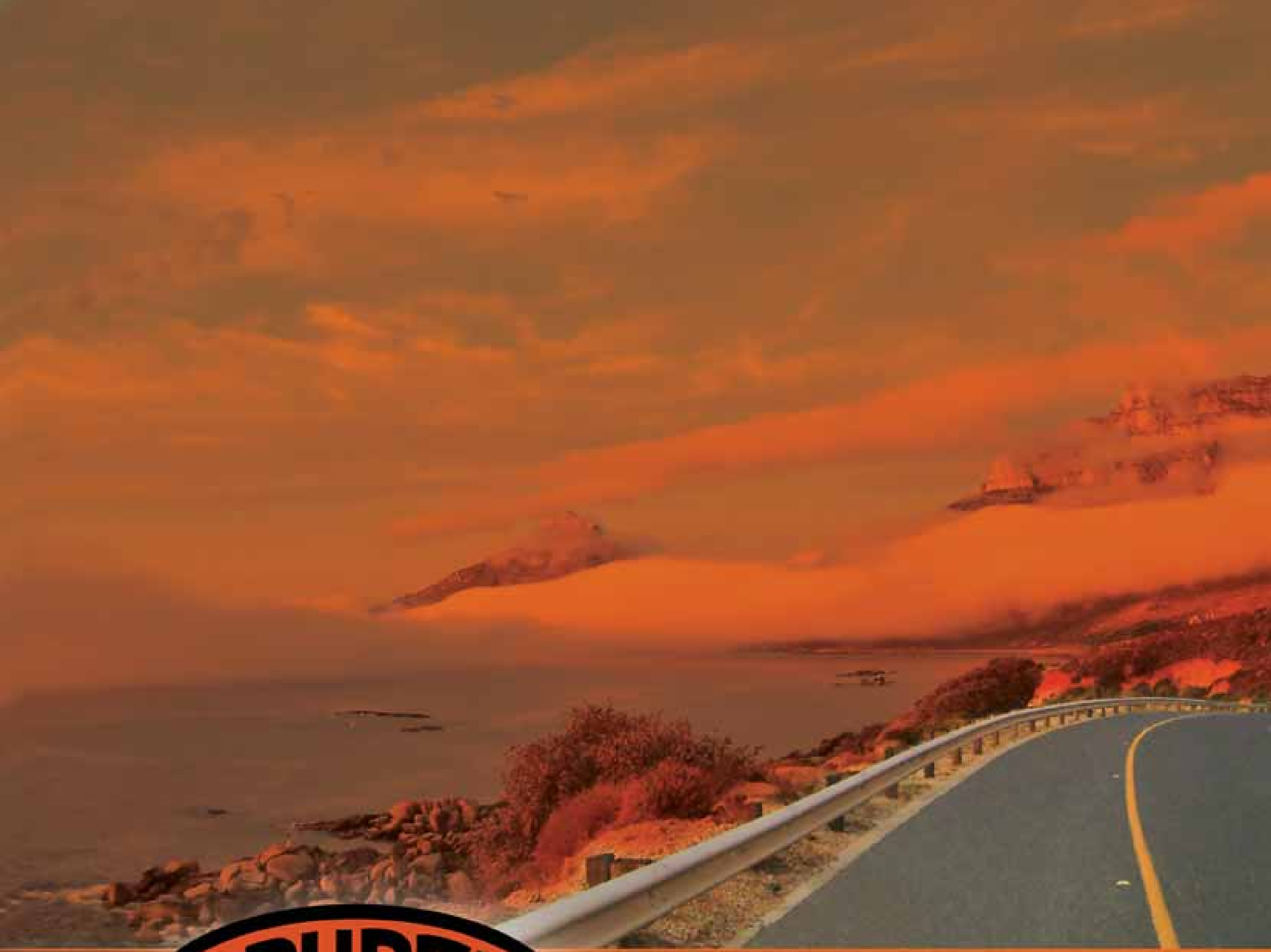
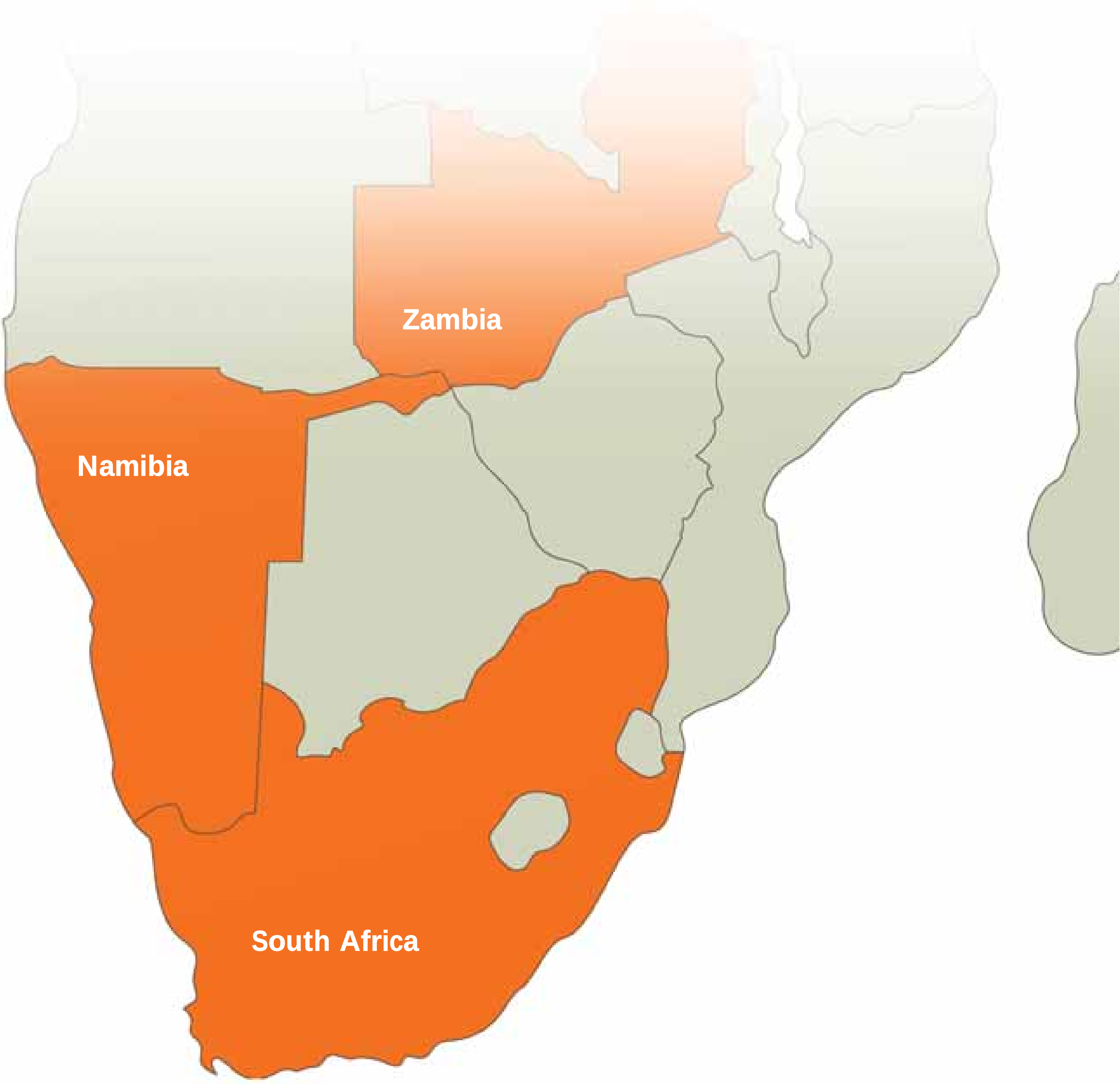


