



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 Dec 2010 Unaudited R'000	31 Dec 2009 Unaudited R'000	30 Jun 2010 Audited R'000
ASSETS			
NON-CURRENT ASSETS			
Biological assets (note 6)	1 610 614	1 414 822	1 562 936
Investment property	24 740	5 020	24 740
Property, plant and equipment	418 023	428 665	420 184
Goodwill	565 442	610 352	565 442
Intangible assets	2 374	2 609	2 691
Other financial assets	881	816	1 345
TOTAL NON-CURRENT ASSETS	2 622 074	2 462 284	2 577 338
CURRENT ASSETS			
Biological assets (note 6)	320 611	243 216	358 738
Retirement benefit receivables	-	1 259	606
Inventories	119 441	165 367	138 040
Trade and other receivables	119 980	124 358	104 334
Cash and cash equivalents	84 856	21 754	84 493
Current tax receivable	3 503	-	3 503
Assets of disposal group (note 9)	-	3 187	-
TOTAL CURRENT ASSETS	648 391	559 141	689 714
TOTAL ASSETS	3 270 465	3 021 425	3 267 052
EQUITY AND LIABILITIES			
EQUITY			
Share capital (note 7)	16 562	16 419	16 562
Share premium	1 505 352	1 477 295	1 505 352
Reserves	(16 802)	(35 350)	(26 236)
Retained income	479 053	262 563	471 863
TOTAL EQUITY	1 984 165	1 720 927	1 967 541
LIABILITIES			
NON-CURRENT LIABILITIES			
Cash settled share based payments (note 8)	5 569	419	2 104
Deferred tax	411 317	364 020	409 510
Retirement benefit obligation	23 222	22 916	22 463
Loans and borrowings	573 868	670 948	626 479
Provisions	55 265	54 643	55 496
TOTAL NON-CURRENT LIABILITIES	1 071 241	1 112 946	1 116 052
CURRENT LIABILITIES			
Loans and borrowings	78 273	45 553	55 491
Current tax payable	369	2 999	369
Provisions	375	-	285
Trade and other payables	136 042	137 043	127 314
Liabilities of disposal group (note 9)	-	1 957	-
TOTAL CURRENT LIABILITIES	215 059	187 552	183 459
TOTAL LIABILITIES	1 286 300	1 300 498	1 299 511
TOTAL EQUITY AND LIABILITIES	3 270 465	3 021 425	3 267 052

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 31 Dec 2010 Unaudited R'000	Six months ended 31 Dec 2009 Unaudited R'000	Year ended 30 Jun 2010 Audited R'000
Continuing operations			
Revenue	491 096	407 333	909 361
Cost of sales	(262 066)	(260 394)	(559 244)
Gross profit	229 030	146 939	350 117
Other operating income	2 390	12 619	19 962
Selling, general and administration expenses	(163 847)	(147 359)	(300 815)
Operating profit before separately disclosed items	67 573	12 199	69 264
Finance costs excl. hedge interest expense	(41 723)	(69 700)	(107 978)
Hedge interest expense paid	(9 855)	(8 675)	(16 791)
Hedge interest expense (ineffective portion)	(8 238)	(15 101)	(23 015)
Hedge interest expense (due to early settlement)	-	(29 577)	(29 577)
Profit/(loss) before taxation	5 318	(190 202)	60 570
Taxation	1 872	49 668	4 056
Profit/(loss) from continuing operations	7 190	(140 534)	64 626
Discontinued operations			
Loss from discontinued operations (net of tax) (note 9)	-	(4 140)	-
Profit/(loss) for the period	7 190	(144 674)	64 626
Other comprehensive income/(loss):			
Available-for-sale financial assets adjustments	(464)	188	716
Effects of cash flow hedges	13 657	43 740	52 499
Taxation related to components of other comprehensive income	(3 759)	-	10 273
Other comprehensive income for the period net of taxation (subtotal)	9 434	43 928	63 488
TOTAL COMPREHENSIVE INCOME/(LOSS)	16 624	(100 746)	128 114
Profit/(loss) attributable to owners of the parent	7 190	(144 674)	64 626
Total comprehensive income/(loss) attributable to owners of the parent	16 624	(100 746)	128 114
EARNINGS PER SHARE			
Basic earnings/(loss) per share (cents) (note 11)	2	(135)	30
Diluted earnings/(loss) per share (cents) (note 11)	2	(129)	30
Headline earnings/(loss) per share (cents) (note 12)	6	(141)	40
Continuing operations			
Basic earnings/(loss) per share (cents) (note 11)	2	(131)	30
Diluted earnings/(loss) per share (cents) (note 11)	2	(126)	30

