

## BRIKOR LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/013247/06

JSE code: BIK

ISIN: ZAE000101945

("Brikor" or "the group" or "the company")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2015 AND 31 AUGUST 2014  
AND 31 AUGUST 2013

### PREPARED BY

The unaudited interim results for the six months ended 31 August 2015, 31 August 2014 and 31 August 2013 ('interim financial results' or 'results') were prepared by Laura Craig CA(SA), group financial manager, under the supervision of André Hanekom, financial director.

### HIGHLIGHTS

When compared to the six months ended 31 August 2013:

- Revenue of R 171.5 million increased by 10.4%
- Earnings per share of 4.4 cents increased by 37.5%
- Operating profit before interest and taxation of R 32.6 million increased by 3.6%
- Cash generated from operations of R 37.2 million increased by 4.7%
- Cash generated from operating activities of R 34.7 million increased by 28.2%

## COMMENTARY

### Overview

Brikor is a diverse manufacturer and supplier of building and construction materials across a broad spectrum of the market from low-cost housing, residential to commercial, industrial, civil engineering and infrastructure projects. The group operates in three segments, namely bricks, aggregates and coal (through its subsidiary, Ilangabi Investments 12 (Pty) Ltd).

The group's overall financial indicators improved substantially in a competitive trading environment through effective cost management initiatives and a concerted effort on sustainable working capital management. The continued focus on the group's core operations was maintained.

### Directorate

Please refer to the 2015 Annual Report of the company which was published on 25 July 2016, for detail of all changes to the board. The report is available on the company's website. No further changes have been made to the board subsequent to the publication date of the 2015 Annual report

On behalf of the Board

Garett Parkin

Chief executive officer

Andre J Hanekom

Financial director

9 September 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 Aug 2015 and 31 Aug 2014 and 31 Aug 2013

	Note	Unaudited 6 months ended 31 Aug 2015	Unaudited 6 months ended 31 Aug 2014	Restated Unaudited 6 months ended 31 Aug 2013	Audited 12months ended 28 Feb 2015
		R'000	R'000	R'000	R'000
<b>CONTINUING OPERATIONS</b>					
Revenue		171 480	177 610	155 392	318 229
Cost of sales		(122 339)	(126 362)	(107 792)	(241 695)
Gross profit		49 141	51 248	47 600	76 534
Other income		4 819	1 252	830	3 479
Administrative expenses		(14 421)	(14 773)	(13 075)	(30 714)
Distribution expenses		(2 100)	(1 778)	(1 892)	(3 603)
Other expenses		(4 792)	(9 386)	(1 947)	(13 251)
Impairment losses		-	-	-	(7 113)
Operating Profit before interest and taxation		32 647	26 563	31 517	25 332
Finance income		2 628	494	830	1 657
Finance costs		(4 321)	(7 080)	(7 264)	(15 384)
Profit before taxation		30 954	19 977	25 083	11 605
Taxation		(3 204)	(3 792)	(4 132)	(2 129)
Profit from continuing operations		27 750	16 185	20 951	9 476
<b>DISCONTINUED OPERATIONS</b>					
(Loss) on discontinued Operations	3	-	-	(878)	-

Profit on disposal of discontinued operations	3	-	-	41	-
Net Profit		27 750	16 185	20 115	9 476
Total comprehensive income attributable to owners of the company		27 750	16 185	20 115	9 476

#### EARNINGS PER SHARE

	Note	Unaudited 6 months ended 31 Aug 2015 (in cents)	Unaudited 6 months ended 31 Aug 2014 (in cents)	Restated Unaudited 6 months ended 31 Aug 2013 (in cents)	Audited 12months ended 28 Feb 2015 (in cents)
Earnings per share					
Basic		4.41	2.57	3.20	1.50
-Continuing operations		4.41	2.57	3.33	1.50
-Discontinued operations		-	-	(0.13)	-
Diluted		4.41	2.57	3.20	1.50
-Continuing operations		4.41	2.57	3.33	1.50
-Discontinued operations		-	-	(0.13)	-
Headline earnings/(loss) per share					
Basic		4.54	2.60	3.12	2.70
-Continuing operations		4.54	2.60	3.26	2.70
-Discontinued operations		-	-	(0.14)	-
Diluted		4.54	2.60	3.12	2.70

-Continuing operations	4.54	2.60	3.26	2.70
-Discontinued operations	-	-	(0.14)	-

The calculations for earnings/(loss) per share attributable to the ordinary equity holders are based on the following:

Reconciliation between basic earnings/(loss) and headline earnings/(loss) as well as diluted earnings

