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UNAUDITED CONDENSED INTERIM FINANCIAL RESULTS

for the six months ended

31 August 2009



**DONKERHOEK
QUARRY**

SUPPLIERS OF SAND, CRUSHED STONE & READY MIX



“all your bricks under one roof”

bricks@brikor.co.za

Postal Address: PO Box 884 Nigel 1490 South Africa

Condensed Group INCOME STATEMENTS

	Unaudited 6 months ended 31 August 2009 R'000	Reviewed 6 months ended 31 August 2008 R'000	Audited 12 months ended 28 February 2009 R'000
Revenue	155 451	190 269	339 335
Cost of sales	(107 534)	(133 925)	(276 076)
Cost of sales depreciation	(10 776)	(10 209)	(19 741)
Gross profit	37 141	46 135	43 518
Other income	422	396	645
Depreciation and amortisation	(2 680)	–	(5 229)
Administration expenses	(22 565)	(26 487)	(56 593)
Profit/(loss) before interest and taxation	12 318	20 044	(17 659)
Impairment of goodwill	(7 553)	–	(4 912)
Interest received	1 377	3 273	4 647
Profit on disposal of non-current assets	3 698	–	–
Finance costs	(13 153)	(4 764)	(18 124)
(Loss)/profit before taxation	(3 313)	18 553	(36 048)
Taxation	(1 022)	(6 107)	7 748
(Loss)/profit attributable to ordinary shareholders	(4 335)	12 446	(28 300)
Reconciliation of headline earnings:			
(Loss)/profit attributable to ordinary shareholders	(4 335)	12 446	(28 300)
Impairment of goodwill	7 553	–	4 912
<i>Adjusted for:</i>			
Profit on disposal of property, plant and equipment	(2 662)	–	(7)
Headline earnings/(loss) attributable to ordinary shareholders	556	12 446	(23 395)
Weighted average shares in issue on which earnings are based	623 912 911	621 194 853	622 673 309
Treasury shares (issued to the Brikor Share Incentive Scheme)	15 900 000	15 900 000	15 900 000
Fully diluted weighted average shares in issue	639 812 911	637 094 853	638 573 309
(Loss)/earnings per share (cents)	(0,7)	2,0	(4,5)
Headline earnings/(loss) per share (cents)	0,1	2,0	(3,8)
Fully diluted (loss)/earnings per share (cents)	(0,7)	2,0	(4,5)
Fully diluted headline earnings/(loss) per share (cents)	0,1	2,0	(3,7)
Dividend per share (cents)	–	1,5	1,5

Condensed Group BALANCE SHEETS

	Unaudited 31 August 2009 R'000	Reviewed 31 August 2008 R'000	Audited 28 February 2009 R'000
ASSETS			
Non-current assets	540 581	532 536	555 976
Property, plant and equipment	449 659	398 003	458 119
Goodwill	69 484	115 297	77 037
Intangible assets	18 840	18 911	19 448
Other financial assets	2 598	325	1 372
Current assets	151 019	171 469	131 362
Inventories	86 238	87 169	77 337
Trade and other receivables	59 304	60 897	49 110
Cash and cash equivalents	5 477	23 403	4 915
Total assets	691 600	704 005	687 338
EQUITY AND LIABILITIES			
Equity	371 544	414 924	375 579
Issued capital	62	62	62
Share premium	227 680	225 980	227 380
Retained earnings	143 802	188 882	148 137
Non-current liabilities	199 585	191 821	200 054
Provisions	9 355	7 893	12 480
Borrowings	132 900	129 041	131 274
Deferred taxation	57 330	54 887	56 300
Current liabilities	120 471	97 260	111 705
Trade and other payables	43 350	41 781	39 466
Borrowings	38 413	31 918	39 957
Taxation	16 543	18 583	14 595
Bank overdraft	22 165	4 978	17 687
Total equity and liabilities	691 600	704 005	687 338
Capital commitments	5 000	11 020	10 000
Number of shares in issue at period-end (excluding treasury shares)	625 240 308	621 194 853	623 740 308
Net asset value per share (cents)	59,4	66,8	60,2
Net tangible asset value per share (cents)	45,6	45,2	45,6

