

CPN - Capricorn Investment Holdings Limited - Reviewed results for the six- 6 Feb 2012

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CAPRICORN INVESTMENT HOLDINGS LIMITED

(formerlyCenmag Holdings Limited)

(Registration Number 1987/004821/06)

("Capricorn" or "the company")

Share code: CPN ISIN: ZAE000149951

REVIEWED RESULTS FOR THE SIX-MONTHS ENDED 31 AUGUST 2011

CONDENSED STATEMENT OF FINANCIAL POSITION

	Reviewed Company 31-Aug-11 R`000	Unaudited Group 31-Aug-10 R`000	Audited Company 28-Feb-11 R`000
ASSETS			
Non-current assets	10	7 442	15
Fixed assets	-	7 175	-
Deferred tax	10	267	15
Current assets	5 778	13 641	5 751
Total assets	5 788	21 083	5 766
EQUITY AND LIABILITIES			
Share Capital and reserves	5 678	17 276	5 638
Non-controlling interest	-	496	-
Interest-free liabilities	-	3 311	128
Current liabilities	110	3 311	128
Total equity and liabilities	5 788	21 083	5 766
Number of shares in issue	59 886	96 000	59 886
(000`s)*			
Net asset value per share			

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Net asset value per share (cents)	9.48	18.51	9.41
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Net tangible asset value per share (cents)	9.48	18.51	9.41
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* The authorised and issue share capital of the company was sub-divided on the basis of 10:1 on 15 November 2010.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Reviewed Company 31-Aug-11 R`000	Unaudited Group 31-Aug-10 R`000	Audited Company 28-Feb-11 R`000
Gross revenue	-	20 062	-
Cost of sales	-	(13 678)	-
Gross profit	-	6 384	-
Operating costs	(100)	(4 773)	(1 097)
Depreciation	-	(232)	-
Operating (loss)/profit	(100)	1 379	(1 097)
Finance income	118	132	45
Gain/(Loss) on sale of investments in subsidiary companies	9	-	(1 081)
Dividends received	-	-	6 730
Profit before tax	26	1 511	4 597
Taxation	14	(519)	(31)
Profit after tax	40	992	4 566
Non-controlling interest	-	14	-
Profit attributable to shareholders of the company	40	978	4 566
Headline earnings	31	978	5 647
Earnings per share information			
Number of shares in issue (000`s)*	59 886	96 000	85 611
Attributable earnings per share	0.07	1.02	5.33

(cents)

Headline earnings per share	0.05	1.02	6.60
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(cents)

* The authorised and issue share capital of the company was sub-divided on the basis of 10:1 on 15 November 2010.

CONDENSED STATEMENT OF CASH FLOWS

	Group Reviewed 6 Months ended 31-Aug-11 R`000	Group Unaudited 6 Months ended 31-Aug-10 R`000	Company Audited Year ended 28-Feb-11 R`000
Cash flows from operating activities	10	103	4 321
Cash flows from investing activities	9	-	-
Net increase in cash and cash equivalents	19	103	4 321
Cash at beginning of period	5 751	8 266	1 430
Cash at the end of period	5 770	8 369	5 751

CONDENSED STATEMENT OF CHANGES IN EQUITY - COMPANY

	Share R`000	Share R`000	Retained R`000	Total R`000
Capital premium income				
Balance at 1 March 2010	96	7 581	(2 511)	5 166
Net profit for the year	-	-	4 566	4 566
Share repurchase	(34)	(4 060)	-	(4 094)
Balance at 1 March 2011	62	3 521	2 055	5 638
Net profit for the period	-	-	40	40
Balance at 31 August 2011	62	3 521	2 095	5 678

SEGMENTAL REPORTING

	Reviewed Company 31 August 31 2011	Unaudited Group August 2010 2011	Audited Company 28 February
Revenue			
Manufacturing and service	-	10 107	-
Wholesaling	-	9 955	-
Total	-	20 062	-
Profit from operating activities			
Manufacturing and service	-	1 192	-
Wholesaling	-	186	-
Total	-	1 378	-

