



## **York Timber Holdings Limited**

(Incorporated in the Republic of South Africa)

(Registration number: 1916/004890/06)

JSE Share code: YRK

ISIN: ZAE000133450

("York", "the Company" or "the Group")

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

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#### **SALIENT FEATURES**

- ↑ Revenue up by 21%
- ↑ Operating profit up by 467%
- ↑ Earnings per share up from a loss of 135c to a profit of 2c
- ↑ Headline earnings per share up from a loss of 141c to a profit of 6c
  - ↑ Net asset value per share up from 520c to 599c
  - ↑ Cash generated by operations up by R109 million



# York Timber Holdings Limited

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

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### COMMENTARY

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#### Company description

York Timber Holdings Limited is an integrated timber company with operations in Mpumalanga in South Africa. York processes its own timber, grown on 67 000 hectares of plantations, through its five processing plants.

#### Results

In the period under review York produced solid operating results and made satisfactory progress on the achievement of its goals, as set out in the 2010 annual report. In a challenging market environment, York worked to stabilise operations and its restructuring plans are now implemented.

- Revenue increased by 21%
- Operating profit increased from R12 million for the six months ended December 2009 to R68 million for the comparable six months in 2010
- Cash generated from operations was R84 million for the six month period
- Earnings per share increased from a loss of 135 cents to a profit of 2 cents
- Headline earnings per share of 6 cents (2009: loss of 141 cents)
- Net asset value per share of 599 cents (2009: 520 cents)

A focus on optimisation across the organisation and the streamlining of the various cost structures were the key drivers in achieving these results. York is driven to further reduce costs to ensure that the Company remains competitive.

York has invested in enhancing the skill set within the organisation and continues to look for further expertise to support the growth strategy of the Company.

York maintained its status as a level 4 BBBEE contributor.

#### York's Plantation Asset

York adopted the discounted cashflow method in calculating the fair value of its biological assets. This method incorporates forward looking assumptions to illustrate the underlying plantation value.

York manages the biological asset according to a high level of compliance to environmental standards. All York's plantations are Forest Stewardship Council ("FSC") certified.

Despite the number of fire incidents being higher than the previous period, no major losses were experienced. The actual number of hectares affected was significantly lower due to the implementation of more stringent fire prevention methods.

The sustainability of the plantation is being enhanced through accelerated replanting of the 2007/2008 fire damaged areas. Temporary unplanted areas decreased by 1 868 hectares.

#### Prospects

York believes that the performance during the first six months of the 2011 financial year can be sustained. This prospect is not a forecast and has not been reviewed or reported on by York's auditors.

#### Corporate Governance

The Board is in the process of reviewing and, where relevant, implementing the King III Code.

#### Board of Directors

Dr Azar Jammine was appointed as an independent non-executive director to the Board on 5 October 2010. Mr Paul Botha and Mr Shakeel Meer were reappointed to the Board in the Shareholders meeting held 16 November 2010.



# York Timber Holdings Limited

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

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On behalf of the Board of Directors

**PIET VAN ZYL**  
*Chief Executive Officer*

**DUNCAN ERSKINE**  
*Chief Financial Officer*

**Sabie, Mpumalanga**  
*14 March 2011*



# York Timber Holdings Limited

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

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 Dec 2010 <i>Unaudited</i> R'000	31 Dec 2009 <i>Unaudited</i> R'000	30 Jun 2010 <i>Audited</i> R'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
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
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2 622 074</b>	<b>2 462 284</b>	<b>2 577 338</b>
<b>CURRENT ASSETS</b>			
Biological assets (note 6)	320 611	243 216	358 738
Instalment sale 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	-
<b>TOTAL CURRENT ASSETS</b>	<b>648 391</b>	<b>559 141</b>	<b>689 714</b>
<b>TOTAL ASSETS</b>	<b>3 270 465</b>	<b>3 021 425</b>	<b>3 267 052</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
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
<b>TOTAL EQUITY</b>	<b>1 984 165</b>	<b>1 720 927</b>	<b>1 967 541</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
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	575 868	670 948	626 479
Provisions	55 265	54 643	55 496
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1 071 241</b>	<b>1 112 946</b>	<b>1 116 052</b>
<b>CURRENT LIABILITIES</b>			
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	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>215 059</b>	<b>187 552</b>	<b>183 459</b>
<b>TOTAL LIABILITIES</b>	<b>1 286 300</b>	<b>1 300 498</b>	<b>1 299 511</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 270 465</b>	<b>3 021 425</b>	<b>3 267 052</b>



