

CPN - Capricorn Investment Holdings Limited - Reviewed results for the year 14 Jun 2012

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CAPRICORN INVESTMENT HOLDINGS LIMITED

(RENAMED MINE RESTORATION INVESTMENTS LIMITED PER CIPC ON 1 JUNE 2012)

(Registration Number 1987/004821/06)

("Capricorn" or "the Company")

Share code: CPN (to be MRI) ISIN:ZAE000149951

REVIEWED RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2012

REVIEWED CONDENSED STATEMENT OF FINANCIAL POSITION

	Reviewed 29 February 2012	Audited 28 February 2011
ASSETS	R`000	R`000
Non-current assets	-	15
Deferred tax	-	15
Current assets	4 229	5 751
Total assets	4 229	5 766
EQUITY AND LIABILITIES		
Capital and reserves	3 694	5 638
Interest free liabilities	535	128
Total equity and liabilities	4 229	5 766
Number of shares in issue (000`s)	59 886	59 886
Net asset value per share information		
Net asset value per share (cents)	6.17	9.41
Net tangible asset value per share (cents)	6.17	9.41

REVIEWED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Reviewed	Audited
	Year ended 29	Year ended
	February 2012	28 February 2011
	R`000	R`000
Operating costs	(2 198)	(1 096)
Operating loss	(2 198)	(1 096)
Finance income	227	45
Profit/(loss)on disposal of investments	27	(1 081)
Dividends received	- 6	730
(Loss)/profit before tax	(1 944)	4 597
Taxation	-	(31)
(Loss)/profit after tax	(1 944)	4 566
(Loss)/profit attributable to shareholders	(1 944)	4 566
Headline (loss)/earnings	(1 971)	5 648
Earnings per share information		
Weighted average number of shares in issue (000`s)	59 886	85 611
Attributable (loss)/earnings per share (cents)	(3.25)	5.33
Headline (loss)/earnings per share (cents)	(3.29)	6.60

EARNINGS PER SHARE

	Reviewed	Audited
	Year ended 29	Year ended
	February 2012	28 February2011
	R`000	R`000
Basic (loss)/earnings per share		
(Loss)/profit attributable to equity shareholders (R`000)	(1 944)	4 566
Weighted average number of	59 886	85 611

shares in issue (`000)		
Basic (loss)/earnings per share (cents)	(3.25)	5.33

There are no potential dilutive shares, therefore diluted earnings per share equates to basic earnings per share.

Headline (loss)/earnings per share

The earnings used in the calculation of headline earnings per share are as follow:

(Loss)/profit after taxation (R`000)	(1 944)	4 566
Headline (loss)/earnings adjustment (R`000)		
(Loss)/profit on disposal of investments	(27)	1 081
Total headline (loss)/earnings (R`000)	(1 971)	5 647
Weighted average number of shares in issue (`000)	59 886	85 611
Headline (loss)/earnings per share (cents)	(3.29)	6.6

REVIEWED CONDENSED STATEMENT OF CASH FLOWS

	Reviewed Year ended 29 February 2012	Audited Year ended 28 February 2011
Cash flows from operating activities	(1 522)	4 321
Net (decrease)/increase in cash and cash equivalents	(1 522)	4 321
Cash at beginning of year	5 751	1 430
Cash at the end of year	4 229	5 751

REVIEWED CONDENSED STATEMENT OF CHANGES IN EQUITY

Share	Share	Other	Non-	Retained	Total	
		Capital	premium	distribute	income	
				reserves		
		R`000	R`000	-	R`000	
Balance at 01		96	7 581	-	(2 511)	5 166
March 2010						
Net profit for		-	-	-	4 566	4 566
the year						
Repurchase of		(34)	(4 060)	-	-	(4 094)
shares						
Balance at 1		62	3 521	-	2 055	5 638
March 2011						
Net loss for the		-	-	-	(1 944)	(1 944)
year						
Balance at 29		62	3 521	-	111	3 694
February 2012						

COMMENTARY

RESULTS

The board presents its reviewed results for the Company for the year ended 29 February 2012 in accordance with IAS 34: Interim Financial Reporting. The Company was previously an investment holding company and its subsidiary companies were involved in the manufacture and servicing of electromagnets and motor rewinding and the wholesaling of electrical and related equipment, which were disposed during 2010. Accordingly the Company became a cash shell with effect from 20 December 2010.

