

**GLOBAL ASSET MANAGEMENT LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2002/003192/06)  
Share Code: GAM ISIN: ZAE000173498  
("Global" or "the company")

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**UNAUDITED INTERIM RESULTS FOR THE SIX MONTH PERIOD ENDED 31 MAY 2016**

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The Board of Directors of Global are pleased to present the unaudited interim results of Global and its Subsidiaries ("the Group") for the six month period ended 31 May 2016.

**Condensed statement of comprehensive income**

	<b>6 months Unaudited 31 May 2016 R'000</b>	<b>12 months Audited 30 November 2015 R'000</b>	<b>6 months Unaudited 31 May 2015 R'000</b>
<b>Revenue</b>	<b>86 208</b>	<b>204 514</b>	<b>93 828</b>
Cost of sales	(58 696)	(147 255)	(63 761)
<b>Gross profit</b>	<b>27 512</b>	<b>57 259</b>	<b>30 067</b>
Other income	5 923	411	173
Operating expenses	(11 054)	(19 276)	(10 582)
<b>Operating profit before interest</b>	<b>22 381</b>	<b>38 394</b>	<b>19 658</b>
Interest received	166	324	72
Finance costs	(15 439)	(29 505)	(13 986)
<b>Profit before taxation</b>	<b>7 108</b>	<b>9 213</b>	<b>5 744</b>
Taxation	(1 611)	(2 428)	(1 637)
<b>Profit for the period</b>	<b>5 497</b>	<b>6 785</b>	<b>4 107</b>
<b>Total comprehensive Income</b>	<b>5 497</b>	<b>6 785</b>	<b>4 107</b>
<b>Total profit attributable to equity holders</b>	<b>5 497</b>	<b>6 785</b>	<b>4 107</b>
<b>Total comprehensive income attributable to equity holders</b>	<b>5 497</b>	<b>6 785</b>	<b>4 107</b>
<b>Per share information (Refer to note 6 below):</b>			
Headline earnings per share (cents)	1.9	16.1	8.9
Basic earnings per share (cents)	10.3	14.7	8.9

## Condensed consolidated statement of financial position

	Unaudited 31 May 2016 R'000	Audited 30 November 2015 R'000	Unaudited 31 May 2015 R'000
<b>Assets</b>			
<b>Non-current assets</b>	<b>497 398</b>	<b>457 031</b>	<b>479 048</b>
Property, plant and equipment	441 531	439 970	446 665
Goodwill	39 291	-	-
Intangible asset	1 075	1 075	1 075
Investment in financial asset	-	2 250	2 250
Loans and advances to customers	14 194	12 082	10 270
Deferred tax	1 307	1 654	18 788
<b>Current assets</b>	<b>58 396</b>	<b>67 218</b>	<b>67 735</b>
Other loan receivable	772	471	938
Trade and other receivables	48 937	55 037	51 913
Cash and cash equivalents	8 628	11 673	14 884
Inventory	59	37	-
<b>Total assets</b>	<b>555 794</b>	<b>524 249</b>	<b>546 783</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>149 490</b>	<b>118 853</b>	<b>116 175</b>
Ordinary share capital	58 031	34 795	34 795
Reserves	89 555	84 058	81 380
<b>Share-holders equity</b>	<b>147 586</b>	<b>118 853</b>	<b>116 175</b>
<b>Non-controlling interest</b>	<b>1 904</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>	<b>260 163</b>	<b>280 112</b>	<b>268 412</b>
Other financial liabilities	218 527	239 932	212 020
Deferred tax	41 636	40 180	56 392
<b>Current liabilities</b>	<b>146 141</b>	<b>125 284</b>	<b>162 196</b>
Loan from holding company	-	252	-
Other financial liabilities	118 972	95 967	122 453
Current tax payable	-	192	342
Trade and other payables	27 169	28 873	39 401
<b>Total equity and liabilities</b>	<b>555 794</b>	<b>524 249</b>	<b>546 783</b>
<b>Per share information</b>			
Net asset value per share (cents per share)	272.5	258.1	252.2
Number of shares in issue at period end	54 157 575	46 046 266	46 046 266

