

Raubex Group Limited
(Incorporated in the Republic of South Africa)
Registration number 2006/023666/06
Share Code: RBX
ISIN Code: ZAE000093183
("Raubex" or the "Group")

AUDITED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2009

HIGHLIGHTS

- Revenues up 94,9% to R4,16bn (2008: R2,14bn)
- Operating profit up 84,2% to R794,6m (2008: R431,3m)
- Group operating margin of 19,1% (2008: 20,2%)
- HEPS up 62% to 291,7 cents per share (2008: 180,1 cents per share)
- Strong cash flow from operations up 114,9% to R964,4m (2008: R448,8m)
- Capex spend of R382,8m (2008: R244,6m)
- Solid order book of R5,2bn (2008: R2,7bn)
- Final dividend of 70 cents per share declared

Francois Diedrehsen, Financial and Commercial Director of Raubex Group, said: *"Despite difficult global market conditions, the year under review saw the Group deliver yet another solid operational and financial performance in line with expectations.*

The acquisitions incorporated during the past year are performing well and have added significantly to our capacity and skills set. The benefits of the government's infrastructure spend have now filtered through to the bottom line as demonstrated by our growing order book and the continued healthy demand for our services.

Large contract wins locally and abroad, including two new significant contracts in Namibia, is a very positive development for Raubex and we will continue to carefully position the Group as a major player in SADC geographies meeting our investment criteria.

We are confident that our healthy financial position, extended footprint and cost conscious approach will allow the Group to maintain its strong performance in the medium-term."

18 May 2009

ENQUIRIES

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COMMENTARY

FINANCIAL OVERVIEW

Revenue increased 94,9% to R4,16 billion and operating profit increased 84,2% to R794,6 million from the corresponding prior period. Profit before tax increased 81,8% to R757,5 million.

Earnings per share increased 59,9% to 289,2 cents with headline earnings per share increasing 62% to 291,7 cents.

Group operating margin decreased from 20,2% to 19,1% compared to the corresponding prior year period.

The Group generated operating cash flows of R964,4 million before finance charges and taxation.

Capital expenditure on fixed assets to the value of R382,8 million was incurred during the year ended 28 February 2009.

Total cash and cash equivalents at the end of the period amounted to R576,4 million. Total cash outflow for the period was R83,8 million, this includes an outflow of R384,4 million being directly attributable to the acquisition of subsidiaries.

Expenses related to the share incentive scheme amounted to R14,9 million during the period.

Foreign exchange losses amounted to R19,4 million due to a significant devaluation in the Zambian Kwacha.

OPERATIONAL OVERVIEW

The financial performance discussed herewith includes the first audited set of earnings from the acquisitions completed during the past year and which enabled Raubex to position itself as a sizeable and credible industry player with the capacity and depth of skills to take full advantage of the accelerated demand for its line of work in South Africa and the region.

In order to comply with International Financial Reporting Standards (IFRS), the acquisitions of B&E International (Pty) Ltd, Zamori Construction (Pty) Ltd, Space Construction (Pty) Ltd and Space Indlela Construction (Pty) Ltd, being dependant on Competition Commission approval, have been consolidated into the Group results from 10 April 2008 which was the effective approval date for the transactions. Bonn Plant Hire (Pty) Ltd, including the business of Akasia Road Surfacing (Pty) Ltd, has been consolidated from 1 June 2008, which was the month following Competition Commission approval. Thaba Bosiu Construction (Pty) Ltd has been consolidated from 1 March 2008. Users are referred to the 'acquisitions' note in the Abridged Financial Statements for additional disclosure. The earnings per share figures have been calculated using the weighted average number of shares in issue which takes account of the equity settled portion of the purchase price relating to these acquisitions and weights those shares accordingly.

Roadmac

Roadmac is a specialist in the manufacturing and laying of asphalt, chip and spray, surface dressing, enrichments and slurry seals.

Roadmac is the largest contributor to Group revenue and performance for the year was in line with expectations.

The division continues to operate in a favourable environment supported by a healthy order book in Gauteng, the Western Cape and KwaZulu-Natal. With the Gauteng Freeway Improvement Project now well underway, the division is set to play a major role in the finalisation of most contracts.

The acquisition of Bonn Plant Hire and Akasia Road Surfacing was successfully integrated during the first half of the year and is performing above expectations. Akasia Road Surfacing and National Asphalt will be among some of the main suppliers of asphalt for the Gauteng Freeway Improvement Project.

