EDISON

KEFI Minerals

Q3 operational update

Still aiming high

Metals & mining

Since our last note in July, KEFI has updated its capex forecast for Tulu Kapi as well as the consequential funding mix. KEFI has also advised that the start of Tulu Kapi gold production is now expected to be mid-2018 (vs late 2017) due to recent events in Ethiopia and subsequent mitigating actions by the government. Finally, Edison has also updated our long-term gold price forecasts which have reduced our valuations.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/14	0.0	(2.6)	(0.4)	0.0	N/A	N/A
12/15	0.0	(2.0)	(0.2)	0.0	N/A	N/A
12/16e	0.0	(2.0)	(0.1)	0.0	N/A	N/A
12/17e	0.0	(5.1)	(0.1)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items.

Revised capex estimates significantly mitigated

At its third-quarter operational update of 18 October, KEFI estimated that its funding requirement to production at Tulu Kapi will be US$150-160m, vs US$130-140m previously. The increase is due to cost movements since 2015 as well as contingencies and provisions for non-Tulu Kapi costs and the later commencement of production in mid-2018. Notwithstanding government mandated limits on financial gearing, we estimate that KEFI will have to raise no more than £15.0m to meet this requirement.

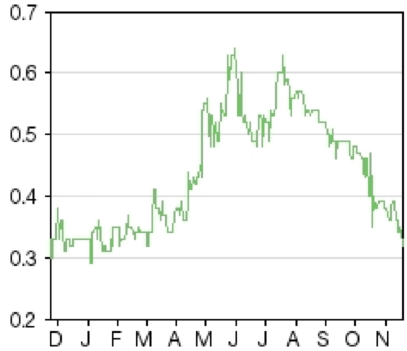
Valuation: 2.22p/share possible

On the basis of the above revisions, we calculate that Tulu Kapi is capable of generating average after-tax earnings for KEFI of £24.4m pa for eight years, from 2020 to 2027 (inclusive), or c 0.62p per share on an undiluted basis. With average (maximum potential) dividends of 0.79p/share for the five years from 2023 to 2027, inclusive, this implies a valuation for KEFI of 1.61p/share (discounted back to 1 January 2016 at a rate of 10% per year), or 1.77p/share (discounted back to 1 January 2017). The valuation of 1.61p/share to FY16 is directly comparable to our prior valuation of 2.45p/share in our note of 27 July, although it is worth noting that at least 0.71p/share of the decline is directly attributable to our revised gold price forecasts (see Exhibit 3 on page 3). On a fully diluted basis, we estimate that investors in KEFI's shares, at a price of 0.34p/share, may expect EPS in the order of 0.29p/share and maximum potential dividends (cash flow after investments and funding) of around 0.41p/share for five years, from FY23 to FY27. These potential dividends have a net present value of 0.94p/share, rising to 1.64p in 2023, when similarly discounted at 10%. However, if KEFI is successfully able to leverage its cash flow from Tulu Kapi into other development assets in the region, this valuation rises to 2.22p, which would put it on a P/E ratio of 4.9x EPS in FY23e. In the meantime, on a forecast year-end resource multiple of US$7.06/oz, KEFI is trading at a level that is below the global average discovery cost of its attributable resource base. We estimate that an investment in KEFI shares now at a price of 0.34p per share could generate an IRR of 23.7% over the 12 years from 2017 to 2028.

21 November 2016

Price	**0.32p**
Market cap	**£12m**
	US$1.2306/£
Net cash (£m) at 30 June 2016	0.1
Shares in issue	3,882.9m
Free float	89.5%
Code	KEFI
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(20.3)	(41.1)	5.0
Rel (local)	(17.8)	(40.4)	(2.0)
52-week high/low		0.6p	0.3p

Business description

KEFI Minerals is an exploration and development company focused on gold and copper deposits in the highly prospective Arabian-Nubian Shield, principally the 95%-owned Tulu Kapi project in Ethiopia and, to a lesser extent, the 40%-owned Jibal Qutman project in Saudi Arabia.

Next events

Financing completed	H216

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Edison profile page

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Revised capex and gold price

Since our last note in July, KEFI has provided an updated capex forecast, starting date and funding mix. In addition, we have updated our long-term gold price forecasts as detailed in Exhibit 3.