Condensed Group STATEMENTS OF CHANGES IN EQUITY

	Unaudited 6 months ended 31 August 2009 R'000	Reviewed 6 months ended 31 August 2008 R'000	Audited 12 months ended 28 February 2009 R'000
Balance at beginning of period	375 579	412 035	412 035
Issue of share capital	300	–	1 400
Net (loss)/profit for the period	(4 335)	12 446	(28 300)
Dividend declared	–	(9 557)	(9 556)
Balance at end of period	371 544	414 924	375 579

Condensed Group CASH FLOW STATEMENTS

	Unaudited 6 months ended 31 August 2009 R'000	Reviewed 6 months ended 31 August 2008 R'000	Audited 12 months ended 28 February 2009 R'000
Cash flows from operating activities	(4 432)	3 270	(11 761)
Cash flow from investing activities	434	(209 182)	(235 690)
Cash flow from financing activities	82	128 638	138 980
Net increase in cash and cash equivalents	(3 916)	(77 274)	(108 471)
Cash and cash equivalents at beginning of period	(12 772)	95 699	95 699
Cash and cash equivalents at end of period	(16 688)	18 425	(12 772)

SEGMENTAL REPORTING

	Brikor Inland R'000	Brikor Coastal R'000	Total R'000
Six months ended 31 August 2009 – Unaudited			
Revenue external	100 301	55 150	155 451
Operating profit	4 360	7 958	12 318
Total assets	550 950	140 650	691 600
Six months ended 31 August 2008 – Reviewed			
Revenue external	190 269	–	190 269
Operating profit	20 044	–	20 044
Total assets	704 005	–	704 005
Year ended 28 February 2009 – Audited			
Revenue external	243 332	96 003	339 335
Operating (loss)/profit	(28 935)	11 276	(17 659)
Total assets	555 650	131 688	687 338

OVERVIEW

The directors of Brikor present the unaudited interim financial results for the six months ended 31 August 2009 ("the interim period").

Brikor is a manufacturer and supplier of building and construction materials to the building industry, servicing all segments of the market from low-cost housing, residential, commercial and construction projects. The position of suppliers to the residential construction market is the worst in 15 years and not unique to the performance of Brikor's brick-making operations.

The review period has been characterised by persisting economic pressures resulting from the global recession's halting recovery. Extensive job losses, increased food and fuel costs, the dramatic increases in the cost of power and political uncertainty evidenced by ongoing service delivery protests and concern over high crime rates have exerted a negative influence on both the local and international investment sectors.

This in turn has affected consumer and business sentiment. Market conditions in the building industry remained subdued during the review period, with few new residential developments and a virtual stagnation in speculative investment. The group's results were affected by reduced consumer spending, tightening of available bank funding as well as increased input costs. Delays and cancellations in building and construction projects further hampered performance.

Although the shrinking residential building market negatively affected the company's sales, the newly acquired companies have strengthened the company's traditional business of brick manufacturing. Zululand Quarries Group ("Zululand Quarries") and Donkerhoek Quartzite ("Donkerhoek") have started to contribute to the critical mass required for the group to remain sustainable and profitable going forward. The performance of Zululand Quarries has been satisfactory to date and its growth prospects indicate that the investment complements the group's activities and diversification strategy. A delay was, however, experienced in the take-off of new projects from the Donkerhoek operations, hence the current losses experienced in the division. Given the uncertainty pertaining to the timing of economic recovery, the directors have made provision of impairment for goodwill on the Donkerhoek operations of R7,5 million.

In addition to lower volume demand, the continued increased input costs, such as energy, fuel and raw material, diluted the net earnings versus volume output during the interim period. The company was unable to pass these cost increases onto its customers as a result of price pressure and competition for volume.

Brikor has implemented a strategy to right-size its business for the current climate by re-aligning the lower production volumes with reduced operational cost structures and expanding its focus on the commercial building sector and construction segment.

