EDISON

Mineral Commodities

Rising production profile, exploration appeal

Project and valuation update

Metals & mining

Mineral Commodities (MRC) plans to complete its Tormin plant optimisation in July 2016. It is expected to increase heavy mineral (HM) recoveries and produce higher-grade, higher value-add products and result in additional production capacity and enhanced operating flexibility. MRC will be able to capitalise on its expanded exploration programme for high-grade resources in the region.

Year end	Revenue (US$m)	PBT* (US$m)	EPS* (c)	DPS (A$c)	P/E (x)	Yield (%)
12/14	34.9	3.9	2.1	0.0	4.9	0.0
12/15	46.4	13.1	2.7	1.0	3.8	7.1
12/16e	39.4	15.4	2.7	2.0	3.8	14.3
12/17e	89.7	41.3	7.1	6.4	1.4	46.0

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

Completion of plant optimisation to lift capacity

The commissioning of the Garnet Stripping Plant (GSP) in early July 2016 will complete a programme of process plant optimisation at Tormin. It will increase the production profile and product value and substantially increase HM recoveries. Over the period CY15-17, we forecast an increase in run of mine (ROM) ore treatment from 1.6 Mtpa to 2.2Mtpa, an increase in contained zircon production from 32,000tpa to 52,000tpa (>60% growth) and an increase in rutile production from 6,000tpa to 9,000tpa (c 50% growth). We also factor in a gradual increase in ilmenite and garnet concentrate sales after a period of stock building. The plant upgrades provide potential spare capacity and the flexibility to operate at different feed grades.

Exploration acquisition strategy

MRC has actively pursued an exploration acquisition strategy to increase the operations life at Tormin. It has been awarded prospecting rights over an area of 10,500ha up to 10km offshore from the current mining area. It has also lodged prospecting licences for both coastline exploration and onshore exploration, which are currently under review for approval by the Department of Mineral Resources – South Africa. The coastal exploration represents around 24km of coastline (398ha). The onshore exploration covers an area of 1,741ha.

Valuation: Significant upside, exploration leverage

We have used NPV_{10} analysis to value the Tormin project and book value for the early-stage Xolobeni project. Our base case valuation is A$0.32/share (from A$0.31) for a four-year mine life. With extensive offshore, coastal and onshore exploration underway or proposed, there is potential for a longer mine life. Our upper case valuation, based on an eight-year life, is A$0.52/share (from A$0.50). The updated valuation reflects a number of relatively small changes to our model. MRC paid a maiden A$0.01/share dividend (A$4.0m) in respect of the CY15 year. Going forward, we forecast dividend increases and a high yield.

24 June 2016

Price	**A$0.14**
Market cap	**A$57m**
	US$0.72/A$
Net cash (US$m) at 31 March 2016	2.8
Shares in issue	404.9m
Free float	100%
Code	MRC
Primary exchange	ASX
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	3.8	17.4	35.0
Rel (local)	4.4	14.0	42.9
52-week high/low	A$0.15		A$0.07

Business description

Mineral Commodities (MRC) is an expanding producer of non-magnetic zircon/rutile concentrate and ilmenite and garnet co-products from its high-grade Tormin resource on the west coast of South Africa. It also owns the large, early-stage Xolobeni ilmenite deposit on the east coast of South Africa.

Next events

Quarterly activities	July 2016

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Edison profile page

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Tormin project

The Tormin mineral sands project was commissioned in January 2014. The project mines a beach mineral sands deposit located on the west coast of South Africa, around 400km north of Cape Town. The area was previously explored by Trans Hex (TSE.JSE) and others for mineral sands and diamonds.

The deposit is located approximately 50km south of the Tronox Namakwa Sands large-scale, heavy mineral sands (HMS) operation at Brand se Baai, originally developed by Anglo American.

Exploration: Significant potential to lift resources

The current beach resource is unusual in that it has been replenished by normal tidal movements since mining started, although there is no certainty this will continue at the same rate indefinitely.

MRC also has extensive exploration opportunities from offshore activities, coastline extensions and onshore potential. These have the potential to provide substantial exploration upside.