## Condensed consolidated statement of cash flows

	Unaudited 31 May 2016 R'000	Audited 30 November 2015 R'000	Unaudited 31 May 2015 R'000
Cash generated from operating activities	20 298	92 558	38 752
Cash (used in)/generated from investing activities	(1 441)	(13 886)	300
Cash used in financing activities	(21 902)	(83 379)	(40 548)
<b>Total cash movement for the period</b>	<b>(3 045)</b>	<b>(4 707)</b>	<b>(1 496)</b>
Cash at the beginning of the period	11 673	16 380	16 380
<b>Total cash at end of the period</b>	<b>8 628</b>	<b>11 673</b>	<b>14 884</b>

## Condensed consolidated statement of changes in equity

	Share capital R'000	Common Control reserve R'000	Retained income R'000	Attributable to equity holders R'000	Non- controlling interest R'000	Total equity R'000
<b>Balance at 30 November 2014</b>	<b>34 795</b>	<b>(6 941)</b>	<b>84 214</b>	<b>112 068</b>	<b>-</b>	<b>112 068</b>
Total comprehensive income	-	-	6 785	6 785	-	6 785
<b>Total changes</b>	<b>-</b>	<b>-</b>	<b>6 785</b>	<b>6 785</b>	<b>-</b>	<b>6 785</b>
<b>Balance at 30 November 2015</b>	<b>34 795</b>	<b>(6 941)</b>	<b>90 999</b>	<b>118 853</b>	<b>-</b>	<b>118 853</b>
Share issue	23 236	-	-	23 236	1 904	25 140
Total comprehensive income	-	-	5 497	5 497	-	5 497
<b>Total changes</b>	<b>23 236</b>	<b>-</b>	<b>5 497</b>	<b>28 733</b>	<b>1 904</b>	<b>30 637</b>
<b>Balance at 31 May 2016</b>	<b>58 031</b>	<b>(6 941)</b>	<b>96 496</b>	<b>147 586</b>	<b>1 904</b>	<b>149 490</b>

### 1. BASIS OF PREPARATION

The board of directors is pleased to present the Group's unaudited results for the six month period ended 31 May 2016. The accounting policies adopted for purposes of this report comply, and have been consistently applied in all material respects, with International Financial Reporting Standards ("IFRS"). The abridged financial statements have been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting) and the JSE Listings Requirements. The results are presented in Rand and the going concern principal has been adopted in the preparation of the results.

The same accounting policies and methods of computation have been followed as compared to the prior audited period namely 30 November 2015.

The financial results have been prepared by the financial director, Mr W Basson CA (SA).

### 2. INDUSTRY AND BUSINESS OVERVIEW

Global announced its intent to focus on renewable energy businesses as well as waste-to-energy opportunities during 2015. The Board of Global has since crafted a long term strategy, which has carefully mapped out the various milestones to be achieved during its 5 year transition period from being an asset finance house into becoming an important player in the renewable energy sector through its GAM New Energy (Pty) Ltd ("GAM New Energy") subsidiary. During the transition period Global will continue to employ its asset finance business, LFS Assets (Pty) Ltd, as a finance base and main source of revenue.

Through its newly founded subsidiary Enviroprotek (Pty) Ltd ("Enviroprotek"), Global has established a waste tyre recycling plant, which converts waste rubber into industrial fuel oil, carbon black and steel. The plant has been successfully commissioned and is fully operational. An application to REDISA has been made to be allocated waste tyres under the REDISA plan.

GAM New Energy has also given the go ahead for the planning and detailed engineering phase of its first waste plastic plant in Springs, housed within Plastic Green Energy (Pty) Ltd ("PGE"), a joint venture with Futuregrowth Asset Management (Pty) Ltd. Making use of proprietary technology acquired through the purchase of the majority shareholding in Earthwise Energy Holdings (Pty) Ltd, PGE will recover the latent energy inherent in waste plastic by converting it into liquid fuel, aimed at the industrial fuel oil market.

GAM New Energy has commenced with the launch of its first Concentrated Solar Power (“CSP”) plant through its associate Heliosek (Pty) Ltd. The technology allows for the highly efficient exploitation of the unlimited solar resource base of Southern Africa and creates an opportunity for expansion into other international jurisdictions. The technology offers an alternative to existing solar energy and other renewable energy solutions at a lower comparative cost.

### 3. FINANCIAL RESULTS

Revenue dropped to R86.2 million for the six months ended 31 May 2016 from R93.8 million for the prior comparative period. This was mainly due to the weak market conditions. Cost of sales was R58,7 million for the six month ended 31 May 2016.

