

# HALOGEN

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Holdings Société Anonyme

**INTERIM REPORT 2007**

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**Halogen Holdings Société Anonyme**  
(Incorporated in Luxembourg. RC Number B39773)

*Registered Office:*  
6 rue Adolphe Fischer,  
L-1520, Luxembourg

22nd June 2007

Dear Shareholder,

The results for the half-year ended 31st March 2007 are attached.

As explained in more detail below, we have finally exited all of our operations in Zimbabwe and continue to look for a profitable UK based business in which we can invest. The funds raised from the sale of the gold mines increase substantially the number of investment opportunities that fall within our investment parameters.

We are seeking a suitable, well established, profitable, cash generative business with a competent management team in place in which we can invest. We have investigated a number of possible targets, but none are of a suitable quality or sufficiently well progressed for us to be able to recommend them to shareholders.

Operating costs remain under control; reduced to £85,000 from £89,000 in the comparable period last year. Headline loss per share, which excludes exceptional items, has improved from 4p to 2p. The disposal of the Group's interests in Zimbabwe realised an exceptional profit of £1,672,000 and the company now has available cash resources in excess of £3,000,000 and, as a result, net assets have increased from £1.05 at September 2006 to £1.93 per share.

**Zimbabwe**

On 27th February 2007, it was announced that the Company had agreed to sell, in a deal completing on 1st March 2007, its interests in two Zimbabwe gold mining companies, Falcon Gold Zimbabwe Limited and Olympus Gold Mines Limited, to Central African Gold PLC ("CAG") for gross sale proceeds of £2,321,000 (US\$4,550,000), comprising £1,454,000 (US\$2,849,000) in cash and 7,214,730 ordinary shares in CAG. Approximately 18 per cent. of the gross proceeds have been set aside as a contribution to a provident and pension fund. None of the directors of Halogen will benefit from this fund.

CAG shares are traded on the AIM market in London and Halogen has agreed not to dispose of these shares for a minimum period of 6 months. At 18th June 2007 the price of CAG shares on AIM was 53p following a one for five share consolidation by CAG.

The Group has now disposed of all of its interests in Zimbabwe.

**Prospects**

Now that we have disposed of all of our past investments we are in an excellent position to seek an established and profitable business in the United Kingdom. Once we have found a suitable business a circular setting out the Board's proposals in detail will be sent to shareholders.

Yours faithfully

**D C Marshall**  
*Chairman*

## Unaudited consolidated group profit and loss account

	Half years ended		Year ended
	31st March 2007 £000	31st March 2006 £000	30th September 2006 £000
Operating costs	<u>(85)</u>	<u>(89)</u>	<u>(168)</u>
Operating loss before interest and taxation	(85)	(89)	(168)
Interest	46	37	75
Exchange gains/(losses)	<u>5</u>	<u>(15)</u>	<u>19</u>
Loss before exceptional item and taxation	(34)	(67)	(74)
Exceptional item – profit on sale of subsidiary	<u>1,672</u>	<u>–</u>	<u>–</u>
Profit/(Loss) before taxation	<b>1,638</b>	(67)	(74)
Taxation	<u>(2)</u>	<u>(2)</u>	<u>(6)</u>
Profit/(Loss) after taxation and retained for the period	<u><b>1,636</b></u>	<u>(69)</u>	<u>(80)</u>
<b>Reconciliation of headline earnings per share</b>			
Earnings/(Loss) per share (pence)	<b>88p</b>	(4)p	(4)p
Less exceptional item, net of tax and minority interests (pence)	<b>(90)p</b>	–	–
Headline loss per share (pence)	<u><b>(2)p</b></u>	<u>(4)p</u>	<u>(4)p</u>

### Consolidated Statement of recognised gains and losses and changes in equity

Net profit/(loss) for the period	<b>1,636</b>	(69)	(80)
Exchange differences	<u>(6)</u>	<u>(3)</u>	<u>3</u>
	<b>1,630</b>	(72)	(77)
Shareholders' funds at start of the period	<u><b>1,965</b></u>	<u>2,042</u>	<u>2,042</u>
Shareholders' funds at end of the period	<u><b>3,595</b></u>	<u>1,970</u>	<u>1,965</u>

## Unaudited consolidated group balance sheet

	<b>31st March 2007 £000</b>	31st March 2006 £000	30th September 2006 £000
Non current assets			
Investments	<u>867</u>	<u>72</u>	<u>72</u>
	<u>867</u>	<u>72</u>	<u>72</u>
Current assets			
Accounts receivable	18	6	17
Cash and bank balances	<u>3,115</u>	<u>2,029</u>	<u>1,924</u>
	<u>3,133</u>	<u>2,035</u>	<u>1,941</u>
Current liabilities			
Accounts payable	<u>(405)</u>	<u>(137)</u>	<u>(48)</u>
Net current assets	<u>2,728</u>	<u>1,898</u>	<u>1,893</u>
 Total assets, less current liabilities	 <u>3,595</u>	 <u>1,970</u>	 <u>1,965</u>
Capital and Reserves			
Called up share capital	1,090	1,090	1,090
Legal resources	109	213	213
Exchange reserve	217	214	221
Revenue reserve	<u>2,179</u>	<u>453</u>	<u>441</u>
Shareholders' funds	<u>3,595</u>	<u>1,970</u>	<u>1,965</u>
Net assets per share	<b>£1.93</b>	£1.06	£1.05

## Unaudited consolidated group cash flow statement

	Half years ended		Year ended
	31st March	31st March	30th September
	2007	2006	2006
	£000	£000	£000
<b>Operating activities</b>			
Cash generated/(absorbed) by normal trading activities	(74)	(90)	(240)
Interest received and other investment income	45	58	101
Taxation	(2)	(2)	(6)
	<u>(31)</u>	<u>(34)</u>	<u>(145)</u>
<b>Investment activities</b>			
Gross proceeds on sale of subsidiary	2,321	–	–
Less Shares acquired as portion of sale proceeds	(867)	–	–
Less costs of sale	(226)*	–	–
	<u>1,228</u>	<u>–</u>	<u>–</u>
Net cash inflow/(outflow) from investment activities	1,228	–	–
Net cash inflow and increase in funds	1,197	(34)	(145)
<b>Net funds at start of period</b>	1,924	2,066	2,066
Effect of foreign exchange rate changes	(6)	(3)	3
	<u>3,115</u>	<u>2,029</u>	<u>1,924</u>

\*Note: Further costs of £423,000 provided in connection with the sale remain to be paid at 31st March 2007.

### Notes

#### 1. Accounting Policy

The results for the half year ended 31st March 2007 and the balance sheet at that date, which are unaudited, have been prepared on the basis of accounting policies adopted for the year to 30th September 2006, and comply with International Financial Reporting Standards and Luxembourg law.

#### 2. Earnings/(Loss) per share

Earnings/(Loss) per share are based on the result and 1,864,026 shares in issue. Headline earnings are basic earnings adjusted for exceptional items.

#### 3. Capital Expenditure

There was no capital expenditure authorised but not contracted, and none contracted at 31st March 2007 (2006 – nil).

#### 4. Segmental analysis

No segmental analysis is required as the group has no operating subsidiaries other than related to its holding company status.

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