



## **Half Year Report 2012**

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## Key figures

for the six months ended 30 June 2012 (unaudited)

<b>Result</b>	<b>1 Jan - 30 Jun 2012 EUR k</b>	<b>13 Oct - 31 Dec 2011 EUR k</b>
Sales	45,766	3,112
EBITDA <sup>1</sup>	-1,292	-556
EBIT <sup>2</sup>	-1,557	-595
EBT <sup>3</sup>	-1,629	-628
Earnings per share (EUR)	-0.04	-0.01
Consolidated earnings after non-controlling interests	-1,602	-451
Cash flow from operating activities	-6,452	110
Cash flow from investing activities	-17,240	-1,273
Cash flow from financing activities	39,670	4,955
Depreciation	-265	-39
Income from investments	442	0

<b>Balance sheet</b>	<b>30 Jun 2012 EUR k</b>	<b>31 Dec 2011 EUR k</b>
Balance sheet total	69,984	29,717
Fixed assets	15,096	15,233
Cash and cash equivalents	20,413	4,435
Equity	5,459	15,042

<sup>1</sup> EBITDA: Operating income before depreciation

<sup>2</sup> EBIT: Earnings before interest and taxes

<sup>3</sup> EBT: Earnings before taxes




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## Disclaimer

This report includes forward-looking statements that reflect the current opinion of Ichor group's management with regard to future events. Any statement contained in this report reflecting or building upon intentions, assumptions, expectations, forecasts and underlying assumptions is a forward-looking statement. Those statements are based upon plans, estimations and forecasts that are currently available to Ichor group's management. They therefore only refer to the point in time at which they were made. Forward-looking statements naturally are subject to risks and uncertainties, which could result in actual developments differing significantly from these forward-looking statements or events implied or expressed therein. Ichor group does not assume any responsibility and does not intend to update such statements in view of new information or future events.



The consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity as of 30 June 2012 have been prepared in accordance with International Financial Reporting Standards. This Interim Report of Ichor Coal N.V. as of 30 June 2012 does not constitute an Annual Report in accordance with German or Dutch commercial law or the German or Dutch Stock Companies Act. All information contained in this report have not been subject to an audit or an analytical review by a certified auditor. This report is only for information purposes in the course of the disclosure requirements of Ichor Coal N.V. as set forth by the general terms and conditions of Deutsche Börse AG applicable to companies listed at the entry standard at the Security Exchange in Frankfurt, Germany.

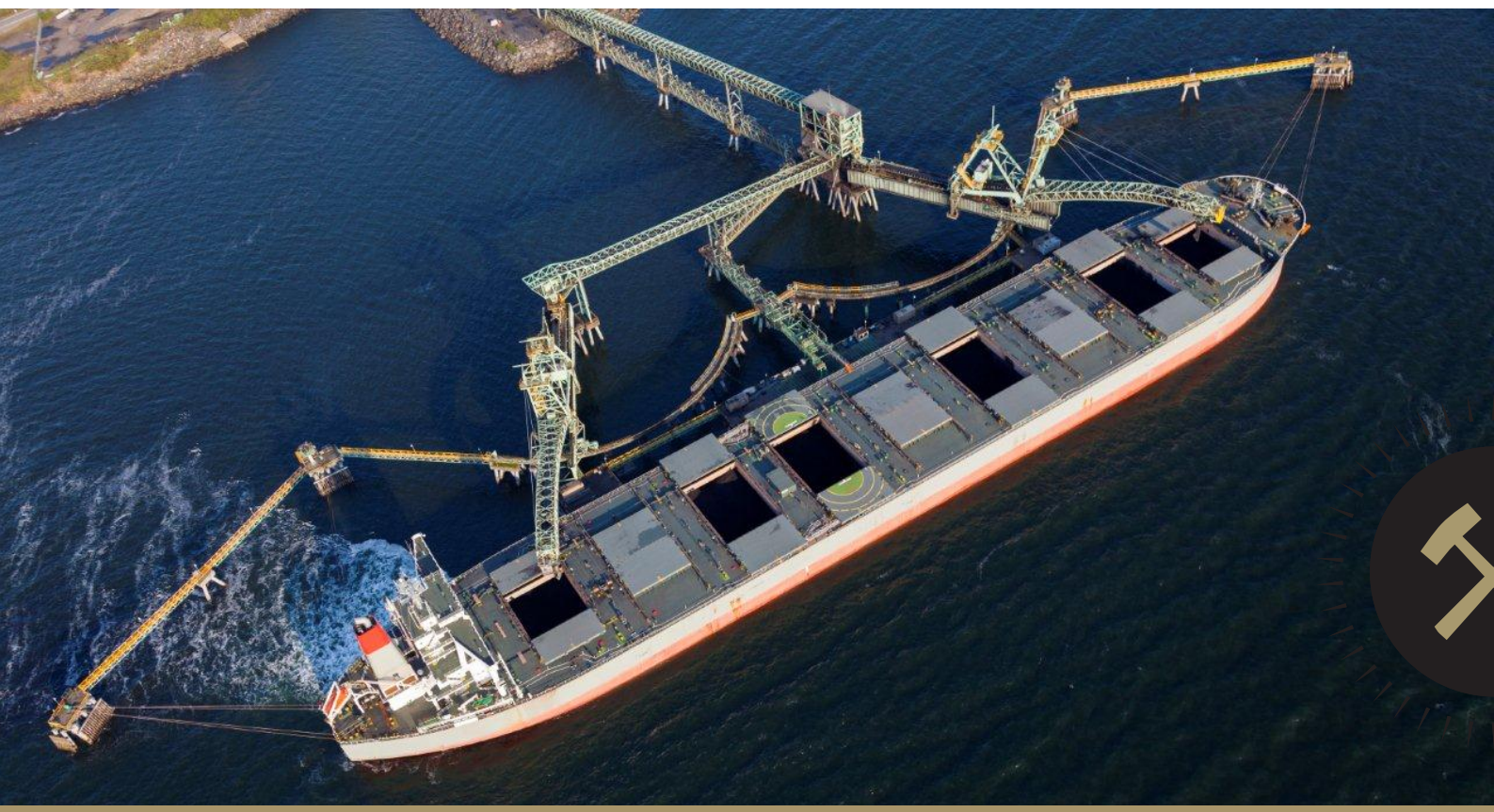
## About Ichor Coal N.V.