Revenue for the division increased 63,3% to R2,05 billion (2008: R1,25 billion) and operating profit by 84,3% to R431 million (2008: R233,9 million).

The divisional margins increased to 21,1% (2008: 18,7%) due to a more favourable geographical spread of contracts which allowed the division to operate more efficiently during times of inclement weather.

The division incurred capital expenditure of R90,4 million during the year (2008: R76,2 million).

Raubex Construction

Raubex Construction is the road and civil infrastructure construction division focused on the key areas of new road construction (green fields) and heavy road rehabilitation.

The acquisitions of Thaba Bosiu Construction, Zamori Construction and Space Construction were successfully integrated during the past year and continue to perform in line with expectations.

In August 2008, Raubex Construction was awarded a significant contract worth some R720 million for the upgrading of National Route 21 (R21) as part of the Gauteng Freeway Improvement Project. Despite increased competition, a number of other large contracts were awarded during the period, including the section of the new R30 Goldfields toll road between Beatrix and Virginia and the upgrade of the N5 between Paul Roux and Vals River, for a combined value of around R400 million.

Internationally, the division has increased its activities in Zambia where 10 contracts are currently in progress including four major rehabilitation contracts. Good progress continued to be made on the Group's long-term international strategy to carefully expand in the SADC region beyond South Africa and Zambia. Post year end, two major contracts were awarded in Namibia for a combined value of R1 billion.

Revenue for the division increased 110,5% to R1,09 billion (2008: R520 million) whilst operating profit increased 50% to R142,7 million (2008: R95,1 million).

The divisional margins decreased to 13% (2008: 18,3%). The decrease is partly attributable to unusually high summer rains in Gauteng and certain other provinces. This factor also disrupted our international operations severely. In addition, foreign exchange losses incurred in Zambia and low margin work having to take place during the initial phase of some contracts also contributed to the decrease.

The division incurred capital expenditure of R74,8 million during the year (2008: R67,6 million)

Raumix

Raumix is the materials division of the Group with its core focus spread over three areas including contract crushing, production of aggregates for the commercial market and materials handling for the mining industry.

The acquisition of B&E International was successfully integrated during the period and a number of restructuring programmes are currently in progress including administrative streamlining as well as the redeployment of capacity, including personnel and equipment across operations.

The division's materials handling operations were most exposed to the downturn in commodities demand, particularly in the platinum and diamond sectors. This should however be compensated for by the increase in mobile crushing requirements on infrastructure related projects.

Revenue for the division increased 181,7% to R1,02 billion (2008: R362,9 million) and operating profit by 116,1% to R220,9 million (2008: R102,2 million). The variances in the divisional financial indicators are attributable to a strong performance from both B&E International and SPH Kundalila.

The divisional margins decreased to 21,6% (2008: 28,2%) as a result of the acquisition of B&E International and lower margins achieved by the commercial quarry operations which remain very depressed by the slow-down in the residential building market. Some of the capacity available as a result has been utilised to meet the demand for aggregates by various infrastructure development projects around Gauteng.

The division incurred capital expenditure of R217,6 million during the period (2008: R100,8 million).

PROSPECTS

Whilst the impact of the global economic crisis is still being assessed, there are no doubts that the local market has not been left unscathed. Despite the difficulties experienced in the sector, Raubex's order book has grown to R5,2 billion (2008: R2,7 billion).

Healthy demand for the Group's services continues to be driven by the government's infrastructure investments which are underpinned by the global economic stimulus focus on our sector. Raubex's strategy to secure its medium-term order book will ensure continued growth for the roads divisions over the medium term and capital expenditure management will remain conservative until long-term visibility improves.

The aggregates division is more exposed to the effect of the downturn in commodities and all operations are being closely monitored. Current indications are that the operations indirectly exposed to gold and coal will continue to perform well. The scaling down of quarrying operations servicing the residential sector is expected to continue whilst the redeployment of personnel and equipment to support the contract crushing order book will be maintained.

Internationally, Raubex was recently awarded two large road contracts in Namibia with a combined value of R1 billion. Looking ahead, the Group will maintain its cautious growth strategy in Africa and continue to explore opportunities in geographies meeting its investment criteria.

Based on current trading conditions and order book strength, the Board is confident that the Group will continue delivering solid earnings growth over the medium-term.

SUCCESSION MANAGEMENT

As part of the Group's management succession planning, Mr J.E. Raubenheimer informed the Board of his intention to retire from his current position of Chief Executive Officer in March 2010.

