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JSE: PET
AIM: PTMN

Petmin Limited

Preliminary Results for the year ended 30 June 2008

Petmin Limited, ("Petmin" or "the Company"), the JSE and AIM-listed minerals, mining and processing company which services the metallurgical and industrial sectors, announces its reviewed financial results for the year ended 30 June 2008.

Highlights:

- Revenue increased by 74% from R382 million to R667 million.
- Profit for the year increased by 411% from R74 million to R380 million.
- Headline earnings per share increased by 190% from 5.28 cents to 15.31 cents.
- Fully diluted earnings per share increased by 370% from 15.77 cents to 74.15 cents.
- The acquisition of a 25% share of Veremo Holdings (Pty) Ltd positions Petmin in a large scale iron project.
- R216 million capital spent to expand operations (2007: R113 million)

Commenting on these results, Bradley Doig, Petmin's Chief Operating Officer, said:

"These results reflect an improved performance from the Springlake Colliery in the second half, coupled with a consistently strong performance from the SamQuarz silica mine and a first full-year contribution from the Somkhele Colliery. The outlook for Petmin's financial performance in 2008/9 is encouraging."

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Management Commentary

Operations

Revenue for the year ended 30 June 2008 increased by R285 million or 74% to R667 million compared to the R382 million in 2007. Gross profit was R164 million, an increase of R108 million or 193% compared to the R56 million in 2007. This was as a result of an improved performance from Springlake Colliery in the second half of the year under review, coupled with the first full year of results from the Somkhele Colliery. There was also a consistently strong performance of the silica mine, SamQuarz (Pty) Ltd ("SamQuarz") which increased its revenue by 20% from R128 million in 2007 to R153 million and its gross profit by R14 million or 30% to R60 million.

The anthracite segment's profit before tax for the year ended 30 June 2008 was reduced by an accrual of R3.4 million from the fair value adjustments on unrealised US Dollar currency derivatives. Management continually reviews the group's hedging strategy and will restructure hedges where appropriate.

Administration expenses included a full year of operation at Somkhele (2007 only includes 1 month) and also included an impairment charge of R4.7 million (2007: R nil) on certain loans made to a company with a project in Zambia and share option expenses of R12.7 million (2007: R7.7 million).

Cash of R252 million (2007: R75 million) was generated by operations before outflows from changes in working capital of R84 million (2007: R42 million), tax R7.2 million (2007: R4.5 million) and net finance expense of R3.8 million (2007: R1.1 million).

Capital expenditure of R229 million (2007: R129 million) was incurred in the year to 30 June 2008. R133 million was spent on exploration drilling and mine development programmes to expand operations, R80 million was spent on plant and mining equipment and R12 million on capital projects that are work-in-progress.

The ratio of interest bearing debt to equity at 30 June 2008 was 7.01% (2007: 11.22%). An amount of R31 million was drawn on the plant finance facility at Somkhele in the year ended 30 June 2008 to fund the expansion of the project. The Group has negotiated additional debt facilities of approximately R75 million with its bankers that are currently not utilised. Gearing of the Group remains low and management will consider the use of these debt facilities for funding future expansion plans.

Anthracite division

Somkhele anthracite mine, Springlake Colliery and Petmin Logistics

Management is pleased to report that the anthracite division increased its production by 69%, producing 1,219,601 tonnes (2007: 720,135) and selling 1,199,592 tonnes (2007: 733,999) of anthracite in the year to 30 June 2008.

75% (2007: 67%) of the sales tonnages in the year to 30 June were exported. Demand from inland metallurgical customers for the Somkhele product has increased substantially. Management plans to expand production at Somkhele to meet the combined demands of the inland metallurgical market and the export markets.

Mining at Somkhele is progressing well and anthracite is currently being mined from two pits in the project's Area 2. Development of the mining Area 1 is progressing well and management expects first production from the Area in the latter half of calendar 2008.

In its first full year of operations the Somkhele Colliery has delivered on its potential to become a profitable mine and a competitive alternative source of carbon units to replace coke as a reductant in certain metallurgical processes.

In order to de-risk the export channels for the anthracite division, the Group acquired a 70% interest in Petmin Logistics (Pty) Ltd ("Petmin Logistics") (formerly ZMS Logistics (Pty) Ltd). Petmin Logistics has contracted with Transnet Port Terminals to provide export facilities of a minimum of 600,000 tonnes per annum for four years at the Richards Bay Dry Bulk Terminal.