Ichor Coal N.V. is an international mineral resource company specialising in investments in coal production as well as in other coal logistics and coal handling projects.

As a reliable supplier on the international coal market with own secured coal resources, we organise our business with a long-term perspective in mind. Therefore, reliability and mutual trust are of enormous importance to us. Our approach is distinguished by careful consideration and prudence. Our business partners value us for our tailored services and solutions. We understand that a sustainable business must bring mutual advantages for business partners. Our attitude and our actions are therefore characterised by a constant search for win-win solutions.

We own a majority stake in an operating mine in South Africa, a secured 30% stake in a group of mining companies operating in varying stages from green field projects to producing mines as well as a majority stake in a long-standing operating coal marketing company based in Germany.

We are actively looking for new prospective assets around the world to expand our project portfolio and intend to use this stable mix of assets to further expand our business in the coming years.



## Letter to the Shareholders

Ichor Coal N.V. can look back on a successful first half-year in which we continued to implement our strategy. As a new market player, we set out in October 2011 to form an international mineral resource company with interests in coal resources, logistics and marketing providers as well as handling facilities. At the time, our group also included HMS Bergbau AG, an internationally-renowned coal marketing company.


In the commodity industry, we have seen a significant shift driven by the ongoing financial crisis and mainly impacted the western world, while demand in Asia rose. We realised that the supply side of the industry needed to adjust to that development as well and started to see the room and growth potential for an entrepreneur willing to react quickly to upcoming opportunities. We firmly believe that a diversified portfolio along the value creation chain spreaded over different geographical areas are the key to success in this industry.

Although Ichor Coal has not been around for long, we drive for those opportunities that others don't see or don't believe in. The challenge of these opportunities is to buy smart to subsequently integrate and manage towards value creation. Furthermore, in today's environment, mines are often the key economic driving force of the communities in which they are located. We are committed to ensuring that the local population benefits from the presence of our investments and participates in the sustainable economic growth being created.

The basis of our future growth, the resources and the reserves that are accessible by the company continue to increase both in size and classification as we are pursuing our exploration activities. We expect that during the second half of 2012, we will not only execute our envisaged share purchase transactions but will also gain direct control over those resources and reserves. Moreover, we also expect already significant value creation from mining and trading these resources – both locally and internationally.

All in all, we believe that we will continue to successfully implement our strategy and that conditions are positive.

We are thankful for the continued confidence of our shareholders, customers and suppliers and to Ichor Coal's employees for a positive first half of 2012.



