

Raubex Group Limited
 Registration number 2006/023666/06
 Share Code: RBX
 ISIN Code: ZAE000093183

AUDITED RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2008

HIGHLIGHTS

- Revenue up 79,4% to R2,14bn (2007: R1,19 bn)
- Operating profit up 121,7% to R431,3m (2007: R194,5m)
- Group operating margin up 23,9% to 20,2% (2007: 16,3%)
- HEPS up 116,2% to 180,1 cents per share (2007: 83,3 cents per share)
- Strong cash flow from operations up 125,7% to R448,8m (2007: R198,9m)
- Capex spend of R244,6m
- Final dividend of 40 cents per share declared
- Solid order book up 68% to R2,7 billion

Francois Diedrehsen, Financial and Commercial Director of Raubex Group, said: *“The performance over the past year is in line with expectations and underpinned by an improved operating margin and a healthy order book across all divisions.*

“Over the period, the Group acquired a number of value-enhancing businesses fitting across all the three divisions. The acquisitive growth was balanced by continued organic growth derived from improved operational efficiencies and skills development. Looking ahead, we will continue to focus on integrating the strategic acquisitions whilst ensuring that the entrepreneurial spirit, which is a hallmark of the group, remains intact.

“We are now positioned as a significantly larger business with increased capacity and geographic reach to take full advantage of the opportunities offered by an overall increase in demand for our services around the country. We look forward to another strong performance in the coming year.”

19 May 2008

ENQUIRIES

Raubex Group 012 665 3226
 Francois Diedrehsen

College Hill 011 447 3030
 Fred Cornet 083 307 8286
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COMMENTARY

FINANCIAL OVERVIEW

Revenue increased 79,4% to R2,14 billion and operating profit increased 121,7% to R431,3m from the corresponding prior period. Profit before tax increased 103% to R416,8m.

Earnings per share increased 112% to 180,9 cents with headline earnings per share increasing 116,2% to 180,1 cents.

Group operating margin increased from 16,3% to 20,2% compared to the corresponding prior year period.

The group generated operating cashflows of R448,8m before finance charges and taxation.

Capital expenditure on fixed assets to the value of R244,6m was incurred during the year ended 29 February 2008.

Net cash inflow for the year ended 29 February 2008 was R582,9m with total cash and cash equivalents at the end of the period amounting to R660,2m. The cash and cash equivalents balance includes proceeds from shares issued of R379,5m net of share issue expenses of R25,9m. The bulk of the R379,5m has been allocated to pay for the cash portions of the acquisitions detailed in the ‘post balance sheet events’ section of this announcement.

Expenses related to the share incentive scheme amounted to R14,4m during the period.

OPERATIONAL OVERVIEW

The financial performance described above was achieved in spite of numerous operational sites being affected by an unusual amount of rain days having a negative impact on productivity and schedules.

Due to Raubex's nature of business, the power supply constraints experienced over the past few months had little impact on the group's operations. Raumix is the only division affected and management pro-actively re-organised shifts and necessary routine maintenance schedules to work around the load-shedding programmes.

The share incentive scheme put in place for key staff, excluding executive directors, has been well received and is proving to be an effective tool to address staff retention and boost motivation levels.

Roadmac

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

Roadmac is the largest contributor to Group revenue and despite unusually high rainfall in some areas, performance for the year has exceeded expectations. The division is operating in a very favourable environment supported by a very healthy order book. The acquisition of National Asphalt was successfully integrated during the period and is performing above expectations.

Revenue for the division increased 82,9% to R1,25 billion (2007: R685,2m) and operating profit by 73,6% to R233,9m (2007: R134,7m).

The divisional margins decreased to 18,7% (2007: 19,7%) due to the effects of the unusually high number of rain days experienced.