RAUBEX

Raubex Group Limited

Annual Report 2009

Geographic footprint

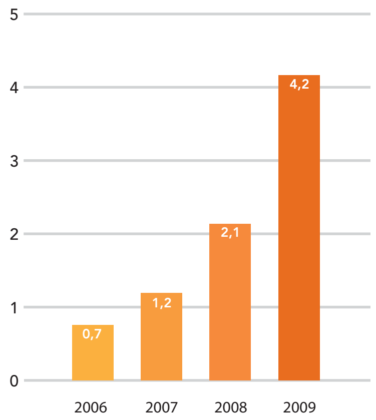


Contents

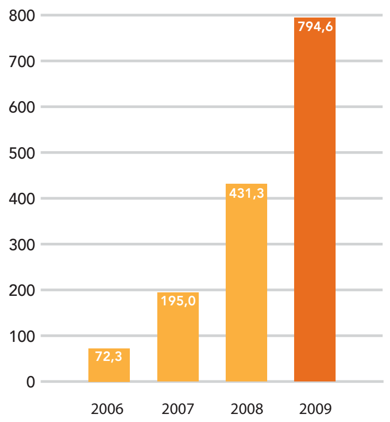
Highlights

- Solid performance across all three divisions
- Successful integration of five value enhancing acquisitions
- International strategy accelerated
- Order book up 90% to R5,2 billion
- Dividend of 100 cents per share declared
- Succession strategy in place
- Business positioned for sustained solid growth

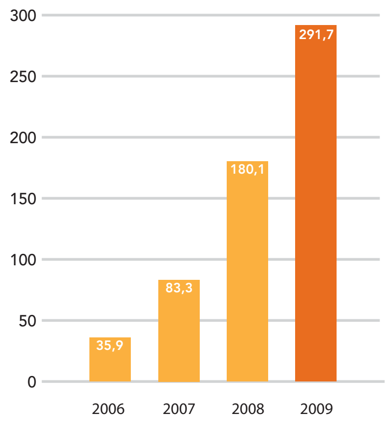
Revenue (billion)



Operating profit (million)



Headline earnings per share (cents)



Board of Directors

1. Mbali Swana 2. Collin Matjila 3. Les Maxwell 4. Koos Raubenheimer 5. Thabo Raubenheimer 6. Freddie Kenney 7. Francois Diedrechsen

Divisional Management

Rudolf Johannes Fourie – Managing Director, Roadmac
NDip Marketing Management

Rudolf joined Raubex in 1997 as Managing Director of newly formed Roadmac Surfacing. Under his management, Roadmac has grown into the leading road surfacing company in South Africa. Rudolf has 20 years experience in road surfacing and the bitumen industry. Prior to joining Raubex, he was a regional manager for the Colas Group.

