Arian Silver

Transformed!

New mill; new world

Metals & mining

After 31 months of pursuing a pilot/trial mining operation at its San Jose mine in conjunction with a toll milling operation, Arian has now signed a provisional agreement to acquire a processing plant. The transaction realises a long-term ambition of Arian's to convert to an owner-operator business model. In turn, this will allow a tripling in processing capacity for an initial investment of US$32.0m and a simultaneous increase in the estimated life of mining and processing operations from two to 24 years.

Year end	Revenue (US$m)	PBT* (US$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/11	7.5	(11.0)	(3.7)	0.0	N/A	N/A
12/12	4.6	(4.0)	(1.3)	0.0	N/A	N/A
12/13e	14.1	(2.2)	(0.7)	0.0	N/A	N/A
12/14e	33.5	10.9	3.0	0.0	5.4	N/A

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

New mill to be reassembled on pre-permitted site

On acquisition, the El Bote mill will be disassembled and relocated to a recently purchased 32ha site on the eastern side of the San Jose property. The plant itself would then be reassembled in modular fashion on a pre-permitted site in order to allow its reconstruction to be synchronised with increased mine capacity. A contiguous 6ha plot, for which permits are expected to be granted shortly, has been designated for the associated tailings dam.

EV at pre-resource valuation level

Arian's current resource of 117.3Moz of silver at a grade of 112.2g/t is equivalent to a gold resource of 2.1Moz at a grade of 1.99g/t. Given US$0.5m on its balance sheet at end-December 2012, Arian's enterprise value currently equates to just US$0.43 per resource ounce of silver, or US$23.55/oz per ounce of gold equivalent (excluding lead and zinc). Remarkably, not only is Arian's resource multiple lower than at any time since April 2010 (and less than half of its average of US$1.12/oz since March 2008), but its enterprise value (in US dollars) is also lower than in January 2008, before it declared a maiden resource.

Valuation: 28p in discounted dividends plus blue-sky

Arian is currently toll milling ore through a newly refurbished third party mill (Juan Reyes) at a maximum rate of 500 tonnes per day (tpd) and on an exclusive basis, before converting to the new, owner-operated mill from April 2014, ramping up to full capacity of 1,500tpd from June 2015. Taking this into account, Edison estimates a value for the potential dividend stream available to shareholders from execution of the new mine and processing plan of 42 US cents (28p) per share, using a 10% discount rate and assuming a long-term silver price of US$28.15/oz. The IRR from an investment in the shares at the current price is 24.8%. The new mine plan will leave a residual resource once operations have finished of 58.8Moz (worth potentially up to 6.7c/share); in addition, Edison estimates that there is potential to define up to an additional 40-140Moz Ag.

15 April 2013

Price	**10.63p**
Market cap	**£33m**
	US$1.526/GBP
Net cash (US$m)	0.5
Shares in issue	311.6m
Free float	97%
Code	AGQ
Primary exchange	AIM
Secondary exchange	TSX-V

Share price performance

%	1m	3m	12m
Abs	(10.5)	(28.0)	(48.2)
Rel (local)	(7.6)	(30.9)	(53.3)
52-week high/low		24.63p	10.25p

Business description

Arian Silver is listed on AIM and the TSX and specialises in Mexican silver deposit exploration and development. Its San Jose mine started production in October 2010. Its other principal projects are Calicanto and San Celso, located in Zacatecas.

Next events

Q1 results	May 2013

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Edison profile page

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Arian: An evolution of many parts

Strategy

Arian Silver is a publicly quoted silver exploration, development and production company, operating in Zacatecas State in Mexico (one of the premier silver-bearing districts in the world). Its strategy is to use trial/pilot mining in conjunction with toll milling in order to generate cash flow to fully explore and evaluate its assets, prior to developing them at full, commercial scale in conjunction with its own bespoke, owner-operated mill.

Arian's most advanced asset is the rehabilitated San Jose mine, which has been conducting advanced pilot/trial mining between Q410 and the present.

Initial milling arrangements (Contracuna)

Initial mining operations focused on the Ramal Norte/Sur, San Jose 75m Level Central Zone and Santa Ana resource blocks, with material toll processed through a mill owned by a third party (Contracuna). The Contracuna mill was contracted on a fixed monthly fee of MXP6.0m per month and had a maximum rating of 400 tonnes per day (tpd) – ie c US$38/t at rated capacity in theory, but typically US$46-69/t in practice in the period Q410-Q212. However, the mill was not specifically designed to process ore of the hardness and abrasiveness of San Jose's run-of-mine (ROM) material and, as a result, an initial throughput of only 120tpd was achieved. A number of initiatives were implemented to improve its performance, including the installation of a 200tpd ball mill and a reconditioned impact crusher to grind the ROM material more finely before being introduced to the flotation circuit. These improvements resulted in the throughput rate rising to a 250tpd average rate in Q411, with a targeted rate of 400tpd once a fourth additional ball mill was commissioned in May 2012.