ACCOUNTING POLICIES

The reviewed condensed financial statements for the year ended 29 February 2012 have been prepared in accordance with the framework concepts and the measurement and recognition of International Financial Reporting Standards (IFRS), the Listing Requirements of the JSE Limited ("JSE"), International Accounting Standard (IAS) 34, Interim Financial Reporting and the South African Companies

Act. No 71 of 2008, as well as AC 500 Standards as issued by the Accounting Practices Board or its successor.

As the company was a cash shell, assets and liabilities and results were not organised within segments as this would not be meaningful.

The reviewed condensed financial statements for the year ended 29 February 2012 were compiled under the supervision of M van den Berg, the financial director. The accounting policies have been consistent with those of the most recent financial statements.

These financial results have been reviewed by the company's independent auditor, Horwath Leveton Boner, and their unqualified review opinion, is available for inspection at the registered office of the Company.

BUSINESS OVERVIEW

Due to the Company becoming a cash shell, no revenue was generated for the year ended 29 February 2012. The Company did however report non-operational income in the form of R 226 771 in finance income and R 27 099 in profit on disposal of investments.

The headline loss per share was (3.29) cents per share compared to a headline earnings per share of 6.60 cents per share in the prior period.

Capricorn changed its name to Mine Restoration Investments (MRI) to reflect the new business and focus of the company post the acquisition of Western Utilities Corporation (WUC). The acquisition of WUC has brought two new strategic focus areas to the company namely Acid Mine Drainage and Coal fines Briquetting. Both these projects are focussed at reducing the environmental impact of mining whilst at the same time produce a significant return on investment for our shareholders. The coal briquetting project is envisaged to be commissioned in January 2013 and should take three months to reach full production. This project is expected to provide a significant return on capital invested.

Revenues generated from this project will be used to capitalise the company and to reinvest and grow this section of our business.

With regards to the AMD project, government is currently drafting the scope of work for a tender to be submitted by interested parties, of which WUC will be one, to intercept, treat and distribute

approximately 155 Mega Litres of AMD on a daily basis. WUC has already completed a Bankable Feasibility Study including engineering and environmental authorisation processes for the project. This project remains a strategic focus of the company going forward and we hope that the tender will be initiated soon.

ISSUE AND REPURCHASE OF SHARES

The Company did not issue shares or repurchase any of its own shares during the year under review.

At the end of the year, the Company had an authorised share capital comprising 1 000 000 000 ordinary shares and an issued share capital of 59 886 020 ordinary shares.

NAME CHANGE

Subsequent to year-end and following the general meeting on 30 April 2012 to approve the Acquisition and the reverse takeover, shareholders also approved the change of name of Capricorn to Mine Restoration Investments Limited. This special resolution adopting the name change has been registered with CIPC.

SUBSEQUENT EVENTS AND FUTURE PROSPECTS

As announced on 15 December 2011, a sale and purchase agreement was signed between the Company, Water Utilities Ltd and Watermark Global PLC ("Watermark") regarding the acquisition of 100% of the shares in, and loan account claims against, Western Utilities Corporation (Proprietary) Limited ("WUC"), a wholly-owned subsidiary of Watermark, for a purchase consideration of GBP 4.50 million. GBP 1.81 million was payable in cash with the balance of GBP 2.69 million settled through a fresh issue of ordinary shares in the Company at an issue price of 19 cents per ordinary share ("the Acquisition").

The cash portion of the Acquisition was settled out of the capital raised from the specific issue of 210 526 316 ordinary shares at an issue price of 19 cents totalling R40 million ("the Specific Issue"). The remaining R16.5 million out of the R40 million raised, after the settlement of the cash portion of the Acquisition, will be used to fund the development of the coal briquetting project and working capital for the Group.