The division incurred capital expenditure of R76,2m during the year (2007: R40,5m)

Raubex Construction

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

Revenue for the division increased 8,8% to R520m (2007: R477,9m) whilst operating profit increased 96,8% to R95,1m (2007: R48,3m). This is as a result of existing low margin contracts coming to an end and the effects of new higher margin contracts starting to come through in the second half of the year.

The divisional margins improved strongly to 18,3% (2007: 10.1%).

The division incurred capital expenditure of R67,6m during the year (2007: R56,3m)

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 the SPH Group together with the Queenstown and Aliwal Quarries were successfully integrated during the period. The significant variances in divisional financial indicators are attributable to these acquisitions.

Revenue for the division increased 1206% to R362,9m (2007: R27,8m) and operating profit by 794% to R102,2m (2007: R11,4m).

The divisional margins decreased to 28,2% (2007: 41,2%) as a result of the acquisitions mentioned above.

The division incurred capital expenditure of R100,8m during the period (2007: R17m).

PROSPECTS

The Group's order book stands at R2.7bn (2007: R1,6bn).

Industry players, including Raubex, are now seeing the results of the government's infrastructure investments filter through to the order book. More recently, announcements such as the Gauteng road upgrade programme and plans to upgrade various airports around the country have added to the strong basic maintenance and rehabilitation pipeline

already present. As mentioned previously, opportunities around the Public Private Partnership market are also becoming more tangible.

International activities remain small from a Group perspective and continue to focus on Zambia. The pipeline in Zambia and neighboring countries is above expectations and Raubex will maintain a cautious growth approach whilst it gains valuable experience.

Through its strategy of acquisitive and organic growth, Raubex is now positioned as a sizeable industry player with the skills and capacity to grow the order book and meet the increasing demand for its line of work. In the current market conditions, the Group expects to deliver a strong performance in the year ahead.

DIVIDEND DECLARATION

In line with the guidance provided prior to the listing, the directors declared a final dividend of 40 cents per share on 19 May 2008. The salient dates for the payment of the dividend are as follows:

Last day to trade cum dividend	Friday, 6 June 2008
Commence trading ex dividend	Monday, 9 June 2008
Record date	Friday, 13 June 2008
Payment date	Tuesday, 17 June 2008

No share certificates may be dematerialised or rematerialised between Monday, 9 June 2008 and Friday, 13 June 2008, both dates inclusive.

Group Financial Statements for the year ended 29 February 2008

AUDITED GROUP INCOME STATEMENT	Audited 29 February 2008 R	Audited 28 February 2007 R
Revenue	2,135,778,031	1,190,860,142
Cost of sales	(1,616,112,151)	(964,438,063)
Gross profit	519,665,880	226,422,079
- Other income	18,979,346	15,811,940
- Other gains/losses - net	3,075,679	(11,019,291)
- Administrative expenses	(110,438,956)	(36,710,215)
Operating profit	431,281,949	194,504,513
- Finance income	12,996,916	16,814,914
- Finance costs	(27,986,271)	(12,296,390)
- Share of profit of associate	478,480	6,258,820
Profit before tax	416,771,074	205,281,857
- Taxation expense	(121,152,553)	(66,423,518)
Profit for the year	295,618,521	138,858,339

Attributable to:

Equity holders of the company	294,150,140	85,335,234
Minority interest	1,468,381	53,523,105
Weighted average number of shares	162,641,151	100,000,000
Basic earnings per share (cents)	180,9	85,3
Diluted earnings per share (cents)	178,4	85,3

CALCULATION OF DILUTED EARNINGS PER SHARE

CALCULATION OF DILUTED EARNINGS PER SHARE	Audited 29 February 2008 R	Audited 28 February 2007 R
Weighted average number of ordinary shares in issue	162,641,151	100,000,000
<i>Adjustments for:</i>		
- Share options	2,200,000	-
Weighted average number of ordinary shares for diluted earnings per share	164,841,151	100,000,000
Earnings attributable to equity holders of the company	294,150,140	85,335,234
Diluted earnings per share (cents)	178,4	85,3