Springlake's financial performance improved in the second half of the year ended 30 June 2008, with 76% of its profits being generated in the last six months of the financial year. This was despite a write-down of R3.4 million for the fair value of certain foreign currency derivatives.

Silica division

SamQuarz silica mine

SamQuarz produced 1,385,906 tonnes of silica (2007: 1,240,000), an increase of 11.8% and sold 1,434,853 tonnes of silica (2007: 1,394,810) and chert in the year ended 30 June 2008.

Revenue increased by 20% to R153 million (2007: R128 million) due to improved prices negotiated on key sales contracts and due to improved sales volumes, largely in the construction sector.

Capital expenditure has been focused on increasing production capacity both in the openpit and the plant to ensure that customers' increased demand levels can be reliably attained.

Impact of power shortages in South Africa

The power cuts that occurred in South Africa during the year under review did not have a material effect on Petmin's production and sales. Notwithstanding this, in order to mitigate against the risk of power cuts in its operations, Petmin has ordered standby generators which will be in operation in the first quarter of 2009.

Mineral rights applications

To the extent required, applications for renewals of prospecting rights and conversions of old order mining rights have been submitted timeously for approval by the Department of Minerals and Energy.

Investment in the Veremo iron ore project

As announced on 6 November 2007, Petmin concluded an agreement with Framework Investments Limited ("Framework"), a 100% held subsidiary of Kermas Limited (collectively the "Kermas Group") for the joint acquisition of Veremo.

Following the fulfilment of the conditions precedent to the transaction, with effect from 23 May 2008, Petmin now holds a 25% interest in Veremo. The Kermas Group holds the remaining 75%.

Petmin's cost of acquisition of the 25% interest was R73 million. An amount of R303 million was recognised as a profit on acquisition on the fair value adjustment of the project as required in compliance with International Financial Reporting Standards. The fair value of Petmin's 25% interest was calculated using pig iron prices of $400/t (current market prices are approximately $900/t) in an indicative cash flow model for the project, and taking into account the fact that Petmin is not required to fund capital expenditure to produce at least 700,000 tonnes of pig iron per annum. Petmin is guaranteed an annual cash dividend of R65 million per year for the first three years from the planned date of commencement of mining and sales. In terms of IFRS, the valuation of a business combination may be reviewed within 12 months. Management will review the valuation of the project as more certainty is provided by the metallurgical testing of a bulk sample of the ore and as the feasibility study is progressed.

In February 2008, Veremo procured an updated resource statement for the project (endorsed by Snowden Mining Industry Consultants).The results were as follows:

Classification	***Weathering***	***Tonnes (Mt)***	***Fe (%)***	***SiO2 (%)***	***TiO2 (%)***	***V2O5 (%)***	***SG (%)***
Indicated Resource	Fresh	797.5	42.05	15.13	14.09	0.15	4.22
Indicated Resource	Weathered	123.8	43.00	13.67	14.64	0.16	4.16
Measured Resource	Weathered	11.6	48.98	5.03	18.38	0.23	3.85
Total Resource		933.0	42.26	14.22	14.22	0.15	4.21

Prospects

Silica division

Management expects SamQuarz to increase current production and sales volumes as the demand for the crusher run material (a product that is being used in the building and maintenance of roads) has increased and as SamQuarz develops niche markets in the foundry and metallurgical sectors.

The programme to delineate the ore body is nearing completion and management expects to present an updated SAMREC compliant report of the reserves and resources in the next quarter. Management expects that the proven reserves should increase from the current 10 million tonnes of quartzite to approximately 45 million tonnes by providing more certainty on the 35 million tonnes currently classified as a probable reserve.

Capital expenditure is forecast to reduce in the year to 30 June 2009 as the bulk of the work on the expansion and exploration programmes has been completed in the 2008 financial year.

Anthracite division

The anthracite division is expected to take advantage of the improved export prices for anthracite by placing spot cargoes at strong US Dollar prices. The weaker Rand against the US Dollar is expected to assist, although the anthracite division has sold forward 4.5 million US Dollar receipts from July 2008 to March 2009 at an average exchange rate of R7.36 to the US Dollar. The anthracite division has also entered into zero cost collar and cap currency options totalling 5.6 million US Dollars which terminate in October 2008. These options have a collar of R7.10 per US Dollar and a cap of R8.62 per US Dollar.