Updated capex estimates

At the time of the DFS, capex for the project was estimated to be US$176m. However, the study was completed as if mining at Tulu Kapi were to be owner operated. In consideration of the need to minimise initial capital expenditure, KEFI management instead decided to pursue a contract mining business plan, with the result that development capex reduced to US$135.1m, composed of pre-strip mining (US$10.6m), processing (US$72.2m), infrastructure (US$17.8m), tailings (US$8.2m), relocation (US$7.8m) and US$18.4m in owners and indirect costs. An estimated US$6m in working capital was also required. Now, as at its third-quarter operational update of 18 October including contingencies and provisions for non-Tulu Kapi costs, KEFI estimates its funding requirement to production to be US$150-160m, vs US$130-140m previously, which we estimate to be broken down as follows:

Exhibit 1: Tulu Kapi initial capex estimate revision, July 2015 to present (US$000s)

Item (US$000s)	Second revision (incl contingencies)	Original contract mining estimates*	Original DFS
Mining	17,401	10,586	39,742
Processing	76,253	72,300	79,908
Infrastructure	16,556	17,800	21,748
Tailings	13,488	8,200	7,088
Relocation & livelihood restitution	11,785	7,800	8,330
Indirect (EPCM, contract mining etc)	751	10,800	0
Owners Cost	8,790	7,604	8,854
Independent Technical Experts' (ITE) review	0	0	5,717
Environmental management	1,751	0	0
Working Capital	6,579	6,100	0
Other	0	0	12,543
Total	**153,354**	**141,190**	**183,930**

Source: KEFI Minerals, Edison Investment Research. Note: *As used in our August 2015 initiation note.

On the basis of our 'Second revision' estimates, capex thus equates to US$1,274 per annual oz of (average) gold production at full capacity, or US$90 per annual tonne of ore processed.

Timetable

In addition to updated capex estimates, KEFI has also updated the project timetable with the government of Ethiopia, project contractors and its potential financing syndicate and revised its date for production start-up at Tulu Kapi to mid-2018 (vs late 2017). In particular, while debt drawdown is still targeted for H117, KEFI's directors have decided that it would be prudent to allow a period of monitoring to ensure a comprehensively calm situation in Ethiopia following recent unrest (see section on Ethiopia on pages 6-9). This period is also expected to coincide with the conclusion of far-reaching administrative improvements by the government.

Funding mix

Albeit capex estimates have been updated from time to time, KEFI's approach to funding has remained consistent. During 2014 and 2015, KEFI revised the inherited DFS as a precursor to opening the project construction and mining to international tender, with the specific intent of reducing upfront capex by introducing contract mining. This reduced the funding estimate to approximately US$150m in the first instance (NB subsequent refinements to the funding requirement have all remained within 15% of this figure). Within this context, KEFI has always sought to minimise equity dilution at the parent company level by a) introducing project-level equity (eg the government of Ethiopia has confirmed that it is subscribing equity of at least US$20m at the project level) and b) the use of project debt (eg the Development Bank of Ethiopia has indicated its willingness to finance half of the project loan, most recently estimated at US$86m). Only then will the balance of funding needs be met at parent company level, typically in mezzanine (eg streaming) or equity form.

Negotiations with the Development Bank of Ethiopia are at an advanced stage and now await the appointment of the selected co-lender. The government's recent policy directive requiring a maximum 50% debt gearing (ie debt/[debt+equity]) policy for new projects is considered consistent with KEFI's plans because clarification received from the regulator (the National Bank of Ethiopia) indicates that historical exploration spend on the project of c US$60m is considered to contribute towards equity for these purposes. Within this context, our assessment of KEFI's likely future mix of funding is therefore as follows:

Exhibit 2: Estimated financing of Tulu Kapi funding requirement (US$ and £)

Item	US dollars (US$m)	Pounds sterling (£m)
Ethiopian government participation at project level	20	16.3
Senior secured debt	86	69.9
Cost overrun debt	13	10.6
Mezzanine (eg streaming) and parent company level equity	37	30.1
Total	**156**	**126.8**

Source: Edison Investment Research. Note: US$1.2306/£; totals may not add up owing to rounding.

Assuming a 50:50 split between mezzanine funding and parent company level equity, an equity raise of £15.1m by KEFI at its prevailing share price of 0.34p per share would imply the issue of an additional 4.4bn shares. We have built into our valuations the extra dilution resulting from this additional equity.