Current resources supporting production expansion

The Tormin tenement area (see Exhibit 2) covers approximately 12km of mineralised beach zone, stretching from Cliff Point in the south to Skaapviel in the north. The area is north of the mouth of the Olifants River and around 30km north of the township of Vredendal.

- The average width of the deposit from the cliff to within the surf zone is 123m.
- It is developed from surface to a maximum depth of 6.25m with an average resource thickness of 3.5m.

The source of the Tormin beach deposit is eroded paleo strandlines and HM-rich offshore zones. The dynamic tides and wave action in the region transport sediment from deeper waters to the beaches. This process concentrates and upgrades the HMS below the high water mark. This leads to the mineralisation on the beaches being replenished after it has been mined.

Over the last two years, 99% of the beach mined at Tormin has been replenished through normal tidal movements. The replenishment is not uniform. In locations where the replenishment rate is high, some areas have been mined up to 10 times or more.

Resource replenishment is not unique to the Tormin project. It also occurs at other beach placer deposits along the west coast of South Africa and the Tamil Nadu coast located in south-east India.

Exhibit 1: Reconciliation of Tormin mining activity to inferred resources

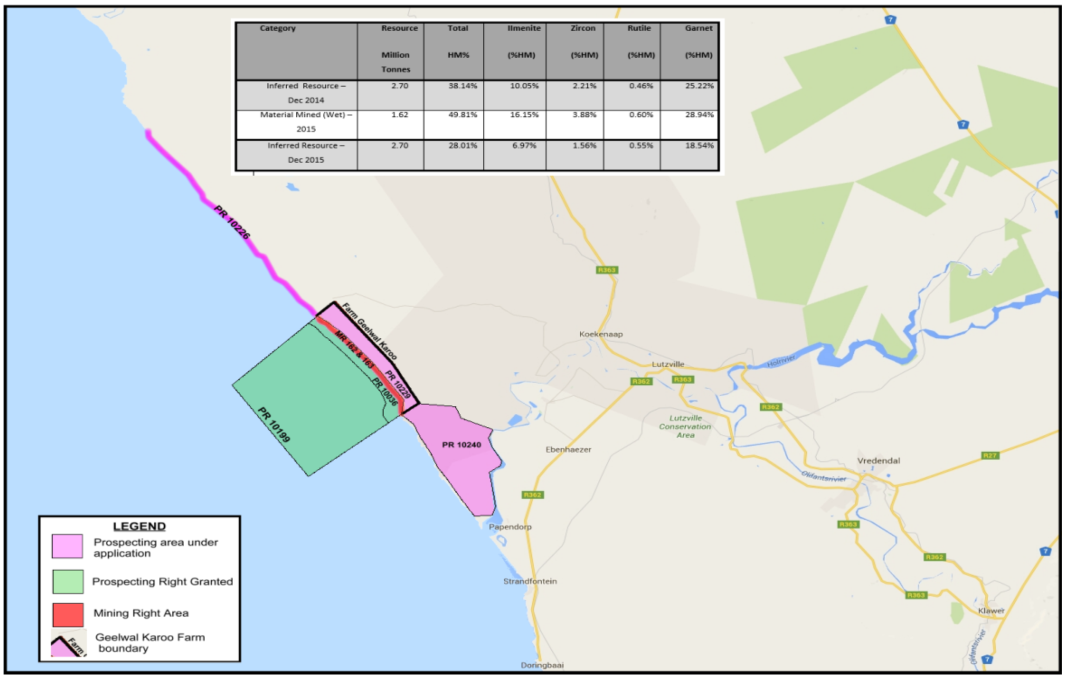
	Mt	THM (%)	Ilmenite (%)	Zircon (%)	Rutile (%)	Garnet (%)
Inferred resource - Dec 2013	2.70	49.4	10.6	3.4	0.7	25.3
Inferred resource - Dec 2014	2.70	38.1	10.1	2.2	0.5	25.2
Inferred resource - Dec 2015	2.70	28.0	7.0	1.6	0.6	18.5
Tonnes mined						
- 2014	1.07	53.8	17.3	4.8	0.7	31.2
- 2015	1.62	49.6	16.2	3.9	0.6	28.9
- 2016 Q1 only	0.45	50.9	15.1	3.4	0.6	31.8
- Total	2.69	51.3	16.6	4.2	0.6	29.8
Mined 2014-15 + Dec 2015 inferred resource	5.39	39.6	11.8	2.9	0.6	24.2
Grade premium - mined grade to inferred resource (%)						
- mined 2014 grade to Dec 2013 resource		9	63	40	-7	23
- mined 2015 grade to Dec 2014 resource		30	61	76	30	15
- mined 2016 grade (Q1 only) to Dec 2015 resource		82	116	119	16	72