Other income increased to R5.9 million from R173k, primarily due to value realised on the sale of 9.5% of Total Rubber Recycling (“TRR”) as part of the Earthwise transaction, further details of which are set out below.

Global achieved an interim profit of R5.5 million for the six months ended 31 May 2016, in spite of incurring operating and development costs on its early-stage renewable energy businesses in the group in line with the long-term strategy of Global. Profits in relation to these businesses are expected to commence over the next six to eighteen months.

It should be noted that the current portion of other financial liabilities reflected on the balance sheet represents a 12 month accrual for finance associated with the Group’s rental book. On the other side, Trade and Other Receivables only reflect approximately the current receivables arising from the matching rental contracts. The net current liability position of the Group is considered sound as current liabilities will be settled by ongoing monthly rental billings.

#### **Acquisition of a controlling interest in Earthwise Energy Holdings (Pty) Ltd:**

As announced on SENS, during December 2015, GAM acquired a controlling interest in Earthwise Energy Holdings (Pty) Ltd (“EWEH”). The controlling interest held after this transaction is 95.25% and is made up as follows:

- 5% acquired from Altena (Transaction 1) during December 2015
- 85.25% acquired from vendors (Transaction 2) during December 2015
- 5% acquired in previous financial periods

#### *Transaction 1*

A 5% interest in EWEH was acquired for a cash consideration of R2 million from Altena, this transaction was in contemplation of Transaction 2 described below.

#### *Transaction 2*

An 85.25% interest in EWEH was acquired by a combination of cash and equity instruments including components that are contingent on future events. Each of the major components, and the related fair values (which may differ from the agreement values between parties), are disclosed in the table below:

#### **Acquisition of 85.25% in December 2015:**

	R
8 111 309 GAM shares	23 236 966
Cash consideration	2 368 055
Additional GAM shares contingent on profit warrants	1 724 567
Additional contingent cash amount	826 585
TRR shares transferred to vendors	6 021 152
<b>Total</b>	<b>34 177 325</b>

*Previously held interest*

GAM held 5% in EWEH from prior periods and the fair value of this 5% determined as R2 million (based on the price achieved in Transaction 1 above).

The total consideration paid for the 95.25% interest in EWEH, inclusive of the previously held interest is therefore R38,2 million. At the date of acquisition, the fair value of EWEH's net assets was provisionally determined to be R0,8 million. Consequently, Goodwill on the acquisition of EWEH is provisionally determined as follows:

	R
Consideration paid	38.2 million
Non-controlling interest	1.9 million
Less, Fair value of assets acquired	(0,8 million)
<b>Goodwill</b>	<b>R39,3 million</b>

GAM is of the view that the proprietary technology developed by EWEH in the area of plastic to oil operations will prove to become extremely valuable in the area of renewable energy and is therefore satisfied that the goodwill on the transaction is reflective of the value expected to be realised in the future from the acquisition.

#### 4. SEGMENTAL REPORTING

Segmental information has been reported by the Group in the following segments, namely rentals, maintenance, sale of forklifts, renewable energy and other transactions.

<b>GROUP May 2016</b>	<b>Rentals R'000</b>	<b>Maintenance R'000</b>	<b>Sale of forklifts R'000</b>	<b>Renewable energy R'000</b>	<b>Other R'000</b>	<b>Inter- group R'000</b>	<b>Total R'000</b>
Revenue	66 689	22 631	11 220	126	380	(14 838)	86 208
Cost of sales	(33 213)	(22 749)	(15 889)	-	(1)	13 156	(58 696)
Gross profit	33 476	(118)	(4 669)	126	379	(1 682)	27 512
Operating expenses, finance costs and other income	(23 590)	-	-	3 062	(1 558)	1 682	(20 404)
Taxation	(2 649)	33	1 307	(632)	330	-	(1 611)
<b>Profit after tax</b>	<b>7 237</b>	<b>(85)</b>	<b>(3 362)</b>	<b>2 556</b>	<b>(849)</b>	<b>-</b>	<b>5 497</b>
Depreciation and impairment	(32 763)	-	-	-	(27)	-	(32 790)
<b>Additional information</b>							
Segment assets	491 921	-	-	5 173	130 703	(72 003)	555 794
Additions to property plant and equipment	36 905	-	-	1 441	-	-	38 346
Deferred tax asset	-	-	-	932	375	-	1 307
Deferred tax liability	(50 522)	-	-	-	-	8 886	(41 636)
Segment liability	(422 875)	-	-	(232)	(5 702)	22 505	(406 304)

