



# Interim Results

for the period ended 31 August 2012

5 November 2012



# Agenda

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

# The Period in Review

- Results in line with expectations
- Strong performance given market conditions
- Competitive landscape stabilising, although still difficult
- Strategic bitumen supply plans in place
- Free State contracts
- Government tender volumes maintained
- International drive moving ahead; Positive financial contribution
- Tolling
- Awaiting Competition Commission outcome

# Group Financial Highlights

- Revenues up 7,7% to R2,81bn (H1 2012: R2,61bn)
- Operating profit up 3,1% to R290,8m (H1 2012 : R282,1m)
- Group operating margin of 10,3% (H1 2012 : 10,8 %)
- HEPS up 3,0% to 95,7 cents per share (H1 2012: 92,9 cps)
- Cash flow from operations up 68,6% to R443,8m (H1 2012 : R263,3m)
- Capex spend of R280,9m (H1 2012 : R88,3m)
- Order book stable at R5,0bn (H1 2012 : R4,6bn); in line with strategy
- Interim dividend of 30 cents per share declared
- Head count of 7751

# Income Statement

	Interim results 2013 (R'000)	Interim results 2012 (R'000)	Annual results 2012 (R'000)
<b>Revenue</b>	<b>2,810,013</b>	<b>2,609,998</b>	<b>5,032,625</b>
% growth	7,7%	3,7%	10,7%
<b>EBIT</b>	<b>290,833</b>	<b>282,052</b>	<b>531,462</b>
% growth	3,1%	(31,4%)	(19,8%)
<b>Profit before tax</b>	<b>283,657</b>	<b>277,391</b>	<b>519 427</b>
<b>Profit after tax</b>	<b>193,924</b>	<b>176,744</b>	<b>341 197</b>
Share incentive scheme expenses*	12,443	8,799	13,488
Operating margin	10,3%	10,8%	10,6%
Effective tax rate	31,6%	36,3%	34,3%
EPS (cents)	98,8	94	179,5
EPS growth	5,1%	(36,5%)	(25,7%)
DPS (cents)	30	25	60
ROCE	7,8%	8,5%	15,4%
Weighted average shares in issue ('000)	184,536	184,536	184,536
Number of Staff	7751	7079	7027

\* Expenses included in EBIT number



# Statement of Financial Position

	Interim results 2013 (R'000)	Interim results 2012 (R'000)	Annual results 2012 (R'000)
<b>Non-current assets</b>	<b>2,318,028</b>	<b>2,095,121</b>	<b>2,129,726</b>
Property, plant and equipment	1,535,344	1,294,874	1,353,753
Intangible assets	766,209	760,046	757,629
Other	16,475	40,201	18,344
<b>Current assets</b>	<b>2,360,745</b>	<b>2,076,518</b>	<b>2,256,828</b>
Inventory	201,821	152,891	153,157
Trade and other receivables	1,101,745	1,134,387	1,182,370
Construction contracts in progress	308,118	310,212	296,382
Cash	749,061	479,028	624,919
<b>Total assets</b>	<b>4,678,773</b>	<b>4,171,639</b>	<b>4,386,554</b>
<b>Equity</b>	<b>2,878,592</b>	<b>2,602,686</b>	<b>2,728,880</b>
<b>Non-current liabilities</b>	<b>609,914</b>	<b>491,956</b>	<b>515,790</b>
<b>Current liabilities</b>	<b>1,190,267</b>	<b>1,076,997</b>	<b>1,141,884</b>
Trade and other payables	913,191	838,394	899,807
Other	277,076	238,603	242,077
<b>Total equity and liabilities</b>	<b>4,678,773</b>	<b>4,171,639</b>	<b>4,386,554</b>