Somkhele has commenced the construction of a destoning plant that is scheduled to be in production in the last quarter of the 2009 financial year. It is anticipated that the destining plant will increase throughput by approximately 25%. A debt finance facility to fund the plant construction has been approved by the Group’s bankers. Management has budgeted a total capital expenditure for the year ending 30 June 2009 of R138 million. The majority of the capital is planned in order to accelerate the development of new mining areas to meet the expansion programme, to expedite the exploration programme and to advance the social expenditure programme in the directly affected communities around Somkhele.

Petmin has approved an exploration programme to delineate additional resources and this programme is expected to result in additional resources in close proximity to the existing coal processing plant. Management expects to make an announcement on an updated SAMREC-compliant reserve and resource statement in the fourth quarter of calendar 2008.

The anthracite division expects that sales volumes to inland customers will total 34% of sales for 2009 from the 25% in the year ended 30 June 2008, with significantly improved prices. Approximately 85% of all Somkhele's production to December 2008 had been contracted during the construction phase at Somkhele (between January 2006 and June 2007) to mitigate the risk associated with starting up a new project. Subsequently the export prices have almost doubled and Somkhele will benefit from these prices for the remaining portion of its production. Approximately 150,000 tonnes of the current contract are due to be delivered in the six months to 31 December 2008.The anthracite division has entered into a new contract, at significantly improved prices, for the sale of 1 million tonnes over a three year period ending December 2011. This equates to approximately 35% of the planned production tonnages over the contract period.

Due to the unprecedented demand for metallurgical coals, Somkhele is investigating capital projects to double its coal processing capacity and consideration will be given to the construction of a second coal processing plant at Somkhele should the exploration programme deliver the desired results. Management is investigating various opportunities to secure the use of additional export facilities.

Somkhele has mineral rights over a total of 28,742 hectares of land, of which, 1,430 hectares is currently being mined and 21,939 hectares is being explored and will significantly increase the mine's reserve base once the exploration programme is complete.

Veremo

Subsequent to the completion of the acquisition of Veremo in May 2008, Framework has assumed the responsibility to manage the process of procuring an updated bankable feasibility study on the Veremo project. Due to the importance of the project, Petmin has agreed to the appointment of Bradley Doig and Lebo Mogotsi as directors of Veremo and as members of the Veremo executive management team.

The investment in the Veremo project is an exciting prospect which gives Petmin the opportunity to become involved in a large scale mining and beneficiation operation that may provide significant returns to its shareholders and furthermore, provides Petmin with a partner that has a significant track record. Petmin's management team is continuing to evaluate value enhancing propositions to increase shareholder wealth.

Condensed Consolidated Reviewed Income Statement

For the year ended 30 June 2008

GROUP	**Reviewed**	Reviewed

	Notes	**Year ended 30 June 2008 R'000**	Year ended 30 June 2007 R'000
Revenue		**666,879**	382,341
Cost of sales		**(502,753)**	(326,500)
Gross profit		**164,126**	55,841
Other income		**-**	54,943
- Profit on sale of subsidiary		**-**	28,891
- Profit on acquisition of subsidiary		**-**	26,052
Administration expenses		**(46,335)**	(19,653)
Operating profit before financing costs		**117,791**	91,131
Net finance (expense)/income		**(3,773)**	(1,104)
- Finance income		**7,676**	3,352
- Finance expenses		**(11,449)**	(4,456)
Share of profit of equity accounted investee		**303,133**	-
Profit before tax		**417,150**	90,027
Income tax expense		**(36,736)**	(15,613)
Profit for the year		**380,414**	74,414
Attributable to:			
- Equity holders of Petmin Limited		**380,353**	74,414
- Minority interest		**61**	-
Profit for the year		**380,414**	74,414
Basic earnings per ordinary share (cents)	*7*	**75.43**	16.14
Diluted earnings per ordinary share (cents)	*7*	**74.15**	15.77