	Continuing operations	Discontinued operations	Total
	R'000	R'000	R'000
Six months ended 31 August 2015			
Basic and diluted profit	27 748	-	27 748
Loss on disposal of property, plant and equipment	806	-	806
Headline and diluted headline profit	28 554	-	28 554
Six months ended 31 August 2014			
Basic and diluted profit	16 184	-	16 184
Loss on disposal of property, plant and equipment	207	-	207
Headline and diluted headline profit	16 391	-	16 391
Six months ended 31 August 2013			
Basic and diluted profit/(loss)	20 951	(837)	20 115
Profit on disposal of property,			

plant and equipment	(439)	(41)	(480)
Headline and diluted headline profit	20 512	(878)	19 635

Twelve months ended 28 February 2015

Basic and diluted profit	9 476	-	9 476
Reversal on impairment of assets	7 113	-	7 113
Loss on disposal of property, plant and equipment	268	-	268
Headline and diluted headline profit	16 857	-	16 857

NUMBER OF SHARES

	Unaudited 6 months ended 31 Aug 2015	Unaudited 6 months ended 31 Aug 2014	Restated Unaudited 6 months ended 31 Aug 2013	Audited 12months ended 28 Feb 2015
Note	R'000	R'000	R'000	R'000
The weighted average number of ordinary shares outstanding	629 342	629 342	629 342	629 342
Share Purchase trust	-	-	-	-
Treasury shares*	-	-	-	-
Diluted weighted average number of shares	629 342	629 342	629 342	629 342
Weighted average number of shares	629 342	629 342	629 342	629 342

\* The dilutive effect of the treasury shares have not been taken into account as a result of the non-tradability of the shares and their low market value during the periods under review

## CONDENSED STATEMENT OF FINANCIAL POSITION

as at 31 Aug 2015 and 31 Aug 2014 and 31 Aug 2013

	Note	Unaudited 31 Aug 2015 R'000	Unaudited 31 Aug 2014 R'000	Restated Unaudited 31 Aug 2013 R'000	Audited 28 Feb 2015 R'000
<b>ASSETS</b>					
Non-current assets		140 918	139 338	174 521	140 332
Property, plant and equipment		113 447	113 616	131 290	114 393
Intangible assets		12 989	14 034	14 791	13 656
Deferred tax asset		897	78	-	-
Other financial assets		13 585	11 610	28 440	12 283
Current assets		97 671	148 302	116 144	169 770
Inventories		40 516	44 558	48 607	38 305
Trade and other receivables		27 798	48 666	49 229	36 974
Cash and cash equivalents		29 357	55 078	18 308	94 491
<b>TOTAL ASSETS</b>		<b>238 589</b>	<b>287 640</b>	<b>290 665</b>	<b>310 102</b>

EQUITY AND LIABILITIES

Equity attributable to

owners of the company	41 757	20 716	47 805	14 007
Stated capital	228 242	228 242	228 242	228 242
Accumulated Loss	(186 485)	(207 526)	(180 438)	(214 235)
Non-current liabilities	99 308	70 793	58 804	85 860
Borrowings	11 150	1 297	3 008	8 884
Shareholder loans	42 651	33 737	31 408	35 134
Provisions	45 507	35 759	21 771	41 597
Deferred tax liability			2 618	245
Current liabilities	97 524	196 131	184 056	210 235
Borrowings	8 455	102 985	98 853	109 004
Trade and other payables	67 763	74 354	67 519	83 475
Taxation	21 306	18 792	11 388	17 756
Bank overdraft	-	-	6 296	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>238 589</b>	<b>287 640</b>	<b>290 665</b>	<b>310 102</b>



ASSET VALUE PER SHARE

	Unaudited 6 months ended 31 Aug 2015	Unaudited 6 months ended 31 Aug 2014	Restated Unaudited 6 months ended 31 Aug 2013	Audited 12months ended 28 Feb 2015
Note	(in cents)	(in cents)	(in cents)	(in cents)
Net asset value per share	6.6	3.3	7.6	2.2
Net tangible asset value per share	4.6	1.1	5.2	0.1

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 Aug 2015 and 31 Aug 2014 and 31 Aug 2013

	Unaudited 6 months ended 31 Aug 2015	Unaudited 6 months ended 31 Aug 2014	Restated Unaudited 6 months ended 31 Aug 2013	Audited 12months ended 28 Feb 2015
	R'000	R'000	R'000	R'000
Stated capital	244 142	244 142	244 142	244 142
Treasury shares	(15 900)	(15 900)	(15 900)	(15 900)
Accumulated Loss				
beginning of period	(214 235)	(223 711)	(200 551)	(223 711)
Profit for the period	27 750	16 185	20 115	9 476
Total equity	41 757	20 716	47 806	14 007