Source: Mineral Commodities, Edison Investment Research

Exhibit 1 illustrates that the inferred resource at Tormin did not change between December 2013 and December 2015 in tonnage terms due to replenishment activity, despite two years of mining. After two years, total material mined plus the inferred resource at December 2015 was 5.39Mt compared with the inferred resource at December 2013 of 2.7Mt prior to mining.

However, grades measured as total heavy mineral (THM), ilmenite, zircon, rutile and garnet dropped in successive years.

Exhibit 2: Tormin mining and prospecting – rights and applications



Category	Resource Million Tonnes	Total HM%	Ilmenite (%HM)	Zircon (%HM)	Rutile (%HM)	Garnet (%HM)
Inferred Resource – Dec 2014	2.70	38.14%	10.05%	2.21%	0.46%	25.22%
Material Mined (Wet) – 2015	1.62	49.81%	16.15%	3.88%	0.60%	28.94%
Inferred Resource – Dec 2015	2.70	28.01%	6.97%	1.56%	0.55%	18.54%

Source: Mineral Commodities

Achieved mined grades well above inferred resource grades

Although the grade of the inferred resource has been falling, the grades achieved during mining have been at a significant premium to the corresponding grades of the inferred resource for the year prior to mining (see Exhibit 1). This provides confidence for the mining schedule and earnings and cash flow.

For example, mined zircon grades in 2014 and 2015 were 40% and 76% higher than the zircon grades of the December 2013 and December 2014 inferred resources respectively. The premiums have continued with production in Q116, although the very high premiums to the resource grade may not be fully representative because of the smaller sample.

MRC conducts regular grade reconciliation and sample grading as part of the mining operation to correlate between the stated resource and actual resource in terms of quantity, grade and replenishment. At the end of 2015, it also took pit samples from mined areas that had undergone replenishment.

At this stage, it may not be possible to fully account for the poor correlation between the high grades experienced during mining and the lower grades of the inferred resources. In our view, a possible reason is sampling error. However, the positive aspect is that mined grades have maintained a significant premium over inferred resource grades over a period exceeding two years.

According to MRC, the current replenishment dataset is of insufficient size and time frame to allow replenished resources, as in Exhibit 1, to be classified. They are therefore not JORC compliant.

Offshore exploration – objective is a JORC inferred resource

In November, 2015, Mineral Sands Resources Pty (MSR), MRC's 50%-owned South African subsidiary, was awarded prospecting rights up to 10km offshore from the current mining area, representing an area of 10,500ha (see Exhibit 2). The objective is to investigate the offshore HMS potential that is currently the source of the replenishment of the mineralisation of the beach resource.

Drilling of the surf zone, which is the area between the low tide and the wave crest formation, was due to start in Q216. The programme objective is to achieve an offshore inferred JORC resource.

Coastline exploration – significant potential along 24km target

MSR has also lodged a prospecting and bulk sampling application along the beach and surf zone north of the current mining operations, representing around 24km of coastline and a target area of 398ha (see Exhibit 2). This area has been previously drilled by TSE for diamonds and HMS.

The application is currently under review by the Department of Mineral Resources – South Africa.

Onshore exploration

MSR has also lodged a prospecting application over the recently acquired Geelwal Karoo farm covering an area of 1,741ha (see Exhibit 2). Historical and in-house exploration work has indicated the area to be prospective for HMS deposits.

The application is currently under review by the Department of Mineral Resources – South Africa.