It is envisaged that Mr J.E. Raubenheimer will be replaced by Mr Rudolf Fourie, current Managing Director of the Roadmac division, whilst he will remain on the Board and assume a non-executive post.

DIVIDEND DECLARATION

The directors have declared a final dividend of 70 cents per share on 18 May 2009. The salient dates for the payment of the dividend are as follows:

Last day to trade cum dividend	Friday, 5 June 2009
Commence trading ex dividend	Monday, 8 June 2009
Record date	Friday, 12 June 2009
Payment date	Monday, 15 June 2009

No share certificates may be dematerialised or rematerialised between Monday, 8 June 2009 and Friday, 12 June 2009, both dates inclusive.

AUDITED GROUP INCOME STATEMENT		
	Audited 28 February 2009 R'000	Audited 29 February 2008 R'000
Revenue	4,162,780	2,135,778
Cost of sales	(3,148,561)	(1,616,112)
Gross profit	1,014,219	519,666
- Other income	8,024	18,979
- Other gains/(losses) - net	(24,448)	3,076
- Administrative expenses	(203,201)	(110,439)
Operating profit	794,594	431,282
- Finance income	42,630	12,997
- Finance costs	(79,841)	(27,986)
- Share of profit of associate	84	478
Profit before income tax	757,467	416,771
- Income tax expense	(228,613)	(121,153)
Profit for the year	528,854	295,618
Attributable to:		
Equity holders of the company	525,852	294,150
Minority interest	3,002	1,468
Basic earnings per share (cents)	289,2	180,9
Diluted earnings per share (cents)	285,8	178,4
CALCULATION OF DILUTED EARNINGS PER SHARE		
	Audited 28 February 2009 R'000	Audited 29 February 2008 R'000
Profit attributable to equity holders of the company	525,852	294,150
Weighted average number of ordinary shares in issue ('000)	181,825	162,641
<i>Adjustments for:</i>		
- Share options ('000)	2,200	2,200
Weighted average number of ordinary shares for diluted earnings per share ('000)	184,025	164,841
Diluted earnings per share (cents)	285,8	178,4
CALCULATION OF HEADLINE EARNINGS PER SHARE		
	Audited 28 February 2009 R'000	Audited 29 February 2008 R'000
Profit attributable to equity holders of the company	525,852	294,150
<i>Adjustments for:</i>		
- (Profit)/loss on sale of fixed assets after tax	1,291	(555)
- Excess from fair value of assets acquired over purchase price	-	(682)
- Impairment of asset held for sale	3,237	-
Basic headline earnings	530,380	292,913
Weighted average number of shares ('000)	181,825	162,641
Headline earnings per share (cents)	291,7	180,1
Diluted headline earnings per share (cents)	288,2	177,7

AUDITED GROUP BALANCE SHEET	Audited 28 February 2009 R'000	Audited 29 February 2008 R'000
ASSETS		
Non-current assets		
- Property, plant and equipment	1,212,941	668,365
- Intangible assets	724,289	198,939
- Investments in associate	6,854	2,671
- Deferred income tax assets	28,398	9,283
- Trade and other receivables	728	402
Total non-current assets	1,973,210	879,660
Current assets		
- Inventories	123,074	50,440
- Construction contracts in progress	171,232	73,644
- Trade and other receivables	589,823	368,677
- Current income tax receivable	3,285	12,055
- Derivative financial instruments	1,167	-
- Cash and cash equivalents	588,345	660,233
Total current assets	1,476,926	1,165,049
Assets of disposal group classified as held for sale	3,000	2,472
Total assets	3,453,136	2,047,181
EQUITY AND LIABILITIES		
Equity		
- Share capital	1,826	1,725
- Share premium	2,139,632	1,830,853
- Other reserves	(1,148,471)	(1,156,814)
- Retained earnings	855,995	457,979
Equity attributable to equity holders of the company	1,848,982	1,133,743
Minority interest in equity	6,957	2,785
Total equity	1,855,939	1,136,528
Liabilities		
Non-current liabilities		
- Borrowings	394,060	249,070
- Provisions for liabilities and charges	14,215	7,955
- Deferred income tax liability	207,999	113,897
Total non-current liabilities	616,274	370,922
Current liabilities		
- Trade and other payables	624,636	318,624
- Borrowings	256,887	143,857
- Current income tax liabilities	87,444	77,230
- Bank overdrafts	11,956	20
Total current liabilities	980,923	539,731
Total liabilities	1,597,197	910,653
Total equity & liabilities	3,453,136	2,047,181

