RAUBEX GROUP LIMITED

Annual Results for the year ended 28 February 2011

16 May 2011

Agenda

- The Year in Review
- Group Financial Highlights
- Financial Review
- Divisional Review
- Order Book
- Major Projects Progress
- Conclusion

The Year in Review

- Satisfactory results despite challenging trading conditions
- All three divisions continued to perform adequately
- Margins decreasing due to competition
- Working capital improvements
- Bitumen supply concerns
- Strong Government tender volumes; weak pricing
- International drive moving ahead:
  - Namibia progressing well
  - Zambian operations scaled back
  - Malawi contract underway
  - MoU with India's UB Engineering
  - Other opportunities being investigated
- Fast Track application to the Competition Commission

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Group Financial Highlights

- Revenues down 0,8% to R4,55bn (2010: R4,58bn)
- Operating profit down 25,3% to R662,6m (2010: R887,3m)
- Group operating margin of 14,6% (2010: 19,4%)
- HEPS down 25,8% to 240,2 cents per share (2010: 323,8 cents per share)
- Cash flow from operations up 7,6% to R853m (2010: 793,1m)
- Capex spend of R292,5m (2010: R252,4m)
- Final dividend of 68 cents per share declared (2010: 75 cents per share)
- Order book decreased slightly to R4,4bn (2010: R4,7bn)
- Head count of 6 770

Income Statement

	Annual results 2011 (R'000)	Annual results 2010 (R'000)
Revenue	**4,545,974**	**4,582,883**
% growth	(0,8%)	-
EBIT	**662,558**	**887,263**
% growth	(25,3%)	-
Profit before tax	**649,105**	**858,576**
Profit after tax	**447,009**	**592,307**
Share incentive scheme expenses*	(5,280)	12,838
Operating margin	14,6%	19,4%
Effective tax rate	31,1%	31%
EPS (cents)	241,5	325,6
EPS growth	(25,8%)	12,6%
DPS (cents)	100	110
ROCE	20,2%	29,4%
Weighted average shares in issue ('000)	183,572	182,624
Number of Staff	6770	6109

* Expenses included in EBIT number

Statement of Financial Position

	Annual results 2011 (R'000)	Annual results 2010 (R'000)
Non-current assets	**2,083,210**	**2,003,573**
Property, plant and equipment	1,276,133	1,243,360
Intangible assets	761,445	723,824
Other	45,632	36,389
Current assets	**1,927,922**	**1,822,837**
Inventory	126,333	123,983
Trade and other receivables	962,559	984,087
Construction contracts in progress	244,116	220,098
Cash	594,914	494,669
Total assets	**4,011,132**	**3,826,410**
Equity	**2,544,613**	**2,269,696**
Non-current liabilities	**486,001**	**482,798**
Current liabilities	**980,518**	**1,073,916**
Trade and other payables	712,789	736,315
Other	267,729	337,601
Total equity and liabilities	**4,011,132**	**3,826,410**

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Statement of Cash Flows

	Annual results 2011 (R'000)	Annual results 2010 (R'000)
Cash flows from operating activities		
Cash generated from operations	853,013	793,099
Finance income	30,422	36,837
Finance cost	(43,875)	(65,544)
Dividend received	5,476	4,139
Taxation paid	(241,159)	(300,122)
Net cash generated from operating activities	603,877	468,409
Cash flows from investing activities		
Purchases of property, plant and equipment	(292,490)	(252,357)
Proceeds from sale of property, plant and equipment	42,110	49,693
Acquisition of subsidiaries	141	(49,887)
Loan (repayments)/proceeds from associates	(750)	6,550
Net cash used in investing activities	(250,989)	(246,001)
Cash flows from financing activities		
Proceeds from borrowings	246,699	186,060
Repayment of borrowings	(302,722)	(303,429)
Proceeds on disposal of investment	-	6,000
Dividends paid to owners of the parent	(196,019)	(191,755)
Dividends paid to non-controlling interests	(601)	(1,004)
Net cash used in financing activities	(252,643)	(304,128)
Total cash movement for the year	100,245	(81,720)
Cash at the beginning of the year	494,669	576,389
Total cash at end of the period	594,914	494,669