## CONDENSED STATEMENT OF CASH FLOWS

for the six months ended 31 Aug 2015 and 31 Aug 2014 and 31 Aug 2013

	Unaudited 6 months ended 31 Aug 2015 R'000	Unaudited 6 months ended 31 Aug 2014 R'000	Restated Unaudited 6 months ended 31 Aug 2013 R'000	Audited 12months ended 28 Feb 2015 R'000
Cash generated from				
operations	37 225	40 856	35 565	83 536
Finance income	2 628	494	830	1 657
Finance costs	(3 958)	(6 739)	(6 902)	(11 668)
Tax paid	(1 159)	-	(2 400)	-
Cash flows from				
operating activities	34 736	34 611	27 093	73 525
-Continuing operations	34 736	34 611	27 971	73 525
-Discontinued operations	-	-	(878)	-
Additions to property,				
plant and equipment	(11 017)	(3 066)	(11 570)	(17 054)
Proceeds on disposal of				
property, plant and				
equipment	3 214	543	-	701
Proceeds on disposal of business	-	-	15 000	-
financial assets *	(1 303)	(2 103)	(3 161)	(2 775)
Cash flows from investing activities	(9 106)	(4 626)	269	(19 128)
-Continuing operations	(9 106)	(4 626)	(14 731)	(19 128)

-Discontinued operations	-	-	15 000	-
Borrowings raised	16 860	5 160	8 060	21 326
Borrowings repaid	(107 624)	(1 110)	(12 051)	(2 277)
Cash flows from financing activities	(90 764)	4 050	(3 991)	19 049
-Continuing operations	(90 764)	4 050	(3 991)	19 049
-Discontinued operations	-	-	-	-
Net (decrease)/increase in				
cash and cash equivalents	(65 134)	34 035	23 371	73 446
Cash and cash equivalents at				
beginning of period	94 491	21 045	(11 359)	21 045
Cash and cash equivalents				
at end of period	29 357	55 080	12 012	94 491

\* Including short-term portions.

SEGMENT REPORT

for the six months ended 31 Aug 2015 and 31 Aug 2014 and 31 Aug 2013

	Bricks	Coal	Aggre- gates	Other *	Total
	R'000	R'000	R'000	R'000	R'000
Six months ended					
31 August 2015					
Total revenue	89 638	63 939	21 267	-	174 844
Intercompany					
revenue	-	(3 364)	-	-	(3 364)
Reportable segment					
revenue	89 638	60 575	21 267	-	171 480
Gross profit	31 929	15 498	1 714	-	49 141
Other income	2 455	1 605	759	-	4 819
Depreciation and					
amortisation					
included					
in cost of sales and					
operating					
expenditure	(1 820)	(5 474)	(1 313)	-	(8 607)
Operating profit					
before interest					
and taxation	22 680	9 527	440	-	32 645

Segment assets	68 515	67 483	72 338	30 253	238 589
Segment liabilities	(48 582)	(73 068)	(11 225)	(63 957)	(196 832)
Total Segment					
assets and liabilities	19 933	(5 585)	61 113	(33 704)	41 757

\*Other segment relates to  
non segment specific cash and liabilities

	Bricks	Coal	Aggre- gates	Other *	Total
	R'000	R'000	R'000	R'000	R'000
Six months ended					
31 August 2014					
Total revenue	76 272	73 038	30 758	-	180 068
Intercompany					
revenue	-	(2 458)	-	-	(2 458)
Reportable					
segment revenue	76 272	70 580	30 758	-	177 610
Gross profit	28 079	18 295	4 874	-	51 248
Other income	391	584	277	-	1 252
Depreciation and					
amortisation					
included in cost of					
sales and operating					
expenditure	(1 725)	(2 945)	(1 487)	-	(6 157)
Operating profit					
before interest and					

taxation	9 591	14 379	2 592	-	26 562
Segment assets	86 621	67 499	78 363	55 157	287 640
Segment liabilities	(57 943)	(44 749)	(11 469)	(152 763)	(266 924)
Total Segment assets and liabilities	28 678	22 750	66 894	(97 606)	20 716

\*Other segment relates to  
non segment specific cash and liabilities

	Bricks R'000	Coal R'000	Aggre- gates R'000	Other * R'000	Total R'000
Restated Six months ended 31 August 2013					
Total revenue	89 056	49 892	21 309	-	160 257
Intercompany revenue	-	(4 865)	-	-	(4 865)
Reportable segment revenue	89 056	45 027	21 309	-	155 392
Gross profit	26 115	18 106	3 379	-	47 600
Other income	815	-	15	-	830
Depreciation and amortisation included in cost of sales and operating expenditure	(1 971)	(1 176)	(1 440)	-	(4 587)

