

**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 RESULTS FOR THE SIX MONTH PERIOD ENDED 31 MAY 2014**

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The Board of Directors of Global are pleased to present the unaudited results of Global and its Subsidiaries ("the Group") for the six month period ended 31 May 2014.

**Statement of comprehensive Income**

	<b>6 months Unaudited 31 May 2014 R'000</b>	<b>12 months Audited 30 November 2013 R'000</b>	<b>Restated 6 months Unaudited 31 May 2013 R'000</b>
<b>Revenue</b>	<b>89 530</b>	<b>177 217</b>	<b>85 748</b>
Cost of sales	(57 215)	(112 497)	(58 385)
<b>Gross profit</b>	<b>32 315</b>	<b>64 720</b>	<b>27 363</b>
Other income	33	639	107
Operating expenses	(11 465)	(22 895)	(7 746)
<b>Operating profit before interest</b>	<b>20 883</b>	<b>42 464</b>	<b>19 724</b>
Interest received	32	7	6
Finance costs	(12 460)	(24 408)	(12 434)
<b>Profit before taxation</b>	<b>8 455</b>	<b>18 063</b>	<b>7 296</b>
Taxation	(2 448)	(4 811)	(2 048)
<b>Profit for the year</b>	<b>6 007</b>	<b>13 252</b>	<b>5 248</b>
Other comprehensive income	-	-	-
<b>Total comprehensive Income</b>	<b>6 007</b>	<b>13 252</b>	<b>5 248</b>
<b>Attributable earnings/(loss) to:</b>			
<b>Parent</b>	<b>6 331</b>	<b>13 252</b>	<b>5 248</b>
<b>Minority</b>	<b>(324)</b>	<b>-</b>	<b>-</b>
<b><i>Headline earnings reconciliation:</i></b>			
<b>Attributable earnings</b>	<b>6 007</b>	<b>13 252</b>	<b>5 248</b>
Impairment (Net of Taxation)	-	2 792	-
<b>Headline earnings</b>	<b>6 007</b>	<b>16 044</b>	<b>5 248</b>
<b><i>Per share information:</i></b>			
Headline earnings per share (cents)	13.2	45.5	15.1
Basic earnings per share (cents)	13.2	37.6	15.1
Weighted average number of shares in issue	45 351 166	35 220 790	34 730 769

## Condensed consolidated statement of financial position

	Unaudited 31 May 2014 R'000	Audited 30 November 2013 R'000	Restated Unaudited 31 May 2013 R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	432 387	409 072	402 003
Intangible assets	1 000	1 000	-
Investment in other financial assets	560	-	-
Loans and advances to customers	16 943	16 991	14 911
Deferred tax	21 061	18 430	21 032
<b>Current assets</b>			
Available for sale assets	-	-	4 520
Loans and advances to customers	5 855	5 129	3 859
Other financial assets	467	-	-
Trade and other receivables	35 451	31 175	28 212
Cash and cash equivalents	18 212	18 410	5 730
<b>Disposal group held for sale</b>	<b>4 889</b>	<b>4 889</b>	<b>-</b>
<b>Total assets</b>	<b>536 825</b>	<b>505 096</b>	<b>480 267</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	34 141	31 942	11 279
Retained earnings	73 121	66 767	58 763
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other financial liabilities	230 086	224 218	258 440
Deferred tax	55 825	50 845	51 452
<b>Current liabilities</b>			
Loan from holding company	3 017	1 352	4 731
Other financial liabilities	88 951	86 123	60 878
Current tax payable	827	558	197
Trade and other payables	50 115	42 532	34 527
<b>Disposal group held for sale</b>	<b>742</b>	<b>759</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>536 825</b>	<b>505 096</b>	<b>480 267</b>
<b>Per share information</b>			
Net asset value per share (cents per share)	234.9	220.8	200.1
Tangible net asset value per share (cents per share)	232.7	218.6	200.1
Number of shares in issue at period end	45 654 961	44 699 113	35 000 000

