

MDM ENGINEERING GROUP LIMITED
(“MDM Engineering” or the “Group”)
INTERIM RESULTS

MDM Engineering Group Limited (AIM:MDM) is pleased to announce its unaudited interim results for the six months ended 30 September 2008. MDM Engineering is an African-focused engineering and project management company which provides a range of value added services to the mining industry, including project evaluation, process engineering, design and project management.

Highlights

Financial

- Revenue of US\$17.33 million (2007: US \$4.47m)
- Gross profit of US\$8.85 million (2007: US \$2.80m)
- Profit before taxation of US\$6.81 million (2007: US \$2.24m)
- Cash and cash equivalents of US\$13.76 million (2007: US \$1.98m)
- Basic earnings per share of US 13.16 cents per share (2007: US 7.13 cents)
- Interim dividend of US 3.75 cents (2007 US 4.00 cents for the 16 month ended 31 March 2008)
- Strong balance sheet with no gearing
- Dividend cover of 3.47 times

Operational

- Project value under current execution at period end of US\$210 million
- Continued focus on cost containment and improvement in operational efficiencies
- Software and systems upgraded to ensure state of the art engineering processes
- Carefully directed marketing and business development initiative resulting in a number of new opportunities to expand the order book in 2009

MDM Engineering CEO, Grant Lowman commented:

“MDM Engineering has achieved significant growth in projects under execution, with a concomitant growth in revenue and profit.

The AIM listing in May has given impetus to the growth in the business and has raised MDM Engineering’s profile and visibility. In addition, our client focused approach has enhanced the company’s reputation as a competitive and innovative niche provider of process engineering and project management solutions.

MDM Engineering is currently in a strong financial position, with substantial cash reserves and positive free cash flows. However, the effects of the global credit crisis and falling commodity prices must be carefully considered at this time as these have had a negative effect on the international mining and resources

industry and are expected to continue to do so. This has resulted in production cutbacks, closures and the suspension or delay of certain projects.

Although some of our client's projects have been delayed or suspended, management has taken advantage of the tighter economic conditions to promote the Group's strength in developing cost effective and fit for purpose plant designs, thereby continuing to attract work from discerning clients. MDM Engineering has also focused on continuous improvement in productivity and containing costs, thereby remaining on track to deliver the longer term growth targets outlined at the time of the Initial Public Offer ("IPO").

The current workload ensures that our staff base will be fully utilised well into the next financial year. As a Board, we are cognisant of our duties to MDM Engineering and shareholders and will continue to maintain strict financial controls and a strong balance sheet.

We stated at the time of our IPO that MDM Engineering would provide a premium service to the mining community via a low risk business model that would generate sustainable cash flows for our stakeholders and that we could seek to maintain a dividend policy in order to reward shareholders. The Board has accordingly approved an interim dividend of US 3.75 cents payable on the 12th January 2009 to shareholders registered on the 19th December 2008.

The Board believes that MDM Engineering has a strong business model, is financially sound and well positioned to maintain its business during the current global economic crisis due to its positive cash balances and execution pipeline."

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CHIEF EXECUTIVE'S REVIEW

The six months under review has been a period of significant growth for MDM Engineering, with the listing on AIM providing greater visibility and presence in the market. A strategic review of systems and operations was undertaken across the entire value chain and a series of initiatives were undertaken which have resulted in increased efficiency across the Group.

Our target market continues to be medium to large sized projects, primarily in Africa, that are within our core commodity experience. A key strategy remains for us to focus on the careful selection of studies that are likely to convert into execution projects, and where the client either has funding in place or has the potential to obtain funding.

MDM Engineering executes its projects via an Engineering, Procurement, Construction and Management (EPCM) reimbursable contracting method, which continues to be well received by our clients. The model has been particularly important in mitigating risk in the recent global environment of high demand inflation and increasing delivery times for processing equipment. The current slowdown in demand for services and equipment will see delivery times normalising and the cost of plants is likely to decrease. Our contracting methodology allows us to negotiate and share cost savings with our clients, thereby enhancing our product offering.

Man hours for studies and EPCM execution are priced at an all-in cost, together with an overhead recovery. Our staff base is fully utilised and we anticipate that this will continue for the foreseeable future. MDM Engineering is therefore cash positive on both a project and a consolidated basis after corporate overheads, and is able to accurately forecast and manage cashflow over the life of a project.