Operating profit					
before interest					
and taxation	16 418	14 330	769	-	31 517
Segment assets	149 937	53 604	75 113	12 011	290 665
Segment liabilities	(68 540)	(30 523)	(7 556)	(136 242)	(242 860)
Total Segment assets					
and liabilities	81 397	23 081	67 557	(124 230)	47 805

\*Other segment relates to  
non segment specific cash and liabilities

	Bricks	Coal	Aggre- gates	Other *	Total
	R'000	R'000	R'000	R'000	R'000
Twelve months ended					
28 February 2015					
Total revenue	151 468	112 238	58 917	-	322 623
Intercompany					
revenue	-	(4 394)	-	-	(4 394)
Reportable segment					
revenue	151 468	107 844	58 917	-	318 229
Gross profit	54 367	12 557	9 610	-	76 534
Other income	2 586	326	567	-	3 479
Depreciation and					
Amortization					
included in cost					



of sales and operating					
expenditure	6 074	3 401	2 985	-	12 460
Operating profit before					
interest and taxation	7 283	16 969	1 080	-	25 332
Segment assets	74 672	68 791	72 148	94 491	310 102
Segment liabilities	(70 121)	(58 035)	(11 248)	(156 691)	(296 095)
Total Segment assets					
and liabilities	4 551	10 756	60 900	(62 200)	14 007

\*Other segment relates to  
non segment specific cash and liabilities

Factors used to identify segments are based on geographical location and divisional structuring; this is also how the group reports financial results to the chief operating decision-maker on a monthly basis.

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 1. Segment profit represents the profit earned by each segment without allocation of finance costs and income tax expense. This is the measure reported to the chief operating decision-maker for the purposes of assessment of segment performance.

Revenue reported already relates to external customers only and no inter-segment sales take place. No single customer exists upon which the group is significantly dependent on for revenue and revenue is derived solely from South African customers.

## NOTES TO THE INTERIM RESULTS

for the six months ended 31 Aug 2015 and 31 Aug 2014 and 31 Aug 2013

### Note 1 - Accounting policies

The interim results are prepared in accordance with the requirements of the JSE Listings Requirements for interim reports and the requirements of the Companies Act 71 of 2008 of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied are consistent with those applied in the annual financial statements for the year ended 28 February 2015 and are in terms of IFRS as issued by the International Accounting Standards Board.

The interim results have been prepared on the historic cost convention, except for certain financial instruments, which are stated at fair value. The results are presented in Rand rounded to the nearest thousand (R'000).

### Note 2 - Subsequent events after balance sheet date

Please refer to the 2015 Annual Report of the company which was published on 25 July 2016, for detail of all subsequent events after balance sheet date, there have been no further events since to report on.

### Note 3 – Non-current assets classified as held for sale and discontinued operations

Non-current assets classified as held for sale and discontinued operations for the 6 months ending 31 August 2013

On 10 October 2011 a decision was taken by the board to dispose of the operations in Olifantsfontein.

On 14 August 2012 Brikor entered into an agreement for the sale of the Olifantsfontein fixed property for R15,0 million. As at 28 February 2013 the transfer of the fixed property was still at the deeds office and accordingly this sale had not yet been recorded, however in July 2013 final transfer took place and the sale was accounted for in the 2013 August interim results.

Note 4 - Restatement of the results for the 6 months ended 31 August 2013

We refer investors to the restatement announcement released on 7 September 2016. Subsequent to the restatement announcement no changes have been made to the 31 August 2013 numbers.

Note 5 –

Going concern

The directors have prepared their budgets and cash flow forecast for the 2017 financial year based on reasonable and supportable assumptions.

The cash flow forecast and current management results indicate that the group will operate as a going concern for the foreseeable future.

DATE OF PUBLICATION OF THIS REPORT

9 September 2016

Garnett Parkin

Chief executive officer

André Hanekom

Financial director

Nigel

9 September 2016

**Directors:**

Ina McDonald (chairman)\*, Peter Moyanga (lead independent director)#, Garnett Parkin (chief executive officer), André Hanekom (financial director), Liphohani Hani#, Collen Madolo#, AP van der Merwe\*

\* Non-executive

# Independent non-executive

Registered address: 1 Marievale Road, Vorsterskroon, Nigel 1490

Postal address: PO Box 884, Nigel 1490

Telephone: 011 739 9000

Facsimile: 011 739 9021

Company secretary: CIS Company Secretaries (Pty) Ltd

Transfer secretaries: Computershare Investor Services (Pty) Ltd

Auditors: KPMG Inc.

Designated Adviser: Exchange Sponsors (2008) (Pty) Ltd

These results and an overview of Brikor are available at [www.brikor.co.za](http://www.brikor.co.za).