CALCULATION OF HEADLINE EARNINGS PER SHARE

CALCULATION OF HEADLINE EARNINGS PER SHARE	Audited 29 February 2008 R	Audited 28 February 2007 R
Net profit after tax attributable to equity holders	294,150,140	85,335,234
<i>Adjustments for:</i>		
- Profit/loss on sale of fixed assets after tax	(555,060)	(1,460,217)
- Impairment of loans	-	505,638
- Excess from fair value of assets acquired over purchase price	(682,427)	(1,044,890)
Basic headline earnings	292,912,653	83,335,765
Weighted average number of shares	162,641,151	100,000,000
Headline earnings per share (cents)	180,1	83,3
Diluted headline earnings per share (cents)	177,7	83,3

AUDITED GROUP BALANCE SHEET	Audited 29 February 2008 R	Audited 28 February 2007 R
ASSETS		
Non current assets		
- Property ,plant & equipment	668,364,912	290,398,357
- Intangible assets	198,939,016	16,533,580
- Investment in associate	2,670,759	14,629,758
- Deferred income tax assets	9,283,041	4,634,946
- Trade and other receivables	401,787	-
	879,659,515	326,196,641
Current assets		
- Inventories	50,439,686	17,628,617
- Construction contracts in progress	73,644,341	44,263,883
- Trade and other receivables	368,676,796	258,686,325
- Current income tax receivable	12,054,823	17,077,177
- Cash and cash equivalents	660,233,434	83,266,639
	1,165,049,080	420,922,641
Non current assets held for sale	2,472,076	-
Total assets	2,047,180,671	747,119,282
EQUITY AND LIABILITIES		
Equity		
- Share capital	1,725,268	1,432,782
- Share premium	1,830,852,682	1,282,167,325
- Other reserves	(1,156,813,647)	(1,174,084,740)
- Retained earnings	457,979,152	196,254,978
Equity attributable to equity holders of the company	1,133,743,455	305,770,345
Minority interest in equity	2,785,655	1,517,273
Total equity	1,136,529,110	307,287,618
Liabilities		
Non current liabilities		
- Borrowings	249,069,699	89,208,131
- Provisions for liabilities and charges	7,954,770	658,000
- Deferred income tax liability	113,897,357	52,511,816
	370,921,826	142,377,947
Current liabilities		
- Trade and other payables	318,623,885	246,006,662
- Borrowings	143,856,259	37,014,819
- Current income tax liabilities	77,229,574	8,494,173
- Bank overdrafts	20,017	5,938,063
	539,729,735	297,453,717
Total liabilities	910,651,561	439,831,664
Total equity and liabilities	2,047,180,671	747,119,282

AUDITED GROUP CASH FLOW STATEMENT	Audited 29 February 2008 R	Audited 28 February 2007 R
Cash flows from operating activities		
Cash generated from operations	448,814,702	198,880,958
Finance income	12,996,916	16,814,914
Finance costs	(27,986,271)	(12,296,390)
Taxation paid	(43,777,166)	(66,524,920)
Net cash from operating activities	390,048,181	136,874,562
Cash flows from investing activities		
Additions of property, plant and equipment	(244,584,549)	(113,831,528)
Proceeds from sale of property, plant and equipment	22,758,994	22,731,812
Acquisition of subsidiaries	(57,143,171)	(997,222,552)
Minorities acquired	-	(278,826,096)
Associates dividends received	24,000	4,275,000
Loans to associates	5,707,408	(4,238,405)
Net cash from investing activities	(273,237,318)	(1,367,111,769)
Cash flows from financing activities		
Proceeds from borrowings	119,169,200	29,670,193
Proceeds from shares and share premium	379,530,744	1,283,600,106
Dividends paid to company's shareholders	(32,425,966)	(35,989,000)
Dividends paid to minority interests	(200,000)	(29,515,353)
Net cash from financing activities	466,073,978	1,247,765,946
Total cash movement for the year	582,884,841	17,528,739
Cash at the beginning of the year	77,328,576	59,799,837
Total cash at end of the year	660,213,417	77,328,576