# Statement of Cash Flows

	Interim results 2013 (R'000)	Interim results 2012 (R'000)	Annual results 2012 (R'000)
<b>Cash flows from operating activities</b>			
Cash generated from operations	443,781	263,269	663,228
Finance income	14,342	13,986	29,353
Finance cost	(21,518)	(18,647)	(41,388)
Dividend received	1,037	2,552	4,264
Taxation paid	(65,861)	(87,013)	(154,701)
<b>Net cash generated from operating activities</b>	<b>371,781</b>	<b>174,147</b>	<b>500,756</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	(280,928)	(88,274)	(286,594)
Proceeds from sale of property, plant and equipment	26,866	13,454	37,340
Acquisition of subsidiaries	(15,110)	(7,760)	(10,821)
<b>Net cash used in investing activities</b>	<b>(269,172)</b>	<b>(82,580)</b>	<b>(260,075)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	241,690	66,438	257,512
Repayment of borrowings	(154,295)	(146,095)	(294,180)
Dividends paid to owners of the parent	(64,588)	(125,484)	(171,618)
Dividends paid to non-controlling interests	(1,274)	(2,312)	(2,390)
<b>Net cash used in financing activities</b>	<b>21,533</b>	<b>(207,453)</b>	<b>(210,676)</b>
<b>Total cash movement for the period</b>	<b>124,142</b>	<b>(115,886)</b>	<b>30,005</b>
Cash at the beginning of the year	624,919	594,914	594,914
<b>Total cash at end of the period</b>	<b>749,061</b>	<b>479,028</b>	<b>624,919</b>

# Dividend Declaration

- Interim cash dividend declared of 30 cents per share
- Relevant dates
  - Last day to trade cum dividend Friday, 23 November 2012
  - Commence trading ex dividend Monday, 26 November 2012
  - Record date Friday, 30 November 2012
  - Payment date Monday, 03 December 2012



# Segmental Analysis

Business segments	Raumix	Roadmac	Raubex Construction	Consolidated
<b>Aug 2012</b>				
Revenue (R'000)	769,217	1,410,901	629,895	2,810,013
Operating profit (R'000)	109,076	112,569	69,188	290,833
Operating margin	14,2%	8,0%	11,0%	10,3%
<b>Aug 2011</b>				
Revenue (R'000)	696,510	1,337,594	575,894	2,609,998
Operating profit (R'000)	126,076	130,938	25,038	282,052
Operating margin	18,1%	9,8%	4,3%	10,8%
Geographical segments	Local	% of Group	International	% of Group
<b>Aug 2012</b>				
Revenue (R'000)	2,585,834	92,0%	224,179	8,0%
Operating profit (R'000)	247,875	85,2%	42,958	14,8%
Operating margin	9,6%	-	19,2%	-
<b>Aug 2011</b>				
Revenue (R'000)	2,196,068	84,1%	413,930	15,9%
Operating profit (R'000)	245,630	87,1%	36,422	12,9%
Operating margin	11,2%	-	8,8%	-



# Roadmac

- Revenue increased 5,5% to R1,41bn (H1 2012: R1,34bn); 50,2% of total Group revenue
- Operating profit decreased 14,0% to R112,6m (H1 2012 : R130,9m)
- Operating margin decreased to 8,0% (H1 2012 : 9,8%)
- Capex of R55m (H1 2012 : R22,6m)
- Order book of R2,24bn
- Margins remain subdued but stabilising
- Competitive landscape remains difficult but stable

Asphalt Production	2012	2011
Utilised capacity (total capacity = 1 750 kts)	522 kts	637kts
Revenue	R444,5m	R455,6m
Operating profit	R30,7m	R50,2m



# Roadmac Strategic Outlook

- Short term (FY2013)
  - Contracting margins to remain in the current range
  - Competitive landscape to maintain pressure on margins
  - Competitor attrition taking place
  - Impact of strikes on efficiencies
- Long term
  - Expansion into SADC
  - Provincial and municipal expenditure needs to be expanded
  - General construction cycle needs to improve
  - Expect attrition of competition to enable margins uptick

# Raubex Construction

- Revenue increased 9,4% to R629,9m (H1 2012 : R575,9m)
- Operating profit increased 176,3% to R69,2m (H1 2012 : R25m)
- Operating margin increased to 11,0% (H1 2012 : 4,3%)
- Capex of R26,1m (H1 2012 : R16,2m)
- Order book secured – R1,58bn
- Free State work
- Tolling?