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Dividend Declaration

- Final cash dividend declared of 68 cents per share
  - Interim cash dividend of 32 cents per share
- Relevant dates
  - Last day to trade cum dividend — Friday, 3 June 2011
  - Commence trading ex dividend — Monday, 6 June 2011
  - Record date — Friday, 10 June 2011
  - Payment date — Monday, 13 June 2011

Segmental Analysis

Business segments	Raumix	Roadmac	Raubex Construction	Consolidated
Feb 2011				
Revenue (R'000)	1,040,147	2,178,339	1,327,488	4,545,974
Operating profit (R'000)	178,203	300,187	184,168	662,558
Operating Margin	17,1%	13,8%	13,9%	14,6%
Feb 2010				
Revenue (R'000)	1,020,927	1,976,883	1,585,073	4,582,883
Operating profit (R'000)	218,698	405,414	263,151	887,263
Operating Margin	21,4%	20,5%	16,6%	19,4%

Geographical segments	Local	% of Group	International	% of Group
Feb 2011				
Revenue (R'000)	3,932,876	86,5%	613,098	13,5%
Operating profit (R'000)	583,669	88,1%	78,889	11,9%
Operating Margin	14,8%	-	12,9%	-
Feb 2010				
Revenue (R'000)	4,075,849	88,9%	507,034	11,1%
Operating profit (R'000)	851,625	96%	35,638	4%
Operating Margin	20,9%	-	7%	-

Roadmac

- Revenue increased 10,2% to R2,18bn (2010: R1,98bn); 47,9% of total Group revenue
- Operating profit decreased 26% to R300,2m (2010: R405,4m)
- Operating margin decreased to 13,8% (2010: 20,5%)
- Capex of R79,4m (2010: R79,5m)
- Order book of R2,058bn
- Increased competition requiring more aggressive tendering; margins have decreased as a result
- Competitive landscape remains difficult

Asphalt Production	
Utilised capacity (total capacity = 1 750 kts)	1 100 kts
Revenue	R767 m
Operating profit	R103 m

Roadmac Strategic Outlook

- Short term (FY2012)
  - Margins to remain under pressure; expected to decrease by 2%
  - Tender activity vs. pricing pressure

- Long term
  - Economic growth necessary to sustain government spending
  - Expansion into SADC
  - Provincial and municipal expenditure needs to be sustained
  - General construction cycle needs to improve

Raubex Construction

- Revenue decreased 16,3% to R1,33bn (2010: R1,59bn)
- Operating profit decreased 30% to R184,2m (2010: R263,2m)
- Operating margin decreased to 13,9% (2010: 16,6%)
- Capex of R71m (2010: R73,9m)
- Order book secured – R1,353bn
- New Free State provincial work underway; funding changes & challenges
- GFIP Phase 1 completed
- N1N2 Winelands; 2 consortia in the running (BAFO)
- Other PPPs; tolling controversy

Raubex Construction Strategic Outlook

- Short term (FY2012)

– Order book secured; aggresively seeking long-term workflow

– Margins expected to decrease by 2%; dependent on Free State projects controversy

– Fast Track application to the Competition Commission

- Long term

– Economic growth necessary to sustain government spending

– N1N2 Winelands

– GFIP Phase 2 and Wild Coast; tolling controversy

– Provincial expenditure needed

Raumix

- Revenue increased 1,9% to R1,04bn (2010: R1,02bn)
- Operating profit decreased by 18,5% to R178,2m (2010: R218,7m)
- Operating margin decreased to 17,1% (2010: 21,4%)
- Capital expenditure of R142,1m (2010: R99m)
- General construction and residential building markets remain weak
- Mining activities showing signs of recovery
- Contract crushing operations performing well; margins improving in later part of the year
- Order book – R965m