### Condensed consolidated statement of cash flows

	Unaudited 31 May 2014 R'000	Audited 30 November 2013 R'000	Restated 31 May 2013 R'000
Cash generated from operating activities	39 501	67 558	36 074
Cash used in investing activities	11 801	23 808	13 368
Cash generated from/(used in) financing activities	(51 500)	(74 190)	(44 946)
<b>Total cash movement for the year</b>	<b>(198)</b>	<b>17 176</b>	<b>4 496</b>
Cash at the beginning of the year	18 410	1 234	1 234
<b>Total cash at end of the year</b>	<b>18 212</b>	<b>18 410</b>	<b>5 730</b>

### Condensed consolidated statement of changes in equity

	Share capital R'000	Available for sale reserve 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 2012</b>	<b>4 279</b>	<b>799</b>	<b>(6 941)</b>	<b>59 657</b>	<b>57 794</b>	<b>-</b>	<b>57 794</b>
Share issue	29 308	-	-	-	29 308	-	29 308
Share issue expense	(1 645)	-	-	-	(1 645)	-	(1 645)
Changes in equity							
Total comprehensive income	-	-	-	13 252	13 252	-	13 252
<b>Total changes</b>	<b>27 663</b>	<b>-</b>	<b>-</b>	<b>13 252</b>	<b>40 915</b>	<b>-</b>	<b>40 915</b>
<b>Balance at 30 November 2013</b>	<b>31 942</b>	<b>799</b>	<b>(6 941)</b>	<b>72 909</b>	<b>98 709</b>	<b>-</b>	<b>98 709</b>
Share issue	2 199	-	-	-	2 199	-	2 199
Change in ownership interest	-	-	(26)	-	(26)	-	(26)
Total comprehensive income	-	-	-	6 331	6 331	49	6 380
<b>Total changes</b>	<b>2 199</b>	<b>-</b>	<b>-</b>	<b>6 331</b>	<b>8 504</b>	<b>49</b>	<b>8 553</b>
<b>Balance at 31 May 2014</b>	<b>34 141</b>	<b>799</b>	<b>(6 967)</b>	<b>79 240</b>	<b>107 213</b>	<b>49</b>	<b>107 262</b>
<b>Restated Prior year 6 months Balance at 1 Dec 2012</b>	<b>4 279</b>	<b>799</b>	<b>(6 941)</b>	<b>59 657</b>	<b>57 794</b>	<b>-</b>	<b>57 794</b>
Share issue	7 000	-	-	-	7 000	-	7 000
Total comprehensive income	-	-	-	5 248	5 248	-	5 248
<b>Total changes</b>	<b>7 000</b>	<b>-</b>	<b>-</b>	<b>5 248</b>	<b>12 248</b>	<b>-</b>	<b>12 248</b>
<b>Balance at 31 May 2013</b>	<b>11 279</b>	<b>799</b>	<b>(6 941)</b>	<b>64 905</b>	<b>70 042</b>	<b>-</b>	<b>70 042</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 2014. 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). 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 2013 as detailed in the results announcement published on SENS on 14 March 2013.

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

## **2. INDUSTRY AND BUSINESS OVERVIEW**

Global listed on the Alternative Exchange ('AltX') of the Johannesburg Stock Exchange ("JSE") on 14 December 2012.

The company focuses on 5 distinct industry sectors, namely renewable energy, agribusiness, industrial, infrastructure and financial services. During the second half of 2014, Global intends to finalise various transactions in the renewable energy and agribusiness sectors. These transactions will be incorporated in Global and are expected to have a positive impact on revenues, margins and cash flows.

Global is the holding company of LFS Assets Proprietary Limited ("LFS"), a very successful asset finance company, specialising in the financing of Linde forklift trucks.

As a recent development and as an expansion of Global's asset finance operations, Global has recently raised additional capital and established a fund in which it currently owns 100% called Energy Efficiency Company Proprietary Limited ("EEC"), which assists with provision of funding to corporate clients of electricity supply companies ("Esco's") that are accredited with Eskom, whereby the new electrical installations are funded over a three year period. This business has started to grow rapidly in the first six months under review and good growth is expected in the second half of the year with a solid pipeline of projects.

## **3. FINANCIAL RESULTS**

Global is pleased to report that the profit performance of the Group approximates expectations in comparison to the profit performance of the Group for the 6 months ending 31 May 2013, with steady growth being experienced.

