom
    - Raubex
    - Platmin
    - Lonrho
    - Invicta
    - Uranium One
- Previous company review updates – Sanyati Holdings interim report
- The JSE Journal Company review
    - PSV Holdings and Wescoal

ECONOMIC DATA AND TRENDS

GDP MAJOR ECONOMIES



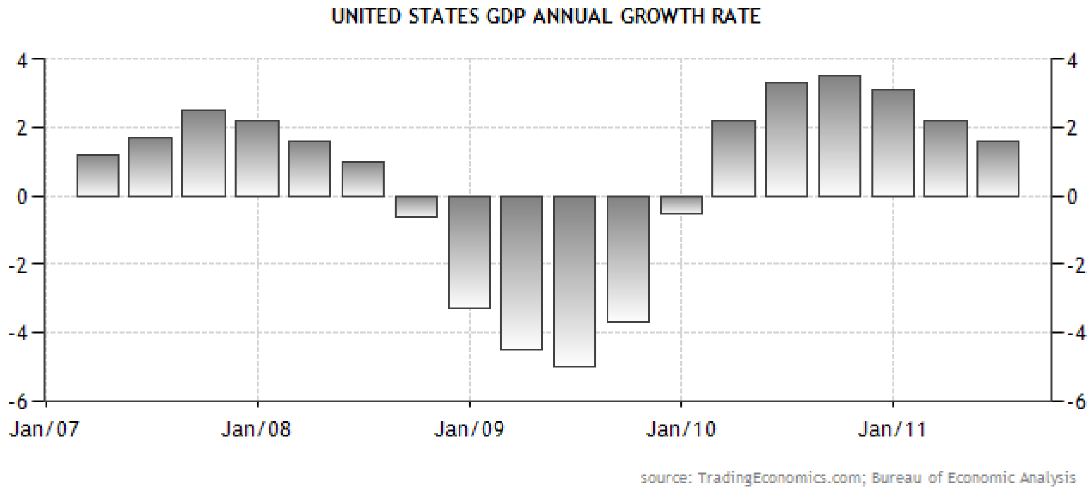
PERCENTAGE DEBT TO GDP



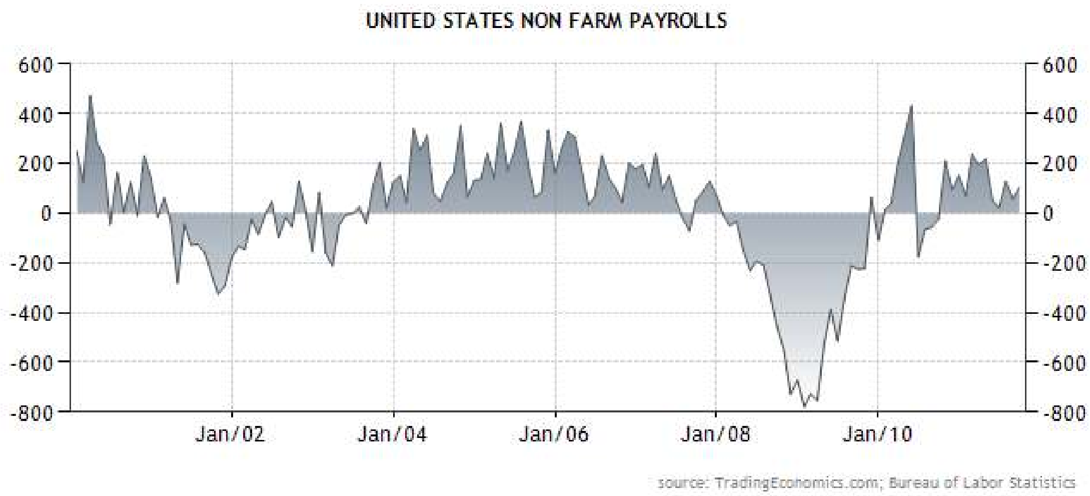
UNITED STATES

In the United States, business confidence also known as The Purchasing Managers Index (PMI) improved to 51.6% in September of 2011 from 50.6% in August of 2011, according to the Institute of Supply Management (ISM). The PMI is a composite index of five indicators (production level, new orders, supplier deliveries, inventories, employment level), which are extracted through surveys to more than 400 purchasing managers from around the country, chosen for their geographic and industry diversification benefits. In the United States, the business confidence survey measures the level of optimism that people who run companies have about the performance of the economy and how they feel about their organizations' prospects. Business confidence surveys can provide useful signs about the current condition of the economy, because companies often have information about consumer demand sooner than government statisticians do.

In the United States, consumer confidence declined to 39.8 in October of 2011 from 46.4 in September of 2011. In the United States, The Conference Board Consumer Confidence Index® (CCI) is a barometer of the health of the U.S. economy from the perspective of the consumer. The index is based on approximately 3,000 completed questionnaires reflecting consumers' perceptions of current business and employment conditions, as well as their expectations for six months hence regarding business conditions, employment, and income. The Conference Board® and Consumer Confidence Index® are registered trademarks of The Conference Board. The Consumer Confidence Index and its related series are among the earliest sets of economic indicators available each month and are closely watched as leading indicators for the U.S. economy.



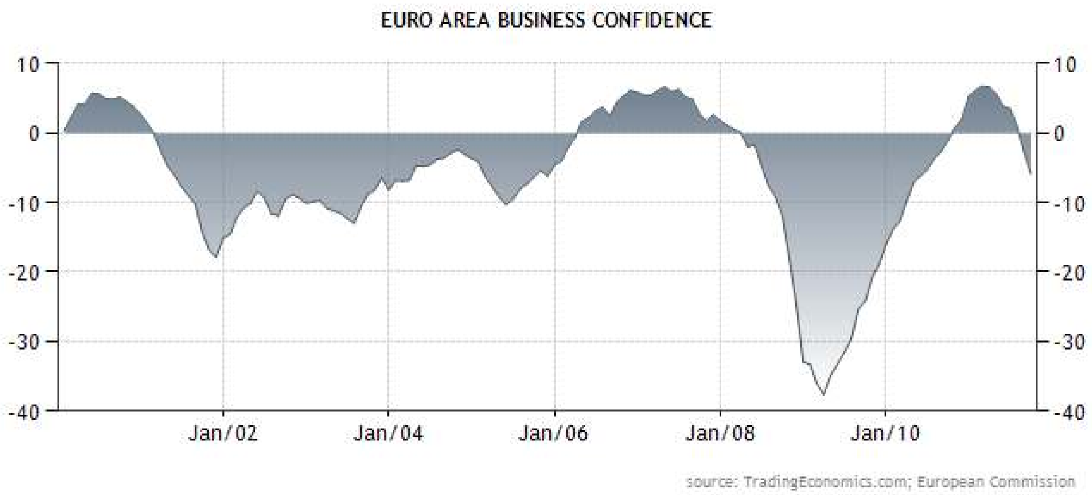
The Gross Domestic Product (GDP) in the United States expanded 1.60 percent in the third quarter of 2011 over the same quarter, previous year. Unlike the commonly used quarterly GDP growth rate the annual GDP growth rate takes into account a full year of economic activity, thus avoiding the need to make any type of seasonal adjustment. Historically, from 1948 until 2011 the United States' average annual GDP Growth was 3.25 percent reaching an historical high of 13.40 percent in December of 1950 and a record low of -5.00 percent in June of 2009.



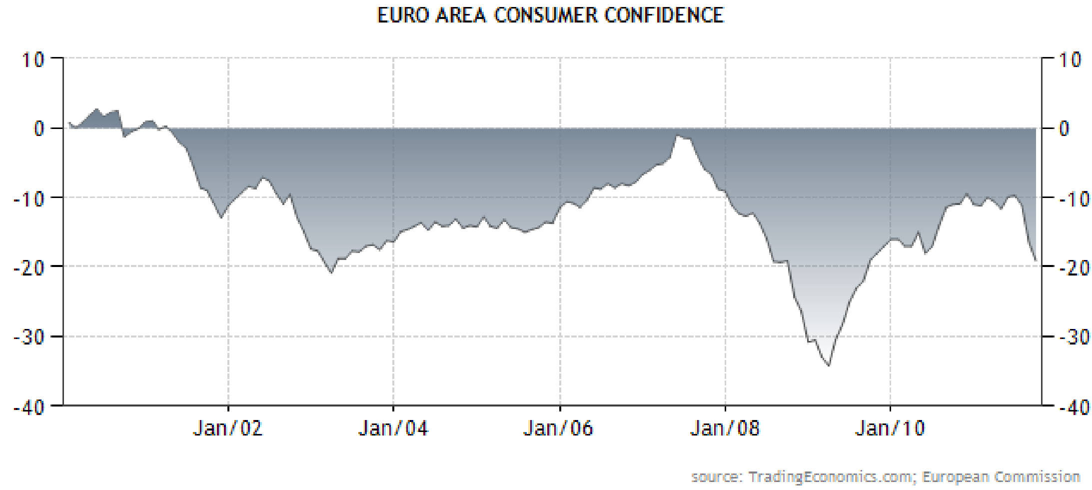
The United States economy added 103,000 jobs in September of 2011, according to the U.S. Bureau of Labor Statistics. Nonfarm payrolls is an employment report released monthly, usually on the first Friday of every month, and heavily affects the US dollar, the bond market and the stock market. Current Employment Statistics (CES) program from the U.S. Department of Labor Bureau of Labor Statistics, surveys about 160,000 businesses and government agencies, representing approximately 400,000 individual work sites, in order to provide detailed industry data on employment, hours, and earnings of workers on nonfarm payrolls. From 1939 until 2010 Non-Farm Payrolls averaged 116.87 thousand jobs reaching an historical high of 1114.00 thousand jobs in September of 1983 and a record low of -1966.00 thousand jobs in September of 1945.