Production schedule (Mts)	
Contract Crushing	5,65
Commercial Crushing	2,02
Mining	35,9

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Raumix Strategic Outlook

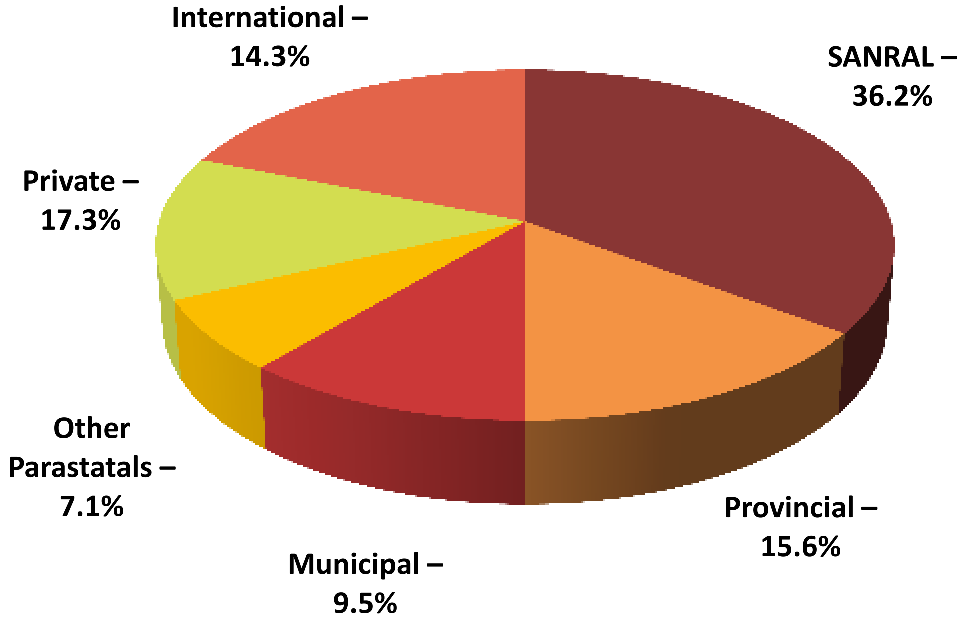
- Short term (FY2012)
  - Margins stabilising at around 15-18%
  - Increased activity in contract crushing
  - Mining activities improving
  - Credit risk management

- Long term
  - Demand dependent on recovery in the residential and commodity sectors
  - Demand from low-cost housing programmes
  - SADC expansion

Raubex Construction International

- Revenue up 20,9% to R613,1m (2010: R507m)
  - 13,5% of Group total
- Operating profit up 121,4% to R78,9m (2010 : R35,6m)
  - 11,9% of Group total
- Operating margin increased to 12,9% (2010 : 7%)
- Namibian work progressing well
- Malawi progressing well
- Zambia profitable post reorganisation
- Uganda JV; pending award
- MoU with India's UB Engineering

Group Order Book



- Higher percentage of lower margin work going forward
- Poor margins vs. new margins; new normal?

Order Book	R4,376bn
Time Distribution	
FY 2012	R3,784bn
FY 2013	R0,460bn
FY 2014	R0,132bn

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Major Projects Progress

Namibia – Rundu to Elundu
R1 001 000 000
To be completed Dec 2011

Cape Town – R300 Link Road
R525 000 000

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Major Projects Progress

GFIP - R21
R882 960 000
Completed Dec 2010

Conclusion

- Achieved satisfactory results given extremely challenging conditions
- Strong balance sheet
- Sustained strong cash generation
- International expansion continues; new geographies being explored
- Short term order book stable at lower margins
- N1N2 Winelands Project down to two consortia
- Market dynamics have changed; tolling controversy potentially impacting on planned PPPs
- Upturn in the cycle remains dependent on large projects materialising
- Next 12 months to be challenging operationally and financially