AUDITED GROUP CASH FLOW STATEMENT	Audited 28 February 2009 R'000	Audited 29 February 2008 R'000
Cash flows from operating activities		
Cash generated from operations	964,405	448,815
Interest received	42,630	12,997
Interest paid	(79,841)	(27,986)
Income tax paid	(200,026)	(43,777)
Net cash from operating activities	727,168	390,049
Cash flows from investing activities		
Purchases of property, plant and equipment	(382,781)	(244,585)
Proceeds from sale of property, plant and equipment	37,296	22,759
Acquisition of subsidiaries	(384,376)	(57,143)
Associates dividends received	-	24
Loans to associates	(4,100)	-
Loan repayments received from associates	-	5,707
Net cash used in investing activities	(733,961)	(273,238)
Cash flows from financing activities		
Net proceeds from borrowings	52,173	119,169
Proceeds from issuance of ordinary shares	-	405,476
Share issue expenses	(1,107)	(25,946)
Dividends paid to company's shareholders	(127,837)	(32,426)
Dividends paid to minorities	(260)	(200)
Net cash used in financing activities	(77,031)	466,073
Net (decrease)/increase in cash and cash equivalents	(83,824)	582,884
Cash and cash equivalents at the beginning of the year	660,213	77,329
Cash and cash equivalents at the end of the year	576,389	660,213

AUDITED GROUP STATEMENT OF CHANGES IN EQUITY	Share Capital	Share premium	Other reserves	Retained earnings	Total attributable to equity holders of the parent company	Minority interest	Total equity
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 1 March 2007	1,433	1,282,167	(1,174,085)	196,255	305,770	1,517	307,287
Issue of share capital and share premium	292	574,631	-	-	574,923	-	574,923
Share issue expenses	-	(25,945)	-	-	(25,945)	-	(25,945)
Currency translation reserve	-	-	2,910	-	2,910	-	2,910
Share option reserve	-	-	14,361	-	14,361	-	14,361
Profit for the year	-	-	-	294,150	294,150	1,468	295,618
Dividends paid	-	-	-	(32,426)	(32,426)	(200)	(32,626)
Balance at 29 February 2008	1,725	1,830,853	(1,156,814)	457,979	1,133,743	2,785	1,136,528
Issue of share capital and share premium	101	309,886	-	-	309,987	-	309,987
Share issue expenses	-	(1,107)	-	-	(1,107)	-	(1,107)
Currency translation reserve	-	-	(6,541)	-	(6,541)	-	(6,541)
Share option reserve	-	-	14,884	-	14,884	-	14,884
Minorities interest in acquired company	-	-	-	-	-	1,430	1,430
Profit for the year	-	-	-	525,852	525,852	3,002	528,854
Dividends paid	-	-	-	(127,836)	(127,836)	(260)	(128,096)
Balance at 28 February 2009	1,826	2,139,632	(1,148,471)	855,995	1,848,982	6,957	1,855,939

AUDITED GROUP SEGMENTAL ANALYSIS	Aggregate and crusher R'000	Road surfacing and rehabilitation R'000	Road construction and earthworks R'000	Consolidated R'000
Business segments				
At 28 February 2009				
Segment revenue	1,022,455	2,045,908	1,094,417	4,162,780
Segment result (operating profit)	220,886	430,998	142,710	794,594
At 29 February 2008				
Segment revenue	362,915	1,252,902	519,961	2,135,778
Segment result (operating profit)	102,240	233,922	95,120	431,282
Geographical segments				
At 28 February 2009				
Segment revenue		3,841,120	321,660	4,162,780
Segment result (operating profit)		763,630	30,964	794,594
At 29 February 2008				
Segment revenue		1,990,906	144,872	2,135,778
Segment result (operating profit)		407,734	23,548	431,282

EMPLOYEE BENEFIT EXPENSE	Audited 28 February 2009 R'000	Audited 29 February 2008 R'000
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Employee benefit expense in the income statement consists of:

- Salaries, wages and contributions	688,198	304,051
- Share options granted to employees	14,884	14,361
Total employee benefit expense	703,082	318,412

CAPITAL EXPENDITURE AND DEPRECIATION	Audited 28 February 2009 R'000	Audited 29 February 2008 R'000
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Capital expenditure for the year	382,781	244,584
Depreciation for the year	155,186	62,258
Amortisation of intangible assets for the year	2,285	1,135

NOTES

Basis of preparation

The abridged consolidated financial information is based on the audited financial statements of the Group for the year ended 28 February 2009, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standard 34, the Listings Requirements of the JSE Limited and the South Africa Companies Act 61 of 1973 as amended, on a consistent basis with that of the prior period.