Dispute and alternative milling arrangements (Juan Reyes)

Initially, it had been assumed that the Contracuna arrangement would last for approximately four years. However, in July 2012 Arian announced that a legal dispute had arisen with the owners of the Contracuna mill that resulted in the suspension of toll milling. All amounts owing to Arian were ultimately paid by Contracuna. However, damages claimed by Arian remain outstanding, with the result that it entered into agreement with another toll mill, owned and operated by Beneficiadora de Jales y Minerales Juan Reyes SA de CV.

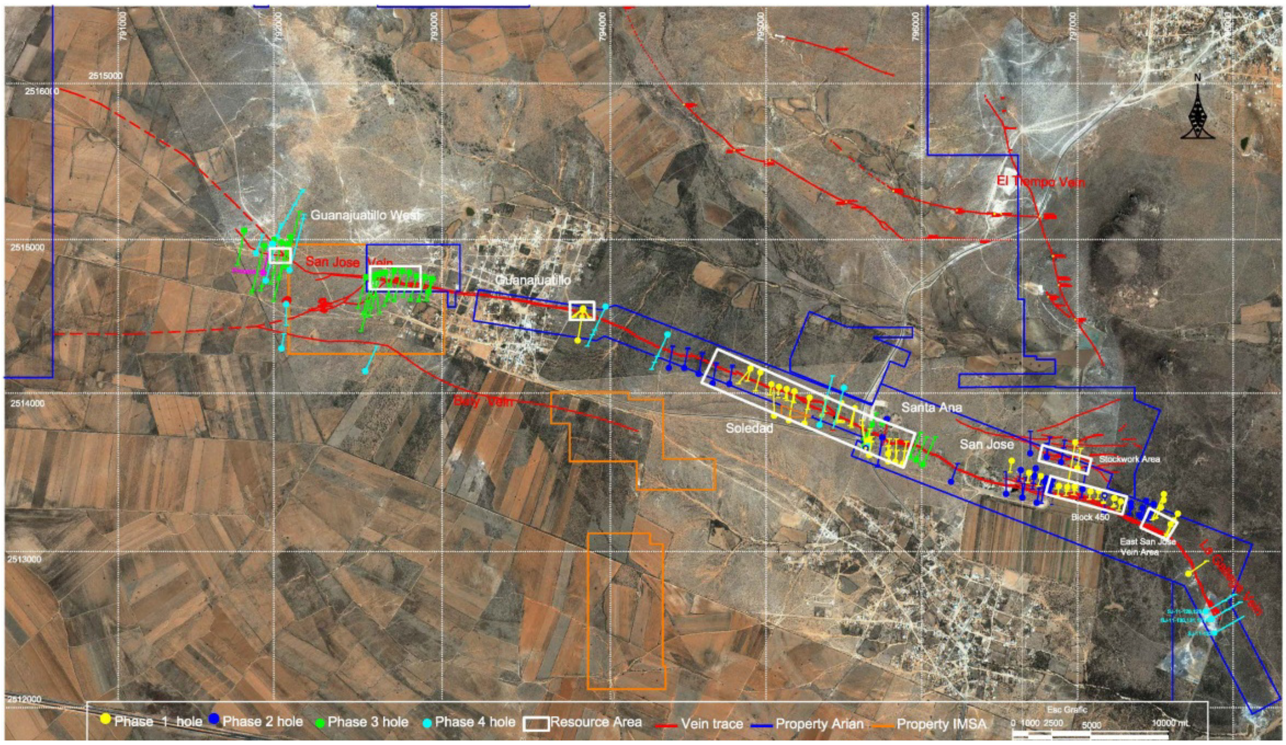
The Juan Reyes mill is located 50km from the San Jose mine and is newly refurbished with a maximum capacity of 500tpd. It also benefits from two separate flotation streams in order to extract zinc in addition to lead and silver concentrate. The contract with Juan Reyes gives exclusive use of the mill to Arian and is initially for the processing of 90,000 tonnes of ROM material (ie approximately six months from 16 February, when toll milling resumed at full capacity) at a cost of US$38/t (plus an estimated US$32/t mining costs, including transport between the mine and the mill) and is renewable by mutual consent.