Gold price

In October 2016 we published our annual mining overview, Normalisation augers well for exploration, in which we set out our revised long-term gold price forecasts. Our model observes and extrapolates the relationship between the total US monetary base, inflation and the gold price. Compared with 2014, in 2015 there was an extremely rare contraction in the total US monetary base and an (arguably causative) absence of inflationary pressure in the US economy. These combined to reduce the base for our longer-term analysis and, therefore, also, our longer-term forecasts, as follows:

Exhibit 3: Edison nominal gold price forecasts, current and previous (CY18-CY28)

	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25	CY26	CY27	CY28
Forecast gold price, current (US$/oz)	1,324	1,451	1,603	1,647	1,635	1,694	1,741	1,796	1,899	2,018	2,113
Forecast gold price, previous (US$/oz)	1,673	1,839	1,899	1,905	1,981	2,047	2,121	2,245	2,386	2,504	2,629
Change (US$/oz)	-349	-388	-296	-258	-346	-353	-380	-449	-487	-486	-516
Change (%)	-20.9	-21.1	-15.6	-13.5	-17.5	-17.2	-17.9	-20.0	-20.4	-19.4	-19.6

Source: Edison Investment Research

In empirical terms, therefore, the average reduction in our gold price forecasts over the period of Tulu Kapi's productive life has thus been US$392/oz, or 18.5%.

Mine schedule

KEFI completed an updated definitive feasibility study (DFS) on the Tulu Kapi project in July 2015 in collaboration with Senet, Golders, Epoch and Snowden. The DFS reflected both a complete overhaul and an independent validation of Tulu Kapi's geological resources and reserves, with KEFI inserting significant additional data and "wireframing" each individual ore lode in the system. Thereafter, the project's plant construction and mining operation was put out to international tender and was, with the winning tenderers, further refined and optimised via joint value-engineering exercises. In general, while plant throughput increased, the mine plan remained unchanged as the original plan envisaged building up a stockpile, which would then be processed in years 11 to 14 of the project. By contrast, the optimised plan envisaged a closer relationship between mining and processing rates, such that both were completed in year 11 of the project. Based on the bids received at that time, however, KEFI did not expect the expanded plant to increase the assumed level of funding required to develop the mine.

This schedule was then superseded in late 2015 by a plant running at 1.7Mtpa initially, before cutting back to 1.5Mtpa, to produce 980koz over the life of the operation c.f. 961koz previously. In general, the revised plan envisaged processing higher volumes of (generally) higher grade, easier to process (ie oxide) ore with higher metallurgical recoveries, earlier. According to the details of the revised mine plan, throughput and grade (including the change from the previously optimised mine schedule) are as shown in the exhibit below.

Exhibit 4: Tulu Kapi operational assumptions

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
DFS														
Ore processed (kt)	800	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	193
Grade (g/t)	1.95	3.01	3.33	2.27	2.60	2.63	2.91	2.68	2.49	1.64	0.86	0.70	0.70	0.68
Contained gold (koz)	50.2	116.1	128.6	87.7	100.1	101.4	112.2	103.3	95.9	63.4	33.3	26.9	26.9	4.3
Recovery (%)	92.63	92.92	92.97	92.43	92.62	92.08	90.39	89.47	89.88	90.54	90.89	91.41	89.80	88.78
Recovered gold (koz)	46.5	107.9	119.5	81.1	92.7	93.4	101.5	92.4	86.2	57.4	30.2	24.6	24.1	3.8
Optimised plan														
Ore processed (kt)	950	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	943			
Grade (g/t)	1.77	2.59	2.88	2.01	2.24	2.26	2.48	2.29	2.13	1.24	0.85			
Contained gold (koz)	54.1	124.7	139.0	96.9	107.9	109.1	119.6	110.7	102.6	59.8	25.8			
Recovery (%)	92.47	92.82	92.90	92.38	92.55	92.05	90.46	89.61	89.98	89.79	89.67			
Recovered gold (koz)	50.0	115.8	129.1	89.5	99.9	100.5	108.2	99.2	92.3	53.7	23.2			
Revised plan														
Ore processed (kt)	1,430	1,700	1,700	1,700	1,504	1,500	1,500	1,500	1,504	1,356				
Grade (g/t)	2.49	2.43	2.36	2.08	2.89	2.82	2.10	2.42	0.86	0.60				
Contained gold (koz)	114.3	132.5	128.7	113.8	139.9	135.9	101.1	116.5	41.4	26.2				
Recovery (%)	94.18	93.72	93.07	92.03	95.47	94.55	91.50	95.03	87.41	85.72				
Recovered gold (koz)	107.6	124.2	119.8	104.7	133.6	128.5	92.5	110.7	36.2	22.4				
Change*														
Ore processed (kt)	+480	+200	+200	+200	+4	0	0	0	+4	-144				
Grade (g/t)	+0.71	-0.16	-0.53	+0.07	+0.66	+0.55	-0.38	+0.12	-1.27	-0.64				
Contained gold (koz)	+60.2	+7.8	-10.3	+16.9	+32.0	+26.7	-18.5	+5.8	-61.2	-33.6				
Recovery (%)	+1.71	+0.90	+0.16	-0.36	+2.92	+2.50	+1.03	+5.42	-2.57	-4.07				
Recovered gold (koz)	+57.6	+8.5	-9.3	+15.2	+33.7	+28.0	-15.7	+11.6	-56.1	-31.3				