Both the Acquisition and Specific Issue transactions were detailed in a circular dated 2 April 2012, which transactions were approved by Capricorn shareholders at the general meeting held on 30 April 2012.

WUC, the wholly-owned subsidiary of Capricorn is a water treatment technology and commercialisation entity which has developed a Long Term Self Sustainable Solution for Acid Mine Drainage ("AMD") in South Africa.

The development of the AMD project will lead to a number of opportunities, including the management of significant water treatment facilities, the development of waste water management strategies, as well as the project management of upgrade projects from mines participating in the AMD project and other industrial water users. This awaits approval from the Department of Water Affairs.

In addition, WUC has proprietary technology in respect of a coal briquetting project which is currently at the development stage and expected to be in production within 12 months.

The lifting of the suspension and the listing of Mine Restoration Investments Limited (formerly Capricorn) on the AltX is set to take place on 11 June 2012 as detailed in the last salient date announcement published on SENS.

DIRECTORS

During the period under review, Mr C Pettit was appointed to the board of directors as a non-executive director. His appointment took effect from 19 July 2011.

Subsequent to year end, Mrs E Greenblatt and Messrs B McQueen and K Jarvis resigned. Their resignations took effect on 5 April 2012 and 30 April 2012 respectively.

Mr S Tredoux's role as financial director changed to that of an independent non-executive director with effect from 30 April 2012. Similarly, Mr J Herbst's role changed from chief executive officer to non-executive director with effect from 30 April 2012.

In addition and as a result of the reverse takeover mentioned under subsequent events below, the following new appointments to the board were made with effect from 30 April 2012:

Quinton George - Non-Executive Chairman

Jaco Schoeman - Chief Executive Officer
Michelle van den Berg - Financial Director
Anthon Meyer - Independent Non-Executive Director
Chris Roed - Independent Non-Executive Director
SandileSwana - Independent Non-Executive Director
The new board now consists of the following directors:
Quinton George - Non-Executive Chairman
Jaco Schoeman - Chief Executive Officer
Michelle van den Berg - Financial Director
Anthon Meyer - Independent Non-Executive Director
Chris Roed - Independent Non-Executive Director
SandileSwana - Non-Executive Director
J Herbst - Non-Executive Director
S Tredoux - Independent Non-Executive Director
C Pettit - Non-Executive Director

COMPANY SECRETARY

Arcay Client Support (Proprietary) Limited was appointed as the Company Secretary to Capricorn after 29 November 2010.

DIVIDENDS

No dividends were recommended or declared for the period.

SPECIAL RESOLUTIONS

At the general meeting of shareholders held on 30 April 2012, the following special resolutions were presented and approved:

- 1.) Conversion of the share capital to no par value shares;
- 2.) Approval of an issue of shares with more than 30% voting power;
- 3.) General authority to enter into funding agreements, provide loans or other financial assistance;
- 4.) Approval of non-executive directors` remuneration;

5.) Change in name of the Company to Mine Restoration Investments Limited;

and

6.) Approval of a specific issue of 210 526 316 shares for cash.

POSTING OF ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

The annual report containing the details of the date and venue of the annual general meeting will be posted to shareholders and announced on SENS in due course.

14 June 2012

Johannesburg

Q George Prepared by: M van den Berg

Directors: Q George# (Chairman), J Schoeman (Chief Executive Officer), M vanden Berg (Financial Director), A Meyer*, C Roed*, S Swana*, J Herbst#, STredoux*, C Pettit# (#Non-Executive, *Independent Non-Executives)

Company Secretary: Arcay Client Support (Pty) Limited Registered Office: Number 3, Anerley Road, Parktown, Johannesburg

Transfer Secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Marshalltown 2001, PO Box 61051, Marshalltown 2107

Auditor: Horwath Leveton Boner

Sponsor: Arcay Moela Sponsors (Pty) Limited

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