Louis Raubenheimer – Managing Director, Raubex Construction
BEng (Civil)

Louis joined Raubex in 1992 as a site engineer and was appointed Managing Director of the division in 2002.

He has built his experience through the successful management of road construction projects over the past 17 years.

He played a key role in the development of the plant division of the company and actively participated in the consolidation of the group during the past five years.

Tobias Wiese – Managing Director, Raumix
Hons BEng (Civil) PrEng

Tobie joined Raubex in 2008 following the acquisition of B&E International and was subsequently appointed Managing Director of Raumix.

As the Managing Director of B&E International since 1992, Tobie gathered significant experience in the crushing and mining fields. Prior to that, he also worked for LTA Civils and Earthworks, where he held various positions including that of Managing Director.

Chairman's report

2009 was a year of consolidation for Raubex. The group entrenched itself as a competitive industry player and despite the volatile economic environment in the world markets showed profitability through significant revenues and earnings growth. Our listing continues to provide investors with an alternative choice within the construction sector and gives management an exciting platform from which to grow the business into the future.

Our ability to balance acquisitive and organic growth is proven. Acquisitively, the various divisions effectively managed to integrate five significant businesses, ensured that they were financially and operationally enhancing immediately whilst nurturing the evident cultural fit which plays such an important role in the investment decision.

Organically, we have enjoyed continued demand for the group's services driven by the government's infrastructure investments. We are well-positioned to take full advantage of the opportunities brought about across the region as demonstrated by the growing work packages awarded to the group. Most notably, we are delighted to be part of SANRAL's Gauteng Freeway Improvement Programme. At the time of writing this report, firm indications are that the programme will extend into a third phase and the associated Public Private Partnership opportunities as well as general maintenance allocations bode well for Raubex.

Despite Government's commitment to improving national infrastructure which will reach beyond 2010 and well into 2013, Raubex has also followed a cautious expansion strategy across our borders, and was recently awarded two large road contracts in Namibia; further extending Raubex Construction's footprint.

Raubex always had strong managers with the operational skills and entrepreneurial spirit that makes the group what it is today. This was no doubt inspired by Koos Raubenheimer, the group current CEO who founded the group some 35 years ago. Earlier this year, Koos announced his intention to retire from his current position in March 2010. This does not come as a surprise and succession plans are in place. Koos will endeavour to stay on in a non-executive capacity post his retirement.

The resulting board and executive changes have been outlined and further communications will be outlined in due course.

Financial highlights

The group produced a solid set of results with a revenue increase of 94,9% to R4,16 billion and an increase in operating profit of 84,2% to R794,6 million from the corresponding prior period. Profit before tax increased 82% to R757,5 million.

Collin Matjila
Chairman

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

The continued strong performance and healthy cash flow generation resulted in Raubex paying a final dividend of 70 cents per share for the year. This competitive dividend policy of three times cover remains unchanged.

The highlights outlined above were successfully achieved despite unusually high summer rains in Gauteng and certain other provinces which resulted in a number of "rain days" negatively impacting production and schedules. This factor also severely disrupted our Zambian operations.

Acquisitions

The group made the following acquisitions during the past year, B&E International Holdings (Pty) Limited, Space Construction (Pty) Limited & Space Indlela Construction (Pty) Limited, Zamori Construction (Pty) Limited, Thaba Bosiu Construction (Pty) Limited and Bonn Plant Hire (Pty) Limited and the business of Akasia Road Surfacing (Pty) Limited.

These acquisitions have been successfully integrated across the group and are performing in line with expectations.

As previously stated, we will continue to carefully leverage our strong financial position and explore opportunities that fit our business model and growth strategy.

Macro-environment

The turmoil in global markets does not allow for long-term visibility. Despite tough challenges in the short to medium term for the local economy, the government's commitment to infrastructural development will underpin growth in our sector.

Raubex was exposed to the downturn in commodities and the weak residential sector through our Raumix division. We believe that appropriate measures have been taken with a number of initiatives and longer-term programmes now initiated.

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.

Although the South African skills capacity constraint in the civil engineering sector remains a challenge, we have seen a larger number of skilled professionals return to South Africa as a result of the global slow-down and cancellation of some major construction projects abroad. Despite this, we remain committed to grow the pool of young talent and continue to train and develop individuals across a broad range of skills set within the group.

BEE

From the outset, Raubex acknowledged the importance of broad transformation in the South African economy and continues to play an active role through equity ownership, skills development, procurement and employment equity.

Raubex's BEE credentials remain at a high level for the industry and the employment equity programme initiated approximately three years ago across the organisation continues to receive good support.

Corporate governance

The board of directors maintains high standards of corporate governance and is committed to applying effective principles in line with the requirements of the King Code in both letter and spirit throughout Raubex.

Raubex's approach to corporate governance strives to be stakeholder inclusive, based on good communication and is integrated into every aspect of the business.

The composition and competence of the members serving on various board committees continues to receive attention and the directors have pro-actively taken steps to ensure that all the elements required to make Raubex fully compliant with the recommendations of the Code have been implemented.