The unemployment rate in the United States was last reported at 9.1 percent in September of 2011. From 1948 until 2010 the United States' Unemployment Rate averaged 5.70 percent reaching an historical high of 10.80 percent in November of 1982 and a record low of 2.50 percent in May of 1953. The labour force is defined as the number of people employed plus the number unemployed but seeking work. The nonlabour force includes those who are not looking for work, those who are institutionalised and those serving in the military.

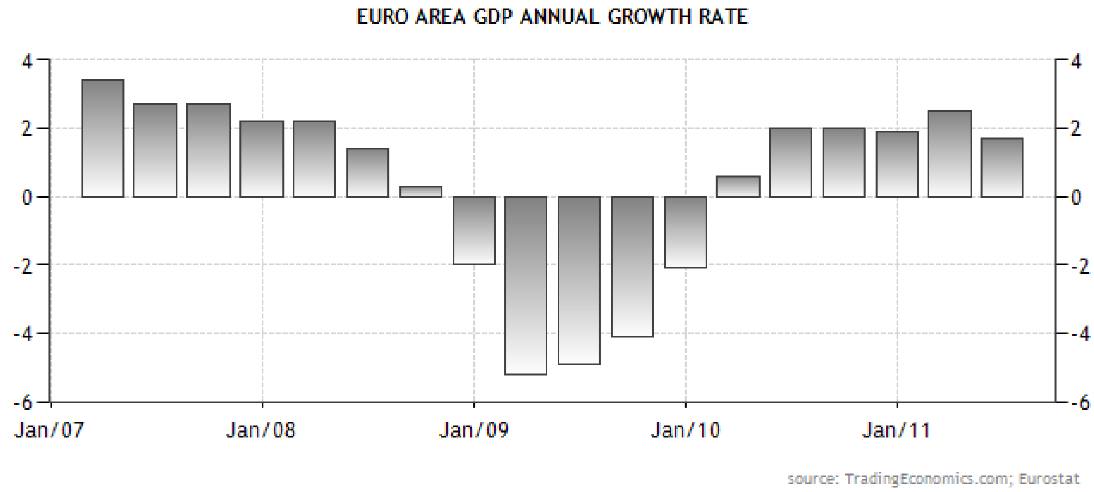
EURO AREA



In the Euro Area, business confidence fell to -6.6 in October of 2011 from -5.9 in September of 2011. In the Euro Area, the industry component of the Economic Sentiment Indicator survey measures the level of optimism that people who run companies have about the performance of the economy and how they feel about their organizations’ prospects.



In the Euro Area, consumer confidence declined to -19.9 in October of 2011 from -19.1 in September of 2011. In the Euro Area, the consumer component of the Economic Sentiment Indicator measures the level of optimism that consumers have about the performance of the economy. Generally consumer confidence is high when the unemployment rate is low and GDP growth is high.

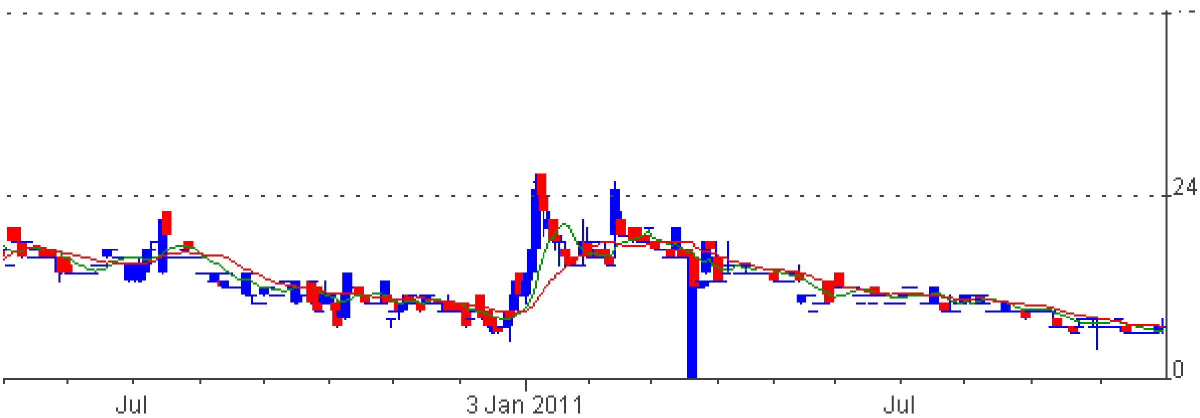


The Gross Domestic Product (GDP) in the Euro Area expanded 1.7 percent in the second quarter of 2011 over the same quarter, previous year. Unlike the commonly used quarterly GDP growth rate the annual GDP growth rate takes into account a full year of economic activity, thus avoiding the need to make any type of seasonal adjustment.

The unemployment rate in the Euro Area was last reported at 10.2 percent in September of 2011. From 1995 until 2010 the Euro Area's Unemployment Rate averaged 9.06 percent reaching an historical high of 10.70 percent in January of 1997 and a record low of 7.20 percent in February of 2008. The labour force is defined as the number of people employed plus the number unemployed but seeking work. The nonlabour force includes those who are not looking for work, those who are institutionalised and those serving in the military.

NOVEMBER COMPANY RESULTS

SEA KAY HOLDINGS LTD (SHARE PRICE 7c) – Final results June 2011



Revenue declined dramatically to R186.3 million (R647.4 million). However, the operating loss narrowed to R28.1 million (loss of R181.4 million). Net attributable loss improved to R30.8 million (loss of R239.2 million). In addition, the headline loss per share from continuing operations narrowed to 5.87c (loss of 28.76cps).

Managements comments on prospects:
Sea Kay is currently in the process of applying for a loan facility at a bank to increase its working capital and is negotiating with substantial material supply companies for increased facilities to ensure proper material supply to accelerate construction and delivery that will lead to profitability on existing and new projects. The recent establishment of Sea Kay in KZN (Sea Kay Engineering Services KwaZulu-Natal "SKESKZN") has potential to grow aggressively and healthy relationships have already been established with other stakeholders in the province. There is potential for strategic joint ventures with some construction companies that have already been identified. The individual members of the

top-management of SKESKZN have been working in the province for a substantial period of time and in this market and understand the local conditions and customs. A pipeline of work has already been established and the board of directors will ensure that it will grow in a controlled way organically and by way of acquisitions or joint ventures. The general outlook in the low-cost and affordable housing sector remains positive and should benefit Sea Kay's business strategy during the current financial year. It remains generally accepted in the housing market that the back-log in the so-called GAP market (dwellings in the R200 000 to R380 000 range) is between 500 000 and 800 000 units countrywide.

There are a number of across border opportunities that have arisen in neighboring countries for mass housing projects. In this regard the new empowerment partners that have been identified to participate in the envisaged re-structuring of the BEE partnership component of Sea Kay have done some important work to establish relationships with the relevant stakeholders in those countries. Besides the fact that there is evidence of potential lucrative large projects or contracts it forms part of the turn-around strategy to mitigate the risk of only one or two clients from whom the company is dependent on prompt payment. The board of directors is in the process of adopting a strategic plan to enter this market.

During the coming year, Sea Kay will focus strongly on its turn-around strategy to improve cash-flow and working capital levels. Site management controls have been addressed and will be implemented on all new projects to ensure it is effectively structured for anticipated increases in operational activities. The ratio of the operational expenses against revenue have been brought in line with other construction companies operating in the same sector and should lead to improved results for the core business. The board of directors remains confident that there is potential for long-term growth in the group in all three spheres, namely infrastructure, housing construction and property development due to the continued significant need for housing and integrated housing projects in both South Africa and the neighboring countries.

NET 1 UEPS TECHNOLOGIES INC (SHARE PRICE R58) – Quarterly results Sep 11

PE 8.85 YLD 11.30 DY N/A

Revenue for the quarter ended September 2011 increased to USD99.9 million (September 2010: USD64.3 million). Operating income more than doubled to USD30.8 million (September 2010: USD11 million), while net income attributable to shareholders jumped to USD19.8 million (September 2010: USD7.4 million). Furthermore, headline earnings per share grew to USD35cps (September 2010: USD16cps). The company will host a conference call to review 1Q 2012 results on October 28, 2011, at 8:00 Eastern Time. To participate in the call, dial 0-800-200-648 (South Africa only) ten minutes prior to the start of the call. Callers should request "Net1 call" upon dial-in. The call will also be webcast on our homepage, www.net1.com. A webcast of the call will be available for replay on the website through November 18, 2011.