AUDITED SEGMENTAL ANALYSIS	Aggregate and crusher R	Road surfacing and rehabilitation R	Road construction and earthworks R	Consolidated R
Business segments				
At 29 February 2008				
Segment revenue	362,915,556	1,252,901,821	519,960,653	2,135,778,031
Segment result (operating profit)	102,240,357	233,921,754	95,119,838	431,281,949
At 28 February 2007				
Segment revenue	27,780,892	685,149,524	477,929,726	1,190,860,142
Segment result (operating profit)	11,438,651	134,731,529	48,334,333	194,504,513
Geographical segments		Local	International	Consolidated
At 29 February 2008				
Segment revenue		1,990,906,264	144,871,767	2,135,778,031
Segment result (operating profit)		407,733,525	23,548,424	431,281,949
At 28 February 2007				
Segment revenue		1,047,246,969	143,613,173	1,190,860,142
Segment result (operating profit)		186,654,139	7,850,374	194,504,513

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	R	R	R	R	R	R
Balance at 1 March 2006	300	-	-	146,908,744	146,909,044	78,198,452	225,107,496
Issue of share capital and share premium	1,432,482	1,282,167,325	-	-	1,283,599,807	-	1,283,599,807
Currency translation reserve	-	-	1,213,204	-	1,213,204	404,401	1,617,605
Reverse acquisition of subsidiary	-	-	(1,001,620,037)	-	(1,001,620,037)	-	(1,001,620,037)
Minority interest acquisition	-	-	(173,677,907)	-	(173,677,907)	(101,093,332)	(274,771,239)
Profit for the year	-	-	-	85,335,234	85,335,234	53,523,105	138,858,339
Dividends paid	-	-	-	(35,989,000)	(35,989,000)	(29,515,353)	(65,504,353)
Balance at 28 February 2007	1,432,782	1,282,167,325	(1,174,084,740)	196,254,978	305,770,345	1,517,273	307,287,618
Issue of share capital and share premium	292,486	574,630,944	-	-	574,923,430	-	574,923,430
Share issue expenses	-	(25,945,587)	-	-	(25,945,587)	-	(25,945,587)
Currency translation reserve	-	-	2,909,913	-	2,909,913	-	2,909,913
Share option reserve	-	-	14,361,180	-	14,361,180	-	14,361,180
Profit for the year	-	-	-	294,150,140	294,150,140	1,468,382	295,618,522
Dividends paid	-	-	-	(32,425,966)	(32,425,966)	(200,000)	(32,625,966)
Balance at 29 February 2008	1,725,268	1,830,852,682	(1,156,813,647)	457,979,152	1,133,743,455	2,785,655	1,136,529,110

CAPITAL EXPENDITURE AND DEPRECIATION	Audited 29 February 2008 R	Audited 28 February 2007 R
Capital expenditure	244,584,549	113,831,528
Depreciation	62,257,886	25,508,214
Amortisation of intangible	1,135,011	-

EMPLOYEE BENEFIT EXPENSE	Audited 29 February 2008 R	Audited 28 February 2007 R
Employee benefit expense in the income statement consists of:		
- Salaries, wages and contributions	304,051,406	155,572,235
- Share options granted to employees	14,361,180	-
Total employee benefit expense	318,412,586	155,572,235

Notes

Basis of preparation:

The abridged consolidated financial information (“financial information”) is based on the audited financial statements of the Group for the year ended 29 February 2008, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) International Accounting Standard 34, the Listing 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.