Heinz Schernikau  
Chief Executive Officer

Sebastian Giese  
Chief Financial Officer

## Interim Management Report

### Environment and Business Trend

Once again, China and India imported more steam coal in 2011 than ever before. However, this only further underpins the general shift in global demand from the Atlantic region to the Pacific region and as such from OECD countries to non-OECD countries. And apart from the fact that this development poses a major challenge for mining and trading companies, as new trade flows must be developed and others lose significance, it also significantly impacts global price trends. Steam coal delivered free on board for instance continued to generate a higher price in the Pacific than in the Atlantic region, only hit by a recent outreach of the global financial crisis to Asia.

Due to the slowdown that hit the world's leading economies, growth rates in China and India also slowed during the first half of 2012. With China and India accounting for about 90% of Asian coal consumption and China particularly being a swing supplier, even slight changes in domestic coal demand significantly impact global coal market demand and rates.

South Africa in turn, being well positioned to supply pretty much all major markets, has steadily increased its coal supplies to Asia over recent years, with India and China again accounting for more than 80%. At the same time, more than 90% of South African electricity and about 30% of fuel generation is coal based, with demand here totaling 181 million tons in 2011. In addition to exports to Asia, which will increase with growing demand, local consumption will increase as fast due to plans to ramp-up coal-based energy production from 40 GW to 92 GW. Accordingly, the South African mining and coal trading industry is looking toward to a forecasted increase in yearly production, from approximately 250 million tons at present to some 350 million tons in 2020 to serve local and export demands.

### Group Investments

Since being founded, Ichor Coal N.V. has positioned itself in that changing environment by investing in coal production and coal marketing companies.

Since 15 February 2012, Ichor Coal N.V. holds a 20% stake in Vunene Mining (Pty) Ltd, a South African-based coal mining company. Further share purchase agreements were signed in February and July and Ichor Coal N.V. purchased an additional 54% stake. This made Ichor Coal N.V. the majority shareholder in Vunene Mining (Pty) Ltd. In light of recent market developments, the group plans to significantly increase production at Vunene Mining (Pty) Ltd. from around 85 thousand tons per month at present to more than 300 thousand tons per month in 2013, with the opening of additional underground mining sections to take the figure up to 400 thousand tons per month in 2015, resulting in significantly higher consolidated income and cash flow contributions.

In addition to the investment in Vunene Mining (Pty) Ltd., back in 2011 Ichor Coal N.V. had secured a 30% stake in Mbuyelo Coal (Pty) Ltd., a holding company with interests in various South African coal mining companies at different stages of mine development. The final purchase of the 30% stake is expected to take place before the end of 2012, enabling Ichor Coal N.V. to engage in





an additional ramp-up in production as well as exploration and development activities on the South African coal market.

As South Africa does not only represents a major production and local customer market but is also a significant supplier for the Asian market. Ichor Coal group is taking an active role in the export activities of its investment through its subsidiary HMS Bergbau AG. HMS Bergbau AG's capital increase on 3 April 2012 by 370,000 shares, was fully signed by Ichor Coal N.V., which further increased its controlling share in the exclusive marketing partner.

### **Ichor Group's Performance**

Ichor Coal group ended the first half of 2012 with a consolidated operating performance of EUR 45,806 thousand and a net loss before taxes of EUR 1,629 thousand. The greatest contributions to **sales revenues, purchased goods and services** and operating margin of EUR 1,471 thousand of Ichor Coal group's first half-year have been the coal trading activities in Europe and moreover in Asia of HMS Bergbau AG. HMS Bergbau AG and its related group companies are fully consolidated since the Ichor Coal group was formed in December 2011. In addition, Ichor Coal N.V. has contributed to the group's performance mainly on the expense side through its investment activities and related acquisition expenses. For the period between the acquisition of the first 20% stake in February 2012 and the interim reporting date, the group's major investment in the South African Vunene Mining (Pty) Ltd. company has been accounted for using the at-equity method and contributed EUR 442 thousand to the group's performance. However, based on the additional share purchases after the interim reporting date, Vunene Mining (Pty) Ltd. profits will be consolidated for almost the entire second half of the financial year. The second major investment in South Africa, Mbuyelo Coal (Pty) Ltd., is expected to be executed in the third quarter and as such will be accounted for using the at-equity method from thereon.

**Finance costs** of EUR 691 thousand mainly originated from the successful placement of EUR 50 million of the up to EUR 80 million Ichor Coal N.V. Convertible Bond issued on 1 June 2012.