HARMONY GOLD MINING COMPANY LTD (SHARE PRICE R109.95) – Quarterly results

PE 38.58 YLD 2.59 DY 0.55

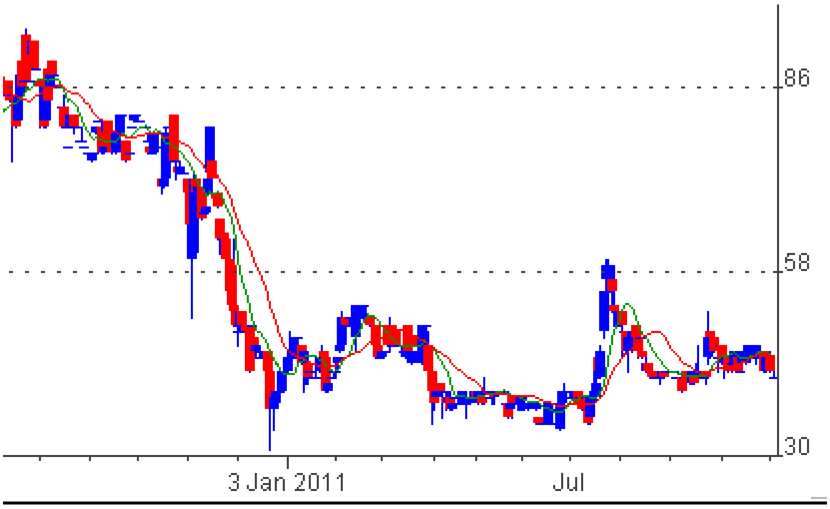
INET BRIDGE RECOMMENDATION - HOLD

Revenue improved to R3.9 billion (R3.1 billion) and gross profit rose remarkably to R737 million (R88 million). The company recorded an operating profit of R585 million (loss of R159 million), while net profit attributable to ordinary shareholders grew drastically to R478 million (R102 million). Furthermore, headline earnings per share from continuing operations rose to 95cps (33cps).
No dividend has been declared.

Management comments on outlook:
Harmony has a solid portfolio of producing assets and a successful international exploration programme. The rapid progress we have made in PNG, in particular, is proof of the benefits mining can deliver in an enabling environment when all stakeholders work together. The Wafi-Golpu project has the potential to change this company materially. In addition, the exploration results in PNG have been pleasing and we look forward to more exciting news from the region. In the next few months we will be focussing on improving our grades, as well as improving costs per tonnes milled - all in line with our strategy, as well as progressing the pre-feasibility study at Wafi-Golpu.

CHEMICAL SPECIALITIES LTD (SHARE PRICE 42c) – Interim Results

PE -2.39 YLD -41.76 DY N/A



Revenue for the interim period ended 30 September 2011 increased to R186.6 million (2010: R151.4 million). Gross profit rose to R73.1 million (2010: R44.6 million), operating loss narrowed to R8.6 million (2010: R52.8 million), while loss for the period lowered to R15.1 million (2010: R46.8 million). Furthermore, headline loss per share fell to 3.59cps (2010: 14.04cps).

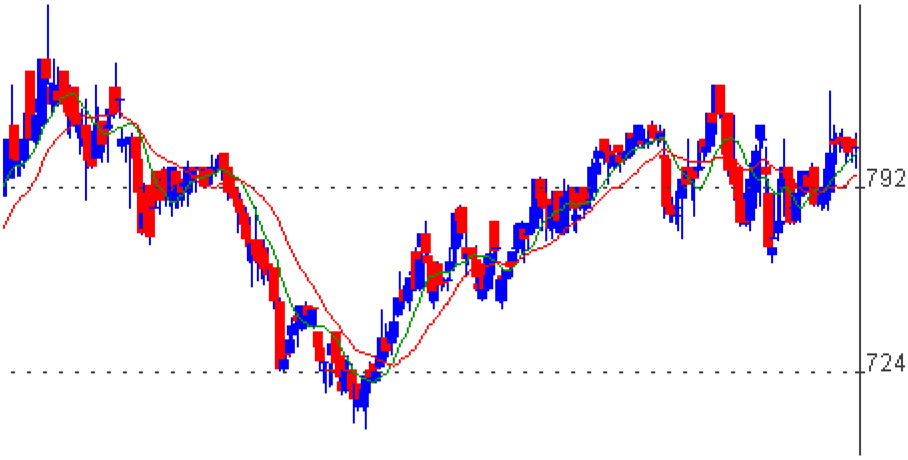
Managements comments on future prospects:
All in all Chemspec has covered massive ground in its turnaround process. Although not all the actions have filtered through to the financials, the actions that have been implemented will reflect in the coming months. Chemspec's new sales strategy is beginning to reap rewards. Considerable marketing is being done and the company is seeing the fruits of their efforts turning into orders. Chemspec expect these orders to continue to grow. It is envisaged that at current trade levels and after the completion of the rights offer they will achieve a monthly breakeven position which will preserve the restructured balance sheet and allow them to take advantage of the many opportunities available for growth in the new year. With a turned around income statement, a solid balance sheet, and the backing of its main shareholders - being RMB Corvest, Clark investments and the IDC, Chemspec is well positioned for greater things to come.

Rights offer:
Chemspec seeks to raise approximately R214.3 million by way of a rights offer. In terms of the rights offer, 535 630 824 new Chemspec no par value ordinary shares in the authorised but unissued share capital of the company were offered for subscription to Chemspec shareholders recorded in the register at the close of trade on Friday, 28 October 2011. These shareholders will receive rights to subscribe for the rights offer shares on the basis of one rights offer share for every one Chemspec ordinary share held, at 40 cents per rights offer share.

REDEFINE PROPERTIES INTERNATIONAL LTD (SHARE PRICE R8.07) – Interim Results

PE 11.02 YLD 9.07 DY 7.93

INET BRIDGE CONSENSUS - HOLD

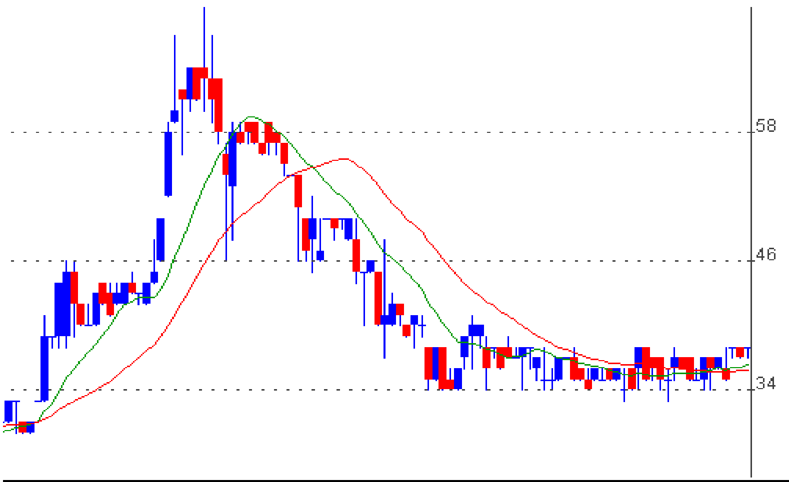


Total revenue for the interim period rose to R1.678 billion (2010: R1.481 billion). Net operating income increased to R1.222 billion (2010: R1.145 billion), while profit attributable to Redefine shareholders fell to R141.9 million (2010: R936.8 million). Furthermore, headline earnings per linked unit decreased to 35.91cplu (2010: 64.01cplu). Redefine declared a distribution of 16cplu for the quarter ended 28 February 2011, which combined with the distribution of 15cplu for the quarter ended 30 November 2010, results in a total distribution of 31cplu for the six months ended 28 February 2011.

Management comment on prospects:
Moderate growth is expected from the core property portfolio. Fee and trading income are largely unpredictable and difficult to forecast, however the transaction fee of 3.8cplu from the Hyprop Attfund transaction is anticipated to be received in the second half of the 2011 financial year. Based on this, the company is anticipating a modest increase in distributions for the year ending 31 August 2011.

BLUE FINANCIAL SERVICES LTD (SHARE PRICE 38c) – Interim results

PE -15.20 YLD -6.58 DY N/A

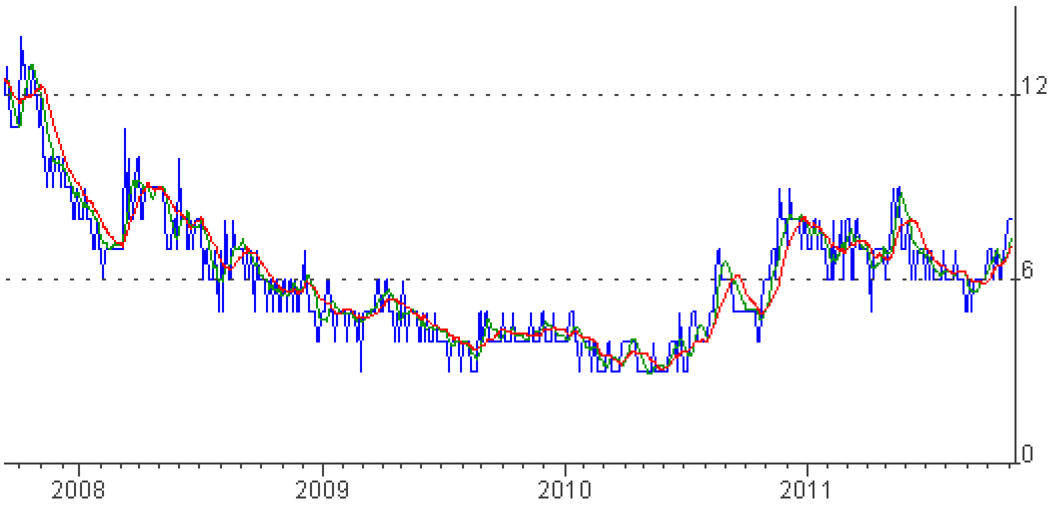


Net interest income increased to R177.1 million (August 2010: R78.8 million) and operating income grew to R215.7 million (August 2010: R170.4 million). Profit attributable to ordinary equity holders increased to R21.7 million (August 2010: loss of R157.9 million), while headline earnings per share rose to 0.40cps (August 2010: loss of 24.87cps). No dividend has been declared for the period under review.