Acquisition of SPH Group (Pty) Ltd & Increased holding in Canyon Rock (Pty) Ltd

On 1 March 2007, the group acquired 100% of the share capital of SPH Group (Pty) Ltd, through the acquisition of 100% of its holding company Aquatic Services (Pty) Ltd for R111,3m. The SPH group of companies specialises in quarrying, screening and material handling operations. The acquired business contributed revenues of R245,2m and net profit of R22,6m to the group for the period from 1 March 2007 to 29 February 2008.

On 1 March 2007 the group increased its holding in Canyon Rock (Pty) Ltd to 100% through the acquisition of 45% of the share capital from SPH Group (Pty) Ltd and the remaining 10% from minority shareholders for R46,3m. Canyon Rock specialises in quarrying operations and operates two commercial quarries, Rosslyn Quarry and Rossway Quarry. The acquired business contributed revenues of R69,5m and net profit of R20m to the group for the period from 1 March 2007 to 29 February 2008.

The purchase consideration for the acquisition of SPH Group (Pty) Ltd and Canyon Rock (Pty) Ltd was settled by the issuance of 18,851,632 ordinary shares. The fair value of shares issued amounted to R169,447,100.

Acquisition of Queenstown Quarry (Pty) Ltd

On 1 September 2007 the group acquired 100% of the share capital of Queenstown Quarry (Pty) Ltd for R22m cash. The company conducts quarry and readymix concrete operations in Queenstown. The acquired business contributed revenues of R16,3m and net profit of R2m to the group for the 6 month period from 1 September 2007 to 29 February 2008. If the acquisition had occurred on 1 March 2007, contributions to group revenue would have been R27,1m and net profit of R2,8m.

Acquisition of Aliwal Dolorite Quarry (Pty) Ltd

On 1 September 2007 the group acquired 100% of the share capital of Aliwal Dolorite Quarry (Pty) Ltd for R7,6m cash. The company consists of a quarry operation in Aliwal North. The acquired business contributed revenues of R2,7m and net profit of R0,7m to the group for the 6 month period from 1 September 2007 to 29 February 2008. If the acquisition had occurred on 1 March 2007, contributions to group revenue would have been R5,7m and net profit of R1,2m.

Acquisition of National Asphalt (Pty) Ltd

On 1 April 2007 the group, through its subsidiary Multistone Construction (Pty) Ltd, acquired 100% of the business of National Asphalt (Pty) Ltd as a going concern for R30,1m cash. National Asphalt specialises in the manufacture and laying of premix asphalt. The acquired business contributed revenues of R152,7m and net profit of R11,2m to the group for the 11 month period from 1 April 2007 to 29 February 2008. If the acquisition had occurred on 1 March 2007, contributions to group revenue would have been R168m and net profit of R12,3m.

POST BALANCE SHEET EVENTS

Acquisitions

The following acquisitions became effective after the balance sheet date, all conditions precedent relating to the acquisitions have been met.

B & E International Holdings (Pty) Ltd

The group acquired 100% of the share capital of B&E International Holdings (Pty) Ltd, a group of companies specialising in contract crushing and mineral processing operations at a cost of R513m. The purchase consideration to be settled by the issuance of 9,029,677 ordinary shares at a fair value of R295m and cash of R218m.

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

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 R50m. The purchase consideration was settled by the issuance of 277,771 ordinary shares at a fair value of R10m and cash of R40m.

Thaba Bosiu Construction (Pty) Ltd and Zamori Construction (Pty) Ltd

The group acquired 100% of the share capital of Zamori Construction (Pty) Ltd and Thaba Bosiu Construction (Pty) Ltd, a group of companies specialising in road construction at a cost of R100m. The purchase consideration was settled by the issuance of 789,474 ordinary shares at a fair value of R30m and cash of R70m.

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

The group acquired 100% of the share capital of Bonn Plant Hire (Pty) Ltd including the business of Akasia Road Surfacing (Pty) Ltd for R113m cash. The company specialises in road construction, road surfacing and asphalt manufacturing.