Beach sand mining methods

Mining is by small open pits using coffer-type dams constructed by excavators. The pits are usually only open during low tide except where it is possible to construct larger, more stable protection bunding where beach conditions allow. Extracted material is from surface to bedrock, so there is no stripping ratio.

There is natural replenishment of the pits as they are filled with HMS material from the surf zone during the next high tide. Replenishment is mainly a function of time and the number of sea storm events.

Because of replenishment, it may be possible to re-mine the same mining block. Over the past two years, some mining blocks have been mined up to 10 times or more.

Beach sand processing and heavy mineral sales

The Tormin processing plant is located close to the beach, with ready access to MRC's mining right area along the 12km of mineralised beach zone.

Saleable products

The Tormin project produces three saleable products:

- **Non-magnetic mixed zircon rutile concentrate** rather than separate zircon and rutile products. MRC is free to market and sell this product to buyers on an unrestricted basis.
- **ilmenite concentrate:** the ilmenite market has been oversupplied and ilmenite produced has been stockpiled. MRC has now reported strong enquiry for its ilmenite, with small sales volumes having commenced in May 2016.

- **garnet concentrate:** MSR stockpiles garnet concentrate, on behalf of the GMA Group (GMA), at the Tormin mine site. The offtake agreement with GMA has recently been amended. The term of the agreement is the life of mine, with an option to take all other remaining concentrate production. The annual offtake tonnage is now 210,000 tonnes, up from 150,000 tonnes. Production in CY15 was 285,000 tonnes.

Benefits of investment in new processing plant

Since the project was commissioned, MRC has progressively invested in new processing plant. The final plant item, the Garnet Stripping Plant (GSP), is planned to be commissioned in early July 2016. The objectives of the investment have included:

- higher recovery of the various products from the resource;
- better separation of the different products;
- achievement of higher product grades (Exhibit 3); and
- expansion of output.

Outcomes have included:

- lower processing costs per unit of output;
- lower transport costs per unit of saleable product for higher-grade concentrates;
- higher prices for higher-grade concentrates and maximisation of revenue;
- optimisation of the Tormin HM resource, with a significant increase in the recovery of valuable minerals and a reduction in material discarded to tails;
- ability to deal with variable feed grade profiles; and
- ability to potentially maintain production levels despite a possible decline in feed grades with time.

Exhibit 3: Expected grades for concentrate products before and after the GSP installation

	Pre-GSP	Post-GSP
Zircon (%)	72	80
Rutile (%)	12	13
Combined (%)	84	93
Garnet (%)	60	80
Ilmenite (%)	70	70

Source: Mineral Commodities

Processing plant configuration

In broad terms, the two main items of plant are as follows:

- **Primary Beach Concentrators (PBCs) (2):** these concentrators take run of mine (ROM) beach material and process this to a mixed HM concentrate, which incorporates all the recovered minerals together. The concentration is achieved primarily by a gravity method using a spiral circuit.
- **Secondary Concentrator Plant (SCP):** the HM concentrate from the PBCs is processed to saleable products in the SCP. In the SCP, there is a further gravity spiral upgrade before a high-intensity magnetic separation stage, which separates the magnetic and non-magnetic minerals:
  - **non-magnetic minerals:** zircon and rutile, which are recovered as a combined concentrate; and
  - **magnetic minerals:** ilmenite concentrate and garnet concentrate, both of which are saleable.

Enhancements to the plant after the original commissioning include:

- **Tailings Scavenger Plants (TSPs) (2):** linked to the two PBCs. These recover additional HM material that was previously disposed as waste (tails). The TSP increases HMC recovery from around 66% to 89%, equivalent to an approximate increase in HMC production of 147ktpa at full throughput. Zircon recovery increases from around 84% to 95%.
- **Garnet Stripping Plant (GSP):** this is attached to the front of the SCP and will be commissioned in July 2016. This will remove the garnet fraction from the HMC before the SCP. This will increase the grade of the non-magnetic feed (containing zircon and rutile) to the SCP. During the separation process in the magnetic circuit, there will be an increase in production of zircon/rutile concentrate.