As stated in our trading update on 14th November, MDM Engineering's expected earnings for the full year to 31 March 2009 have been impacted by the current global crisis. The Group has substantial cash reserves while the current execution projects and studies being undertaken have ensured the continued growth of cash reserves on a monthly basis. We are intensifying our marketing efforts and new business development focus with a view to growing our pipeline and targeting clients requiring cost effective and predictable project results.

Current Projects

First Uranium Corporation's Ezulwini Gold and Uranium projects as well as their ChemWes Gold & Uranium project continue to progress well.

The Ezulwini Gold Plant is in the final hand-over stage. Wet commissioning of the Ezulwini Uranium Plant is scheduled to begin in December 2008.

The Kinsenda project has been suspended.

Feasibility Studies

MDM Engineering's efforts to attract new projects and clients have borne fruit over recent months, having attracted a number of new prospects that could be converted into revenue generating projects in the near term.

Kalahari Resources' Kalagadi Manganese Project has been delayed but will start in the first quarter of 2009. The project has been divided into two separate assignments – the sinter plant and the smelter. Work on the sinter plant is expected to start in April 2009 and the smelter in January 2010. When combined the project has increased in size and is now expected to cost in excess of US\$600 million.

MDM Engineering has been awarded a Control Budget Estimate ("CBE") costing study for Mine Waste Solutions acid plant project to be built at Ezulwini gold mine. The Group is to produce the cost estimate for its scope of work as well as for the EPCM role for the supply of the acid plant as a package by a third party. The anticipated cost of the acid plant is approximately US\$85 million. Should the final decision be given to go ahead, MDM Engineering will be the EPCM contractor.

MDM Engineering has been awarded the brown fields expansion of the Barbrook gold plant acquired by Eastern Goldfields Ltd to process ore from the Lily gold mine. This project is scheduled to go ahead in February 2009 with a project value of approximately US\$5 million.

MDM Engineering has also been awarded the Mkuju River scoping study for a uranium project in Tanzania on behalf of Mantra Resources. With the initial positive early results from the scoping study, Mantra intend going straight into a full bankable feasibility study ("BFS").

MDM Engineering has been awarded a scoping study for the Kongoni Manganese project in South Africa by Amari Resources Holdings Limited.

MDM Engineering has been awarded a BFS for the Bokai platinum project in Zimbabwe by Todal Mining Private Limited ("Todal Mining"). This is anticipated to have a project value of some US\$100 million. The Group is currently in negotiations to sign the Heads of Agreement for the EPCM execution contract. Todal Mining have agreed to supply a payment guarantee, issued by a recognised financial institution, for the value of MDM Engineering's EPCM man hours and margin that will accrue through the duration of the contract.

Other

MDM Engineering has also been working with Africo Resources on its Kalukundi Project, which is located in the Democratic Republic of Congo ("DRC"). This project was awarded to MDM Engineering in March 2007 and had been put on hold due to legal issues related to mining rights in the DRC. These issues have now been resolved and the project is expected to go ahead in 2009. The MDM Engineering team, given its extensive knowledge of the mining industry, along with experience of working within the financial community, is assisting Africo Resource with arranging project finance.

During November 2008, MDM Engineering was invited to tender for two execution projects. The first is a Copper Cobalt project in the DRC with an anticipated value of some US\$170 million. This is a fast track project for which an engagement is expected to be agreed during the week in January 2009. The second is an andulcita project in South Africa.

MDM Engineering is currently involved in a number of other potential studies across Africa and will provide updates on these as and when appropriate.

The Agbaou Gold Project, which MDM Engineering completed the BFS on this year, has been removed from our list of projects due to the current global credit crisis.

Team

MDM Engineering can be proud of the high calibre team it has working for it – they have done sterling work in delivering projects on time and within budget. In addition, we are continuously striving to enhance the team, its effectiveness, service delivery, safety and project delivery systems. I would like to thank the MDM Engineering staff for all of their contributions over a period of significant growth and development for the Group.