<b>GROUP May 2015</b>	<b>Rentals R'000</b>	<b>Maintenance R'000</b>	<b>Other R'000</b>	<b>Total R'000</b>
Revenue	58 158	20 367	15 303	93 828
Cost of sales	(31 138)	(20 606)	(12 017)	(63 761)
Gross profit	27 020	(239)	3 286	30 067
Operating expense, finance costs and other income	(19 003)	-	(5 320)	(24 323)
Taxation	(2 245)	67	541	(1 637)
<b>Profit after tax</b>	<b>5 772</b>	<b>(172)</b>	<b>(1 493)</b>	<b>4 107</b>
Depreciation and impairment	(32 648)	-	(24)	(32 672)
<b>Additional information</b>				
Segment assets	525 199	-	21 584	546 783
Additions to property plant and equipment	44 918	-	1 500	46 418
Deferred tax assets	17 503	-	1 285	18 788
Deferred tax liability	(56 266)	-	(126)	(56 392)
Segment liability	(421 273)	-	(9 335)	(430 608)

Project management, corporate services and any other income is below the quantitative threshold set by IFRS for reporting.

## 5. RELATED PARTY TRANSACTIONS

### Relationships:

Ultimate holding company:	Inshare (Pty) Ltd
Fellow subsidiaries:	Inshare Asset Finance Holdings (Pty) Ltd Ocean Crest Trading 11 (Pty) Ltd E B M Project (Pty) Ltd Dalton Sugar Company (Pty) Ltd
Joint venture:	Energon SA (Pty) Ltd
Associate:	Heliosek (Pty) Ltd

### Related party transactions were as follows:

	<b>GROUP MAY 2016 R'000</b>	<b>GROUP NOVEMBER 2015 R'000</b>
<i>Related party balances</i>		
<b>Loan account owing (to) by related parties</b>		
Inshare (Pty) Ltd	-	(252)
The loan is unsecured, bears interest and is payable on demand. There was no evidence of impairment for the period end 31 May 2016, thus the fair value approximates the carrying value as stated.		
Heliosek (Pty) Ltd	484	103
The loan is unsecured, and is payable on demand. There was no evidence of impairment for the period end 31 May 2016, thus the fair value approximates the carrying value as stated. In order to assist the associate in funding its project the loan is interest free.		

*Related party transactions are at arm's length.*

<b>Loan repaid/(advanced to)</b>		
Inshare (Pty) Ltd	(252)	(338)
Heliosek (Pty) Ltd	(381)	(103)
<b>Rent paid to related parties</b>		
Ocean Crest Trading 11 (Pty) Ltd	483	878
<b>Management fee paid to (received from)</b>		
Inshare Asset Finance Holdings (Pty) Ltd	738	1 476
Energon SA (Pty) Ltd	-	(85)
Dalton Sugar Company (Pty) Ltd	(275)	(300)
<b>Consulting fee received</b>		
E B M Project (Pty) Ltd	-	(3 000)

## 6. EARNINGS PER SHARE

The calculation of the basic earnings per ordinary share is based on the profit attributable to ordinary shareholders of R5 497 000 (30 November 2015: R6 785 000; 31 May 2015: R4 107 000) and a weighted average number of ordinary shares outstanding of 53 138 121 (30 November 2015: 46 046 266; 31 May 2015: 46 046 266) for the year.

The calculation for the headline earnings per ordinary share is based on the headline profit attributable to ordinary shareholders of R1 019 000 (30 November 2015: R7 391 000 and 31 May 2015: R4 107 000) and a weighted average number of ordinary shares outstanding of 53 138 121 (30 November 2015: 46 046 266 and 31 May 2015: 46 046 266) for the year.