Long-term milling arrangements (El Bote)

Simultaneously, Arian engaged an independent metallurgical consultant (Maelgwyn in the UK) to conduct a study to evaluate the viability of a bespoke milling plant with a view to "significantly increase efficiencies, including recoveries of silver, lead and zinc at a significantly reduced cost." In anticipation of ultimately evolving to an owner-operated milling business plan, Arian purchased a 32ha site, 3km from the main San Jose portal for a bespoke mill (thereby also presenting transport cost savings compared to either the Contracuna or Juan Reyes milling arrangements). Significantly, the initial metallurgical results demonstrated that recoveries of c 80% were achievable on a representative one tonne sample of ore using a Leach-Ox process (direct leaching of the ROM material), compared to 59% in Q212 under the Contracuna toll milling arrangement. In addition, the report indicated there is potential to improve the recoveries of silver with the addition of a flotation stage to the mill circuit to process the deeper seated, less oxidised and more sulphide rich material.

In line with its long-term strategy therefore, on 15 March, Arian announced that it had signed a provisional agreement with Sandy Hill Ltd (a company incorporated in the British Virgin Islands) to acquire a processing plant located close to the city of Zacatecas known as the El Bote mill. The El Bote mill has the capacity to treat up to 1,500 tonnes per day of ROM material, which is the capacity of the San Jose mine when the three initial resource blocks are added to the Soledad resource block (see below).

Exhibit 1: Location of San Jose resource blocks and exploration drill holes



Source: Arian Silver

Significantly, the El Bote mill has a history of treating run-of-mine ore from the San Jose mine and Arian has now paid an initial US$0.1m to secure a 120-day due diligence period in which to confirm its continued suitability. In the meantime, the final purchase price has been agreed at US$3.12m. On acquisition, it will be disassembled and relocated to a recently purchased 32ha site on the eastern side of the San Jose property. The plant itself would then be reassembled in modular fashion, in order to allow its reconstruction to be synchronised with increased mine capacity, on 24ha of the 32ha site (for which permits have already been granted). A contiguous 6ha plot, for which permits are expected to be granted shortly, has been designated for the associated tailings dam. A summary of initial capital expenditure estimate relating to the El Bote mill acquisition and reassembly is as follows:

Exhibit 2: El Bote mill initial capex estimates, FY13-16

Year	FY13	FY14	FY15	FY16	Total
Plant acquisition	3.1	0.0	0.0	0.0	3.1
Plant construction	9.0	1.5	0.0	0.0	10.5
Mine development	9.7	8.7	2.6	1.4	22.4
Sustaining capex	2.2	2.6	2.3	2.3	9.4
Total	**24.0**	**12.8**	**4.9**	**3.7**	**45.4**

Source: Arian Silver, Edison Investment Research

New resources; new mill; new economics

A summary of Arian's San Jose operation is that:

- It has recently recommenced toll milling operations on new commercial terms at the newly refurbished Juan Reyes mill at near full capacity of 500tpd.
- It expects this arrangement to last approximately a year until the end of March 2014.
- During that time it will relocate and reassemble the El Bote mill at an already permitted site 3km from the San Jose mine.
- It anticipates processing run-of-mine San Jose ore through the El Bote mill on an owner-operated basis from March 2014, with throughput increasing from 750tpd initially to 1,000tpd within three months and then to 1,500tpd one year later (June 2015).

While it has yet to become the subject of a specific technical report, early indications from the company are that the mine will operate according to the following principal technical parameters:

Exhibit 3: San Jose technical and commercial parameters (toll and owner-operated mill)

Parameter	Toll mill (Juan Reyes)	Owner-operated mill (El Bote)
Mining		
Mining rate	500tpd Mar 2013 to Dec 2013	
	750tpd Jan 2014 to Mar 2014	750tpd Apr 2014 to May 2014 1,000tpd Jun 2014 to May 2015 1,500tpd Jun 2015 onwards
Grade	180g/t Ag until Feb 2014 160g/t Ag from Feb 2014 to Feb 2015 150g/t Ag from Feb 2015 to Dec 2036	180g/t Ag until Feb 2014 160g/t Ag from Feb 2014 to Feb 2015 150g/t Ag from Feb 2015 to Dec 2036
Milling		
Timespan	Feb 2014 to end-Mar 2014	Jan 2014 to Dec 2036
Throughput	500tpd	Jan-Mar 2014 ramp up to 750tpd Apr-May 2014 750tpd Jun 2014 to May 2015 1,000tpd Jun 2015 onwards 1,500tpd
Mass recovery to concentrate	1.5%	3.5%
Metal recoveries	70% Ag 30% Pb 0% Zn	74% Ag 85% Pb 5% Zn
Average concentrate grade	8,235g/t Ag	3,162g/t Ag

Source: Arian Silver, Edison Investment Research

At the same time, the cost and revenue assumptions used by Edison in deriving its valuation are based on the following:

Exhibit 4: San Jose technical and commercial parameters (toll and owner-operated mill)