# Raubex Construction Strategic Outlook

- Short term (FY2013)
  - Order book secured; aggressively seeking long-term workflow
  - Margins expected to remain in current range
  - Fast track application to the Competition Commission
    - No provision made
- Long term
  - Provincial expenditure needed through provinces or SANRAL

# Raumix

- Revenue increased 10,4% to R769,2m (H1 2012: R696,5m)
- Operating profit decreased by 13,5% to R109,1m (H1 2012: R126,1m)
- Operating margin decreased to 14,2% (H1 2012 : 18,1%)
- Capital expenditure of R158m (H1 2012 : R49,5m)
- General construction and residential building markets weak but stabilised
- Contract crushing operations performing well

• Order book – R1,19bn

Production schedule (Mts)	2012	2011
Contract Crushing	3,65	3,21
Commercial Crushing	1,14	1,10
Mining	24,74	20,32





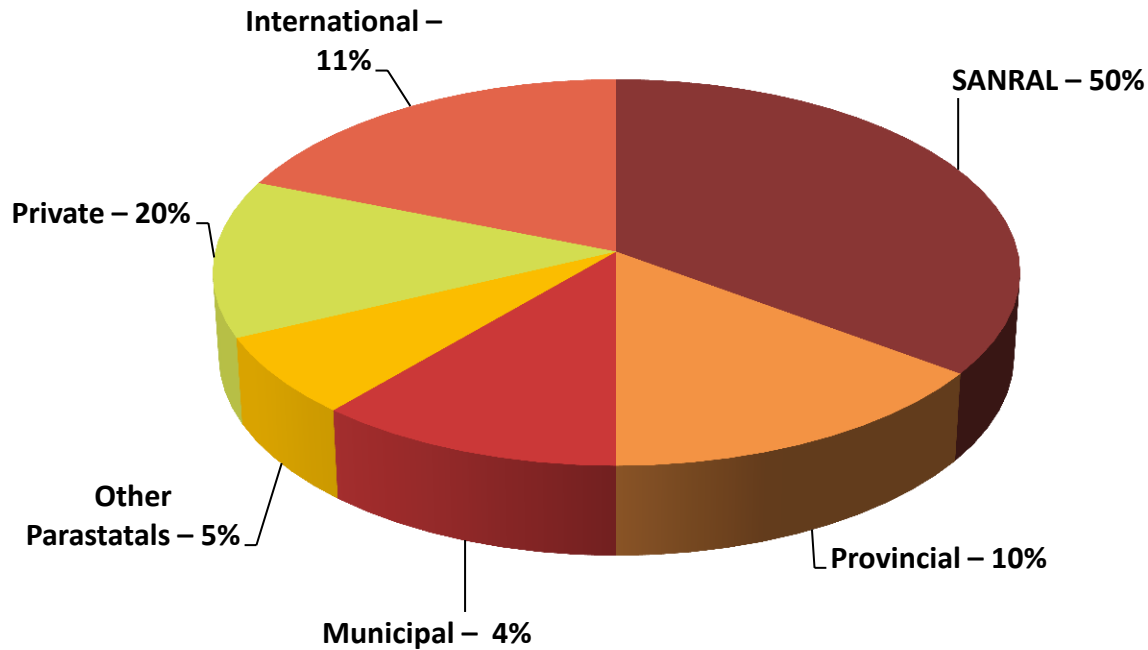
# Raumix Strategic Outlook

- Short term (FY2013)
  - Margins stabilising at around 14-18%
  - Credit risk management
  - Mining activity:
    - Strikes
    - Global demand
- Long term
  - Demand dependent on continuous recovery in the residential and commodity sectors
  - Demand from low-cost housing programmes
  - SADC expansion