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 Dec 2010 Unaudited R'000	Six months ended 31 Dec 2009 Unaudited R'000	Year ended 30 Jun 2010 Audited R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	470 472	442 009	1 050 337
Cash paid to suppliers and employees	(386 674)	(466 916)	(948 469)
Cash generated from/(utilised in) operations	83 798	(24 907)	101 868
Investment income	1 136	1 298	2 111
Finance costs	(48 601)	(123 053)	(129 665)
Tax (paid)/received	(81)	(2 426)	1 594
Cash flow from discontinued operations	-	(4 166)	-
NET CASH FROM OPERATING ACTIVITIES	36 252	(153 254)	(24 092)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(11 248)	(10 938)	(17 095)
Sale of property, plant and equipment	194	94	933
Purchase of other intangible assets	(65)	-	(457)
Withdrawal from self-insurance fund	-	-	3 282
NET CASH FROM INVESTING ACTIVITIES	(11 119)	(10 844)	(13 337)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on share issue	-	12 500	12 643
Increase in share premium	-	463 251	491 308
Share issue cost deducted from share premium	-	(12 844)	(12 844)
Net movement in loans and borrowings	(25 376)	(402 436)	(484 855)
Movement in instalment sale receivables	606	595	1 248
NET CASH FROM FINANCING ACTIVITIES	(24 770)	61 435	(2 500)
TOTAL CASH MOVEMENT FOR THE PERIOD	363	(102 663)	(39 929)
Cash at beginning of period	84 493	124 422	124 422
CASH AT END OF PERIOD	84 856	21 754	84 493

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Hedging reserve R'000	Fair value adjustment - available-for-sale reserve R'000	Share based payment reserve R'000	Retained income R'000	TOTAL EQUITY R'000
BALANCE AT 1 JULY 2009	3 919	1 026 888	(89 545)	(179)	1 286	407 237	1 349 606
Profit for the year	-	-	-	-	-	64 626	64 626
Other comprehensive income							
Change in fair value of cash flow hedge, net of tax	-	-	62 872	-	-	-	62 872
Reversal of share premium due to disposal of treasury shares	-	-	-	616	-	-	616
Total other comprehensive income	-	-	62 872	616	-	-	63 488
Total comprehensive income for the year	-	-	62 872	616	-	64 626	128 114
Transactions with owners recorded directly in equity							
Contributions by and distributions to owners							
Issue of shares through rights issue	12 500	487 500	-	-	-	-	500 000
Share issue costs written off against share premium	-	(12 844)	-	-	-	-	(12 844)
Increase in share based payment reserve	-	-	-	-	9 160	-	9 160
Reversal of share premium due to disposal of treasury shares	-	(24 266)	-	-	-	-	(24 266)
Conversion of preference shares in to ordinary shares	143	28 074	-	-	(10 446)	-	17 771
Total transactions with owners	12 643	478 464	62 872	616	(1 286)	64 626	489 821
BALANCE AT 30 JUNE 2010	16 562	1 505 352	(26 673)	437	-	471 863	1 967 541
Profit for the period	-	-	-	-	-	7 190	7 190
Other comprehensive income							
Change in fair value of cash flow hedge, net of tax	-	-	9 833	-	-	-	9 833
Change in fair value of available-for-sale financial assets, net of tax	-	-	-	(399)	-	-	(399)
Total other comprehensive income	-	-	9 833	(399)	-	-	9 434
Total comprehensive income for the period and total transactions with owners	-	-	9 833	(399)	-	7 190	16 624
BALANCE AT 31 DECEMBER 2010	16 562	1 505 352	(16 840)	38	-	479 053	1 984 165