RECONCILIATION OF HEADLINE EARNINGS

Profit attributable to shareholders of the company	40	978	4 566
Adjustments for:			
(Gain)/Loss on sale of investments in subsidiary companies	(9)	-	1 081
Headline earnings	31	978	5 647

COMMENTARY

RESULTS

The board of directors presents the reviewed results of the company for the six month period ended 31 August 2011 in accordance with IAS 34: Interim Financial Reporting. The company was previously an investment holding company and its subsidiary companies were engaged in the manufacture and servicing of electromagnets and motor rewinding and the wholesaling of electrical and related equipment, which subsidiary companies were disposed during 2010. Accordingly, the company became a cash shell with effect from 20 December 2010 and no longer has any subsidiary companies. Therefore, company results are presented at 31 August 2011 and 28 February 2011 as opposed to group results for the six-month period ended 31 August 2010.

ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with IAS 34 -Interim Financial Reporting in accordance with the accounting policies that comply with International Financial Reporting Standards and in the manner required by the Companies Act (71 of 2008) and the Listing Requirements of the JSE Limited (the "JSE Listings Requirements"). The principle accounting policies adopted in preparation of these financial statements are consistent with those of the prior period. The results have been reviewed by the external auditor, Horwath Leveton Boner. Their review opinion was not modified and is for inspection at the company's registered office.

BUSINESS OVERVIEW

Given that the Capricorn's subsidiary companies were sold in the prior period and the company is a cash shell in terms of the JSE Listings Requirements, no revenue was generated nor growth experienced during this interim period.

Headline earnings decreased significantly due to the inactivity of the company during the period.

SUBSEQUENT EVENTS AND FUTURE PROSPECTS

As announced on 15 December 2011 and detailed in the results announcement on 28 December 2011, shareholders were advised of the proposed acquisition of Western Utilities Corporation (Proprietary) Limited ("WUC"), a wholly-owned subsidiary of Water Utilities Limited, which in turn is a wholly owned subsidiary of Watermark Global Plc (together "Watermark") for a purchase consideration of GBP4.50 million which consideration is payable partly in shares and partly with cash. WUC has procured a water treatment technology and commercialisation entity which has developed a Long Term Self Sustainable Solution for Acid Mine Drainage ("AMD") in South Africa. WUC has also developed proprietary technology in respect of a coal briquetting project ("Briquetting Project"). The Briquetting Project is currently in the development stage of its lifecycle but is expected to be in production within 12 months. Off-take agreements are already in place in order to secure the income streams of the Coal Briquetting project.

As previously announced, a circular to Capricorn shareholders including all the details of the proposed acquisition, waiver of mandatory offer and revised listing particulars will be posted in due course.

SHARE CAPITAL

During the period under review no new shares were issued or repurchased. The authorised share capital of the company consists of 1 000 000 000 ordinary shares while the issued share capital of the company consists of 59 886 020 ordinary shares.

DIRECTORS

During the period under review, Mr C Pettit was appointed to the board as an independent non-executive director. His appointment took effect on 19 July 2011. Pursuant to the negotiations with WUC, his role has changed to that of a non-executive director.

DIVIDENDS

No dividends were recommended or declared for the interim period.

ACQUISITIONS AND DISPOSALS

Other than as disclosed under subsequent events above, there were no acquisitions or disposals during the six months under review.

For and on behalf of the board

6 February 2012

Johannesburg

B McQueen Prepared by: J Herbst

Directors: B McQueen* (Chairman), J Herbst (Chief Executive Officer), S Tredoux (Financial Director), K Jarvis*, E GreenblattN, C PettitN (*Independent Non-Executives, N Non-executive)

Company Secretary: Arcay Client Support (Proprietary) Limited

Registered Office: Number 3, Anerley Road, Parktown, Johannesburg

Transfer Secretaries: Computershare Investor Services (Proprietary) Limited, 70

Marshall Street, Marshalltown 2001, PO Box 61051, Marshalltown 2107

Auditors: Horwath Leveton Boner

Sponsor: Arcay Moela Sponsors (Proprietary) Limited

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