Managements comments on outlook:
The successful recapitalisation of the group and turnaround strategy provides the impetus to grow the business and return it to sustainable profitability for the long term. The execution of the turnaround strategy was formulated over an 18 month period with these interim results reflecting the impact thereof after only the first 9 months. The turnaround strategy is on track and the board is confident that these actions will sustain the group's return to profitability. The group remains well positioned to benefit from its market position, distribution, brand and products on the continent.

SANTOVA LOGISTICS LTD (SHARE PRICE 8c) – Interim Results

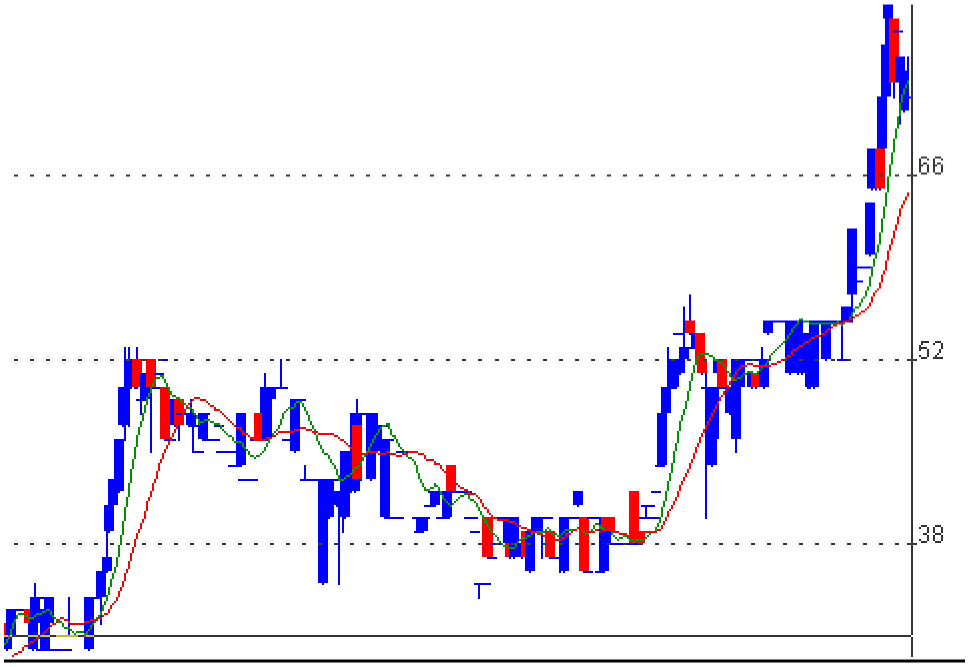
PE 6.06 YLD 16.50 DY N/A



Turnover for the interim period ended 31 August 2011 rose to R81.3 million (R70.8 million) and operating income improved to R17.8 million (R16.4 million). Net profit for the period attributable to ordinary shareholders of the company increased to R9.6 million (R9.3 million), while headline earnings per share grew to 0.69cps (0.42cps). During the company's development years the Board believes that it is appropriate to re-invest earnings, therefore no dividend has been paid by the company thus far and none has been declared for the current financial period.

Managements comments on outlook:
Although economic recovery this year remains slow, The company is looking forward to building on its successful annual average growth. The group's strategic business model, which enabled such growth, will continue to hold it in good stead. The renewed commitment, by government and business, to promoting industrial development in South Africa and Africa in general, will no doubt offer niched entrepreneurial businesses such as Santova the opportunities that are necessary to excel in a flat-to-moderate economy.

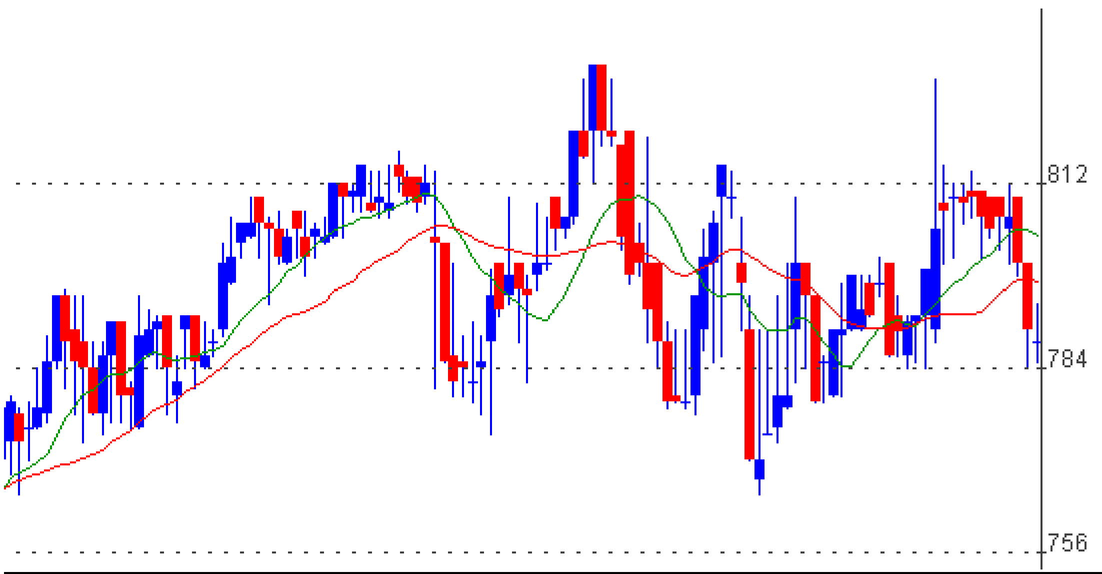
SEKUNJALO INVESTMENTS LTD (SHARE PRICE 72c) – Final Results



Revenue from continuing operations increased from R403.2million to R440.4 million in 2011. Gross profit increased to R132.5 million (August 2010: R113.1 million). Profit attributable to ordinary shareholders increased to R26.3million (August 2010: R8.2million). Headline earnings per share from continuing operations increased to 7.22cps (August 2010: 2.59cps). No dividends have been declared for the current period.

Managements comments on prospects:
With the growth of our core operational investments in our technology and fishing sectors during the current year, the group has built a strong platform for the next few years. Due to the financial success during the year under review, we believe that Sekunjalo is well positioned for further success through acquisitions and strategic initiatives.

REDEFINE PROPERTIES LTD (SHARE PRICE R7.88) – Final Results



Total revenue for the year ended 31 August 2011 increased to R3.5 billion (2010: R3.1 billion). Loss before taxation amounted to R588.8 million (2010: profit of R1.3 billion), while loss for the year attributable to Redefine shareholders was recorded at R519.3 million (2010: profit of R1.1 billion). Furthermore, headline earnings per linked unit lowered to 71.22 cents per linked unit (2010: 98.11 cents per linked unit).

Distribution
Redefine has declared a distribution of 37 cents per linked unit for the six months ended 31 August 2011, which combined with the distribution of 31 cents for the half year ended 28 February 2011, results in a total distribution of 68 cents per linked unit for the year ended 31 August 2011. On a comparable recurring income basis, the total distribution is 3% ahead of last year.

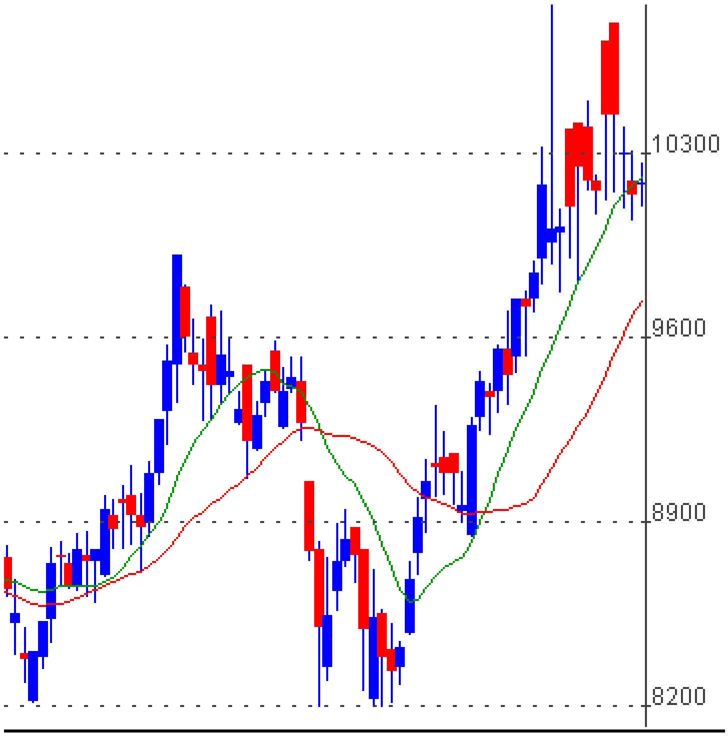
Managements comments on prospects:
The domestic economy has not escaped the impacts of global financial market turmoil. Despite ongoing challenging market conditions, the core property portfolio is anticipated to achieve satisfactory growth, in line with the restructuring strategy. This will be offset by the immediate negative impact of the Arrowhead unbundling and the lower yields arising from acquisitions. As a result, distributable income on a recurring income basis is anticipated to reduce moderately in 2012. Fee and trading income are largely unpredictable. From a unitholder perspective, recognising the forecast Arrowhead distribution, a modest decrease in total unitholder income is anticipated. trading income are largely unpredictable. From a unitholder perspective, recognising the forecast Arrowhead distribution, a modest decrease in total unitholder income is anticipated.