Prospects

Despite the difficulties experienced in the sector, Raubex's order book has grown to R5,2 billion (2008: R2,7 billion). This serves to outline Government's commitment to large capital expenditure over the medium-term.

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 repeat its proven model of building indigenous businesses in other promising geographies.

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.

Appreciation

On behalf of the board, I wish to thank the management team and staff for an outstanding performance over the past year and for positioning Raubex on an enviable footing to take advantage of the growth opportunities provided by the current environment.

I would also like to thank the other board members for their commitment and counsel throughout the year as well as our customers and suppliers for their loyal support. We look forward to continue working together in the year ahead.

MC Matjila
Chairman

CEO's report

This year marks the 35th anniversary of Raubex Group. From humble beginnings in the Free State, we are proud to have evolved into what is today a sizeable and progressive industry player operating across all nine South African provinces but also in the rest of southern Africa.

The past year saw Raubex achieve yet another strong financial and operational performance amidst very difficult global market conditions. The benefits of the government's infrastructure spend have filtered through to the bottom line and this is evidenced by our growing order book and the continued healthy demand for our services.

Our strategy of combining organic and careful acquisitive growth is paying off. The acquisitions incorporated across the various divisions since listing, and more importantly the five businesses incorporated in the past year, have performed well and added the necessary capacity and skills to bolster Raubex as a key player in its chosen markets.

Large contract wins locally and abroad, including a major work package on the National Route 21 (R21) in Gauteng and two new significant contracts in Namibia post year-end, are very positive developments. The Southern African Development Community (SADC) region is a key element of our long-term growth strategy and we will continue to carefully position the group as an important player in geographies meeting our investment criteria.

Operating environment

Over the past 12 months, we have witnessed a severe and lasting economic crisis unfold around the world. Although South Africa was not immediately affected, it is now clear that many industries have seen the effects trickle down to them. This is worrying for the local economy.

Against this backdrop of future uncertainty in the later part of 2008, we made the decision to secure the medium-term order book aggressively to provide the visibility necessary to achieve our growth targets. It is worth noting that the vast majority of our order book remains spread over a period of 24 months due to the short-term nature of our light road rehabilitation contracts.

Indeed, spending on essential infrastructure projects continued to accelerate during the past year as demonstrated by the vast amount of roadwork currently underway around major cities and throughout the national road network.

Financial overview

The financial performance discussed herewith includes the first audited set of earnings from the acquisitions completed during the past year. Further disclosure on the effects of these acquisitions can be found on pages 62 to 67 of this report.

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. These figures reflect an even split between organic and acquisitive growth.

Koos Raubenheimer
Chief Executive Officer

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

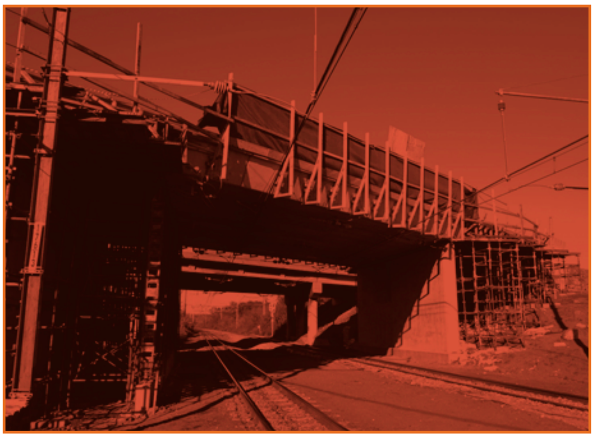
Group operating margin decreased from 20,2% to 19,1% compared to the corresponding prior year period as a result of the bedding down of certain acquisitions, poor weather in Gauteng and Zambia during the summer as well as foreign exchange losses.

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 as we took advantage of opportunities in the marketplace to acquire additional equipment to meet increased demand.
We anticipate the capex spend in the current year to be much more conservative.

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 for key staff, excluding executive directors, amounted to R14,9 million during the period.



Divisional overview

Roadmac

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

The division is the largest contributor to group revenue and performance for the year was in line with expectations as it continued to operate in a favourable environment supported by healthy order books in Gauteng, the Western Cape and KwaZulu-Natal. With the Gauteng Freeway Improvement Project (GFIP) 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 GFIP. In addition, we have identified a suitable location for asphalt production in Gauteng's Midrand area (Olifantsfontein). An asphalt plant will be established at the site in the coming months with a capacity of some 200 000 tons per year. The plant will bring Roadmac's total asphalt production capacity to over 1 million tons per year. This positive development will help to entrench our presence in the key Gauteng market whilst we continue to seek other opportunities to expand our asphalt footprint nationally.

Revenue for the division increased 63,3% to R2,05 billion and operating profit by 84,3% to R431 million.

The divisional margins increased from 18,7% to 21,1% 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.

Raubex Construction

Raubex Construction is the road and civil infrastructure construction division focused on the key areas of new road construction 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 well.

In August 2008, Raubex Construction was awarded a significant contract worth some R720 million for the upgrading of the R21 as part of the GFIP. 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.

Revenue for the division increased 110,5% to R1,09 billion whilst operating profit increased 50% to R142,7 million.