A *pro forma* income statement including the effect of the above mentioned acquisitions has been set out below.

Pro forma income statement of Raubex Group

The table below sets out the unaudited *pro forma* income statement of Raubex Group. The unaudited *pro forma* statement has been prepared for illustrative purposes only and because of its nature may not fairly reflect the results of Raubex after the below-mentioned acquisitions. The *pro forma* income statement is the responsibility of the Directors of Raubex.

R'000	Audited year ended 29 February 2008	Acquisitions (1)/(3)	Pro forma year ended 29 February 2008	Pro forma year ended 28 February 2007 (2)
Revenue	2,135,778	626,702	2,762,480	1,600,920
Operating profit	431,282	124,395	555,677	273,854
Net finance income/ (cost)	(14,989)	(6,562)	(21,551)	(1,307)
Income from associate	478	-	478	380
Profit before tax	416,771	117,833	534,604	272,927
Taxation	(121,153)	(36,514)	(157,667)	(83,936)
Profit for the year	295,618	81,319	376,937	188,991
Attributable to:				
Equity holders of the company	294,150	80,492	374,642	188,721
Minority interest	1,468	827	2,295	270
Weighted average number of shares	162,641	19,982	182,624	162,130
Earnings per share (cents)	180.9	-	205.1	116.4
Headline earnings per share (cents)	180.1	-	201.0	115.2

Notes:

- 1) Represents the effects of the acquisition of B&E International Holdings (Pty) Ltd, Space Construction (Pty) Ltd, Space Indlela Construction (Pty) Ltd, Thaba Bosiu Construction (Pty) Ltd, Zamori Construction (Pty) Ltd, Queenstown Quarry (Pty) Ltd and Aliwal Dolorite Quarry (Pty) Ltd on the following assumptions:
 - a) The acquisitions were effective 1 March 2007.
 - b) Financial information of the respective entities have been included as follows:
 - i) B&E International - audited results for the 4 month period ending 30 June 2007 have been aggregated to the audited results for the 8 month period ending 29 February 2008;
 - ii) Space Construction and Space Indlela Construction - reviewed results for the 12 month period ending 29 February 2008;
 - iii) Thaba Bosiu Construction - reviewed results for the 12 month period ending 29 February 2008
 - iv) Zamori Construction - audited results for the 4 month period ending 30 June 2007 have been aggregated to the reviewed results for the 8 month period ending 29 February 2008; and
 - v) Queenstown Quarry and Aliwal Quarry - reviewed results for the 6 month period ending 31 August 2007.
- 2) Represents the effects of the acquisition of SPH, National Asphalt and Milling Techniks per the Pre-listing statement, on the following assumptions:
 - a) The acquisitions were effective 1 March 2006
 - b) Based on the financial information of the respective entities as follows:
 - i) SPH - Unaudited management accounts for the 12 months ended 30 November 2006;
 - ii) National Asphalt - Audited financial statements for the year ended 31 August 2006 adjusted for the effects of a disposal of investment during the year; and
 - iii) Milling Techniks - Unaudited management accounts for the 6 months ended 31 August 2006. Milling Techniks was acquired by Raubex with effect 1 September 2006, consequently its results for the 6 months ended 28 February 2007 are included in the results of Raubex for the year ended 28 February 2007.
- 3) Bonn Plant Hire (Pty) Ltd and the business of Akasia Road Surfacing (Pty) Ltd have not been included in the *pro forma* figures, the acquisition date being 1 May 2008.

On behalf of the Board:

M C Matjila
Chairman

J E Raubenheimer
Chief Executive Officer

F Diedrehsen
Group Financial & Commercial Director

19 May 2008

Raubex Group Limited

(Incorporated in the Republic of South Africa)

Registration number: 2006/023666/06

Share Code: RBX

ISIN Code: ZAE000093183

("Raubex" or the "Company")

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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Mrs H E Ernst

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Sponsor:

Investec Bank Limited

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