Further plant upgrades are possible in the future, depending on future exploration success and the extent of financial benefit (such as higher-value products) relative to the investment required. These include:

- **remote primary beach concentrator**: production of additional primary concentrate to fully utilise spare capacity in the downstream GSP and SCP;
- **non-magnetic minerals separation:** production of separate zircon and rutile concentrates; and
- **Ilmenite concentrate upgrade:** production of a higher-grade ilmenite concentrate by the removal of contained zircon and garnet (both saleable).

Plant enhancements provide potential spare capacity

Once the GSP is commissioned and all other enhancements fully configured, the processing plant will have additional spare capacity:

- TSP capacity can, in effect, act as additional concentrators of ROM feed, in addition to the PBCs; and
- the GSP can act as a non-magnetic concentrator to the SCP.

This capacity provides options to lower feed grades by increasing mined tonnes and overall utilisation of the various plant components.

It also provides additional capacity against a possible decline in feed grades such as zircon, as mining progresses. MRC may also consider using a remote primary beach concentrator for mining outside the current mining areas.

Xolobeni project

MRC's Xolobeni project is located on South Africa's east coast. It has the potential to be a globally significant asset. It has a measured, indicated and inferred resource of 346Mt at 5% HM containing 9.3Mt ilmenite.

There has been ongoing controversy and resistance to this project. As a result, MRC management is conducting a strategic review of the asset and its development profile. This is being considered relative to the company's overall business in South Africa.

Valuation

Our base case valuation is A$0.32/share with an upper case of A$0.52/share (Exhibit 4). These valuations are marginally higher than those in our report of 5 February 2016, reflecting a number of small changes to our financial model.

- **Mine life:** our base case valuation is for a four-year life based on existing resources, continued mineral replenishment due to tidal activity and additional offshore, coastal extension and onshore exploration.
- **Potential additional mine life upside:** given the potential of offshore exploration, the 24km of coastal exploration (compared to the existing coastal mining zone of 12km) and onshore exploration, we believe there is potential for a mine life of at least eight years. We use an eight-year mine life in our upper case valuation.
- **Production expansions:** the valuations incorporate production expansions that have been facilitated by the investment in the processing plant, such as the TSP and GSP installations, which have lifted HM recoveries and lifted capacity. These initiatives have also reduced unit costs. Over the period 2015 to 2017, we forecast an increase in the ROM ore treatment rate from 1.6Mtpa to 2.2Mtpa and a corresponding lift in zircon production from 32ktpa to 52ktpa (>60% growth) and rutile production from 6ktpa to almost 9ktpa (just under 50% growth). We also factor in growth of ilmenite concentrate and garnet concentrate sales after a period of stock building.
- **Prices:** our valuations, earnings and cash flow forecasts use long-term zircon and rutile prices of US$1,050 and US$865/t respectively, which are based on price ranges provided by mineral sands consultants TZMI in a recent December 2015 update. These prices are unchanged from the last Edison report December quarter- in transition, uplift in 2016, dated 5 February 2016. In 2016, we use lower zircon and rutile prices at the lower end of TZMI's range, to reflect recent price weakness. In May, Iluka Resources (ILU.ASX), a major mineral sands producer, reported a recovery in zircon demand and a strengthening of pigment demand and prices. Rutile is one of TiO_2 feedstocks used in pigment manufacture.
- **Payment terms:** because MRC sells its zircon and rutile in a mixed concentrate rather than single concentrates, the revenue it receives is discounted for the further processing that needs to be carried out by the purchaser.
- **Xolobeni:** we have reduced the value of the Xolobeni project used in our MRC valuation from a nominal value of US$10m to its book value of US$4.2m to reflect the uncertainty associated with the development of the project.
- **Exchange rates:** we use A$/US$0.72 (spot) vs A$/US$0.70 before.

Exhibit 4: MRC valuation (US$) – base case and upper case

	Base case	Upper case
Mine life	4 years	8 years
Tormin (NPV_{10}) (US$m)	86.9	144.3
Xolobeni (book value) (US$m)	4.2	4.2
Net debt/(cash) 31 Mar 2016 (US$m)	(2.8)	(2.8)
Total equity value (US$m)	94.0	151.4
Valuation per share		
- US$/share	0.23	0.37
- A$/share	0.32	0.52
No of shares (m)	404.9	
A$/US$	0.72	

Source: Edison Investment Research

Financials

Major modifications to the Tormin processing plant are expected to be completed in early July 2016. The completion will lift production capacity and product specifications, leading to a substantial boost to revenue, earnings and cash flow. The financial summary is presented in Exhibit 5.