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. STATEMENT OF COMPLIANCE

The unaudited condensed consolidated financial statements for the six months ended 31 December 2010, have been prepared in accordance with the Listings Requirements of the JSE Limited and the Companies Act of South Africa, 1973 (as amended). The recognition and measurement requirements of International Financial Reporting Standards ("IFRS") and the AC 500 standards as issued by the Accounting Practices Board ("APB") and the presentation and disclosure requirements of International Accounting Standard ("IAS") 34 Interim Financial Reporting have been applied.

These condensed results do not include all the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements as at and for the year ended 30 June 2010.

The unaudited condensed consolidated financial results, which have been prepared on the going concern basis, were approved by the Board of Directors on 9 March 2011.

The unaudited condensed consolidated financial results have not been reviewed or audited.

2. ESTIMATES

The preparation of the unaudited condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated financial results, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the preparation of the audited consolidated financial statements as at and for the year ended 30 June 2010.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation are consistent with those used for the year ended 30 June 2010.

4. ADDITIONAL DISCLOSURE ITEMS

	31 Dec 2010 Unaudited R'000	31 Dec 2009 Unaudited R'000	30 Jun 2010 Audited R'000
Authorised capital commitments:			
- Contracted, but not provided	4 261	400	2 900
- Not contracted	9 938	8 555	5 894
Depreciation of property, plant & equipment	13 318	11 789	25 931
Amortisation of intangible assets	382	375	750
Reversal of impairment of property, plant & equipment	-	-	3 184
Impairment/(reversal of impairment) of trade receivables	161	(2 584)	(2 912)
(Reversal of provision)/provision for restructuring costs	-	(62)	333

* The Group did not have any litigation settlements during the reporting period and did not have any contingent liabilities at period end.

* The Group did not have any covenant defaults or breaches of its loan agreements at the reporting date.

* No events occurred between the reporting date and the release of these results which require adjustment of or disclosure in these results.

5. OPERATING SEGMENTS

	Timber products			Forestry			Total		
	Dec 2010	Dec 2009	June 2010	Dec 2010	Dec 2009	June 2010	Dec 2010	Dec 2009	June 2010
Revenue:									
external sales	459 721	398 238	872 741	30 451	27 867	34 747	490 172	426 105	907 488
Revenue:									
inter-segment sales	66 803	34 668	55 683	214 118	164 807	375 104	280 921	199 475	430 787
Total revenue	526 524	432 906	928 424	244 569	195 674	409 851	771 093	625 580	1 338 275
Depreciation and amortisation (R'653)	(8 874)	(22 307)	(2 943)	(2 037)	(4 374)	(12 596)	(10 911)	(26 810)	
Reportable segment profit/(loss)	114 453	(17 093)	1 550	78 637	39 920	103 255	93 090	22 827	104 805
Reportable segment assets	1 980 780	232 995	236 697	1 937 947	1 669 428	1 942 707	2 136 727	1 902 424	2 179 404
Capital expenditure	4 511	10 938	10 364	5 383	-	5 360	9 894	10 938	15 724
Reportable segment liabilities	-	-	-	-	-	-	-	-	-

* being the earnings before interest, taxation, depreciation & amortisation ("EBITDA")

	31 Dec 2010 Unaudited R'000	31 Dec 2009 Unaudited R'000	30 Jun 2010 Audited R'000
Reconciliation of reportable segment profit or loss			
Total EBITDA for reportable segments	93 090	22 827	104 805
Depreciation, amortisation and impairment	(13 700)	(16 664)	(66 093)
Unallocated amounts	(11 817)	6 037	(3 527)
Operating profit	67 573	12 199	35 185

6. BIOLOGICAL ASSETS

	31 Dec 2010 R'000	31 Dec 2009 R'000	30 Jun 2010 R'000
Reconciliation of biological assets			
Opening balance	1 921 674	1 738 371	1 738 371
Fair value adjustment:			
- Increase due to growth	181 308	71 748	