Parameter	Toll mill (Juan Reyes)	Owner-operated mill (El Bote)
Revenue		
Silver price (US$/oz)	28.15	28.15
Capex – Initial	Nil	US$32.9m FY13-16
– Sustaining	Average US$2.3m pa	Average US$2.3m pa
Opex		
Mining cost	US$28.38/t mined	US$28.38/t mined
Processing cost*	US$38.00/t processed	US$19.81/t processed
Net smelter treatment charge	US$480/t concentrate	US$200/t concentrate
Net smelter refining charge	US$2.50/oz Ag US$5.00/t Zn & Pb	US$1.00/oz Ag US$5.00/t Zn & Pb
Royalty	2%	2%

Source: Arian Silver, Edison Investment Research; Note: * Including transport at US$100/wmt concentrate (including security).

These parameters being achieved, Arian will produce approximately 2.1Moz of silver in a representative year at a C1 cash cost of US$16.48/oz before and US$7.64/oz after by-product credits. On the basis of these assumptions, Edison therefore estimates a typical year's income statement, as follows:

Exhibit 5: Arian Silver scoping economics

	US$'000s
Net revenue	61,998
Costs	21,565
Gross profit	40,434
Depreciation	(3,292)
Profit	37,142
Administrative expenses	(3,600)
Other	0
Operating profit before financing costs	33,542
Net finance income	0
Profit before tax	33,542
Income tax	(10,063)
Marginal tax rate (%)	30.00
Profit for the year attributable to equity shareholders of the parent	23,479

Source: Edison Investment Research, Arian Silver

Adding back depreciation and deducting sustaining capex yields free cash flow of US$24.4m annually, which has a value of US$219.7m (or 70 US cents per existing share) when discounted over a 24-year life of mine at a discount rate of 10%.

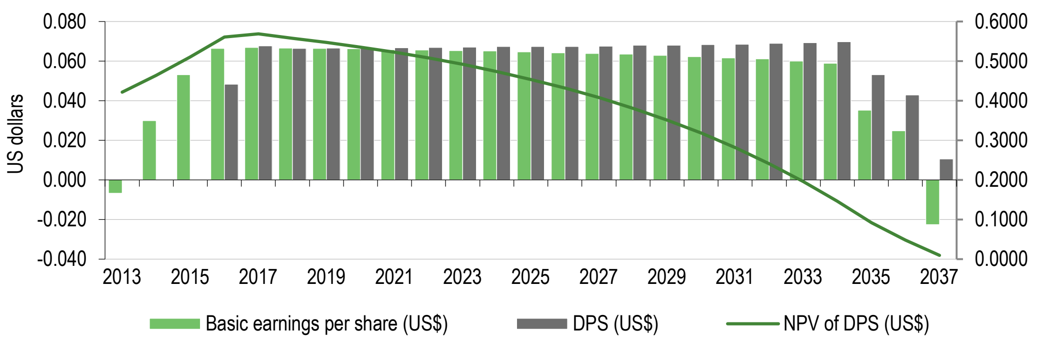
Funding

Arian had net cash of US$0.5m as at end-December 2012. Two years of net cash outflows, primarily reflecting capex of US$39.3m in FY13 and FY14, partially offset by US$11.0m of cash generated from operating activities in FY14, would therefore result in a net funding requirement of US$29.4m as at end-2014 (excluding discretionary exploration expenditure) – equating to gearing (debt/equity) of 130% or leverage (debt/(debt+equity)) of 56%. Arian management expects the majority of the funding requirement to be met via debt. In order to bring gearing below 100% and leverage below 50% however, Edison has assumed a US$8.0m equity financing. At its current share price, an equity financing of such magnitude would involve the issue of 49.3m shares, to bring the total outstanding to 363.4m, and result in a maximum future net funding requirement of US$20.6m, equating to gearing of 66% and leverage of 40%.

New mine plan valuation

Adjusting the NPV calculated above, of US$219.7m, for US$36.8m of capital expenditure in FY13 and FY14 and the issue of 49.3m additional shares yields a crude value for Arian of 50c/share. This compares with a detailed valuation derived from the discounting of future (maximum potential) dividends to Arian shareholders of 42c (as shown below). The primary difference can be accounted for by a loss and cash outflow in FY13 of c 1c/share compared to earnings of c 7c/share in a 'typical' year.