**Finance income** of EUR 177 thousand was generated from a Senior Secured Convertible Note, which had been subscribed in December 2011 and which will be redeemed on 30 November 2012.

**Income from investments** of EUR 442 thousand relates entirely to the investment in Vunene Mining (Pty) Ltd., a company in which Ichor Coal N.V. held a 20% stake since 15 February 2012.

The group's **net income attributable to the owners of the parent company** as of 30 June 2012 amounted to EUR -1,607 thousand.



### **Ichor Group's Net Asset Position**

The change in Ichor Coal group's net asset position between 31 December 2011 and 30 June 2012 was primarily driven by the acquisition of Vunene Mining (Pty) Ltd. shares.

Furthermore, the issuing of EUR 50 million of the up to EUR 80 million Convertible Bond on 1 June 2012 resulted in **cash and cash equivalent** of EUR 20,413 thousand as of 30 June 2012. The proceeds of EUR 47,500 thousand, including transaction costs of EUR 2,500 thousand, were primarily used to finance the above share purchases.

The significant variance in **trade and other receivables** as well as in **trade and other payables** compared to the end of the previous year was mainly due to the trade activities of HMS Bergbau AG entities.

### **Ichor Group's Finance Position**

As of 1 June 2012, Ichor Coal N.V. had successfully placed EUR 50 million of the up to EUR 80 million Convertible Bond with strategic long-term institutional investors. The bonds have a maturity of five years and a fixed interest rate of 8.00% per annum. The Convertible Bonds were offered to institutional investors within an international private placement in Europe. The bonds were listed on the Open Market of the Frankfurt Stock Exchange on 7 June 2012.

Ichor Coal N.V. successfully listed its shares in Deutsche Börse AG's Entry Standard on 29 June 2012. This listing, together with the listings in Hamburg and Berlin, will help to strengthen Ichor Coal's position on the financial markets and is a further step towards the implementation of the company's intended capital market strategy.

On 27 June 2012, Ichor Coal N.V. purchased 1,678,000 own shares for a total of EUR 5,789 thousand, resulting in a similar drop in **net equity**. Furthermore, Ichor Coal N.V. purchased a total of 335,867 shares in HMS Bergbau AG on 15 June 2012 and 19 June 2012 for a total of EUR 2,145 thousand, thereby decreasing retained earnings by EUR 1,786 thousand and non-controlling interest by EUR 357 thousand.





## Opportunities and Risks

Ichor group's exposure to various risks resulting from its business activities as well as its mitigating risk management systems are presented in our 2011 Annual report. In particular, this included the risks arising from both our trading and investment activities.

### *Investment activities*

As Africa is embarking on its growth projections, the value that is to be created can only be unlocked by investors who understand the mining and investment environment of each country being active in. Of course, this involves valuing the balance between state and private enterprise participation in developing and exploiting mineral resources. It further requires a rating of current and proposed tax legislation, resource nationalism movements in light of the respective political stability as well as certainty on costs structures in light of the regulatory environment.

During the first half of 2012, Ichor Coal N.V. bought a 20% stake in Vunene Mining (Pty) Ltd., a South African-based coal mining company and increased its interest to a total of 74% as of July 2012. In order to avoid a misallocation of capital, we continuously reviewed investment performance to assess return rates and compare them with investment alternatives. We further pursued an extensive geological exploration program at Vunene Mining (Pty) Ltd. to increase insurance over acquired resources and reserves as well as to increase production efficiency and rates. This in turn will also help Ichor group's management board to prepare detailed decision-making backgrounds to avoid any cost and timeline overruns in developing and increasing production at the investment.

Other investment opportunities, that came to our attention during the first half of the year and which have the potential to slot into the group's future strategy have been and continue to be thoroughly assessed through due diligences regarding legal, financial and operational settings.

### *Trading activities*

As much as when pursuing investment activities, a basic understanding of the natural supply and demand cycles of commodities markets may result in additional risks or open up further opportunities. As such, an intensive and constant review as well as an analysis of markets in which the group is active, help to identify those at the earliest possible stage.

During the first half of the year, Ichor Coal's exclusive trading arm, HMS Bergbau AG group, focused its activities on Asia's potentially up and coming demand markets, mainly driven by China and India, as well as on the major supply markets of Indonesia and southern Africa. Two new group companies are currently being formed in Singapore and South Africa to strengthen Ichor Coal's market presence and give a better understanding of local challenges and needs as well as the political environment.