Outlook

While the current global economic turmoil has affected some of our clients, MDM Engineering is well positioned, with its cost effective and strong value engineering approach, to assist clients to design projects which are low cost and fit for purpose. We continue to make good progress in improving our operational efficiencies and in establishing the Group as the chosen partner in providing process engineering solutions. We are pleased to have a project execution pipeline of US\$670 million in place, with additional opportunities at an advanced stage of discussion, as well as a range of ongoing studies which have real potential to convert to projects. This pipeline, together with the cash generative, low-risk nature of our business model, enables MDM Engineering to look forward to the second half of the financial year with optimism.

Financial Statements

MDM ENGINEERING GROUP LTD

CONSOLIDATED Balance sheet

at 30 September 2008

	Notes	Unaudited 30 September 2008 US\$	Unaudited 30 September 2007 US\$	31 March 2008 US\$
Assets				
Non-current assets		932 855	890 560	1 179 271
Property, plant and equipment		482 527	842 138	858 612
Intangible asset		50 113	48 422	54 382
Deferred tax		400 215	-	266 277
Current assets		19 864 692	3 703 483	7 600 375
Trade and other receivables		6 105 118	1 724 195	2 453 436
Cash and cash equivalents	1	13 759 574	1 979 288	5 146 939
Total assets		20 797 547	4 594 043	8 779 646
Equity and liabilities				
Capital and reserves		14 663 438	2 265 157	4 527 204
Share capital	2	374 591	317 472	340 090
Share premium	3	8 422 589	147 952	1 335 130
Foreign currency translation reserve		(649 742)	(81 693)	(335 174)
Accumulated profit		6 516 000	1 881 426	3 187 158
Non-current liabilities		20 007	784 772	621 158
Interest bearing liability	4	20 007	784 772	621 158
Current liabilities		6 114 102	1 544 114	3 631 284
Trade and other payables		2 366 386	775 135	808 144
Current portion of interest bearing liability	4	16 846	49 896	53 672
Provisions		1 553 471	283 682	1 155 740
Income tax payable		2 177 399	435 401	1 613 728
Total equity and liabilities		20 797 547	4 594 043	8 779 646

MDM ENGINEERING GROUP LTD
CONSOLIDATED Income Statement

for the six months ended 30 September 2008

	Notes	Unaudited Six Months Ended 30 September 2008 US\$	Unaudited Six Months Ended 30 September 2007 US\$	16 Months Ended 31 March 2008 US\$
Revenue		17 334 919	4 471 756	13 610 004
Cost of sales		(8 486 748)	(1 675 823)	(6 830 213)
Gross profit		8 848 171	2 795 933	6 779 791
Other income		(386 998)	2 737	46 688
Waiver of loan		-	-	156 421
Operating expenses		(2 000 389)	(559 932)	(2 536 361)
Profit from operations		6 460 784	2 238 738	4 446 539
Net financing income	5	352 712	3 806	82 825
Profit before taxation	6	6 813 496	2 242 544	4 529 364
Taxation	7	(1 986 290)	(419 608)	(1 342 206)
Profit for the period		4 827 206	1 822 936	3 187 158
Weighted number of Ordinary Shares in Issue		36 671 607	25 569 701	24 624 165
Earnings per share – US cents	9	13.16	7.13	12.94

MDM ENGINEERING GROUP LTD**CONSOLIDATED Statement of changes in equity**

for the six months ended 30 September 2008

	Share capital	Share premium	Foreign currency translation reserve	Accumulated profit	Total
	US\$	US\$	US\$	US\$	US\$
Issue of share capital	340 090	1 335 130	-	-	1 675 220
Exchange translation differences on consolidation	-	-	(335 174)	-	(335 174)
Profit for the period	-	-	-	3 187 158	3 187 158
Balances at 31 March 2008	<u>340 090</u>	<u>1 335 130</u>	<u>(335 174)</u>	<u>3 187 158</u>	<u>4 527 204</u>
Issue of Shares	34 501	7 087 459	-	-	7 121 960
Dividends paid	-	-	-	(1 498 364)	(1 498 364)
Exchange translation differences on consolidation	-	-	(314 568)	-	(314 568)
Profit for the period	-	-	-	4 827 206	4 827 206
Balances at 30 September 2008	<u>374 591</u>	<u>8 422 589</u>	<u>(649 742)</u>	<u>6 516 000</u>	<u>14 663 438</u>

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign operations that do not have a USD functional currency.