Exhibit 6: AGQ forecast EPS, maximum potential DPS and NPV of maximum potential DPS



Source: Edison Investment Research

Financial returns and sensitivities

On the basis of the potential income stream to shareholders as a result of the execution of its business plan, above, investors in Arian's equity at a price of 10.6p (16.2c) stand to receive an internal rate of return on their investment of 24.8%. Variations of the NPV and IRR with the silver price, costs, capex and discount rate, respectively, are shown in the tables below:

Exhibit 7: AGQ NPV and IRR sensitivity to silver price

Silver price	-10%	28.15	+10%
Silver price (US$/oz)	**25.34**	**28.15**	**30.97**
NPV (c/share)	35	42	51
Percent change in NPV (%)	-17	u/c	+20
IRR (%)	21.6	24.8	29.1

Source: Edison Investment Research

Exhibit 8: AGQ NPV and IRR sensitivity to costs

Costs	+10%	Base case	-10%
NPV (c/share)	38	42	47
Percent change in NPV (%)	-9	u/c	+12.5
IRR (%)	23.2	24.8	27.6

Source: Edison Investment Research

Exhibit 9: AGQ NPV and IRR sensitivity to capex*

Capex	+10%	Base case	-10%
NPV (c/share)	41	42	43
Percent change in NPV (%)	-3	u/c	+3
IRR (%)	24.0	24.8	25.7

Source: Edison Investment Research; Note: * Excludes cost of acquisition of El Bote mill.

Exhibit 10: AGQ NPV at varying discount rates

Discount rate (%)	0%	10%	20%	30%
NPV (c/share)	137	42	18	9

Source: Edison Investment Research

Existing resources and resource multiples

The local geology of the San Jose mine area is dominated by granodiorite of the Pánfilo Natera batholith and is the host rock for mineralisation. Argentiferous galena and sphalerite mineralisation occurs within strongly silicified and weakly argillised granodiorite or brecciated granodiorite with argentite and minor sphalerite. The style of mineralisation is typical of low- to intermediate-sulphidation epithermal silver deposits found elsewhere in central Mexico.

At the last upgrade in March 2012, Arian's resources amounted to 117.3Moz silver and 144.0Moz silver equivalent (AgE) once zinc and lead by-products are taken into account:

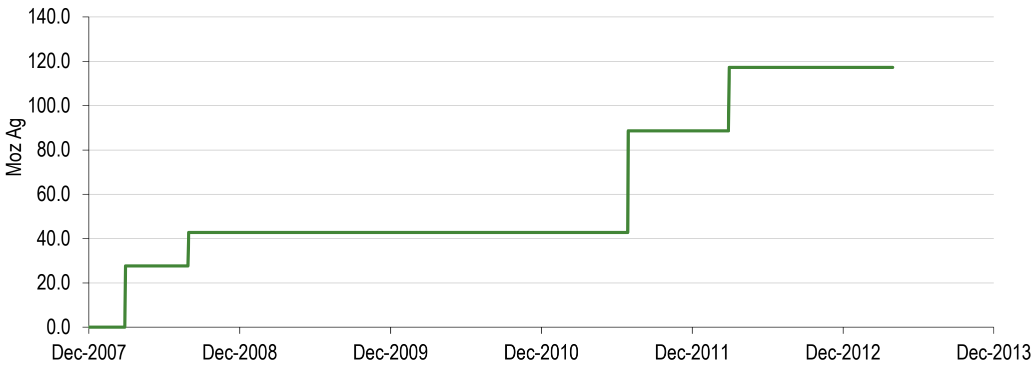
Exhibit 11: Arian Silver resources

Category	Mt	Ag (g/t)	Zn (%)	Pb (%)	Total Ag (Moz)	Zn (t)	Pb (t)	AgE Moz (Zn)	AgE Moz (Pb)	Total Ag Eq (Moz)
Indicated	8.0	119.0	0.85	0.38	30.6	68,000	30,400	4.66	2.30	37.57
Inferred	24.5	110.0	0.76	0.38	86.6	186,200	93,100	12.76	7.04	106.45
Total	**32.5**	**112.2**	**0.78**	**0.38**	**117.3**	**254,200**	**123,500**	**17.42**	**9.34**	**144.01**

Source: Arian Silver, Edison Investment Research

Arian's maiden resource was defined in March 2008 and has been the subject of three subsequent upgrades, in August 2008, July 2011 and March 2012, of 15.1Moz (54%), 45.8Moz (107%) and 28.7Moz (32%), respectively:

Exhibit 12: Arian Silver resource growth with time (Moz silver)



Source: Arian Silver, Edison Investment Research

In terms of gold equivalent, Arian's resource inventory amounts to in excess of two million ounces AuE:

Exhibit 13: Arian silver resources, expressed as gold equivalent ounces (AuE)