# York Timber Holdings Limited

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

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 31 Dec 2010 <i>Unaudited</i> R'000	Six months ended 31 Dec 2009 <i>Unaudited</i> R'000	Year ended 30 Jun 2010 <i>Audited</i> R'000
<b>Continuing operations</b>			
Revenue	491 096	407 333	909 361
Cost of sales	(262 066)	(260 394)	(559 244)
<b>Gross profit</b>	<b>229 030</b>	<b>146 939</b>	<b>350 117</b>
Other operating income	2 390	12 619	19 962
Selling, general and administration expenses	(163 847)	(147 359)	(300 815)
<b>Operating profit before separately disclosed items</b>	<b>67 573</b>	<b>12 199</b>	<b>69 264</b>
Insurance proceeds	-	-	8 519
Impairment of operating assets	-	-	(42 598)
<b>Operating profit</b>	<b>67 573</b>	<b>12 199</b>	<b>35 185</b>
Restructuring costs	-	-	(333)
Loss on non-current assets held for sale	(13 126)	-	-
Fair value adjustments	9 551	(80 646)	200 269
<b>Profit/(loss) before finance costs</b>	<b>63 998</b>	<b>(68 447)</b>	<b>235 121</b>
Investment income	1 136	1 298	2 810
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)
<b>Profit/(loss) before taxation</b>	<b>5 318</b>	<b>(190 202)</b>	<b>60 570</b>
Taxation	1 872	49 668	4 056
<b>Profit/(loss) from continuing operations</b>	<b>7 190</b>	<b>(140 534)</b>	<b>64 626</b>
<b>Discontinued operations</b>			
Loss from discontinued operations (net of tax) (note 9)	-	(4 140)	-
<b>Profit/(loss) for the period</b>	<b>7 190</b>	<b>(144 674)</b>	<b>64 626</b>
<b>Other comprehensive income/(loss):</b>			
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
<b>Other comprehensive income for the period net of taxation (subtotal)</b>	<b>9 434</b>	<b>43 928</b>	<b>63 488</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>16 624</b>	<b>(100 746)</b>	<b>128 114</b>
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
<b>EARNINGS PER SHARE</b>			
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
<b>Continuing operations</b>			
Basic earnings/(loss) per share (cents) (note 11)	2	(131)	30
Diluted earnings/(loss) per share (cents) (note 11)	2	(126)	30



# York Timber Holdings Limited

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

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Hedging reserve R'000	Fair value adjustment assets- available-for- sale reserve R'000	Share based payment reserve R'000	Retained income R'000	TOTAL EQUITY R'000
<b>BALANCE AT 1 JULY 2009</b>	3 919	1 026 888	(89 545)	(179)	1 286	407 237	1 349 606
Profit for the year	-	-	-	-	-	64 626	64 626
<b>Other comprehensive income</b>							
Change in fair value of cash flow hedge, net of tax	-	-	62 872	-	-	-	62 872
Change in fair value of available-for-sale financial assets, net of tax	-	-	-	616	-	-	616
<i>Total other comprehensive income</i>	-	-	62 872	616	-	-	63 488
<b>Total comprehensive income for the year</b>	-	-	62 872	616	-	64 626	128 114
<b>Transactions with owners recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
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
<b>Total transactions with owners</b>	12 643	478 464	62 872	616	(1 286)	64 626	489 821
<b>BALANCE AT 30 JUNE 2010</b>	16 562	1 505 352	(26 673)	437	-	471 863	1 967 541
Profit for the period	-	-	-	-	-	7 190	7 190
<b>Other comprehensive income</b>							
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)
<i>Total other comprehensive income</i>	-	-	9 833	(399)	-	-	9 434
<b>Total comprehensive income for the period and total transactions with owners</b>	-	-	9 833	(399)	-	7 190	16 624
<b>BALANCE AT 31 DECEMBER 2010</b>	16 562	1 505 352	(16 840)	38	-	479 053	1 984 165



# York Timber Holdings Limited

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

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 Dec 2010 <i>Unaudited</i> R'000	Six months ended 31 Dec 2009 <i>Unaudited</i> R'000	Year ended 30 Jun 2010 <i>Audited</i> R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
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)	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>36 252</b>	<b>(153 254)</b>	<b>(24 092)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(11 119)</b>	<b>(10 844)</b>	<b>(13 337)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(24 770)</b>	<b>61 435</b>	<b>(2 500)</b>
<b>TOTAL CASH MOVEMENT FOR THE PERIOD</b>	<b>363</b>	<b>(102 663)</b>	<b>(39 929)</b>
Cash at beginning of period	84 493	124 422	124 422
<b>CASH AT END OF PERIOD</b>	<b>84 856</b>	<b>21 754</b>	<b>84 493</b>



# York Timber Holdings Limited

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

### 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 <i>Unaudited</i> R'000	31 Dec 2009 <i>Unaudited</i> R'000	30 Jun 2010 <i>Audited</i> R'000
Authorised capital commitments:			
– Contracted, but not provided	4 261	400	2 900
– Not contracted	3 938	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.