MDM ENGINEERING GROUP LTD**CONSOLIDATED cash flow statement**

for the six months ended 30 September 2008

	Notes	Unaudited Six Months Ended 30 September 2008 US\$	Unaudited Six Months Ended 30 September 2007 US\$	16 Months Ended 31 March 2008 US\$
Cash flows from operating activities		1 416 080	1 395 143	4 101 398
Cash generated by operations	8	1 416 080	1 395 143	4 101 398
Cash flows from investing activities		675 746	(787 046)	(203 443)
Disposal / (acquisition) of property, plant and equipment		323 034	(790 852)	(224 704)
(Acquisition) of intangible asset		-	-	(61 564)
Net interest received		352 712	3 806	82,825
Cash flows from financing activities		6 520 809	1 285 930	1 248 984
Net proceeds received on shares issued		8 577 769	465 424	1 675 220
Costs directly related to issue of shares		(1 455 809)	-	(426 236)
Long term loans (repaid) / raised		(601 151)	820 506	-
Net increase in cash and cash equivalents		8 612 635	1 894 027	5 146 939
Cash and cash equivalents at the start of the period		5 146 939	85 261	-
Cash and cash equivalents at end of period		13 759 574	1 979 288	5 146 939

NOTES TO THE FINANCIAL STATEMENTS

Introduction

MDM Engineering Group Ltd ("the Company") is a company incorporated in the British Virgin Islands. The Company and its subsidiaries ("the Group") are involved in minerals process engineering and project management. The principal operations are currently based in South Africa. Services include preliminary and final (bankable and definitive) feasibility studies, through to plant design, construction and commissioning.

Summary of significant accounting policies

The financial statements present fairly, in all material respects, the Group's financial position, financial performance and cash flows and comply with applicable International Accounting Standards and Interpretations, except where otherwise stated. The financial statements have been prepared using the going concern basis.

The Group present their financial statements in US dollars (USD). The functional currency of a significant portion of the group's operations is the South African Rand. As most future contracts will be in USD and the Group has listed on AIM on 12 May 2008, the directors have decided to present the financial statements in USD.

Standards in issue, not yet effective

The financial statements are prepared in accordance with International Financial Reporting Standards and Interpretations in force at the reporting date. The Company has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations, which have been issued by the International Accounting Standards Board, but have not been adopted will have a material impact on the financial statements.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Accounting for long term contracts

The Company makes estimates and assumptions concerning the future, particularly as regards long term contract profit taking, provision, arbitrations and claims. The resulting accounting estimates can, by definition, only approximate the actual results. Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Consolidation policy

The consolidated financial statements combine the financial statements of the Group.

The effects of all transactions between entities in the Group have been eliminated in full and the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies so as to obtain benefit from their activities. Subsidiaries are fully consolidated from the date on which control is transferred until the date that the control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

A joint venture is an entity over which the Group has joint control. Joint control is the contractually agreed sharing of control over an entity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The joint venture is proportionally consolidated from the date on which control is transferred, until date that the control is ceased. The group's share of the assets, liabilities, income and expenses of the joint venture are included on a line by line basis with similar items in the financial statements.

Revenue recognition

(a) *Rendering of services*

Revenue for services rendered is recognised as services are rendered. Revenue is not recognised when it cannot be measured reliably or where there are significant uncertainties regarding the recovery of the consideration due, associated costs or continuing management involvement with the services rendered.

Revenue on contracts is recognised as revenue by reference to the stage of completion of contracts at balance sheet date. The stage of completion is based on the actual work performed on the contract at the balance sheet date.

(b) *Interest revenue*

Interest revenue is recognised in the period that it relates to.

Leases

A distinction is made between finance leases which transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased asset and operating leases under which the lessor retains substantially all the risks and rewards. Where an asset is acquired by means of a finance lease, the fair value of the leased property or the present value of minimum lease payments, if lower, is established as an asset at the beginning of the lease term. A corresponding liability is also established and each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. Operating lease rental expense is recognised as an expense on a straight line basis over the lease term, or on a systematic basis more representative of the time pattern of the user's benefit.