Source: KEFI Minerals, Edison Investment Research. Note: *Revised plan vs optimised plan.

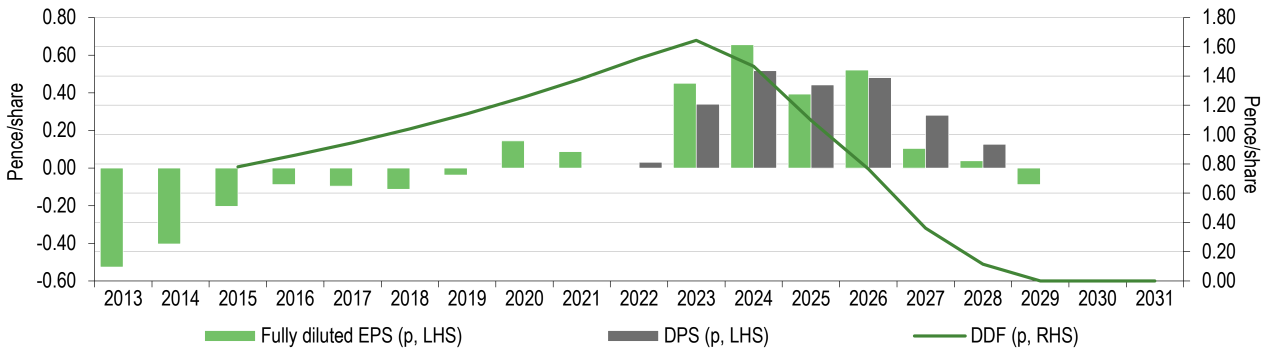
In consequence of the need to mine an additional 0.8Mt of ore plus associated waste, mining costs for the revised mine plan increased by US$12.2m over the life of operations, although this was more than offset by the production of an additional 57.6koz of gold in the first year of production, which was thus self-evidently value accretive to shareholders. Since that time, production plans and costings (other than capex) have remained unchanged pending final sign-offs at completion of the project financing and contractual documentation. Encouragingly however, as per KEFI's update of 9 November, the proposed mining method and equipment specification are considered straightforward and technically sound by the lenders' independent technical expert. In particular, only c 5% of the total material movement is categorised as 'selective' ore and waste mining under the draft mining contract specifications, indicating otherwise generally standardised mining methods.

Valuation

On the basis of the above assumptions and converted at the appropriate foreign exchange rate of US$1.2306/£, we calculate that KEFI is capable of generating average after-tax earnings of c £24.4m pa for eight years, from 2020 to 2027 (inclusive), or c 0.62p per share on an undiluted basis. With average (maximum potential) dividends of 0.79p/share for the five years from 2023 to 2027 inclusive, this implies a valuation for KEFI of 1.61p/share (discounted back to FY16 at a rate of 10% per year), or 1.77p/share (discounted back to 1 January 2017). The valuation of 1.61p/share to FY16 is directly comparable with our prior valuation of 2.45p/share in our note of 27 July although it is worth noting that at least 0.71p/share of the decline is directly attributable to our revised gold price forecasts.