### *Basic and headline earnings*

	<b>Total R'000</b>
<b>MAY 2016</b>	
Basic earnings	5 497
Adjusted for:	
Profit on the part disposal of a subsidiary (net of taxation)	(4 478)
<b>Headline earnings</b>	<b>1 019</b>

	<b>Total R'000</b>
<b>NOVEMBER 2015</b>	
Basic earnings	6 785
Adjusted for:	
Loss in disposal of assets (net of taxation)	226
Loss in disposal of investment in joint venture (net taxation)	380
<b>Headline earnings</b>	<b>7 391</b>

	<b>Total R'000</b>
<b>MAY 2015</b>	
Basic earnings	4 107
Adjustments	-
<b>Headline earnings</b>	<b>4 107</b>

### *Weighted average number of ordinary shares*

	<b>MAY 2016</b>	<b>NOVEMBER 2015</b>	<b>MAY 2015</b>
Weighted average number of ordinary shares	53 138 121	46 046 266	46 046 266

### *Earnings per share*

	<b>MAY 2016</b>	<b>NOVEMBER 2015</b>	<b>MAY 2015</b>
Basic earnings per share (cents)	10.3	14.7	8.9
Headline earnings per share (cents)	1.9	16.1	8.9

There are no instruments in issue that would cause a dilutive effect.

## 7. BOARD OF DIRECTORS

The current board is constituted as follows:

<b>Name (Age)</b>	<b>Date of appointment</b>	<b>Position/title</b>
Niels Penzhorn	1 December 2009	Chief Executive Officer
Werner Petrus Basson	14 November 2012	Chief Financial Officer
Marinus Cornelis Christoffel van Ettinger	13 February 2002	Chief Operating Officer
Alan Jerome Naidoo	1 November 2012	Non-Executive Director
Gabriel Thono Magomola	1 November 2012	Lead Independent Non- Executive Director
Gordon Kenneth Cunliffe	1 November 2012	Non-Executive Chairman

There have been no changes to the board of directors in the period under review.

## 8. SHARE CAPITAL AND ISSUE/REPURCHASE OF SHARES

During the period presented, the Company issued 8.1 million new shares in Global as part of the Earthwise Energy Holdings transaction.

The company intends raising further capital to grow its renewable energy and energy efficiency businesses and thus intends placing an additional 19.3 million shares over a period of time. Further details will be announced in due course.

Global did not repurchase any shares during the period under review.

## 9. DIVIDEND

The Company has not declared a dividend for the interim period ended 31 May 2016 (2015: R Nil) in line with its stated intention in the prospectus at the time of listing.

## 10. LITIGATION

There is no litigation pending against the Company or its Subsidiaries, which is expected to have a material impact on the results of the Group.

## 11. CONTINGENT LIABILITIES

At the balance sheet date, the Group does not have any contingent liabilities (2015: R Nil).

## 12. SUBSEQUENT EVENTS

A subscription agreement providing for the subscription of shares in Plastic Green Energy (Pty) Ltd ("PGE") by Futuregrowth and Earthwise Energy Holdings (Pty) Ltd ("EWEH"), a 95.25% subsidiary within the Global group of companies ("the Parties"), has been concluded ("the Transaction").

Futuregrowth and Global have agreed to advance equity funding to PGE and Futuregrowth will accordingly subscribe for shares in the issued share capital of PGE such that immediately after the subscriptions, Futuregrowth will hold 45% and EWEH will hold 55% of the issued share capital of PGE.

The subscription is subject to various conditions precedent, mainly relating to operational and intellectual property matters, but including confirmation of no material changes to the project plan.

The Transaction will have no impact on the Statement of Comprehensive Income and the net asset value of Global. Cash and cash equivalents will increase by R20.25 million and the amount attributable to minority shareholders will similarly increase by R20.25 million.



### **13. FUTURE PROSPECTS**

The directors of the Company believe that the Group has good prospects to diversify its operations over the next year, based on its current pipeline of projects, initiatives and strong management skills.

#### **By order of the Board**

GK Cunliffe  
Chairman

N Penzhorn  
Chief Executive Officer

Johannesburg  
29 June 2016

#### **Registered Office**

Ruimsig Country Office Park  
Block E  
129 Hole in One Avenue  
Ruimsig  
Roodepoort  
1724

#### **Directors**

G.K. Cunliffe\*; M.C.C van Ettinger; N. Penzhorn; W.P Basson; G.T Magomola\*#; A.J Naidoo\*#

\* - non-executive

# - independent

#### **Designated Advisor**

Arbor Capital Sponsors Proprietary Limited

#### **Transfer Office**

Link Market Services Proprietary Limited