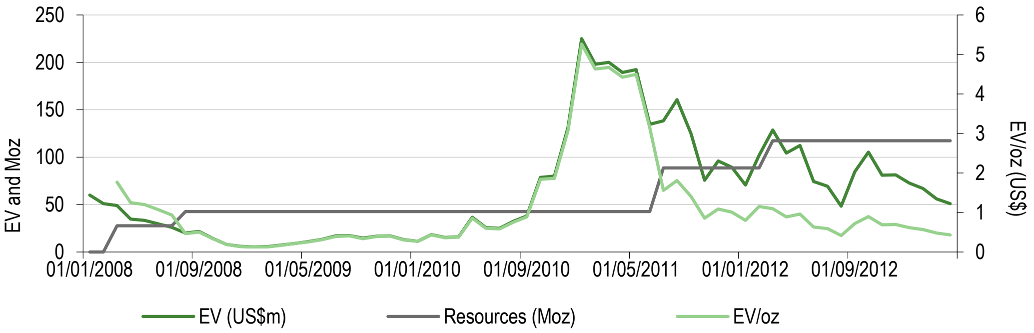
Category	Mt	Grade (g/t AuE)	Gold equivalent* (Moz AuE)	Gold equivalent** (Moz AuE)
Indicated	8.0	2.11	0.54	0.67
Inferred	24.5	1.95	1.54	1.89
Total	**32.5**	**1.99**	**2.08**	**2.55**

Source: Edison Investment Research, Arian Silver; Note: * Silver only; ** Including Pb and Zn by-products.

Given US$0.5m on its balance sheet as at end-December 2012, Arian's enterprise value currently equates to just US$0.43 per resource ounce of silver, or US$23.55/oz AuE.

Exhibit 14 shows the evolution of Arian's enterprise value with time as well as its resource base and resource multiple over time.

Exhibit 14: Arian silver EV, resource base and resource multiple, January 2008-present

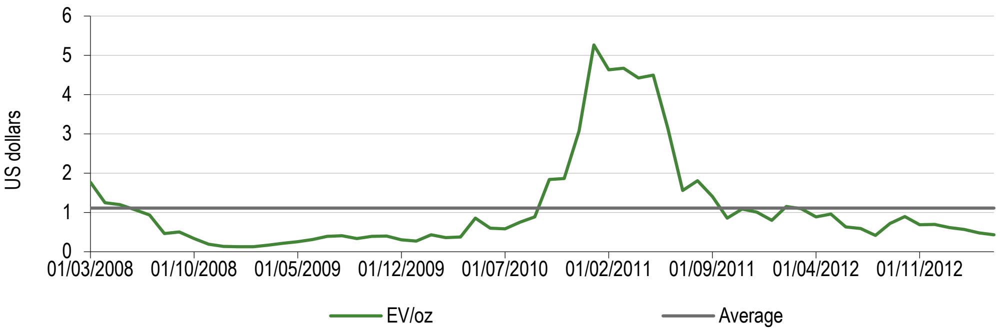


Source: Thomson Reuters, Edison Investment Research

Remarkably, not only is Arian's resource multiple lower than at any time since April 2010, but its enterprise value (in US dollars) is also lower than in January 2008, before it declared a maiden resource.

Moreover, its resource multiple is at less than half the average of US$1.12 considered over the whole 62-month period:

Exhibit 15: Arian Silver resource multiple, January 2008-present, vs average



Source: Thomson Reuters, Edison Investment Research

Residual resources

Arian's 24-year plan, above, will mine 58.5Moz silver to leave a residual resource of 58.8Moz predominantly in the 'inferred' category:

Exhibit 16: Edison estimate of Arian residual resource

Category	Residual (t)	Residual (g/t)	Residual (oz)
Indicated	0	0.0	0
Inferred	20,426,250	89.5	58,749,522
Total	**20,426,250**	**89.5**	**58,749,522**

Source: Edison Investment Research, Arian Silver

Edison has, in the past, calculated a global average valuation of US$0.36 for in-situ 'inferred' ounces of silver – ie close to Arian's current overall multiple of US$0.43/oz (NB with 74% of its resource classified in the 'inferred' category). Valued at US$0.36/oz, a residual resource of 58.8Moz Ag has a value of US$21.1m (or 6.7c per existing share). Realised in FY37, such a resource would have a discounted value of US$2.0m in 2013 money terms, or 0.6c per share (post-equity raising).

Future resources

On a site visit to the San Jose mine in FY12, Edison's senior North American geologist was able to tour the San Jose mine and vein (SJV).

Arian Silver has identified several domains of mineralisation within the SJV including: 1) East San Jose vein area, 2) Block 450, 3) Soledad, 4) Santa Ana, 5) Guanajuatillo and, 6) Guanajuatillo West (see Exhibit 1).