<u>MAS PLC (SHARE PRICE R10.35) – Interim results</u>

Rental income for the interim period increased to EUR902 461 (August 2010: EUR843 488). Loss from operating activities was at EUR209 623 (August 2010: loss of EUR778 608), while total comprehensive loss for the year was recorded at EUR196 266 (August 2010: loss of EUR489 948). Furthermore, loss per share decreased to EUR2.75cps (August 2010: loss of EUR6.94cps).
As announced with the first-quarter results, a dividend for the five months to July 2011 was declared and paid immediately prior to the September capital raising. Accordingly, the company shall look to pay the next dividend in respect of the seven months to February 2012. It is the intention of the company to continue paying dividends twice a year.

Managements comments on prospects:
The business continues to progress well and substantial headway has been made with securing investment opportunities for the capital which was raised in September 2011.

THE FOSHINI GROUP LTD (SHARE PRICE R101.90) – Interim results

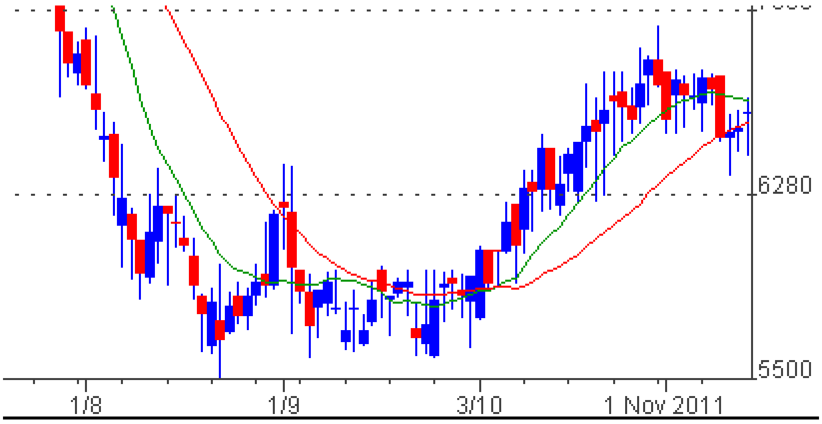


Revenue for the interim period surged to R6.8 billion (2010: R5.8 billion). Gross profit rose to R2.3 billion (2010: R1.9 billion), operating profit increased to R1.2 billion (2010: R1 billion), while profit attributable to equity holders of Foschini jumped to R699 million (2010: R566.3 million). Furthermore, headline earnings per share improved to 341.9cps (2010: 272.3cps). The directors declared an interim ordinary dividend of 190.cps, for the period ending 30 September 2011.

Preference dividend
Dividend no. 150 of 3.25% (6.5cpps) in respect of the six months ending 31 March 2012 has been declared.

Managements comments on prospects:
For the first five weeks of the second half retail turnover has continued to be encouraging, though some caution is warranted given the very difficult and fragile global financial environment, as well as the very strong comparative base. However, Foschini remain confident that they can again deliver a favourable result for the second half of this year. The second half of the year is heavily dependent on Christmas trading, which will largely determine the performance of the group in the second half. Foschini expects to open a further 69 stores in the second half.

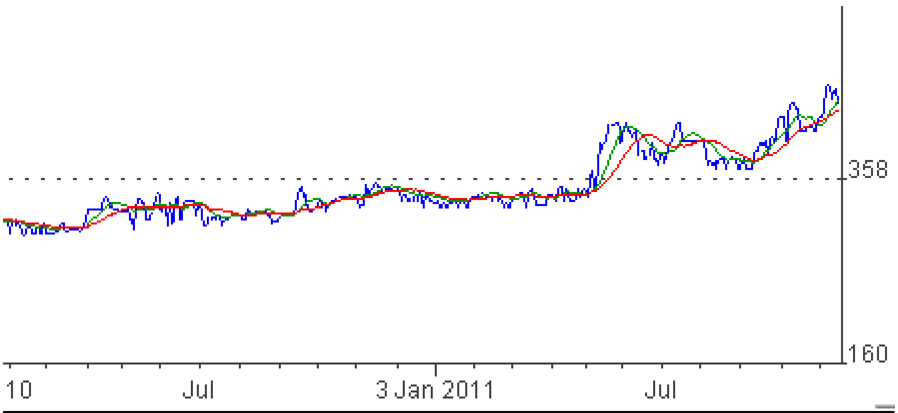
ARCELOR MITTAL SOUTH AFRICA LTD(SHARE PRICE R66.28) – Quarterly results



Revenue increased to R7.6 million (R7.2 million). The operating loss was R347 million (profit of R365 million). A net attributable loss of R462 million (profit of R64 million) was made. In addition, the headline loss per share amounted to 115c (earnings of 17cps).

Outlook for fourth quarter 2011
Earnings for the fourth quarter are expected to improve from the previous quarter due to a modest rise in prices on the back of the weaker exchange rate supported by higher production volumes.

AFRIMAT LTD (SHARE PRICE R4.40) – Interim Results



Revenue increased by 11.2% to R506.7 million (R455.9 million). Gross profit rose by 12.7% to R121.7 million (R108 million). Operating profit was up 1.9% to R65.5 million (R64.3 million). Net attributable profit declined to R44.6 million (R44.8 million). In addition, headline earnings per share dropped marginally by 0.3% to 29.8c (29.9cps). An ordinary interim dividend of 6cps has been declared.

Managements comments on outlook:
The slow recovery of the business environment is expected to continue. In addition Afrimat is well placed to benefit further from its investment in industrial minerals through the Glen Douglas Dolomite operation and other new initiatives in the pipeline, details of which will be disclosed in due course. 'Mining & Aggregates' activities are therefore expected to remain the dominant driver of group results. Price competition and margin squeeze will undoubtedly remain adverse factors for the 'Readymix' division going forward. Initiatives aimed at expanding volumes, reducing costs and improving efficiencies will be a key focus in all operations. These, supported by an ongoing strategy of growth

from diversification in attractive growth sectors such as industrial minerals and open cast mining, should see volumes increase.

STRATCORP LTD (SHARE PRICE 13c) – Interim Results

Revenue decreased from R38 million to R31.3 million for August 2011. Loss attributable to ordinary shareholders was recorded at R557 000 (August 2010: loss of R973 000). Headline loss on a per share basis was at 0.37cps (August 2010: loss of 0.62cps). No interim dividend was declared for the period under review.

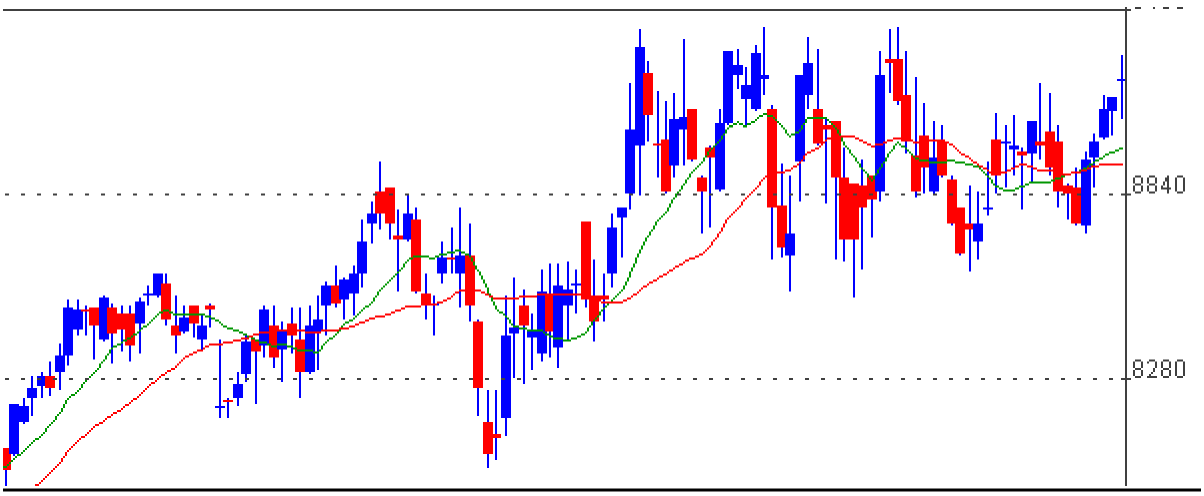
Management comments on prospects:
The group has seen some positive change in general market conditions since end September 2011, but it is still too early to confirm if it will be sustainable until year end. Constant changes to the various business operations are being implemented in order to increase revenue streams. Strategy The boardÆs decision to concentrate most of its expansion and management efforts in the current financial year towards ensuring that the two main operating subsidiaries, StratEquity (now Virtus Financial Services) and I- Cura, become long term sustainable, highly profitable business units, are continuing and all efforts are concentrated thereon. Aside from the fact that the property division's activities is on only selling off the land and units, no other new activities were or will be implemented in the near future. The residential property market however remains very difficult and the selling of the properties is extremely slow.