On a fully diluted basis (assuming a £15.0m equity issue), we estimate that investors in KEFI's shares, at a price of 0.34p/share, may expect EPS in the order of 0.29p/share and maximum potential dividends (cash flow after investments and funding) of around 0.41p/share for five years, from FY23 to FY27, which have a net present value of 0.94p/share, rising to 1.64p in 2023, when similarly discounted at 10% per annum (see Exhibit 5, below).

Exhibit 5: Edison estimate of life of mine KEFI fully diluted EPS and maximum potential DPS (pence/share)



Source: Edison Investment Research. Note: DDF = discounted dividend flow.

Stated alternatively, we estimate that an investment in KEFI shares now at a price of 0.34p per share could generate an internal rate of return to investors of 23.7% over the 12 years from 2017 to 2028 (inclusive). This is based on the projected dividend flow and ignores exploration and development of the pipeline of targets in the KEFI portfolio.

Sensitivities

Quantitatively, our base case discounted dividend flow valuation of 0.94p is most sensitive to the gold price, cash costs and discount rate inputs, as shown in Exhibits 6 and 7 below.

Exhibit 6: Discounted dividend valuation sensitivity to gold prices and costs (pence)

Valuation (pence per share)		Gold price				
		-20%	-10%	Base case	+10%	+20%
Cash costs	+20%	0.00	0.03	0.39	0.76	1.14
	+10%	0.00	0.29	0.67	1.04	1.42
	Base case	0.18	0.57	**0.94**	1.32	1.70
	-10%	0.45	0.84	1.22	1.61	1.99
	-20%	0.72	1.12	1.51	1.89	2.27

Source: Edison Investment Research.

Exhibit 7: Discounted dividend valuation sensitivity to discount rate (pence)

Discount rate (%)	0%	5%	10%	15%	20%	25%	30%
Valuation (pence)	2.22	1.43	**0.94**	0.64	0.44	0.31	0.22

Source: Edison Investment Research

Financials

KEFI had £0.149m on its balance sheet as at 30 June 2016; it has since raised an additional £3.8m (gross) in equity via the issue of 761.9m shares at a price of 0.5p per share. Notably, Odey Asset Management subscribed above its pro-rata shareholding to increase its interest in KEFI to 29.5%. Odey is also reported to have offered to underwrite the placing, although this was rendered superfluous by the level of demand from other investors. Ausdrill (a contractor and existing shareholder) subscribed to maintain its shareholding at 7.31%.

In the meantime, KEFI's cash burn rate reduced to £2.0m in H116, including capex. This compares to a historic cash burn rate of £3.6m in H115, £6.6m in FY15 and £6.3m in FY14. The company also reported that it expected to receive a VAT refund of £2.5m.

Ethiopia

Recent events

Ethiopia has five levels of government, comprising the federal government overseeing ethnically based regional states, zones, districts (woreda) and neighbourhoods (kebele). Since 1996, the country has been divided into nine ethnically based and politically autonomous regional states (kililoch) and two chartered cities (Addis Ababa and Dire Dawa). The kililoch are subdivided into 68 zones, and then further into 550 woredas and several special woredas. The constitution assigns extensive power to regional states, which can establish their own government and democracy according to the federal government's constitution. Each region is governed by a regional council to which members are elected to represent the districts and the council has legislative and executive power to direct internal affairs of the regions. Article 39 of the Ethiopian Constitution specifically provides for the possibility of states seceding from the federation.

After many years of being hailed as a model for Africa in general, however, Ethiopia has recently been in the news as a result of a series of increasingly violent clashes between protesters and the government and security services. Anti-government demonstrations started a year ago among the Oromo (Ethiopia's biggest ethnic group, accounting for approximately 33% of the population) over plans (subsequently dropped) to expand the boundaries of Addis Ababa into the Oromia region. However, the protests served as a flashpoint for other long-simmering tensions and spread to the Amhara (the second most populous group). In general, the Oromo and Amhara ethnic groups are reported to be dissatisfied about what they perceive as decades of political and economic marginalisation by a government dominated by Tigrayans (accounting for 6% of the country's population). As the vast majority of Ethiopians work in the agricultural sector, their biggest grievance is the issue of land ownership. Since the mid-1980s, Ethiopia's government has embarked on what it calls a 'villagisation' programme. Officially, the programme has been designed to help scattered farming communities access better services. However, critics claim that its main objective is to forcibly relocate Oromo families and to sell their land to (often foreign) agri-businesses.