The divisional margins decreased from 18,3% to 13%. 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 of R19 million were 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.

We expect continued strong demand supported by a solid pipeline of work over the medium term. SANRAL recently announced the third phase of the GFIP and Public Private Partnership concessions opportunities will become a more prominent feature of our long-term strategy.

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 in progress including administrative streamlining as well as the redeployment of capacity, including personnel and equipment across operations.

Following the acquisitions of SPH Kundalila and B&E International, the division has undergone internal restructuring in order to address the changing business mix and associated management requirements. Tobias Wiese of B&E International now assumes the role of divisional Managing Director.

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. This is particularly true for the new Namibian contracts which require all materials to be crushed on site due to the remoteness of these work areas.

Revenue for the division increased 181,7% to R1,02 billion and operating profit by 116,1% to R220,9 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 from 28,2% to 21,6% 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.

Capital expenditure increased from R100,8 million to R217,6 million during the period. This increase was partially related to the acquisition of B&E as well as some specialist equipment purchased to take advantage of new work being commissioned by the Department of Water Affairs & Forestry.

Raubex Construction International

Internationally, the division has increased its activities in Zambia where 10 contracts are currently in progress, including four major rehabilitation contracts. Good progress continued 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.

During the period under review, revenue increased 122% to R321,7 million whilst operating profit increased 31,5% to R31 million. Operating margins decreased to 9.6% as a result of foreign exchange losses incurred and exceptionally heavy rains experienced during the period.

We expect the contribution from international revenue to the group's total revenue to increase from the current 7,7% to around 10% in the year ahead.

Strategic overview

To a certain extent, we are fortunate that the South African government undertook its major infrastructure drive well before the recent economic turmoil unfolded as this should help soften its impact and also sustain future growth as economies begin to recover.

The diversification of our client base accelerated during 2009 with the South African National Roads Agency Limited (SANRAL) and international contracts accounting for 37,2% and 29,5% of the order book respectively. It is also pleasing to note that SANRAL successfully managed to access the capital markets numerous times over the past year.

Whilst we have shown our ability to deliver good organic growth across our divisions, it has always been our stated strategy to leverage the listing to acquire businesses that are both value enhancing and fit the Raubex culture. Although we do not expect corporate activity to be prominent in the

year ahead, the current operating environment will inevitably present opportunities and we will not hesitate to utilise the strength of our balance sheet and cash generation capabilities to take advantage of sensible deals.

Succession management

As part of the group's management succession planning, I have informed the board of my intention to retire from my current position as Chief Executive Officer in March 2010.

Rudolf Fourie, current Managing Director of the Roadmac division, will be positioned to take over from me whilst I will remain on the board and assume a non-executive post. The board will be streamlined to two executives with Francois Diedrechsen retaining his position as Financial and Commercial Director.

These changes will have no impact on operational activities and further announcements in this regard will be made in due course.

Dividends

A final dividend of 70 cents per share has been declared after taking into account the interim dividend of 30 cents per share. The dividend policy of three times cover indicated ahead of the listing remains unchanged.

Prospects

Despite the difficulties experienced in our sector locally and abroad, Raubex's order book has grown from R2,7 billion to R5,2 billion over the past year.

With the medium-term order book secured, the roads divisions will continue growing whilst conservative capital expenditure management will be enforced until long-term visibility improves.

The aggregates division remains exposed to the effect of the downturn in commodities and all operations are 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, our recent successes will be leveraged through a continued cautious growth strategy in Africa. We are constantly exploring new opportunities in geographies meeting our investment criteria of stable political environments and established roads agencies supported by international financial backers. In the immediate term, Botswana seems to be the most likely next step whilst countries such as Angola and Zimbabwe should become more attractive in the medium-term.

We believe that the global economic stimulus focus on infrastructure will underpin South Africa's essential development plans and drive the cycle well into the next decade. Based on current trading conditions, order book strength and healthy financial position, the board is positive that the group will continue delivering solid earnings growth in the year ahead.

Appreciation

In closing this report, I wish to thank my fellow executives and each and every one of our 5 800 employees for the achievements of the past year. Their commitment and efforts are appreciated.

JE Raubenheimer
Chief Executive Officer

Corporate governance

General

Raubex is committed to being an excellent, responsibly managed "corporate citizen". In order to achieve this, the directors accept full responsibility for the application of the principles necessary to ensure that effective corporate governance is practised consistently throughout the company. The board has pro-actively taken steps to ensure that all the elements required to make Raubex compliant with the recommendations incorporated in the King Code have been implemented.

The purpose of the King Code is to promote the highest level of corporate governance in South Africa. In supporting the Code, the directors recognise the need to conduct the business of the group with integrity and in accordance with accepted corporate practices. The board is of the opinion that Raubex substantially complies with the King Code, the provisions of the Companies Act together with the promulgated regulations and the JSE Securities Exchange Rules for listed companies.

Board

At the date of this annual report Raubex had a unitary board with seven directors: three executive directors and four non-executive directors, one of whom is independent. There is a clear balance between executive directors and non-executive directors. The board conducts its business in the best interests of the company and ensures that the group performs in the best interests of the stakeholders. Corporate governance plays a pivotal role in the way board meetings are constituted. The board is also the focal point of the company's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the company.