COLLIERS SOUTH AFRICA HOLDINGS LTD (SHARE PRICE R) – Interim Results

Revenue decreased to R28.5 million (August 2010: R35.3 million). Loss attributable to ordinary shareholders was recorded at R1.5million (August 2010: loss of R2.3 million). In addition, headline loss per share was at 1.17cps (August 2010: loss of 4.1cps). Taking into account the negative impacts of the depressed economy and related problems in the property industry the directors have resolved to retain cash in the group to ensure future growth. As such no dividend has been recommended.

Managements comments on Outlook:
Post 31 August 2011, negotiations for the sale of an additional unit in the Salt Rock development were concluded with the intention of using a portion of the proceeds to reduce borrowings and the remainder to be retained as a reserve for future use. At the date of authorisation of these condensed interim results, the sales proceeds had not been received nor had a final decision regarding utilisation thereof been made. The sale will result in a decrease in inventory of R2,5 million and will yield neither an accounting profit nor accounting loss. No reliable estimate can be made of the effect on borrowings as a final decision regarding the use of the proceeds has not yet been reached. In addition to the event mentioned above, as advised in the annual report for the year ended 28 February 2011, the directors are evaluating a restructure of the group so as to result in the group being focussed on the ownership of income-producing properties.

VODACOM GROUP LTD – (SHARE PRICE R91.90) – Interim Results

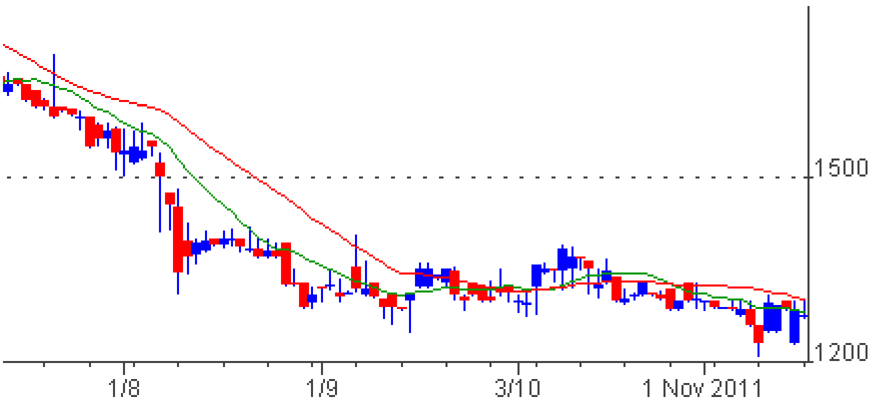


Revenue increased to R31.7 billion (R29.5 billion) and operating profit rose to R7.3 billion (R7.1 billion). Net profit attributable to ordinary equity holders of the company was stable around R4.4 billion (R4.4 billion), while headline earnings per share improved to 323.5cps (303.2cps).

Dividend
Notice was given that interim dividend number 5 of 260cps in respect of the financial year ending 31 March 2012 has been declared payable on Monday 5 December 2011.

Outlook
The company's medium-term guidance remains unchanged. Although service revenue growth for the first half was ahead of the company's "low single digit" guidance it is expected that growth will be slow in the second half as a result of further pressure in both voice and data prices. The company's continued focus on cost efficiency is delivering results, with notable successes in managing acquisition and retention costs in the first six months. The EBITDA margin, excluding foreign exchange movements, for the year ending March 2012 is expected to improve from 2011 4. While capital expenditure is expected to accelerate in the second half and the full year forecast of R7.7 billion remains unchanged.

RAUBEX GROUP LTD – (SHARE PRICE R12.75) – Interim Results



Revenue for the interim period ended 31 August 2011 increased to R2.6 billion (2010: R2.5 billion), but gross profit lowered to R403.5 million (2010: R534.2 million), operating profit fell to R282.1 million (2010: R411.2 million), while profit for the period attributable to owners of the parent weakened to

R173.5 million (2010: R273 million). Furthermore, headline earnings per share decreased to 92.9cps (2010: 147.6cps). The directors declared an interim cash dividend of 25cps.

Managements comments on Prospects:
In the short term, trading conditions in the road construction industry will be challenging and the impact of margin pressure will continue to be felt during the remainder of the financial year and into 2013. The group has adopted a cautious approach to tendering for new work at the prevailing low margins and has maintained a stable order book of R4.6 billion (2011: R4.7 billion). The improvement in mining activities will continue to benefit the material handling and screening operations of B&E International and SPH Kundalila over the short and medium term.

Whilst management remains optimistic with respect to the long-term outlook for the South African road construction industry, government policy towards future toll roads in South Africa remains uncertain. This uncertainty and potential delays in the award of future toll concessions, including the N1/N2 Winelands project, could retard the industry's recovery. With this in mind, the group continues to look for growth in other geographies and valuable experience is being gained around the tendering processes in the promising Indian roads sector, whilst the group's African expansion drive remains a priority. Despite the current market conditions, the group has been able to maintain a healthy balance sheet and strong cash position together with a stable order book of profitable work. This, combined with Raubex's considerable industry experience across its management team, sets the group on a strong footing to navigate the challenging period ahead.

PLATMIN LTD – (SHARE PRICE R1.85) – Quarterly results

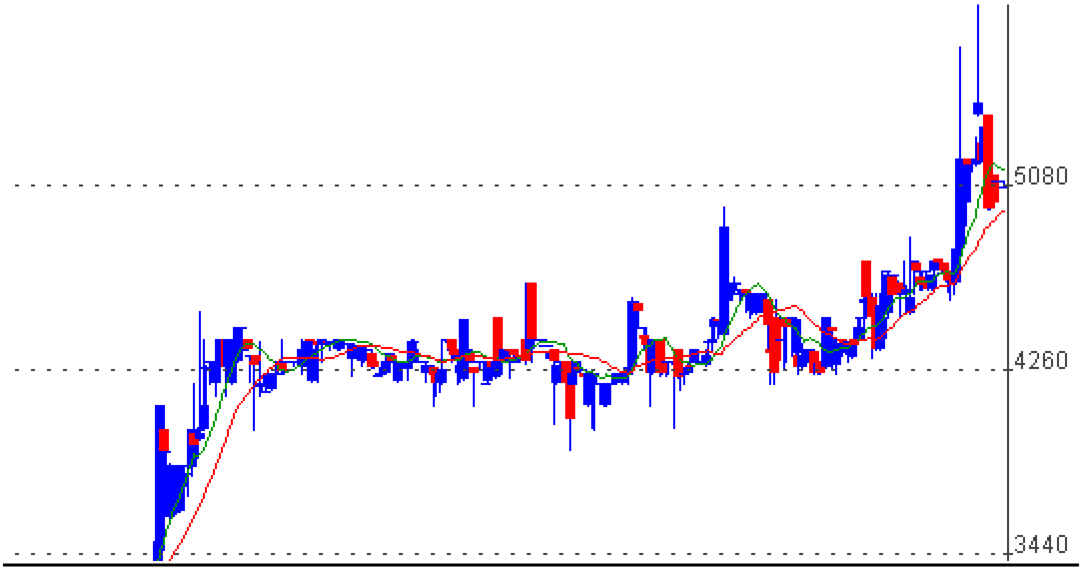
Revenue was recorded at USD22.6 million. An operating loss of USD22.5 million was made. A net attributable profit of USD13.7 million (loss of USD26.9 million). In addition, basic and diluted earnings per share of USD2c (loss of USD5cps).

Outlook
Average PGM prices increased by 14% and 11% in US dollar terms during the three and nine month periods ended 30 September 2011 compared to the three and nine month periods ended 30 September 2010. The stronger average South African rand offset a portion of the stronger dollar prices, resulting in a lower net 11% and 4% increase in the rand PGM basket over the same periods. Towards the end of the quarter the PGM basket prices reduced substantially (platinum prices reduced from approximately USD1700 to USD1500 per oz). The effect of this reduction has been offset by the rand weakening during the three month period ended, 30 September 2011. The global outlook for PGM demand remains positive.

LONRHO PLC – (SHARE PRICE R2.00) – Interim Results

As a result of the company's change of accounting reference date to 31 December, the group presents a second set of interim accounts for the six month period ended 30 September 2011. Thus there are no comparable figures. Revenue for the interim period ended 30 September 2011 was GBP81.4 million. Gross profit came in at GBP23.4 million, while operating profit was GBP12.2 million. Profit attributable to owners of the company was recorded at GBP2.5 million. Headline earnings for the period was GBP0.20pps.

INVICTA HOLDINGS LTD – (SHARE PRICE R50.75) – Interim Results



Revenue increased by 18% to R2.6 billion (R2.2 billion). Operating income was up 22% to R260.9 million (R214.2 million). Net attributable profit rose to R189.3 million (R140.9 million). In addition, headline earnings per share grew by 27% to 254c (200cps). An ordinary interim dividend of 77cps has been declared.

Managements comments on outlook:
If the current trading conditions persist, the board remains confident of the continued success of the group for the remainder of the year. Rand volatility may create some instability as it may render pricing of goods difficult. Currency management and cash generation will therefore remain a key management focus. The group has identified a number of acquisitions which it is currently considering and hopes to conclude by year-end.

URANIUM ONE INC – (SHARE PRICE R19.50) – Quarterly results

Revenues more than doubled to USD157.7 million (USD73.1 million). Operating earnings almost quadrupled to USD58.4 million (USD16.0 million). Net earnings soared to USD45.8 million (loss of USD44.8 million). In addition, basic and diluted earnings per share surged to USD5cps (loss of USD8cps).