The main business of the Group has continued to grow with new rental contracts being signed during the year under review as compared to the prior year. This is evident with the growth in operating profit before interest.

Operating expenses have been well contained since June 2013 and have increased in line with expectation.

Since November 2013, property, plant and equipment on the balance sheet increased by 5.6%, primarily as a result of additional forklift trucks being acquired for the primary rental book during the year. Other financial liabilities including trade and other payables have similarly increased as a result of the increased business.

Share capital has increased due to the issue of shares, which has reduced the earnings and headline earnings per share. The projects into which the additional funds will be invested are still at an early stage and profits in relation to the new projects will only start flowing through over the next twelve 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 one month of receivables arising from the matching rental contracts. The net current liability position of the Group is thus considered to be sound as current liabilities will be settled by ongoing monthly rental billings.

#### 4. RESTATEMENTS

The comparative interim results have been restated in line with the 30 November 2013 year end results where applicable.

#### 5. SEGMENTAL REPORTING

Segmental information has been reported by the Group in the following segments, namely forklift truck rentals and fork truck maintenance transactions.

	May 2014 %	May 2014 R'000	Nov 2013 %	Nov 2013 R'000
<b>Revenue</b>				
Rental income	68	60 880	65	114 279
Maintenance income	23	20 960	25	43 912
Other revenue income	9	7 690	10	19 025
	<b>100</b>	<b>89 530</b>	<b>100</b>	<b>177 217</b>

  

	Rental income R'000	Maintenance income R'000	Other income R'000	Consolidation R'000
<b>GROUP May 2014</b>				
Sales	60 880	20 960	7 690	89 530
Cost of sales	(27 698)	(21 137)	(8 380)	(57 215)
Gross profit	33 182	(177)	(690)	32 315
Operating expense	(20 623)	-	(3 237)	(23 860)
Taxation	(3 597)	50	1 099	(2 448)
<b>Profit after tax</b>	<b>8 962</b>	<b>(127)</b>	<b>(2 828)</b>	<b>6 007</b>
Depreciation and impairment	(28 050)	-	(40)	(28 090)
<b>Additional information</b>				
Segment assets	445 458	-	91 367	536 825
Deferred tax assets	20 714	-	347	21 061
Deferred tax liability	(48 016)	-	(7 809)	(55 825)
Segment liability	(416 613)	-	(12 950)	(429 563)
<b>GROUP November 2013</b>				
Sales	114 279	43 912	19 025	177 217
Cost of sales	(50 362)	(43 904)	(18 231)	(112 497)
Gross profit	63 917	8	794	64 719
Operating expense	(41 009)	-	(5 647)	(46 656)
Taxation	(6 643)	(2)	1 834	(4 811)
<b>Profit after tax</b>	<b>16 265</b>	<b>6</b>	<b>(3 019)</b>	<b>13 251</b>
Depreciation and impairment	(52 921)	-	(1 451)	(54 372)

**Additional information**

Segment assets	427 955	-	77 141	505 096
Deferred tax assets	18 430	-	-	18 430
Deferred tax liability	(43 044)	-	(7 801)	(50 845)
Segment liability	(395 046)	-	(11 341)	(406 387)

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

**6. RELATED PARTY TRANSACTIONS****Relationships:**

Holding company: Inshare (Pty) Ltd

## Subsidiaries:

GAM Industrial (Pty) Ltd  
LFS Assets (Pty)Ltd  
GAM New Energy (Pty) Ltd  
Energon SA (Pty)Ltd  
GAM Business Solutions (Pty) Ltd  
Energy Efficiency Company (Pty) Ltd  
GAM Infrastructure (Pty) Ltd  
GAM AgriBusiness (Pty) Ltd

## Fellow subsidiaries:

Inshare Asset Finance Holdings (Pty) Ltd  
Inshare Asset Finance Green Technologies (Pty)Ltd  
Ocean Crest Trading 11 (Pty) Ltd  
E B M Project (Pty) Ltd  
Arcay Equity (Pty) Ltd