Condensed Consolidated Reviewed Balance Sheet
at 30 June 2008

GROUP	Notes	Reviewed Year ended 30 June 2008 R'000	Reviewed Year ended 30 June 2007 R'000
ASSETS			
Non-current assets		**1,003,860**	469,518
Property, plant and equipment		**580,200**	453,122
Intangible assets		**15,034**	6,222
Investment in equity accounted investee		**375,888**	-
Investments		**2**	2
Restricted investments		**11,236**	10,172
Long-term receivables		**21,500**	-
Current assets		**338,175**	207,901
Inventories		**69,261**	63,045
Trade and other receivables		**179,410**	83,713
Taxation prepaid		**793**	793
Cash and cash equivalents		**88,711**	60,350
Total assets		**1,342,035**	677,419
EQUITY AND LIABILITIES			
Ordinary share capital and reserves		**1,005,424**	451,051
Minority interest		**2,434**	-
Total equity		**1,007,858**	451,051
Non-current liabilities		**178,021**	118,627
Interest-bearing loans and borrowings		**55,067**	36,436
Deferred taxation		**89,146**	61,612
Environmental rehabilitation provision		**33,808**	20,579
Current liabilities		**156,156**	107,741
Trade and other payables		**132,292**	87,115
Current portion of non-current liabilities		**15,386**	14,181
Taxation payable		**8,478**	6,445
Total equity and liabilities		**1,342,035**	677,419
Net asset value ("NAV") per share (cents)	*8*	**187.74**	93.99
Fully diluted NAV per share cents	*8*	**170.46**	85.25

Condensed Consolidated Reviewed Statement of Changes in Equity

For the year ended 30 June 2008

GROUP	Share capital R'000	Share premium R'000	Share option reserve R'000	Contingent consideration R'000	Retained earnings R'000	Total R'000	Minority interest R'000	Total equity R'000
Balance at 1 July 2006	**109,972**	**134,821**	**5,141**	**27,552**	**82,980**	**360,466**	**-**	**360,466**
Shares issued during the year								
- General issue for cash – AIM listing	10,000	21,174	-	-	-	31,174	-	31,174
- Contingent share issue on acquisition of Springlake reversed	-	-	-	(26,052)	-	(26,052)	-	(26,052)
- Share options granted	-	-	10,595	-	-	10,595	-	10,595
Dividends forfeited	-	-	-	-	454	454	-	454
Profit for the year	-	-	-	-	74,414	74,414	-	74,414
Balance at 30 June 2007	**119,972**	**155,995**	**15,736**	**1,500**	**157,848**	**451,051**	**-**	**451,051**
Shares issued during the year								
- To acquire Petmin Logistics (Pty) Ltd	438	7,437	-	-	-	7,875	-	7,875
- To acquire 25% of Veremo Holdings Ltd	5,538	68,978	-	-	-	74,516	-	74,516
- General issue for cash	7,000	72,968	-	-	-	79,968	-	79,968
- Share options exercised	938	1,566	(820)	-	-	1,684	-	1,684
- Share options forfeited	-	-	(55)	-	-	(55)	-	(55)
Costs capitalised to share premium	-	(982)	-	-	-	(982)	-	(982)
Treasury shares acquired during the year	(182)	(1,418)	-	-	-	(1,600)	-	(1,600)
Contingent consideration settled in cash in the year	-	-	-	(20)	-	(20)	-	(20)
Share options granted	-	-	12,633	-	-	12,633	-	12,633
Minority interest recognised on acquisition of Petmin Logistics (Pty) Ltd	-	-	-	-	-	-	2,373	2,373
Profit for the year	-	-	-	-	380,353	380,353	61	380,414
Balance at 30 June 2008	**133,703**	**304,545**	**27,494**	**1,480**	**538,201**	**1,005,424**	**2,434**	**1,007,858**

Condensed Consolidated Reviewed Cash Flow Statement
For the year ended 30 June 2008