Managements comments on outlook:

- The serious incident at Fukushima is continuing to have a near-term impact on uranium demand due to loss of capacity, program delays and extended outages due to inspections and upgrades; however, broader growth rates for nuclear power remain robust on the strength of the emerging markets of China, India, Russia and the Middle East. The corporation believes that market conditions will continue to be favourable for lower cost, diversified producers like Urone.
- The corporation's total attributable production guidance remains at 10.5 million pounds for 2011. Total attributable production for 2012 and 2013 is estimated to be 11.6 million and 12.5 million pounds respectively.
- During 2012, the average cash cost per pound sold is expected to be approximately USD19 per pound, compared to guidance of USD18 per pound during 2011.
- The corporation expects attributable sales to be approximately 11.0 million and 12.5 million pounds in 2012 and 2013 respectively.

- The corporation expects to incur attributable capital expenditures in 2012 of USD114 million for wellfield development and USD115 million for plant and equipment, totalling USD229 million for its assets in Kazakhstan, the United States and Australia.
- In 2012, general and administrative expenses, excluding non-cash items, are expected to be approximately USD39 million, and exploration expenses are expected to be USD11 million.

COMPANY REVIEW UPDATES

SANYATI HOLDINGS UPDATE

The company released its interim results. Revenue was R762,1million, down 10,9% from R855,3 million for the comparative period ended 31 August 2010 and a decline of 27,0% in earnings before interest, taxation, depreciation and amortisation (EBITDA) to R32,4 million from R44,3 million for the corresponding interim period.

The major contributor to the decline in EBITDA was margin contraction on certain roads projects substantially completed by Sanyati Central and Sanyati Coastal at 31 August 2011.

The Group's operating profit before interest and taxation (R21,0 million versus R35,2 million) was 40,3% lower than the result achieved to 31 August 2010. Basic earnings per share (EPS) and fully diluted headline earnings per share (HEPS) decreased by similar percentages to 3,3 cents and 2,8 cents respectively.

The statement of financial position reflects a 2,2% increase in shareholders'equity from R648,0 million as at 28 February 2011 to R662,4 million as at 31 August 2011.

Net interest-bearing borrowings as at 31 August 2011 amounted to R135,0 million which translates into a net gearing ratio of 20,4%. Total capital expenditure for the six months amounted to R4,5 million compared to R5,5 million spent over the 2010 interim period.

Cash generated by operations (before working capital changes) was R32,1 million. The increase in working capital funding of R14,9 million during the period was primarily a result of the ongoing payment delay from the Free State Government – an issue which management expects to be resolved with payment before the calendar year-end.

Comments

The operating results came out better than I expected, and apparently better than the market expected as well. The CEO was interviewed on Summit and the day after the stock rallied enormously ending at 32c. Since then the stock has retraced back to the 27c level.

My main concern at the moment is cash flow as the company's short term debt position is a concern. Sanyati has secured a order book going forward of 1.6 billion, albeit we still have no idea what margins are in place on these contracts. The group should however remain profitable as long as it secures sufficient work.

The bank overdraft has been pushed up from R53 852 to R81 188 in the six month period which is very concerning. On a positive note - long term borrowings has been reduced. Debtors has build up substantially in the last six months which is also concerning as payments are delayed. If the company does not start receiving payments from debtors soon, the company can start running into problems with cash flow. I was hoping to see progress towards improving the cash flow situation with these interim results, but the cash flow situation has actually deteriorated. Investors should be very cautious.

Margins have deteriorated to 4.2%. The Tangible Net Asset Value has increased to 76c.

Recommendation

Readers with an appetite for risk can hold the share if already purchased at a great price, provided the stock forms part of a well diversified portfolio. I would however caution readers on accumulating this share unless the share drops substantially closer to the 20c – 22c level. The cheaper you can get the share, the more safety you have in getting your money back if the stock goes into liquidation.

I generally do not believe that this is going to happen, as the company has commented that a certain number of new opportunities offer attractive margins but encompass negative cash flow profiles in the initial stages of execution. They advised that this should reverse in accordance with the underlying contracted payment terms of the contracts as the project life cycles mature. Resolving the payment delay with the free-state government is crucial at this stage, and I would be hesitant to accumulate more of the share until the cash flow situation has been resolved, or I can see progress on the cash flow situation.

If the group can remedy the cash flow situation, it will lay the foundation for a more sustained recovery once work starts to pick up in the sector. Until then, I won't be comfortable holding this share at higher levels.

JSE JOURNAL COMPANY REVIEW

PSV HOLDINGS LTD – RECOVERY OR CONTINUING HORROR STORY ?

History of the Company

The company formed in 1988 with just 3 employees. The company gradually started to grow and in 2003, the company secured a large supply mining contract in Zambia. The group listed on the AltX in 2006 as an Industrial Engineering group. Since then the company has embarked on a number of acquisitions. PSV successfully concluded the 100% acquisition of APE Pumps, Dasher and Engineered Linings further strengthening the overall service offering. A Black Economic Empowerment ("BEE") deal with Vunani Capital was successfully entered into. They also concluded the purchase of Rand Air and Gas Installations as well as added Mather and Platt as a brand name. Cyroshield was acquired to strengthening the cyrogenics capabilities. On 16 March 2011 the acquisition of Turbo Agencies (Pty) Limited was finalised enabling PSV to expand its African footprint in Botswana, Zambia and the Democratic Republic of Congo.

The company provides the following services:

Pumps, Spares and Valves

Manufacturer, service and repair of pumps, spares and valves
• OEM supplier of water and petrochemical pumps
• Supplier of pumps to API 610 specifications for petrochemical use
• mechanical electrical contracts
• Supply of UPVC piping to various industries

Specialist Services

Manufacture of cryogenic storage tanks and road tankers and auxiliary equipment
• Service and maintenance of cryogenic equipment
• Specialised cryogenic solutions
• Manufacture, repair service and support of fuel pump dispensers
• Bulk meters at forecourt
• Flow meters and consumer fuelling equipment
• Forecourt and retail management software
• Agency agreements for the supply of product into Botswana, Zambia and the Democratic Republic of Congo

Engineering, Lining and Industrial Supplies

Specification, selection and installation of lining products
• Sole distributor of low tile glass linings
• Specialised geo-synthetic linings contracting for containment, environment protection and corrosion protection
• Piping, fittings, flanges and steel to mining and specialised industry and industrial consumables

<u>Interim Results to 31 August 2011</u>

Revenue from continuing operations increased by 23,8% compared to the six month period ended 31 August 2010, and gross margins increased to 22,8% (2010: 21,0%). Operating expenses increased by 24,1%, in line with the increase in revenue.

Operating margins increased to 3,0% (2010: 1,3%) and headline earnings per share from continuing operations increased by 128,4%to 0,25 cents (2010: 0,88 cents loss per share).

Normalised earnings per share from continuing operations, calculated after eliminating interest provided on deferred purchase considerations, straight lining of leases, share based payments and amortisation of intangibles net of tax effects thereon also increased to 1,38 cents per share (2010: 0,01 cents per share).

Compared to the prior interim period, operating cash flows trebled during the six month period under review, despite the ongoing pressure exerted on working capital.

The company commented that business risk and gearing should be reduced as a result of the following actions : Securing a twelve month commitment from the Group's bankers, together with the successful disposal of Group Line Projects subsequent to the six month period under review.

Operational review

<u>Pump and Spares</u>
This segment experienced an increase in revenue, gross margins and consequential profitability during the six months ended 31 August 2011, compared to the prior interim period. The segment

contributed 27.5% to the Company's total consolidated revenue at an average gross profit margin of 31,7% (2010: 25,3%).

As the rainy season approaches, PSV is confident that there will be an improvement in high margin refurbishment and maintenance work on water pumps. The Company's Mather + Platt subsidiary, which benefited from relocation and restructuring in the six month period under review, achieved a profit in the six month period under review, compared to the loss experienced in the prior interim period

Values and Industrial Supplies
This segment contributed 30,7% to the Company's total consolidated revenue at an average gross profit margin of 30,3% (2010:23,3%). Revenue increased substantially to R59,8 million (2010: R21,2 million), as a result of the addition of Turbo Agencies in the six month period, which contributed R30,4 million in revenue, as well as to the outstanding performance by Omnirapid Mining and Industrial Supplies (Proprietary) Limited ("Omnirapid"). Omnirapid has continued to exceed budgetary expectations, generating revenue of R34,5 million in the six month period under review (2010: R25,3 million).

Specialised Services
Specialised Services contributed 42% to the Company's total consolidated revenue at an average gross profit margin of 11,5% (2010: 18,0%). Segmental revenue declined from R86,8 million for the six months ended 31 August 2010 to R81,6 million for the comparable six month period ended 31 August 2011. The decline of the gross profit margin is attributable to PSV's petrochemical subsidiary Petro-Logic (Proprietary) Limited ("Petro-Logic").

Petro-Logic has invested significantly in human and capital resources, as well as having implemented vastly improved operating procedures and systems. Unfortunately, whilst Petro-Logic can unreservedly be called market leaders in terms of service excellence, the provision of this service has come at an unaffordable cost. Post the six month period under review, Petro-Logic has been able to negotiate far better maintenance rates with its main customers, diversify its revenue streams into more profitable areas and effectively control costs. As a result, the Board is expecting a significant improvement in performance in the next six months.