**Related party transactions were as follows:**

	<b>GROUP MAY 2014 R'000</b>	<b>GROUP NOV 2013 R'000</b>
<i>Related party balances</i>		
<b>Loan account owing (to) by related parties</b>		
Inshare (Pty) Ltd	(3 017)	(1 352)
The loans are unsecured, does not bear interest and is payable on demand. There was no evidence of impairment for the period end 31 May 2014, thus the fair value approximates the carrying value at cost.		
<b>Trade and other receivables</b>		
E B M Project (Pty)Ltd	2 750	1 250
<i>Related party transactions – at arm's length</i>		
<b>Loan received from (repay/advanced to)</b>		
Inshare (Pty) Ltd	1 665	(4 799)
<b>Rent paid to (received from) related parties</b>		
Ocean Crest Trading 11 (Pty) Ltd	399	726
<b>Management fee paid to (received from)</b>		
Inshare (Pty) Ltd	420	840
Inshare Asset Finance Holdings (Pty) Ltd	318	604
<b>Purchase of investment in other financial assets</b>		
Inshare Asset Finance Green Technologies (Pty) Ltd	400	-
<b>Consulting fee paid to (received by)</b>		
EBM Project (Pty) Ltd	(1 500)	(1 250)

**7. DIRECTOR CHANGES**

The current board is constituted as follows:

<b>Name (Age)</b>	<b>Date of appointment/resignation</b>	<b>Position/title</b>
Niels Penzhorn (41)	1 December 2009	Chief Executive Officer
Werner Petrus Basson (32)	14 November 2012	Chief Financial Officer
Marinus Cornelis Christoffel van Ettinger (66)	13 February 2002	Chief Operating Officer
Alan Jerome Naidoo (36)	1 November 2012	Non-Executive Director
Andrew Alexander Maren (38)	1 November 2012/30 June 2014	Non-Executive Director
Gabriel Thono Magomola (70)	1 November 2012	Independent Non-Executive Director
Gordon Kenneth Cunliffe (65)	1 November 2012	Independent Non-Executive Director and Chairman

There have been no changes to the board of directors in the period under review. Andrew Maren resigned after the period end on 30 June 2014.

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

During the period presented, the Company raised R 2 198 437 through the issue of 955 842 new shares in Global at an issue price of R2.30 per share as part of the Company's capital raising initiative.

The company intends raising further capital to grow its renewable energy and energy efficiency businesses and thus intends placing an additional 10 500 000 shares at 230 cents per share over a period of time as well as undertaking a claw back offer at R2.30 for 6 500 000 Shares, which shares will be subscribed for by INSURE and will be offered to existing shareholders on a pro rata basis. 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 2014 (2013: 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 (2013: R Nil).

**12. SUBSEQUENT EVENTS**

Global has secured a firm letter of intent from Futuregrowth to act as an investment partner for its newly formed subsidiary Plastic Green Energy (PTY) Ltd ("PGE") which subsidiary will house the plastic conversion plant ("the Project").

Futuregrowth, a member of Old Mutual Investment Group, has agreed to acquire a 45% interest for R20.25 million in the Project, of which R12 million will be invested in the first reactor and R8.25 million for another three reactors.

Futuregrowth's equity investment is subject to a list of agreed conditions precedent, which PGE is scheduled to have complied with by the end of August 2014. During this period, Futuregrowth has been granted exclusivity on the transaction.

The company will be exercising its option to increase its shareholding in Earthwize from 5% to 51% in due course, as previously announced.

There are no other major events subsequent to 31 May 2014 that require disclosure.

### **13. FUTURE PROSPECTS**

The directors of the Company believe that the Group has excellent prospects to significantly expand its operations over the near term. Based on its current pipeline of projects and initiatives and strong management skills, coupled with an excellent reputation as well as a proven track record, it is expected that Global will generate solid returns for its shareholders.

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

GK Cunliffe  
Chairman  
Johannesburg  
29 August 2014

N Penzhorn  
Chief Executive Officer

#### **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\*

\* - independent non-executive

#### **Designated Advisor**

Arcay Moela Sponsors Proprietary Limited

#### **Transfer Office**

Link Market Services Proprietary Limited