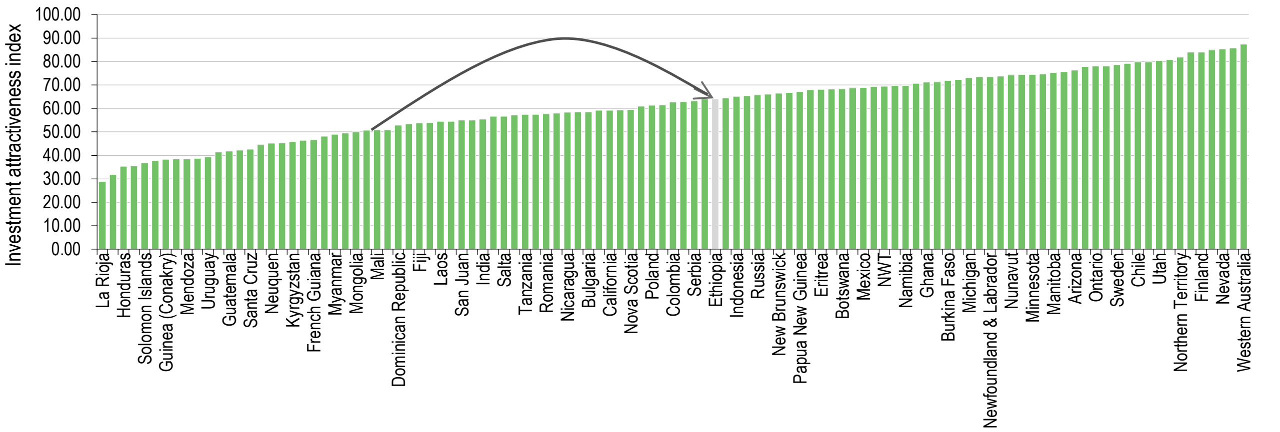
The police and security forces have been accused of increasingly draconian counter-measures and feelings boiled over in October after dozens of people were killed in a stampede at a religious festival outside Addis Ababa. All told, activists claim that at in excess of 500 people have been killed and 1,500 arrested in the past 12 months and the US has expressed concern about what it calls the excessive use of force against protesters. However, the government disputes the numbers and has instead blamed foreign interference for the disturbances. In response to the situation, it has subsequently declared a six-month state of emergency, including assuming the power to ban protests and restrictions on the movement of foreign diplomats. In the interim however, it is also reported to have implemented broad-ranging administrative changes, consistent with improving governance, while simultaneously maintaining Ethiopia's position as one of the fastest growing economies in the world.

Underlying improvement

On 10 October, KEFI advised investors that, notwithstanding the broader security situation in the country, there had been no incidents at Tulu Kapi and that it did "not expect any occurrences in the future". Subsequently, in its update of 9 November, KEFI stated, "Government actions over recent weeks indicate an even stronger resolve to proceed with Project development as soon as possible." For the government's part, this has included encouraging KEFI to plan an ambitious exploration programme in the district around Tulu Kapi, as well as elsewhere in Ethiopia. For the company, it has included inviting the government to increase its equity stake in the project above the US$20m committed to date.

Prior to the current unrest, Ethiopia recorded the sixth-largest improvement of any country in terms of its attractiveness to mining investment, according to the 2015 Fraser Institute Mining Survey. Whereas, Ethiopia ranked 108 out of 122 for mining investment attractiveness in 2014, in 2015 this had risen to 51 out of 109, placing it in the top half of the sample and ahead of other countries in the region with the exception of Eritrea, which was positioned 10 places ahead at number 41, having had the seventh largest rise of any country in the sample compared with the prior year:

Exhibit 8: 2015 Fraser Institute index of attractiveness for mining investment



Source: Fraser Institute

Regional developments

Despite 14 major rivers rising on its highland plateau, including the Blue Nile, until now just 1.5% of Ethiopia's water resource has been used for irrigation and 1% for power production, with the result that as little as 10% of Ethiopians may have access to electricity. To address this, the government of Ethiopia has approved the construction of an ambitious series of dams, the most recent of which, The Grand Ethiopian Renaissance Dam (also known as the Millennium Dam and/or the Hidase Dam), is scheduled for completion in July 2017. Situated on the Blue Nile within 40km of the Sudanes border, once completed the dam will be the largest hydroelectric plant in Africa and the 11th largest in the world with an installed capacity of 6GW. The government's plan is for the dam to provide enough electricity to supply Ethiopia's rapidly expanding economy as well as exporting the excess to neighbouring counties.