These results have been audited by PricewaterhouseCoopers Inc., Chartered Accountants (SA), Registered Auditors. Their unqualified audit opinion is available for inspection at the Company's registered office.

ACQUISITIONS

The Group made the following acquisitions during the year.

B&E International Holdings (Pty) Ltd

On 10 April 2008, the Group acquired 100% of the share capital of B&E International Holdings (Pty) Limited, a group of companies specialising in contract crushing and mineral processing operations at a cost of R474 million. The purchase consideration was settled by the issuance of 9,029,677 ordinary shares at a fair value of R270 million and cash of R204 million. The fair value of the shares issued was determined in accordance with IFRS 3 using the ruling market price at the date on which the sellers became unconditionally entitled to these shares. The acquired business contributed revenues of R534 million and net profit of R79,6 million to the Group for the period from 10 April 2008 to 28 February 2009. If the acquisition had occurred on 1 March 2008, contributions to Group revenue would have been R572,9 million and net profit of R82,6 million.

Space Construction (Pty) Ltd and Space Indlela Construction (Pty) Ltd

On 10 April 2008, the Group acquired 100% of the share capital of Space Construction (Pty) Ltd and Space Indlela Construction (Pty) Ltd, a group of companies specialising in road construction at a cost of R50 million. The purchase consideration was settled by the issuance of 277,771 ordinary shares at a fair value of R10 million and cash of R40 million. This purchase price is subject to adjustment after expiry of a profit warranty period ending 31 August 2010. The total purchase price shall not exceed an amount of R90 million. The acquired businesses contributed revenues of R165,9 million and net profit of R13,1 million to the Group for the period 10 April 2008 to 28 February 2009. If the acquisition had occurred on 1 March 2008, contributions to Group revenue would have been R181 million and net profit of R14,2 million.

Zamori Construction (Pty) Ltd

On 10 April 2008, the Group acquired 100% of the share capital of Zamori Construction (Pty) Ltd, a company specialising in road construction at a cost of R35,7 million. The purchase consideration was settled by the issuance of 281,921 ordinary shares at a fair value of R10,7 million and cash of R25 million. The acquired business contributed revenues of R88,9 million and net profit of R16,8 million to the Group for the period from 10 April 2008 to 28 February 2009. If the acquisition had occurred on 1 March 2008, contributions to Group revenue would have been R97 million and net profit of R18,4 million.

Thaba Bosiu Construction (Pty) Ltd

On 1 March 2008, the Group acquired 100% of the share capital of Thaba Bosiu Construction (Pty) Ltd, a company specialising in road construction at a cost of R64,3 million. The purchase consideration was settled by the issuance of 507,553 ordinary shares at a fair value of R19,3 million and cash of R45 million. The acquired business contributed revenues of R69,8 million and net profit of R13,1 million to the Group for the period 1 March 2008 to 28 February 2009.

Bonn Plant Hire (Pty) Ltd and the business of Akasia Road Surfacing (Pty) Ltd

On 1 June 2008, the Group acquired 100% of the share capital of Bonn Plant Hire (Pty) Ltd and the business of Akasia Road Surfacing (Pty) Ltd for R120 million cash. The company specialises in asphalt manufacturing and road surfacing. The acquired businesses contributed revenues of R177 million and net profit of R20,6 million to the Group for the period from 1 June 2008 to 28 February 2009. If the acquisition had occurred on 1 March 2008, contributions to Group revenue would have been R233,4 million and net profit of R23,3 million.

POST BALANCE SHEET EVENTS

Acquisitions

The following acquisitions became effective after the balance sheet date.

Anchor Park Investments 71 (Pty) Ltd

The group acquired 100% of the share capital of Anchor Park Investments 71 (Pty) Ltd for R35 million cash. The company owns a Pilatus PC12 aircraft and will provide flight services to the Group.

On behalf of the Board:

M C Matjila
Chairman

J E Raubenheimer
Chief Executive Officer

F Diedrehsen
Group Financial & Commercial Director

18 May 2009

Directors:

M C Matjila (Chairman)[#], J E Raubenheimer, GM Raubenheimer, F Diedrehsen, F Kenney[#], M B Swana[#], L Maxwell*

*# Non-executive * Independent non-executive*

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