GROUP	**Reviewed Year ended 30 June 2008 R'000**	Reviewed Year ended 30 June 2007 R'000
Net cash outflow from operating activities	**157,153**	27,889
Cash flows from investing activities	**502**	**-**
Acquisition of subsidiary net of cash acquired	**(1,064)**	(912)
Increase in investment in rehabilitation funds	**(11,064)**	-
Investment in equity accounted investee	**(228,767)**	(127,522)
Acquisition of property, plant and equipment		
- to expand operations	**(216,155)**	(112,977)
- to maintain operations	**(12,612)**	(14,545)
Proceeds from sale of subsidiary	**-**	30,593
Proceeds from sale of property, plant and equipment	**-**	399
Net cash flow from investing activities	**(240,393)**	(97,442)
Cash flows from financing activities		
Proceeds from specific and general share issues for cash during the year	**91,896**	34,053
Repayment of contingent consideration	**(132)**	-
Repayment of borrowings	**(11,509)**	(10,813)
Increase in borrowings	**31,345**	36,529
Net cash flows from financing activities	**111,600**	59,769
Net increase/(decrease) in cash and equivalents	**28,361**	(9,784)
Cash and cash equivalents at beginning of year	**60,350**	70,134
Cash and cash equivalents at end of year	**88,711**	60,350

Notes to the Condensed Consolidated Reviewed Financial Statements

1. **Reporting entity**
Petmin is a company domiciled in South Africa. The condensed consolidated reviewed financial statements of the Group for the year ended 30 June 2008 comprise the Company and its subsidiaries (together referred to as the "Group"). The condensed consolidated reviewed financial statements were authorised for issue by the directors on 16 September 2008.

2. **Statement of compliance**
The condensed consolidated reviewed financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRSs) and the presentation and disclosure requirements of IAS 34 - Interim Financial Reporting and the South African Companies Act. The condensed consolidated reviewed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2007.

3. **Significant accounting policies**
The condensed consolidated reviewed financial statements are prepared on the historical cost basis, except for financial instruments which are stated at fair value, where applicable, in terms of IAS 32 – Financial Instruments: Disclosure and Presentation and IAS 39 – Financial instruments: Recognition and Measurement.

The accounting policies have been applied consistently by Group entities and have been applied consistently to all periods presented in these condensed consolidated reviewed financial statements.

4. **Estimates and judgements**
The preparation of reviewed financial statements in conformity with IAS 34 – Interim Financial Reporting requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2007, with the exception of the estimation of the fair value of the acquisition of the 25% investment in Veremo Holdings Limited ("Veremo") (See management commentary).

5. **Review of results**
The results of the Group as set out above have been reviewed by the Group's auditors, KPMG Inc. The review report is available for inspection at the Group's registered offices.

6. **Segment reporting**

Segment information is presented in the condensed consolidated reviewed financial statements in respect of the Group's business segments, which are the primary basis of segment reporting. The business segment reporting format reflects the Group's management reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The group comprises the following main business segments:
– Silica mining and marketing ("Silica")
– Anthracite mining and marketing ("Anthracite")
– Iron ore mining and beneficiation ("Iron Ore")

Business Segments

	Silica		**Anthracite**		**Iron Ore**		**Other (Corporate Office)**		**Eliminations**		**Consolidated**	
	Reviewed Year ended 30 June 2008 R'000	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**	**Reviewed Year ended 30 June 2008 R'000**
Segment Revenue	**153,034**	127,712	**513,845**	254,629	**-**	-	-	-	-	-	**666,879**	382,341
Segment profit/(loss) before tax												
- segment result	**46,742**	35,379	**90,973**	6,667	-	-	(23,698)	(6,962)	-	-	114,017	35,084
- profit on sale of subsidiary	**-**	-	**-**	28,891	-	-	-	-	-	-	-	28,891
- profit on acquisition of subsidiary	**-**	-	**-**	-	-	-	-	26,052	-	-	-	26,052
- share of profit of equity accounted investee	**-**	-	**-**	-	303,133	-	-	-	-	-	303,133	
Segment profit/(loss) before tax	**46,742**	35,379	**90,973**	35,558	303,133	-	(23,698)	19,090	-	-	417,150	90,027
Segment capital expenditure	**27,362**	15,424	**189,110**	113,861	-	-	3,295	192	-	-	228,767	129,477
Segment depreciation	**7,688**	7,235	**93,680**	16,631	-	-	108	39	-	-	101,476	23,905
Share option costs included in segment profit/(loss) before tax	**190**	190	**-**	-	-	-	12,443	7,526	-	-	12,633	7,716
Segment assets	**228,076**	187,080	**663,356**	472,737	375,888	-	401,566	311,268	(326,851)	(293,666)	1,342,035	677,419
Segment liabilities	**100,288**	**93,829**	**449,750**	**336,831**	**-**	**-**	**21,947**	**6,690**	**(237,808)**	**(210, 982)**	**334,177**	**226,368**

The losses in the corporate office include a once-off impairment charge of R4.7 million and share option costs of R12.4 million (2007: R7.5 million).