Despite expected localised benefits, the dam has still strained relations between Ethiopia and Egypt since construction began in 2011, with the latter expressing concern regarding its effect on downstream water supplies in general and the Aswan High dam in particular. Relations between the two countries fell to a nadir in 2013, when Egypt demanded that Ethiopia cease construction on the dam as a precondition to negotiations. However, other nations in the Nile Basin Initiative have expressed support for the dam, including Sudan, which is the only other nation downstream of the Blue Nile.

Exhibit 9: Financial summary

£000s	2013	2014	2015	2016e	2017e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS					
Revenue	0	0	0	0	0
Cost of Sales	(927)	(2,071)	(1,634)	(1,971)	(3,751)
Gross Profit	(927)	(2,071)	(1,634)	(1,971)	(3,751)
EBITDA	(927)	(2,071)	(1,634)	(1,971)	(3,751)
Operating Profit (before amort. and except.)	(927)	(2,189)	(1,724)	(2,021)	(3,801)
Intangible Amortisation	0	0	0	0	0
Exceptionals	(442)	(379)	(428)	0	0
Other	0	0	0	0	0
Operating Profit	(1,369)	(2,568)	(2,152)	(2,021)	(3,801)
Net Interest	4	(413)	(319)	8	(1,302)
Profit Before Tax (norm)	(923)	(2,602)	(2,043)	(2,013)	(5,103)
Profit Before Tax (FRS 3)	(1,365)	(2,981)	(2,471)	(2,013)	(5,103)
Tax	0	0	0	0	0
Profit After Tax (norm)	(923)	(2,602)	(2,043)	(2,013)	(5,103)
Profit After Tax (FRS 3)	(1,365)	(2,981)	(2,471)	(2,013)	(5,103)
Average Number of Shares Outstanding (m)	493.4	952.4	1,577.7	3,127.4	6,093.7
EPS - normalised (p)	(0.4)	(0.4)	(0.2)	(0.1)	(0.1)
EPS - normalised and fully diluted (p)	(0.4)	(0.4)	(0.2)	(0.1)	(0.1)
EPS - (IFRS) (p)	(0.3)	(0.3)	(0.2)	(0.1)	(0.1)
Dividend per share (p)	0.0	0.0	0.0	0.0	0.0
Gross Margin (%)	N/A	N/A	N/A	N/A	N/A
EBITDA Margin (%)	N/A	N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)	N/A	N/A	N/A	N/A	N/A
BALANCE SHEET					
Fixed Assets	7,152	9,299	11,926	13,541	55,876
Intangible Assets	6,900	9,139	11,845	12,944	12,209
Tangible Assets	252	160	81	87	43,157
Investments	0	0	0	510	510
Current Assets	4,014	1,061	1,012	1,822	271
Stocks	0	0	0	0	0
Debtors	655	335	358	358	179
Cash	3,279	640	562	1,372	0
Other	80	86	92	92	92
Current Liabilities	(3,363)	(3,202)	(1,995)	(2,000)	(2,300)
Creditors	(3,363)	(3,202)	(1,995)	(2,000)	(2,300)
Short term borrowings	0	0	0	0	0
Long Term Liabilities	0	0	0	0	(16,239)
Long term borrowings	0	0	0	0	(16,239)
Other long term liabilities	0	0	0	0	0
Net Assets	7,803	7,158	10,943	13,363	37,608
CASH FLOW					
Operating Cash Flow	(1,424)	(2,006)	(2,729)	(1,966)	(3,272)
Net Interest	4	(413)	(319)	8	(1,302)
Tax	0	0	0	0	0
Capex	(877)	(3,133)	(3,507)	(2,400)	(43,120)
Acquisitions/disposals	(1,083)	(750)	0	0	0
Financing	4,735	3,663	6,480	5,168	30,083
Dividends	0	0	0	0	0
Net Cash Flow	1,355	(2,639)	(75)	810	(17,612)
Opening net debt/(cash)	(1,924)	(3,279)	(640)	(562)	(1,372)
HP finance leases initiated	0	0	0	0	0
Other	0	0	(3)	0	0
Closing net debt/(cash)	(3,279)	(640)	(562)	(1,372)	16,239

Source: Company sources, Edison Investment Research

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