Income taxes

Income taxes are accounted for using the comprehensive balance sheet liability method whereby:

- the tax consequences of recovering/(settling) all assets/(liabilities) are reflected in the financial statements
- current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination
- a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset and
- deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

Impairment of assets

The group assess at each balance sheet date whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Translation of foreign currency transactions

Transactions in foreign currencies on initial recognition in the functional currency are recorded by applying to the foreign currency amount the spot exchange rate at the date of the transaction.

At each balance sheet date:

- (a) foreign currency monetary items are reported using the closing rate
- (b) non-monetary items which are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially translated during the period are recognised in the income statement in the period in which they arise, with the exception of exchange differences arising on a monetary item that forms part of the net investment in a foreign operation which are recognised initially in a separate component of equity and recognised in profit or loss on disposal of the net investment.

Translation of the financial statements of foreign operations

The following procedures are used in translating the results and financial position of the entity from its functional currency to the presentation currency:

- (a) assets and liabilities at the closing rate at the balance sheet date
- (b) income and expense items at exchange rates at the dates of the transactions and
- (c) all resulting exchange differences recognised as a separate component of equity.

Trade and other receivables

Trade accounts and other receivables are reflected at amortised cost as at balance sheet date.

Property, plant and equipment

These assets are stated at cost and are depreciated on the straight-line basis at annual rates considered appropriate to reduce book values to estimated residual values over the remaining useful lives as follows:

Building	-	5%
Computer equipment	-	33,3%
Furniture and fittings	-	16,67%
Leasehold improvements	-	50%
Motor vehicles	-	20%
Office equipment	-	20%
Plant and equipment	-	20%

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. The intangible asset is amortised over 10 years on the straight line method.

Cash and cash equivalents

Current bank and cash balances, represented the principal amounts at balance sheet date plus, where applicable, any accrued interest.

Trade and other payables

Trade accounts, notes payable, other payables and accrued liabilities represented the principal amounts outstanding at balance sheet date plus, where applicable, any accrued interest.

Short-term employee benefits

Short term employee benefits are employee benefits (other than termination benefits and equity compensation benefits) which fall due wholly within 12 months after the end of the period in which employee services are rendered. They comprise wages, salaries, social security obligations, short-term compensation absences, profit sharing and bonuses payable within 12 months and non-mandatory benefits such as medical care, housing, car, and service goods.

The undiscounted amount of short-term employee benefits expected to be paid is recognised as an expense.

Share-based payment arrangements

Goods or services received or acquired in a share-based payment transaction are recognised as a increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted.

Events after the balance sheet date

Assets and liabilities are adjusted for events occurring after the balance date that provide evidence of conditions existing at the balance date.

Provisions

Provisions are recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

1	Cash and cash equivalents	Unaudited Six Months Ended 30 September 2008	Unaudited Six Months Ended 30 September 2007	16 Months Ended 31 March 2008
		US\$	US\$	US\$
	Cash and cash equivalents are held in the following currencies:			
	US Dollars	2 148 778	1 512 086	1 706 573
	Euros	5 882 040	-	-
	Pounds	162 511	-	-
	South African Rands	5 566 245	467 202	3 440 366
		<u>13 759 574</u>	<u>1 979 288</u>	<u>5 146 939</u>
	Included in the cash and cash equivalents is a restricted amount of \$3,802,323 which is placed as performance guarantees with South African financial institutions against the Group's current execution projects.			
2	Share capital			
	<i>Authorised</i>			
	200 000 000 ordinary shares of USD 0,01 cents each	2 000 000	2 000 000	2 000 000
	<i>Issued</i>			
	37 459 107 ordinary shares of USD 0,01 each issued and fully paid	374 591	317 472	340 090
	Reconciliation of the number of shares outstanding:			
	Opening balance	200 000 000	200 000 000	200 000 000
	Shares issued	(37 459 107)	(31 747 196)	(34 009 107)
	Closing balance	<u>162 540 893</u>	<u>168 252 804</u>	<u>165 990 893</u>
3	Share premium			
	Share premium	8 422 589	147 952	1 335 130