7. Earnings per ordinary share

Earnings per ordinary share ("EPS") are based on the Group's profit for the period, divided by the weighted average number of shares in issue during the period.

	Reviewed Year ended 2008			Reviewed Year ended 2007		
	Profit for the year R'000	**Number of shares in thousands**	**Per share in cents**	**Profit for the year R'000**	**Number of shares in thousands**	**Per share in cents**
Basic earnings per share	380,353	504,280	75.43	74,414	461,041	16.14
Share options and contingent consideration	-	8,701	(1.28)	-	10,817	(0.37)
Diluted EPS	380,353	512,980	74.15	74,414	471,858	15.77

Headline earnings per share

Headline earnings per share are based on the Group's headline earnings divided by the weighted average number of shares in issue during the period.

Reconciliation between earnings and headline earnings per share:

Basic EPS	380,353	504,280	75.43	74,414	461,041	16.14
Adjustments						
- AIM listing expense	-	-	-	693	-	0.15
- profit on sale of subsidiary	-	-	-	(24,725)	-	(5.36)
- profit on acquisition of subsidiary	-	-	-	(26,052)	-	(5.65)
- share of profit of equity accounted investee	(303,133)	-	-	-	-	-
Headline EPS	77,220	504,280	15.31	24,330	461,041	5.28
Share options and contingent consideration	-	8,701	(0.26)	-	10,817	(0.12)
Diluted headline EPS	77,220	512,980	15.05	24,330	471,858	5.16

8. Net asset value ("NAV") per share

	Reviewed Year ended 2008	Reviewed Year ended 2008
Ordinary share capital and reserves (R'000)	**1,005,424**	451,051
Total number of shares in issue	**535,541**	479,890
NAV per share (cents)	**187.74**	93.99
Ordinary share capital and reserves (R'000)	**1,005,424**	451,051
Total number of shares in issue ('000)	**535,541**	479,890
Share options and contingent consideration ('000)	**54,299**	49,183
Fully diluted number of shares ('000)	**589,840**	529,063
Fully diluted NAV per share (cents)	**170.46**	85.25

NAV per share increased 93.75 cents or 100% compared to 30 June 2007.

Fully diluted NAV per share increased 85.21 cents or 100% compared to 30 June 2007.

9. Related parties

9.1 NAMF and Dark Capital

NAMF Nominees (Proprietary) Limited ("NAMF") who disposed of their shareholding in Petmin (see 4 December 2007 press release) were, until that date, material shareholders in Petmin. Dark Capital (Pty) Limited ("Dark Capital"), Petmin's anchor Black Economic Empowerment shareholder, increased its shareholding in Petmin by acquiring 99 million Petmin shares from NAMF. Dark Capital is a material shareholder in Petmin and is therefore a related party as defined by Section 10 of the Listings Requirements.

9.2 Petmin executive committee remuneration scheme and share option trust

As disclosed in the annual financial statements for the year ended 30 June 2007, the Petmin executive committee remuneration scheme and share option scheme affects the executive directors of the Company and constitutes a related party transaction. The Petmin executive committee remuneration scheme was a three-year agreement that terminated on 30 June 2008. Management has reached agreement with the Remuneration Committee on a new scheme with similar terms and conditions. The new remuneration scheme provides for a share option incentive scheme for which shareholder approval will be requested.

9.3 Other transactions with related parties.

Other than as disclosed in note 8.1 above, there were no significant transactions with related parties.

10. Subsequent events

10.1 Renewal of Cautionary

Shareholders are advised that the Company has entered into negotiations which, if successfully concluded, may have a material effect on the price of the Company's securities. Accordingly, shareholders are advised to exercise caution when dealing in their Petmin securities until a further announcement is made.

10.2 Issue of shares

Petmin has issued 750 000 shares at R4.50 per share for the acquisition of the remaining 30% of Petmin Logistics (Pty) Ltd, resulting in Petmin now holding 100% of Petmin Logistics.