# York Timber Holdings Limited

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

### 5. OPERATING SEGMENTS

R'000	Timber products			Forestry			Total		
	Dec 2010	Dec 2009	Jun 2010	Dec 2010	Dec 2009	Jun 2010	Dec 2010	Dec 2009	Jun 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
<b>Total revenue</b>	<b>526 524</b>	<b>432 906</b>	<b>928 424</b>	<b>244 569</b>	<b>195 674</b>	<b>409 851</b>	<b>771 093</b>	<b>625 580</b>	<b>1 338 275</b>
Depreciation and amortisation	(9 653)	(8 874)	(22 307)	(2 943)	(2 037)	(4 374)	(12 596)	(10 911)	(26 681)
Reportable segment profit/(loss) *	14 453	(17 093)	1 550	78 637	39 920	103 255	93 090	22 827	104 805
Reportable segment assets	198 780	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
<b>Reconciliation of reportable segment profit or loss</b>			
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)
<b>Operating profit</b>	<b>67 573</b>	<b>12 199</b>	<b>35 185</b>

### 6. BIOLOGICAL ASSETS

#### Reconciliation of biological assets

Opening balance	1 921 674	1 738 371	1 738 371
<i>Fair value adjustment:</i>			
- Increase due to growth	181 308	71 748	326 846
- Decrease due to harvesting	(227 289)	(124 460)	(308 633)
- Adjustment to standing timber values to reflect fair value less point of sale cost at period end	55 532	(27 621)	165 090
<b>Closing balance</b>	<b>1 931 225</b>	<b>1 658 038</b>	<b>1 921 674</b>
Classified as non-current assets	1 610 614	1 414 822	1 562 936
Classified as current assets *	320 611	243 216	358 738
	<b>1 931 225</b>	<b>1 658 038</b>	<b>1 921 674</b>

\* Being the biological assets to be harvested and sold in the 12 months after the reporting date.

#### Key assumptions used

Long term inflation rate	5.5%	#	6%
Cost of equity	12.3%	#	13%
Pre-tax cost of debt	9.0%	#	10%
Target debt:equity ratio	30:70	#	30:70

# During the six months ended 31 December 2009 the Group used the net standing valuation method and therefore no discount rate was applicable.

The other key assumptions have been updated as follows:

- **Volumes:** Forecast volumes were updated at the reporting date using a merchandising model.
- **Timber prices:** The market selling prices are unchanged from those used in the year ending 30 June 2010.
- **Operating costs:** The costs are based on unit cost of the forest management activities required to enable the trees to reach the age of felling. These costs have been reviewed and updated to the latest applicable amounts.



# York Timber Holdings Limited

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

### 7. SHARE CAPITAL

	31 Dec 2010 '000	31 Dec 2009 '000	30 Jun 2010 '000
<b>Reconciliation of the number of shares issued</b>			
Opening balance	331 241	78 370	78 370
Issue of shares through rights offer	-	250 000	250 000
Conversion of preference shares into ordinary shares	-	-	2 871
<b>Closing balance</b>	<b>331 241</b>	<b>328 370</b>	<b>331 241</b>

### 8. SHARE BASED PAYMENTS

The Group offers its key employees an employee share appreciation rights scheme. In addition to the allotment reported for the year ended 30 June 2010, the Group made a second allotment on 1 July 2010. The details of the allotments are as follows:

Allotment made on	17 Nov 2009	1 Jul 2010
Outstanding at period end ('000)	6 601	5 695
Weighted exercise price	R2.74	R3.19
Vesting portions in 3 equal trenches annually commencing on	17 Nov 2012	1 Jul 2013
Expiry date	17 Nov 2015	1 Jul 2016

The fair value was determined using the Black-Scholes model.

Key assumptions used	31 Dec 2010	31 Dec 2009	30 Jun 2010
Closing share price at period end	R4.00	R2.90	R3.07
Dividend yield	0%	0%	0%
Bootstrapped zero coupon perfect fit swap curve	5.82 – 7.30%	7.96 - 8.66%	6.89 - 7.81%

### 9. DISCONTINUED OPERATIONS

In September 2009 the Group discontinued certain of its less efficient sawmilling operations as part of a restructuring exercise. A third plant was mothballed and set aside for possible future use. The start-up cost relating to the third mill becoming operational again has not been included in the current figures and will be expensed if and when the start-up occurs.

The sawmill plants that were affected are:

- a) Roburnia Sawmill                      Closed
- b) Golden Rhino Lumber                Mothballed
- c) Madiba Mills                            Closed

These plants were still operational at 30 June 2009 and closure of these operations occurred in the 2010 financial year. The assets and liabilities of the disposal group are set out below.