Arian's current resource is now based on drilling over c 6.5km of the San Jose vein, with almost 2km of westerly SJV strike and over 1.5km of strike to the east yet to be drilled. Additional veins (at which surface samples have variously returned grades up to 500g/t) remain untested by drilling, as is nearby stockwork-style mineralisation, all of which lie within Arian's concession. Taking these into account, the total strike length of veins within the Arian concession could amount to c 14.25km, of which approximately 6.5km has been drilled to date. Current Phase 5 exploration drilling is focused on undrilled areas between Guanajuatillo and Soledad (Exhibit 1), which covers a strike length of 1km.

Arian's current resource, calculated over approximately 6.5km of drilled strike length, equates to 18.0Moz per kilometre drilled (cf 42.8Moz/km for the initial resource, 11.4Moz/km for the mid-2011 incremental upgrade and 19.1Moz/km for the March 2012 upgrade). With approximately 3.5km of drilling and assays yet to be completed over the remainder of the SJV plus an estimated 4.25km of drilling over additional targets, low-, mid, high- and top-end estimates of the additional resource contained within Arian's concession area (assuming the same 26:74 ratio of 'indicated': 'inferred' ounces) are as follows:

Exhibit 17: Estimate of balance of resources within Arian's concession area

Scenario	Low-end	Mid	High-end	Top-end
Additional strike to be drilled (km)	3.50	7.75	7.75	7.75
Moz/km	11.4	11.4	18.0	19.1
Implied incremental Moz	40.1	88.7	139.8	148.2
Indicated	10.5	23.2	36.5	38.7
Inferred	29.6	65.6	103.3	109.5
Total	**40.1**	**88.7**	**139.8**	**148.2**
Incremental resources valuation (US$m)*	**85.3**	**189.0**	**297.8**	**315.6**
Incremental resources valuation (US$/share)**	**0.23**	**0.52**	**0.82**	**0.87**
Incremental resources valuation (£/share)	**0.15**	**0.34**	**0.54**	**0.57**

Source: Edison Investment Research; Note: * Valued at US$7.14 per 'indicated' oz and US$0.36 per 'inferred' oz; ** Post-equity raising.

Even if valued at Arian's currently discounted rating of US$0.43/oz, we estimate that additional drilling should add at least US$0.05 (£0.03) per share to the value of the company (post-equity raising) in 2013 money terms:

Exhibit 18: Estimate of balance of resources at San Jose (at AGQ average US$/oz valuation)

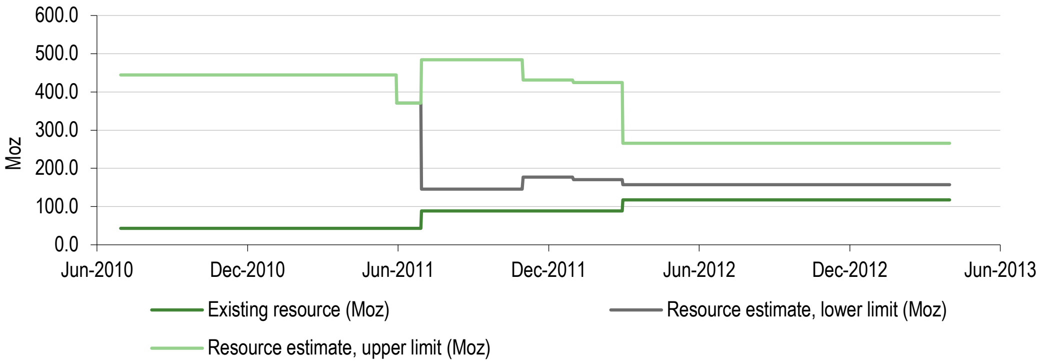
Scenario	Low-end	Mid	High-end	Top-end
Additional strike to be drilled (km)	3.50	7.75	7.75	7.75
Moz/km	11.4	11.4	18.0	19.1
Implied incremental Moz	40.1	88.7	139.8	148.2
Indicated	10.5	23.2	36.5	38.7
Inferred	29.6	65.6	103.3	109.5
Total	**40.1**	**88.7**	**139.8**	**148.2**
Incremental resources valuation (US$m)*	**17.2**	**38.2**	**60.1**	**63.7**
Incremental resources valuation (US$/share)**	**0.05**	**0.11**	**0.17**	**0.18**
Incremental resources valuation (£/share)	**0.03**	**0.07**	**0.11**	**0.11**

Source: Edison Investment Research; Note: * Valued at US$0.43 per oz (in line with existing AGQ rating); ** Post-equity raising.

Once step-out drilling is finally completed, self-evidently the scope exists to further enhance the value of the in-situ resource by upgrading 'inferred' oz to 'indicated' ounces and, potentially, 'indicated' ounces to 'measured' ounces.