Earnings

MRC reported normalised post-tax earnings of US$10.6m in CY15. We forecast a small improvement to US$10.8m (US$0.027/share) in CY16. The latter is slightly lower than our last CY16 forecast of US$12.2m, mainly due to weaker zircon prices.

Our CY17 earnings forecast of US$28.9m (US$0.071/share) factors in the completion of all the plant improvements, including the GSP, and the associated lift in plant throughput, HM recoveries, higher product grades, higher price realisations and higher absolute output of saleable products. We also assume a recovery of zircon and rutile prices to close to CY15 levels.

From CY18 onwards, we forecast a small decline in earnings to around US$25m pa due to an assumed reduction in mined zircon grades. MRC may be able to mitigate this decline by increasing ore throughput, mining higher-grade material from new areas delineated by exploration or further metallurgical enhancements.

MRC declared a dividend of A$0.01/share in respect of CY15. We forecast an increase to A$0.02/share in CY16 and A$0.064/share in CY17. Projected dividend yields are high. Dividends, payable in Australian dollars, are subject to the prevailing exchange rate with the US dollar.

Cash flow

We see MRC as a very cash-generative business, with future operating cash flow from operations exceeding US$30m from CY17 onwards. This is due to the high grade of its resource, metallurgical enhancements and limited required future capital expenditure.

MRC has a 50% interest in its South African subsidiary MSR under Black Economic Empowerment (BEE) arrangements. However, as MRC effectively has 100% control over the relevant activities for accounting purposes and controls the management and board of MSR, MRC's financial statements include 100% of the results of MSR. Under the shareholders' agreement between the shareholders of MSR, the majority of Tormin's earnings and cash flow over the next four years is attributable to MRC in recognition of capital invested and debt provided. We have allowed for payments to MRC's BEE partner in the years after the fourth year, as provided for in the shareholders' agreement. These payments are taken into account in our NPV_{10} valuation for MRC.

Balance sheet

At 31 March 2016, MRC had cash of US$7.8m. In the absence of new project initiatives and depending on dividend policy, the cash balance may continue to rise with time.

MRC has a loan agreement with GMA for US$4.5m funding to complete the GSP, which was drawn down by US$3.7m as at 31 March 2016. This has a three-year repayment term commencing with the restart of shipping of garnet concentrate product to GMA, planned for January 2017. MRC also had shareholder loans of US$1.3m, repayable in September 2016.

We have allowed for further debt facilities to assist with company growth projects.