	Six months ended 31 Dec 2009 R'000
<b>ASSETS AND LIABILITIES</b>	
<b>Assets of disposal group</b>	<b>3 187</b>
Inventories	207
Trade and other receivables	2 980
<b>Liabilities of disposal group</b>	
Trade and other payables	<b>1 957</b>



# York Timber Holdings Limited

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

### 9. DISCONTINUED OPERATIONS (CONTINUED)

	Six months ended 31 Dec 2009 R'000
<b>RESULTS FROM OPERATIONS</b>	
Revenue	19 712
Cost of sales	(21 601)
<b>Gross profit</b>	<b>(1 889)</b>
Other operating income	20
Selling, general and administration expenses	(2 333)
<b>Operating loss</b>	<b>(4 202)</b>
Restructure costs	62
<b>Net loss before taxation</b>	<b>(4 140)</b>
Taxation	-
<b>Loss for the period from discontinued operations</b>	<b>(4 140)</b>

### 10. COMPARATIVE FIGURES

The Group previously disclosed other financial liabilities, finance lease obligations and installment sale liabilities separately on the face of the statement of financial position. During the current reporting period these categories have been consolidated and presented as loans and borrowings. The effects of the reclassification of line items are as follows:

	Non-current liabilities		Current liabilities	
	31 Dec 2009 R'000	30 Jun 2010 R'000	31 Dec 2009 R'000	30 Jun 2010 R'000
Other financial liabilities	628 752	612 317	38 999	51 698
Finance lease obligation	40 523	13 245	5 031	2 278
Instalment sale liability	1 673	917	1 523	1 515
<b>Total disclosed as loans and borrowings</b>	<b>670 948</b>	<b>626 479</b>	<b>45 553</b>	<b>55 491</b>



# York Timber Holdings Limited

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

### 11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on:

	31 Dec 2010 <i>Unaudited</i>	31 Dec 2009 <i>Unaudited</i>	30 Jun 2010 <i>Audited</i>
<b>Profit/(loss) attributable to ordinary shareholders ('000)</b>			
from all operations	R 7 190	R (144 674)	R 64 626
from continuing operations	R 7 190	R (140 534)	R 64 626
<b>Reconciliation of weighted average number of ordinary shares</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Issued number of shares	331 241	78 370	78 370
Effect of shares issued in December 2009	-	28 533	138 356
Effect of conversion of preference shares	-	-	55
<b>Weighted average number of ordinary shares</b>	<b>331 241</b>	<b>106 903</b>	<b>216 781</b>

During the six months ended 31 December 2010 and the year ended 30 June 2010, there were no instruments that had a dilutive effect. At 31 December 2009, 109.774 million convertible preference shares were outstanding, which had a dilutive effect. These preference shares were converted into 2.871 million ordinary shares on 24 June 2010. The weighted average number of ordinary shares, after the effect of the conversion was 109.774 million. The loss attributable to ordinary shareholders was adjusted by preference dividends of R2.64 million, resulting in a diluted loss of R142.03 million and a diluted loss from continuing operations of R137.90 million.

### 12. HEADLINE EARNINGS PER SHARE

The calculation of headline earnings per share is based on:

	31 Dec 2010 <i>Unaudited</i>	31 Dec 2009 <i>Unaudited</i>	30 Jun 2010 <i>Audited</i>
<b>Reconciliation of basic earnings to headline earnings</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Basic earnings attributable to ordinary shareholders	7 190	(144 674)	64 626
Profit on sale of assets and liabilities (net of tax)	(72)	(5 745)	(7 872)
Loss on non-current assets held for sale	13 126	-	-
Fair value adjustment on investment property (net of tax)	-	-	(12 216)
Impairment of plant, equipment and vehicles (net of tax)	-	-	(2 292)
Impairment of goodwill	-	-	44 910
<b>Headline earnings for the period</b>	<b>20 244</b>	<b>(150 419)</b>	<b>87 156</b>
<b>Weighted average number of ordinary shares ('000)</b>	<b>331 241</b>	<b>106 903</b>	<b>216 781</b>

### COMPANY INFORMATION

<b>Executive directors:</b>	Piet van Zyl (CEO) and Duncan Erskine (CFO)
<b>Non-executive directors:</b>	Jim Myers* (Chairman, USA), Paul Botha, Dr Azar Jammine*, Shakeel Meer*, Gavin Tipper* (* independent)
<b>Registered office:</b>	York Corporate Office, 3 Main Street, Sabie, 1260
<b>Postal address:</b>	PO Box 1191, Sabie, 1260
<b>Company secretary:</b>	Fusion Corporate Secretarial Services (Pty) Ltd
<b>Transfer secretaries:</b>	Computershare Investor Services (Pty) Ltd
<b>Sponsor:</b>	One Capital
<b>Auditors:</b>	KPMG Incorporated

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