# Raubex International

- Revenue down 45,8% to R224,2m (H1 2012: R413,9m)
  - 8,0% of Group total
- Operating profit up 17,9% to R43,0m (H1 2012: R36,4m)
  - 14,8% of Group total
- Operating margin of 19,2% (H1 2012: 8,8%)
- Major portions of Namibian contracts completed
- Malawi nearing completion
- Operational improvements in Zambia post-reorganisation
- Uganda work open for re-tender
- Currency impact on performance
- Exploring other geographies

# Group Order Book



Order Book	R5,003bn
<b>Time Distribution</b>	
FY 2013	R2,452bn
FY 2014	R2,072bn
FY 2015	R0,479bn

# Major Projects Progress

N11 – Ermelo to Hendrina (Mpumalanga)

R512,167,959

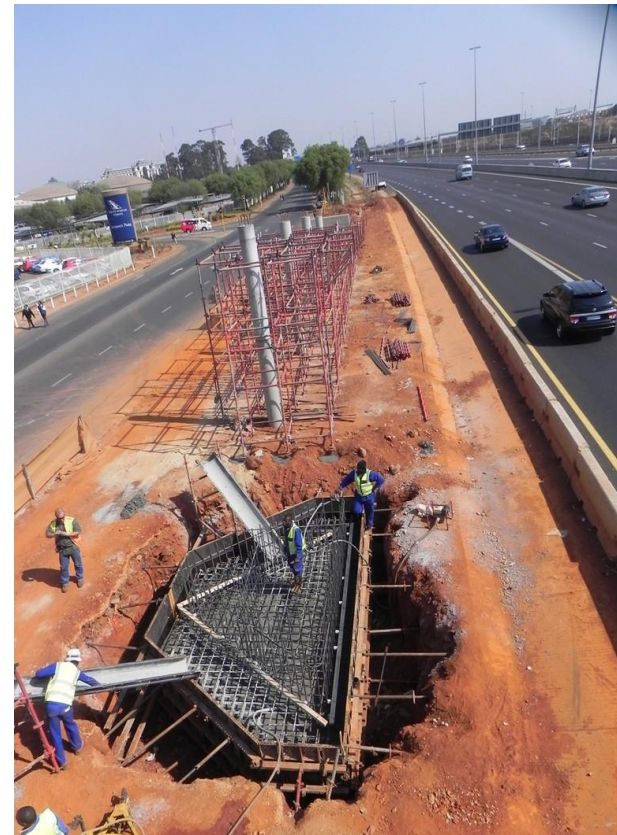
Est. completion date: Nov 2014





# Major Projects Progress

N11 – Middelburg to Loskopdam (Mpumalanga)  
R83,052,957  
Est. completion date: Jan 2013



R21 – Isando pedestrian bridge (Gauteng)  
R46,547,012  
Est. completion date: Mar 2013

# Major Projects Progress

N8 - Groblershoop to Volop (Northern Cape)  
R107,683,608  
Est. completion date: Aug 2013



N10 – Groblershoop to Lambrechtsdrift  
R111,426,533  
Est. completion date: Jul 2013



# Major Projects Progress

Cliffdale (KwaZulu-Natal)  
Bitumen decanting and storage yard



# Major Projects Progress

Thabazimbi Mine – Kumba  
(North West)



Driefontein Mine – Goldfields  
(Gauteng)

# Conclusion

- Achieved satisfactory results given extremely challenging conditions
- Strong balance sheet
- International expansion continues; new geographies being explored
- Short term order book stable at lower margins
- Labour unrest being monitored closely
- Upturn in the cycle dependent on:
  - Large projects materialising
  - Competitor attrition
- Budget speech supportive of continued roads and infrastructure backlog clearing
- Operational and financial conditions to remain stable in the year ahead
  - Strikes dependent