The board's responsibility includes providing Raubex with clear strategic direction, ensuring that there is adequate succession planning at senior levels, overseeing operational performance and management, determining policies and procedures which seek to ensure the integrity of Raubex's risk management and internal controls, implementing and maintaining Raubex's communication policy and overseeing director selection, orientation and evaluation.

The value of the services of Raubex's non-executive directors lies in their ability to view the company's affairs and problems objectively, since they are not involved in the day-to-day business of Raubex.

Raubex's non-executive directors bring an independent view to the board's decision making on issues such as strategy performance, resources, transformation, diversity and employment equity, standards of conduct and evaluation of performance. The executive directors have fixed terms of appointment and all the non-executive directors are subject, by rotation, to retirement and re-election by shareholders at least every three years, in accordance with Raubex's articles of association.

The board meets at least four times a year with additional meetings called if necessary or desirable. Information relevant to a meeting is supplied on a timely basis to the board ensuring directors make well-informed and reasoned decisions. The directors have unrestricted access to the Company Secretary, and where applicable, may seek the advice of independent professionals on matters concerning the affairs of Raubex.

Chairman and Chief Executive Officer

The role of chairman and chief executive officer are separate and they operate under separate mandates issued by the board. This differentiates the division of responsibility within the company and ensures a balance of authority.

Collin Matjila, a non-executive director, chairs the board. The Chairman is responsible for providing leadership to the board, overseeing its efficient operation and ensuring good corporate governance practices.

The Chief Executive Officer, Koos Raubenheimer, is entrusted with the power to transact the company's day-to-day affairs. He is responsible for formulating, implementing and maintaining the strategic direction of Raubex.

Directors of Raubex

MC Matjila (Chairman)#
JE Raubenheimer (Chief Executive Officer)
GM Raubenheimer
F Diedrechsen
F Kenney#
MB Swana#
L Maxwell*
 # Non-executive
** Independent non-executive*

Independence of the board of directors

The board of directors' independence is maintained by:
- keeping the roles of chairman and chief executive officer separate;
- the non-executive directors not holding fixed term service contracts and their remuneration not being tied to the financial performance of the group;
- all the directors having access to the advice and services of the Company Secretary;
- all directors, with prior permission by the board, being entitled to seek independent professional advice on the affairs of the group at the group's expense;
- functioning board committees comprising mainly non-executive directors;
- the appointment or dismissal of the Company Secretary being decided by the board as a whole and not by one individual director.

Interests in contracts and conflicts of interest

Directors are required to inform the board timeously of conflicts or potential conflicts of interest that they may have in relation to particular items of business and are obliged to recuse themselves from discussions or decisions in relation to such matters. Directors are also required to disclose their other directorships at least annually and to inform the board when any changes occur.

Insurance

Adequate directors' insurance cover has been taken out by the group. No claims under the relevant policy were lodged during the year under review.

Board committees

The board of directors has delegated specific responsibilities to board committees, each with their own terms of reference that define their powers and duties, which is reviewed annually. The board committees meet independently and report back to the board through their chairmen.

Audit Committee

Les Maxwell, an independent non-executive director, chairs the Audit Committee. The committee consists of three non-executive directors, one of whom is independent. The current members are:
- LA Maxwell
- CM Matjila
- F Kenney

The committee meets at least four times a year and is responsible for assisting the board in fulfilling its responsibility in respect of financial reporting issues.
The role of the audit committee is, *inter alia*:
- to review the effectiveness of the group's systems of internal control, including internal financial control and business risk management, and to ensure that effective internal control systems are maintained;
- to assist the board in fulfilling its responsibilities in respect of financial reporting issues, compliance with laws and regulations, risk management and development;
- to monitor and supervise the effective functioning and performance of the internal auditors;
- to ensure that the scope of the internal audit function has no limitations imposed by management and that there is no impairment of their independence;
- to evaluate the independence, effectiveness and performance of the external auditors and to obtain assurance from the auditors that adequate accounting records are being maintained;

Board meetings

Attendance register – quarterly board meetings since the Annual Report 2008

	29 July 2008	5 November 2008	18 February 2009	8 May 2009
Executive directors				
JE Raubenheimer	^	^	^	^
GM Raubenheimer	^	^	^	^
F Diedrechsen	^	^	^	^
Non-executive directors				
CM Matjila	^	^	^	^
F Kenney	^	^	^	^
MB Swana	^	^	^	^
L Maxwell	^	x	^	^

- to ensure that the respective roles and functions of external audit and internal audit are sufficiently clarified and co-ordinated; and
- to review financial statements for proper and complete disclosure of timely, reliable and consistent information and to confirm that the accounting policies used are appropriate.

The Audit Committee also sets the principles for recommending the use of the external auditors for non-audit purposes, which include:

- tax services;
- corporate restructuring;
- merger and acquisition advice; and
- training.

During this financial year, the Audit Committee adopted an Audit Committee Charter. The purpose of this charter is to assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.

GM Raubenheimer resigned from this committee due to his executive role on the board.