Managements comments on prospects:

It is the opinion of the Board that, the six month period under review has undoubtedly been the most difficult period which the Company has had to endure during its history. However, the Board is pleased with its adopted strategy of disposing of Group Line Projects and replacing the lost income with the positive contribution from Turbo Agencies. Turbo Agencies is also assisting with the diversification of the PSV footprint in Africa. Furthermore, the consolidation of costs and businesses into the PSV Office Park has been a resounding success.

In October 2011, PSV acquired the business of PSV MITECH, a local manufacturer of globe control valves, pneumatic actuators, desuperheaters and allied equipment for the process industry. This acquisition will provide PSV with access to the high end of the control valve market, a segment PSV has not previously been involved in, as well as the ability to broaden the existing valve range in South African, African and international markets.

The effective date accounts are still being finalised. Consequently, the relevant financial information is not yet available. Although the economic climate is expected to remain difficult, the Board is cautiously optimistic that the changes effected within the various business units will position them to generate better returns despite the current operating environment.

Recommendation and comments - BUY

If you just look at the company history, the past record is littered with acquisitions. I am always weary of a company that carries on acquiring other companies to attempt to generate growth, as the core business should ideally be strong enough to grow on its own. However, acquiring other companies by itself is not a problem. If acquisitions compliment the group and the group acquires businesses at good prices, and acquires solid businesses that can deliver growth, an acquisition can improve the group. It can also add to the asset base and profitability. With that said, it seems like some of these past acquisitions have come back to haunt the group.

The group is trading at a substantial discount to its tangible asset value of 34.77 cents. The current ratio is at 1.17 (excluding assets held for sale). The company has entered into a Sale and Purchase of Shares Agreement between the company, Group Line Projects (Proprietary) Limited ("Group Line") a wholly owned subsidiary of PSV, and Wonderstone Limited ("Wonderstone")a wholly owned subsidiary of Assore Limited ("Assore") ("the agreement"). In terms of the agreement, PSV will dispose of the entire issued share capital of Group Line and assign all its rights, title and interest in and to the Intellectual Property owned by PSV in respect of the company, to Wonderstone, on the for a consideration of R35 million.

Basically, this cash consideration of R35 million is equivalent to almost the entire market cap of the company at its current trading price of 15c. The proceeds will be used to reduce debt levels and provide working capital for the group. The group is trading at a substantial discount to its tangible asset value of 34.77 cents. With this transaction, the tangible assets could increase to 43c making the discount even bigger.

Reviewing the interim results, it is immediately evident that the management have done well to start turning the business in the right direction, and if they can pull the loss making specialist services into the blue, the group should start becoming profitable again.

I would therefore recommend an immediate buy at the current share price of 15c, as the group line sale transaction is now unconditional.

WESCOAL HOLDINGS LTD – LIQUIDATION PENDING OR OPPORTUNITY FOR PROFIT?

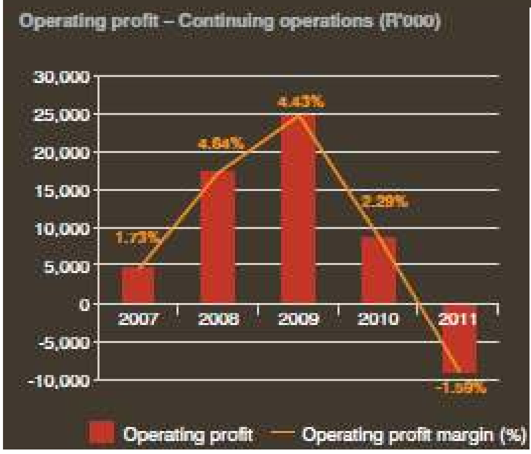
Description of business

The main business of the Group is the mining, buying, processing and selling of coal. Wescoal sources and distributes coal to its clients in the local power generation, industrial, petro-chemical and manufacturing sectors. Most of the mining houses and independent suppliers support Wescoal due to its ability to provide logistical, administrative and superior technical service. Wescoal has concluded agreements with many of the major mining houses to market the products from many of their collieries. Wescoal has successfully diversified into the mining of coal through the acquisition of the Khanyisa Colliery at Kendal in Mpumalanga.

The mainstay of the group (55% of revenue) is coal trading. Through Chandler, Wescoal provides the logistical requirements for the sourcing, distribution and delivery of coal products to the general industry with emphasis on road transportation. Chandler operates in the provinces of Gauteng, Mpumalanga, Limpopo, North West and the Western and Eastern Cape. In addition, Chandler supplies a large portion of the general industry in Swaziland. Chandler focuses on smaller domestic users that have a total coal consumption of 5 million tons per annum. For the year ended 31 March 2011, Chandler sold approximately 542,166 tons of coal (2010:462,166 tons of coal), translating to a 9% share of this specific market.

Coal mining is the groups strategy for growth looking forward, and these activities account for 44% of revenue currently. Wescoal mines raw run of mine material. Drilling and exploration is done on the reserves purchased from Vuselela, Razorbill and Proudafrique. Wescoal processes coal for the local power generation market. The mining division continued to grow in the local power generation market and will increase market share significantly going forward. For the year ended 31 March 2011,Wescoal Mining sold approximately 1,373,351 tons of coal (2010: 237,642).

Historical performance



Review of the financial year

The CEO commented that the company experienced one of the toughest trading and operating years for Wescoal since its listing in 2005. No lies, you can just read the numbers. He further comments – Not only have we faced operational challenges, exacerbated by excessive rain and flood damage at the Blesboklaagte plant and the Khanyisa Colliery, but management has had to endure suspended production time at the Khanyisa Colliery due to the dispute with Sutha, a contractor at Khanyisa, and their highly publicised campaign to discredit the Group and extort payments not due to them. Despite a successful relocation of our listing to the main board ofthe Johannesburg Stock Exchange and excellent interim results, the operational issues and write-offs due to the Sutha matter, resulted in the Group posting a full year loss.

Future state of resources

Wescoal's other resources amount to inferred resources of approximately 70 million tons of coal, which consists of thermal grade coal as well as Eskom grade coal. A mining right application for Vlakvarkfontein 213 IR resource was submitted to the Department of Mineral Resources (DMR) early in 2011 and should be granted
by January 2012, following which mining operations will commence.

Background on discontinueed operations and Sutha filing for liquidation

In March 2011 Wescoal announced that a dispute had arisen with Sutha, one of the contracting companies engaged to mine the West Pit at Khanyisa Colliery. Within five months of Wescoal appointing Sutha, Wescoal management launched its first investigation into irregularities within Sutha's activities. No meaningful explanations were forthcoming from Sutha and the situation was exacerbated, until December 2010 when Wescoal removed Sutha in its entirety from the Khanysia property and operation. Amongst a number of claims, Sutha accused Wescoal of fraud for overstating tonnages mined at Khanyisa. Wescoal launched and was granted an interim interdict against Sutha, preventing it from making unsubstantiated and derogatory claims against Wescoal or its operations.

In July 2011 Sutha launched legal action against Wescoal Mining (Pty) Limited ("Wescoal Mining"), a wholly owned subsidiary of Wescoal, filing for its liquidation. The legal team representing Wescoal Mining was instructed to oppose the application on the grounds that the application was malicious, unfounded and had no prospect of success, as well as on Wescoal's opinion that Sutha had not followed due processes in the matter.

On 28 July 2011, judgment was handed down in the South Gauteng High Court granting the interdict and inter alia finding that Sutha's actions and statements were unsubstantiated, made with malice, groundless, and devoid of truth and that the unlawful conduct of Chris Broodryk clearly indicated that all Sutha wanted to do was ex tricate payment from Wescoal. This judgment vindicated Wescoal Mining's stance on the matter and most importantly found that there were no grounds for the claims made by Sutha. The judgment directed Wescoal to seek final relief and institute a damages claim within 30 days against Sutha, Nico Swart and Wimpie Badenhorst jointly and severally.

The following operations are reported on as discontinued operations in the consolidated statement of comprehensive income:
• Wescoal Mineral Recoveries' briquetting plant; and
• Wescoal Mining's (Blesboklaagte) beneficiation plant.

These two operations contributed R26.7 million to the attributable loss of R43.8 million of the Group for the year under review. The briquetting plant was sold during the year and the Blesboklaagte washing plant was sold for R15 million subsequent to the reporting period.

Recommendation and comments

The bad performance from the mining operations seems to be attributable to write-offs incurred from the Sutha matter and lost production. Unfortunately, the income statement and notes are not that transparent in the costings in this regard, but it seems that halted production and the legal costs affected profits. The discontinued operations that were very costly and which producted losses have been disposed of after year end. The trading divison incurred losses as a results of floods resulting in increased costs and reduced production. The comments in the AFS states that the actions taken should restore the group to profitability.

I really like the fact that this company has a lot of potential. Most of the bad situations and factors that contributed to the group delivering bad results seem to have been resolved in this report. However, profitability depends on a number of factors going forward.

If the mining operations achieve decent production at sufficient margin, the company should be worth a buy. The NTAV is 72 so the company is currently trading at a discount to TNAV, although the discount is not huge. In my opinion there is enough evidence of past earnings to purchase the shares at these levels, under NTAV. The negative publicity regarding the Sutha matter and lost production from mining has lead to the share price becoming underrated. The group releases its trading update on 24 November.

In its SENS statement defending the claim against liquidation (which should be thrown out by the courts) the company stated that it is profitable.