4	Interest bearing liability	Unaudited Six Months Ended 30 September 2008 US\$	Unaudited Six Months Ended 30 September 2007 US\$	16 Months Ended 31 March 2008 US\$
	Instalment sales:	20 007	34 549	27 270
	Amount owing	36 853	50 289	49 829
	Less: amount payable within 1 year included in current liabilities	(16 846)	(15 740)	(22 559)
	<p>The instalment sales bear interest at prime bank overdraft rate, plus 1, 8%. The rate is currently 16, 3%. The loans are secured by motor vehicles at book value of USD55 117. The loans are repayable in monthly instalments of USD1 508, exclusive of interest.</p>			
	Bond for building:	-	750 223	593 888
	Amount owing	-	784 379	625 002
	Less: amount payable within 1 year included in current liabilities	-	(34 156)	(31 114)
	<p>The facility bears interest at prime bank overdraft rate, minus 1%. The rate is currently 14.5%. Security is provided by MJ Nunn and GSJ Bennett in equal portions of USD307 821 and USD615 642 by Foneworx Holdings Ltd. The facility is currently repayable over 120 months in monthly instalments of USD5 519, exclusive of interest.</p> <p>The building was sold on the 30th of June 2008</p>			
		20 007	784 772	621 158
	Short term liability	16 846	49 896	53 672
	Long term liability	20 007	784 772	621 158
	Total Interest bearing liability	36 853	834 668	674 830
	5	Net financing income		
	Interest income	378 517	18 849	140 536
	Interest expense	(25 805)	(15 043)	(57 711)
		352 712	3 806	82 825
	6	Profit before taxation		
	Profit before taxation is stated after charging :			
	Amortisation	3 213	24 211	7 182
	Consulting fees	18 620	6 924	23 191
	Depreciation	54 107	18 367	40 922
	Operating lease expenses	125 180	85 148	154 748

		Unaudited Six Months Ended 30 September 2008	Unaudited Six Months Ended 30 September 2007	16 Months Ended 31 March 2008
		US\$	US\$	US\$
After crediting:				
	Exchange rate differences	(673 693)	2 791	49 368
7	Taxation			
	S A normal			
	- current	2 120 228	419 608	1 644 179
	- deferred	(133 938)	-	(266 277)
		<u>1 986 290</u>	<u>419 608</u>	<u>1 342 206</u>
8	Note to the cash flow statement			
Cash generated by operations				
	Profit before taxation	6 813 496	2 242 544	4 529 364
	Depreciation and amortisation	57 320	49 795	48 104
	Net interest received	(352 712)	(3 806)	(82 825)
	Taxation paid	(1 556 558)		
	Dividends paid	(1 498 364)		
	Foreign currency translation adjustment	(314 568)	128 862	(329 929)
		<u>3 148 614</u>	<u>2 417 395</u>	<u>4 164 714</u>
	Working capital changes	(1 732 534)	(1 022 252)	(63 316)
	Trade and other receivables	(3 651 682)	(1 780 064)	(2 027 200)
	Trade and other payables	1 919 148	757 812	1 963 884
		<u>1 416 080</u>	<u>1 395 143</u>	<u>4 101 398</u>

	Unaudited Six Months Ended 30 September 2008 US\$	Unaudited Six Months Ended 30 September 2007 US\$	16 Months Ended 31 March 2008 US\$
9 Basic and diluted earnings per share			
Net profit attributable to equity holders	4 827 206	1 822 936	3 187 158
Basic earnings	4 827 206	1 822 936	3 187 158
Basic weighted number of ordinary shares	36 671 607	25 569 701	24 624 165
Earnings per share (US cents)	13.16	7.13	12.94

There are no equity instruments in issue at the period end that will have a dilutive effect on earnings per share.

Date of issue	No. of shares
4 December 2006	10 000 000
16 May 2007	20 585 696
16 August 2007	507 500
30 September 2007	654 000
7 November 2007	512 000
15 November 2007	1 724 911
23 November 2007	25 000
12 May 2008	3 450 000
	<u>37 459 107</u>
Basic weighted number of ordinary shares	<u>36 671 607</u>

10 Exchange Rates

The exchange rates used in converting the financial information from their source currencies to the presentation currency are as follows:

Period end rate:	8.1345	6.8839	8.1216
Period average rate:	7.7804	7.1075	7.1455