The Audit Committee is satisfied that the auditors are independent of the group companies.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is chaired by Les Maxwell, an independent non-executive director. The committee consists of three non-executive directors, one of whom is independent, and two executive directors. The current members are:

- LA Maxwell
- CM Matjila
- F Kenney
- GM Raubenheimer
- F Diedrechsen

The committee meets at least twice a year and is responsible for assisting the board in fulfilling its responsibilities in respect of maintaining an appropriate remuneration strategy, providing for succession planning, assessing the effectiveness of the board and individual directors' performance.

The role of the committee is, *inter alia* the following:

- to determine the remuneration, incentive arrangements and benefits of the executive directors of the company, including pension rights and any compensation payments;
- to determine the remuneration of the Chairman of the board;
- to determine the remuneration of the non-executive directors of the board;
- to recommend and monitor the level and structure of remuneration of senior executive employees (as identified to the committee by the board) of the company and its principal operating subsidiaries;
- to consider and decide upon such other matters as the board may refer to it; and
- to review, at least annually, the committee's performance and terms of reference.

Executive Committee

Members

- JE Raubenheimer (Chairman)
- F Diedrechsen
- GM Raubenheimer
- TG Wiese
- LJ Raubenheimer
- RJ Fourie
- JF Gibson

Composition and meeting procedures

The Executive Committee is chaired by the CEO and has regular input from executives from operations, finance, human resources, compliance, shareholder relations and special projects. Meetings are held once a month. The committee is responsible for strategy, planning and operations of the group.

Share dealing

The group has imposed closed periods prior to the publication of its interim and year-end financial results. The closed periods are from 1 September and 1 March until publication of the half and full year results respectively.

During these periods, the directors, officers and defined employees of the group may not deal in the shares of Raubex.

In addition, directors and senior employees cannot trade in the group's shares during any period where they have access to unpublished price-sensitive information. To ensure effective compliance, it is a requirement that no trade in Raubex securities may take place outside of the closed periods without the prior written approval from the chairman, for non-executive directors and the financial and commercial director for executive directors and officers of the group.

Directors, officers and defined employees are required to instruct their portfolio or investment managers not to trade in the securities of Raubex without their written consent. They are required to advise the Company Secretary immediately after the trade has taken place who will then report the transaction to the JSE Limited through the Stock Exchange News Service (SENS) within one working day. A register of share dealings by directors is maintained by the Company Secretary and reviewed by the board on a quarterly basis.

Company Secretary

To enable her to properly fulfil her duties, the secretary has been fully empowered by the board and has complete access to people and resources required. The secretary plays an important role in supporting the board of the company. She also provides a central source of guidance and advice to the board and within the company on matters of business ethics and good corporate governance. Relevant information on new regulations and legislation relating to directors is tabled when necessary. The directors have unlimited access to the advice and services of the Company Secretary.

The Company Secretary ensures that, in accordance with the pertinent laws, the proceedings and affairs of the board and its members, the company itself and, where appropriate, the owners of securities in the company are properly administered.

The Company Secretary ensures compliance with the rules and Listing Requirements of the JSE Limited. The Company Secretary administers the share option scheme and complies with the statutory requirements of the company and its subsidiaries in South Africa.

Together with the Chairman, the Company Secretary is involved in ensuring that good information flows within the board and its committees and between senior management and the non-executive directors.

Directors and officers of the company keep the Company Secretary advised of all their dealings in securities of the company according to well-defined rules and procedures.

Internal audit

Due to the significant growth experienced and on recommendation by the Audit Committee, the board has decided to establish an internal audit function within the group.

This function will perform independent reviews of the group's operational activities, risk management, internal financial and operating control and governance processes. The head of the internal audit function will have direct access to the chairman of the Audit Committee and the Chief Executive Officer of the group.

Ethics

Raubex is committed to the highest ethical and legal standards and expects all its stakeholders to act in accordance with the highest levels of personal and professional integrity in all aspects of their occupation and activity, and to comply with all applicable laws, regulations and policies of the company.

Stakeholder communication and relations

The group has formalised its stakeholder philosophy and introduced structures of corporate governance to manage the interface with the various stakeholder groups. There are responsive systems of governance and practice, which the board and management regard as appropriate.

Communication with institutional shareholders and investment analysts is maintained through periodic presentations of financial results, one-on-one visits, trading statements and press announcements of interim and final results, as well as the proactive dissemination of any messages considered relevant to investors.

The company maintains a website that contains up-to-date information at www.raubex.co.za

Environment

Raubex recognises that its activities have an impact on the environment. Raubex has adopted a strategy that strives to minimise this impact by regularly reviewing its activities and compliance with all relevant legislation.

Health and safety

Safety standards on all the Raubex construction sites were of a high standard throughout the year. All the Raubex construction sites in South Africa complied with the requirements of the Occupational Health and Safety Act. The group is committed to exceeding the minimum requirements of the Health and Safety legislation.

Monthly internal audits were conducted at each site and external audits conducted by the client are either monthly or quarterly. All safety officers are required to report quarterly on Health and Safety performances.

During the year there were 11 Department of Labour visits to various sites. All these sites received "no prohibition" notices and all inspection deviations were corrected as soon as possible.