At the transaction level, Ichor group constantly assesses credit risks of all parties involved in the supply chain and, if necessary, uses secured payment mechanisms such as letters of credits or advance payments. Ichor group also maintains cash management procedures to forecast the group's financial obligations originating from trade activities and has access to various uncommitted trade finance credit lines. As international commodity trade flows in foreign currencies result in financial market risks per transaction such as interest, commodity price or foreign exchange risks, trade policies have been put in place at HMS Bergbau AG group. Such policies involve back-to-back deal structures, the use of financing sources in currencies equal to trade currencies and the collateralisation of prepayments.

#### **Significant Events after the Interim Balance Sheet Date**

The conditions of the share purchase agreement between Ichor Coal N.V. and the sellers of 40% of the shares in Vunene Mining (Pty) Ltd. were fulfilled and became effective as of 9 July 2012; the agreement stipulated the payment of the agreed purchase price. This acquisition allowed Ichor Coal N.V. to increase its stake to 60%, becoming the majority shareholder. In addition, an agreement was reached in July 2012 for a further purchase of a 14% stake in Vunene Mining (Pty) Ltd. As the conditions could be already fulfilled in July, the share purchase contract became effective, again stipulating immediate payment of the agreed purchase price.









## Consolidated statement of balance sheet for the six months ended 30 June 2012 (unaudited)

	30 Jun 2012 EUR k	31 Dec 2011 EUR k
<b>Assets</b>		
<b>NON CURRENT ASSETS</b>		
Fixed assets		
Intangible assets	13,878	14,068
Property, plant and equipment	1,218	1,165
Non-current financial assets		
Other non-current financial assets	17,947	945
Deferred tax assets	1,336	1,229
	<u>34,379</u>	<u>17,407</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	9,952	2,048
Other current financial assets	3,903	3,784
Other assets	1,337	2,043
Cash and cash equivalents	20,413	4,435
	<u>35,605</u>	<u>12,310</u>
<b>TOTAL ASSETS</b>	<u><b>69,984</b></u>	<u><b>29,717</b></u>



	30 Jun 2012 EUR k	31 Dec 2011 EUR k
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Issued capital	4,832	5,000
Capital reserves	2,545	9,953
Accumulated retained earnings	-451	0
Profit and loss for the period	-1,602	-451
Accumulated other comprehensive income	-47	-42
<b>Equity attributable to owners of the parent</b>	<b>5,277</b>	<b>14,460</b>
Non-controlling interest	182	582
<b>TOTAL EQUITY</b>	<b>5,459</b>	<b>15,042</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions for pensions	4,379	4,085
Other non-current financial liabilities	47,603	0
Deferred tax liabilities	734	734
	<b>52,716</b>	<b>4,819</b>
<b>CURRENT LIABILITIES</b>		
Interest-bearing loans and borrowings	1,877	6,980
Other current financial liabilities	256	0
Trade and other payables	8,993	1,273
Liabilities from income taxes	0	408
Other liabilities	683	1,195
	<b>11,809</b>	<b>9,856</b>
<b>TOTAL LIABILITIES</b>	<b>64,525</b>	<b>14,675</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>69,984</b>	<b>29,717</b>

## Consolidated statement of comprehensive income for the six months ended 30 June 2012 (unaudited)

	1 Jan - 30 Jun 2012 EUR k
<b>Result</b>	
Revenue	45,766
Other operating income	40
Purchased goods and services	-44,295
Personnel expenses	-1,141
Depreciation	-265
Other operating expenses	-1,662
Finance costs	-691
Finance income	177
Income from investments	442
<b>Profit / loss before tax</b>	<b>-1,629</b>
Income taxes	-15
<b>Profit / loss</b>	<b>-1,644</b>
Other comprehensive income from currency translation differences	-6
<b>Total comprehensive income for the year</b>	<b>-1,650</b>
 Profit / loss attributable to:	
Owners of the parent	-1,602
Non-controlling interest	-42
	-1,644
 Total comprehensive income attributable to:	
Owners of the parent	-5
Non-controlling interest	-1
	-6









## Our Share

After a good start for the stock markets in the first quarter, the listings on the stock exchanges were put under pressure during the second quarter of 2012 and remained extremely volatile. One of the main decisive factors here was the European government debt crisis, which also threatened to involve the Spanish banks.

The German stock index, the DAX, rose by more than 20% over the course of the first quarter of 2012, but lost its gains almost entirely by mid-June due to unresolved political issues. The agreement of the governments of the European states to initiate short-term relief for Italy and Spain and the possibility to channel direct aid to the banks from rescue funds caused kicked off a significant recovery as of mid-June. The German benchmark index, the DAX 30, closed the first half of 2012 at 6,416 points – up 8.8%.