Exhibit 5: Financial summary

US$000	2013	2014	2015	2016e	2017e	2018e	2019e
31-December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS							
Revenue	225	34,948	46,440	39,373	89,662	86,589	86,589
Cost of sales	(1,382)	(23,878)	(26,368)	(14,485)	(37,552)	(37,552)	(37,552)
Gross profit	(1,157)	11,069	20,072	24,889	52,110	49,037	49,037
General & administration costs	0	(3,426)	(2,412)	(4,400)	(4,600)	(4,600)	(4,600)
EBITDA	(1,157)	7,644	17,660	20,489	47,510	44,437	44,437
Depreciation	(152)	(3,229)	(4,179)	(4,797)	(6,762)	(6,762)	(6,762)
EBIT (before amort. and except.)	(1,309)	4,414	13,481	15,692	41,648	36,575	36,575
Intangible amortisation	0	0	0	0	0	0	0
Share based payments	0	0	0	0	0	0	0
Other	(95)	0	0	0	0	0	0
Exceptionals	0	0	(172)	0	0	0	0
EBIT	(1,404)	4,414	13,481	15,692	41,648	36,575	36,575
Net Interest	(166)	(465)	(378)	(307)	(389)	(368)	(122)
Profit before tax (norm)	(1,570)	3,949	13,104	15,385	41,258	36,207	36,453
Profit before tax (FRS 3)	(1,570)	3,949	12,931	15,385	41,258	36,207	36,453
Tax	0	4,427	(2,354)	(4,615)	(12,378)	(10,862)	(10,936)
Profit after tax (norm)	(1,570)	8,376	10,749	10,769	28,881	25,345	25,517
Profit after tax (FRS 3)	(1,570)	8,376	10,577	10,769	28,881	25,345	25,517
Minority interest	0	0	0	0	0	0	0
Net income (normalised)	(1,570)	8,376	10,749	10,769	28,881	25,345	25,517
Net income (FRS3)	(1,570)	8,376	10,577	10,769	28,881	25,345	25,517
Average number of shares outstanding (m)	251.8	404.9	404.9	404.9	404.9	404.9	404.9
EPS - normalised (c)	(0.6)	2.1	2.7	2.7	7.1	6.3	6.3
EPS - normalised fully diluted (c)	(0.6)	2.0	2.6	2.7	7.1	6.3	6.3
EPS - (IFRS) (c)	(0.6)	2.1	2.6	2.7	7.1	6.3	6.3
Dividends per share (Australian cents)	0.0	0.0	1.0	2.0	6.4	5.7	5.7
Gross Margin (%)	-514.5	31.7	43.2	63.2	58.1	56.6	56.6
EBITDA Margin (%)	-514.5	21.9	38.0	52.0	53.0	51.3	51.3
Operating Margin (before GW and except.) (%)	-581.8	12.6	29.0	39.9	46.4	42.2	42.2
BALANCE SHEET							
Fixed Assets	30,383	34,986	32,383	37,001	43,623	41,494	39,119
Intangible assets	0	4,037	3,517	3,517	3,517	3,517	3,517
Tangible assets	30,383	30,949	28,865	33,484	40,105	37,976	35,602
Investments	0	0	0	0	0	0	0
Current Assets	3,548	13,488	8,942	30,336	62,352	66,539	78,836
Stocks	772	5,822	941	9,843	20,691	24,978	24,978
Debtors	1,178	3,085	2,349	10,979	10,346	7,493	7,493
Cash	1,503	4,216	4,227	7,450	29,251	32,005	44,301
Other	94	365	1,424	2,064	2,064	2,064	2,064
Current Liabilities	(8,548)	(17,191)	(6,376)	(11,175)	(18,323)	(12,081)	(12,081)
Creditors	(2,522)	(9,956)	(3,406)	(5,175)	(12,323)	(6,081)	(6,081)
Short term borrowings	(6,026)	(7,235)	(2,970)	(6,000)	(6,000)	(6,000)	(6,000)
Long Term Liabilities	0	(77)	(3,272)	(6,783)	(6,783)	(6,783)	(6,783)
Long term borrowings	0	0	(989)	(4,500)	(4,500)	(4,500)	(4,500)
Other long term liabilities	0	(77)	(2,283)	(2,283)	(2,283)	(2,283)	(2,283)
Net Assets	25,382	31,206	31,676	49,380	80,869	89,169	99,091
CASH FLOW							
Operating Cash Flow	(2,209)	8,440	9,138	4,085	44,444	36,761	44,437
Net Interest	56	(932)	(661)	50	(75)	52	298
Tax	0	0	0	0	0	(10,862)	(10,936)
Capex	(20,517)	(5,414)	(6,071)	(9,500)	(13,500)	(5,000)	(5,000)
Acquisitions/disposals	0	18	0	0	0	0	0
Equity financing	10,492	(3)	0	0	0	0	0
Dividends	0	0	0	(4,495)	(9,067)	(18,198)	(16,502)
Net cash flow	(12,177)	2,108	2,405	(9,860)	21,802	2,753	12,297
Opening net debt/(cash)	(8,057)	4,523	3,019	(269)	3,051	(18,751)	(21,504)
HP finance leases initiated	0	0	0	0	0	0	0
Other	(403)	(604)	883	6,540	0	0	0
Closing net debt/(cash)	4,523	3,019	(269)	3,051	(18,751)	(21,504)	(33,801)

Source: Company accounts, Edison Investment Research