A graph of Arian's current and historic resource base versus Edison's estimates of potential additional resources yet to be defined in the company's concession areas, over time, is as follows:

Exhibit 19: Arian resources vs Edison estimate of potential resources with time



Source: Edison Investment Research, Arian Silver

Exhibit 20: Financial summary

US$'000s	2008	2009	2010	2011	2012	2013e	2014e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS							
Revenue	0	0	184	7,467	4,588	14,100	33,512
Cost of Sales	0	0	(131)	(6,437)	(5,194)	(11,627)	(15,673)
Gross Profit	0	0	53	1,030	(606)	2,473	17,839
EBITDA	(3,665)	(2,027)	(2,042)	(10,292)	(3,800)	(1,127)	14,239
Operating Profit (before GW and except.)	(3,720)	(2,068)	(2,086)	(10,510)	(3,958)	(2,246)	12,590
Intangible Amortisation	0	0	0	0	0	0	0
Exceptionals	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Operating Profit	(3,720)	(2,068)	(2,086)	(10,510)	(3,958)	(2,246)	12,590
Net Interest	31	0	380	(460)	(73)	7	(1,715)
Profit Before Tax (norm)	(3,689)	(2,068)	(1,706)	(10,970)	(4,031)	(2,238)	10,874
Profit Before Tax (FRS 3)	(3,689)	(2,068)	(1,706)	(10,970)	(4,031)	(2,238)	10,874
Tax	0	(196)	(196)	0	0	0	0
Profit After Tax (norm)	(3,689)	(2,264)	(1,902)	(10,970)	(4,031)	(2,238)	10,874
Profit After Tax (FRS 3)	(3,689)	(2,264)	(1,902)	(10,970)	(4,031)	(2,238)	10,874
Average Number of Shares Outstanding (m)	149.1	258.1	245.9	300.3	302.1	334.2	363.4
EPS - normalised (c)	(2.5)	(0.9)	(0.8)	(3.7)	(1.3)	(0.7)	3.0
EPS - normalised and fully diluted (c)	(2.2)	(0.8)	(0.7)	(3.4)	(1.3)	(0.6)	2.9
EPS - FRS 3 (c)	(2.5)	(0.9)	(0.8)	(3.7)	(1.3)	(0.7)	3.0
Dividend per share (c)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Margin (%)	N/A	N/A	28.8	13.8	-13.2	17.5	53.2
EBITDA Margin (%)	N/A	N/A	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	N/A	N/A
BALANCE SHEET							
Fixed Assets	6,173	7,789	6,664	9,175	11,581	34,480	45,569
Intangible Assets	6,038	4,803	1,241	1,093	1,176	1,176	1,176
Tangible Assets	135	2,986	5,423	8,082	10,405	33,304	44,393
Investments	0	0	0	0	0	0	0
Current Assets	1,378	6,087	12,212	7,075	2,538	5,436	9,429
Stocks	0	0	139	922	644	1,763	3,724
Debtors	625	349	934	1,890	1,206	3,477	5,509
Cash	753	101	8,255	3,991	491	0	0
Current Liabilities	(255)	(2,133)	(1,971)	(1,171)	(939)	(19,256)	(23,464)
Creditors	(255)	(521)	(1,971)	(1,171)	(939)	(2,102)	(2,834)
Short term borrowings	0	(1,612)	0	0	0	(17,153)	(20,630)
Long Term Liabilities	0	0	(161)	(170)	(177)	(177)	(177)
Long term borrowings	0	0	0	0	0	0	0
Other long term liabilities	0	0	(161)	(170)	(177)	(177)	(177)
Net Assets	7,296	11,743	16,744	14,909	13,003	20,483	31,358
CASH FLOW							
Operating Cash Flow	(3,147)	(1,076)	(2,613)	(3,802)	(2,636)	(3,353)	10,978
Net Interest	31	0	11	44	12	7	(1,715)
Tax	0	(196)	(196)	0	0	0	0
Capex	(2,699)	(1,048)	(1,426)	(3,482)	(1,879)	(24,018)	(12,739)
Acquisitions/disposals	0	0	1,878	775	0	0	0
Financing	3,451	0	11,362	1,906	897	9,719	0
Dividends	0	0	0	0	0	0	0
Net Cash Flow	(2,364)	(2,320)	9,016	(4,559)	(3,606)	(17,644)	(3,477)
Opening net debt/(cash)	(3,134)	(753)	1,511	(8,255)	(3,991)	(491)	17,153
HP finance leases initiated	0	0	0	0	0	0	0
Other	(17)	56	750	295	106	0	0
Closing net debt/(cash)	(753)	1,511	(8,255)	(3,991)	(491)	17,153	20,630

Source: Company sources, Edison Investment Research