FINANCIAL RESULTS

The group's consolidated revenue decreased by 18% to R155,5 million (2008: R190,3 million), mainly as a result of lower demand and lower selling prices. Gross profit decreased by 19% to R37,1 million (2008: R46,1 million) and gross profit margins decreased to 24% as a result of the continued increased input costs, such as energy, fuel, gas and raw material. The reduction in the group's gross profit, combined with higher operating expenses, increased depreciation charges for the larger asset base, finance costs and goodwill impairment resulted in a headline loss per share of 0,7 cents for the period (earnings per share 2008: 2,0 cents).

PROSPECTS

Whilst no meaningful recovery is expected from building-related activities before the start of the new calendar year, the lower interest rate environment should contribute to an improvement in consumer confidence and the general trading environment. With the successful conclusion of the election and settling down and positioning of central and local government decision-making powers, it is anticipated that government spend on infrastructure and housing projects will support increased demand in the building and construction sector over the next financial period.

The board expects market conditions to remain under pressure over the short- to medium-term, but is confident that underlying fundamentals will continue to improve as a result of:

- more accessible funding for customers due to the relaxing of lending criteria by financial institutions;
- an improvement in investor confidence from significantly reduced interest rates; and

- increased pressure on government to deliver on infrastructure and housing requirements.

The group therefore continues to be well positioned to benefit from gradual improvement in market conditions.

BASIS OF PREPARATION

The unaudited interim results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the Companies Act (Act 61 of 1973), as amended, International Accounting Standards (IAS 34 : Interim Financial Reporting) and the JSE Limited Listings Requirements. The accounting policies used to prepare these interim financial statements are consistent with those applied in the prior interim period and at previous year-end.

These consolidated interim financial statements incorporate the financial statements of the company and its subsidiaries. Results of subsidiaries are included from the effective date of acquisition or up to the effective date of disposal. All significant transactions and balances between group enterprises are eliminated on consolidation.

POST BALANCE SHEET EVENTS

Brikor and Rand Merchant Bank have entered into an agreement to restructure Brikor's existing debt in order to meet certain debt covenant ratios. It is expected that the terms of the debt restructuring will be finalised in December 2009. Once the terms have been finalised and approved by the board a detailed announcement will be made to shareholders. It is expected that the debt restructuring will result in a circular being sent to shareholders.

STATEMENT ON GOING CONCERN

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

DIVIDEND POLICY

No dividend has been declared for the interim period.

BOARD OF DIRECTORS

Due to various board commitments, Mr Ethan Dube, who also represents Anchor Park Inv 42 (Pty) Limited's strategic holding in Brikor, resigned as a non-executive

director with effect from 29 October 2009. Ms Evelyn Chimombe-Munyoro was appointed as a non-executive director on 29 October 2009 and now represents Anchor Park Inv 42 (Pty) Limited's strategic holding in Brikor. Mr Werner Kruger had been appointed as Chief Operations Officer and was appointed to the board on 20 November 2009. Mr Kruger has in excess of 15 years' experience in quarry management, cement manufacturing, concrete infrastructural products and clay brick manufacturing.

By order of the Board

G v N Parkin

Chief Executive Officer

H Botha

Chief Financial Officer

Nigel

27 November 2009

CORPORATE INFORMATION

BRIKOR LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1998/013247/06

JSE code: BIK • **ISIN:** ZAE000101945

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

Non-executive directors: E Chimombe-Munyoro; E Grobbelaar

Executive directors: G v N Parkin (Chairman and CEO); W Kruger (COO); H Botha (CFO); G Parkin (Jnr)

Registered address: 1 Marievale Road, Vorsterskroon, Nigel

Postal address: PO Box 884, Nigel 1490

Company secretary: Hanleu Botha

Telephone: (011) 739 9000

Facsimile: (011) 739 9021

Transfer secretaries: Computershare Investor Services (Pty) Limited

Designated Adviser: Vunani Corporate Finance

These results and an overview of Brikor are available at **www.brikor.co.za**