The Entry Standard Index, in which the shares of Ichor Coal N.V. have been listed since 29 June 2012, finished the first half of 2012 at 370 points, a loss of 4.5%. This inconsistent development between "Big Caps" and "Small Caps" also continued in the second half of 2012. The DAX was able to gain an additional 500 points by the beginning of August while the Entry Standard Index showed a sideways movement.

The shares of Ichor Coal N.V., which is headquartered in Berlin, Germany, were able to escape the general "Small Caps" trend. Since listing in the Entry Standard at the Frankfurt stock exchange at EUR 3.80 on 29 June 2012, the Ichor Coal N.V. share gained 18.7% and climbed to EUR 4.51 on 9 August 2012, peaking at EUR 4.75 on 1 August 2012.

As of the reporting date, 30 June 2012, the share capital (EUR 5 million) of Ichor Coal N.V. is comprised of 50 million shares with a calculatory par value of EUR 0.10 per share.

An extraordinary general shareholders' meeting of Ichor Coal N.V. was held on 3 May 2012 in Amsterdam. All proposals – among others the issuance of a Convertible Bond, the acquisition of own shares and the amendments to the articles of association – were approved by all shareholders.

At the annual general meeting of Ichor Coal N.V. on 26 June 2012, in Amsterdam, all items on the agenda, among others the board's and the supervisory board's remuneration policy as well as the resolution regarding the appointment of the auditor for the financial year 2012 and the appointment of Mr. Hawinkels to the company's supervisory board were unanimously adopted and confirmed the strategic alignment of Ichor Coal N.V.

Ichor Coal N.V. was also successful on the financial side. At the beginning of June 2012, Ichor Coal N.V. placed EUR 50 million of the up to EUR 80 million Convertible Bond with long-term strategy institutional investors and is currently planning to place the remaining EUR 30 million in the near future. The issue proceeds in the amount of EUR 50 million primarily serve the growth of the company and the sustainable reinforcement of market positions, particularly by investing into coal



mines in South Africa. The planned duration of the bond is five years.

**Key capital market data of the Ichor Coal-stock**

ISIN:	NL0010022307
WKN:	A1JQEX
Share symbol:	IOO
Market segment:	Open Market
Transparency level:	Entry Standard
Share capital in EUR:	5,000,000
Number of outstanding shares:	50,000,000



## Notes

### Corporate Information

Ichor Coal N.V., the parent of the Group, is a limited liability company incorporated in Amsterdam, Netherlands, whose shares are publicly traded. The headquarter of Ichor Coal N.V. is located in An der Wuhlheide 232, 12459 Berlin, Germany.

Ichor Coal N.V. and its subsidiaries ("Ichor Group" or the "Group") is an internationally operating mineral-resource-company specialising in investments in coal resources as well as in other projects in the field of coal logistics, coal handling and coal trading. The Group invests in coal resources in Southern Africa and Southeast Asia to secure own coal-resources, to gain control along the value chain and to sell the produced coal on the international markets. It mainly supplies European and Asian power generating companies, cement producers and other industrial consumers with steam coal, coking coal and coke products.

### Basis of Preparation

The interim consolidated financial statements for the period from 1 January 2012 until 30 June 2012 were prepared for disclosure purposes as set forth by the general terms and conditions of Deutsche Börse AG and have been based on IFRS. They neither represent a full set of financial statements nor a full interim reporting as governed by IAS 34 "Interim Financial Reporting".

Ichor Coal group has been formed as per 1 December 2011; as such no comparable information has been presented.

### Accounting and Valuation Methods

The same accounting and valuation methods and estimates apply as have been applied in the Group Annual Report for the period ending 31 December 2011.

### Basis of Consolidation

The consolidated financial statements comprise Ichor Coal N.V. and its subsidiaries. Subsidiaries are entities in which Ichor Coal N.V. is able to control, directly or indirectly, the financial and operating policies. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

During the first half of the financial year, Ichor Coal N.V. acquired 20% of the shares of Vunene Mining (Pty) Ltd. As per 30 June 2012, the entity is accounted for on an at-equity basis.



## Financial Calendar and Contact

### Financial calendar

1 January 2012	Start of Financial Year
April 2012	Publication of Annual Report
3 May 2012	Extraordinary General Meeting
26 June 2012	Annual General Meeting
12 September 2012	Publication of Interim Report
31 December 2012	End of Financial Year

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