Corporate governance
(continued)

Disability accidents
No permanent disabling accidents were recorded during the year. A new investigation docket was introduced during the year into all accidents to properly understand, recreate, and identify their cause. This identification of the cause of accidents will lead to proactive prevention in future to prevent or minimise accidents.

Training
The following Health and Safety training was done during 2008/2009. Training does not include in-house training on all sites that is done continuously.

Number of employees trained	Type of training	Comments
74	First Aider	Level 1
1	First Aider	Level 3
14	Safety Officer	SHEMTRAC/ COMSOC
124	Safety Representatives	

Occupational and Societal Health and HIV/AIDS
All sites conduct extensive societal health programmes, including random substance abuse tests and voluntary HIV/AIDS tests. This is aimed at a further reduction in the incidence of societal health problems.

Human resources
Employment equity
Raubex has a clearly defined employment equity strategy aimed at realising the potential of previously disadvantaged people in South Africa.

Training
Our ongoing appointments of a substantial number of middle and upper management staff within our company indicate the direct results of our training programmes. Raubex Group continues to maintain our motto that training is not for the sake of complying with outside requirements, but purely for ensuring the continued existence and growth of the company.

Because of the well-established training regime within the company, it was relatively easy to adapt to the training initiatives of the government, as well as to meet the goals of Employment Equity and BBBEE. Numerous training committees are active, and permanent as well as temporary workers are involved in the planning and prioritising of training programmes.

Since the inception of the Sectoral Education and Training Authorities, Raubex Group has been intimately involved with these government initiatives. We are also the proud recipients of "Top Performing Company" as well as a "Top Training Company" awards from MERSETA during 2008 and were commended for being a supporter of the National Skills Development Strategy.

Organisational development
The continued growth of Raubex Group is ensured by the well-established training culture. A number of students are presently being sponsored for Civil Engineering studies at the Central University of Technology. An additional number of Civil, as well as Mechanical Engineering students are engaged to gain their experiential training through the Raubex Group.

Acceleration training has always been part of the training programme. Mentorship programmes as well as on the job training are in place and constantly monitored.

Corporate Social Investment
As part of the group's Corporate and Social Investment responsibility, Raubex participated in various initiatives during the period with the main focus being on education. The following projects were supported by the Raubex Group during the period, *inter alia*:

Tsepang Educare Trust
The aim of this organisation is to provide educare programmes to rural communities by:
- providing women in underserved areas on farms and small towns with ongoing training, enabling them to set up their own properly organised educare centres;
- providing support training programmes to enable women to become leaders who can make a positive contribution to their communities;
- preparing children for learning, and socialising them for democracy; and
- providing parent support to continue the development of the child in the home.

Dr Blok Secondary School
The purpose of this project is the development of reading at the Dr Blok School in Heidendal. The school has been identified by the Provincial Department of Education as a school that is "underperforming". The project aims to equip teachers to deal with reading problems at the school and to train teachers to teach reading. It is encouraging to know that the school's results have improved significantly as a result of the implementation of this project.

Veritas High School
During the period, Raubex Construction assisted to establish and equip a computer lab at the Veritas High School in De Aar. This computer lab was crucial for the school's technical department for the development of future engineers, technicians and artisans from impoverished rural areas.

Tsepo House
Tsepo House runs an HIV/AIDS facility in Bloemfontein and also feeds families in the local community.

Consolidated group financial statements

Index

The reports and statements set out below comprise the financial statements presented to the shareholders:

Statement of responsibility by the board of directors

The directors are required by the South African Companies Act, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 28 February 2010 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on page 18.

The financial statements set out on pages 19 to 84, which have been prepared on the going concern basis, were approved by the board of directors on 11 May 2009 and are signed on its behalf by:

JE Raubenheimer
Chief Executive Officer

F Diedrechsen
Director

Statement of compliance by the company secretary

I certify that in accordance with section 268G(d) of the Companies Act, 1973, as amended, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Mrs HE Ernst
Company secretary

11 May 2009

Independent auditor's report

To the Members of Raubex Group Limited

Report on the consolidated financial statements

We have audited the group annual financial statements and annual financial statements of Raubex Group Limited, which comprise the consolidated and separate balance sheets as at 28 February 2009, and the consolidated and separate income statements, the consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 19 to 84.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Raubex Group Limited as at 28 February 2009, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc
Director: DA Foster
Registered Auditor

Bloemfontein
11 May 2009

Directors' report

This report presented by the directors is a constituent document of the group consolidated financial statements at 28 February 2009.

Nature of business

Raubex Group Limited is an investment holdings company with interests in the road construction, rehabilitation and associated infrastructure development sectors including the supply of aggregates to the construction industry. The company does not trade and all of its activities are undertaken through a number of subsidiaries, associates and joint ventures. Details of the major operating subsidiaries, associate companies and joint ventures are disclosed in Annexure 1 to 2 and note 7 of the group financial statements.

Group financial results

Group earnings for the year ended 28 February 2009 were R528,9 million (2008: R295,6 million), representing basic earnings per share of 289,2 cents (2008: 180,9 cents). Headline earnings per share were 291,7 cents (2008: 180,1 cents).

Full details of the financial position and results of the group are set out in these financial statements.

Share capital

Full details of the authorised and issued capital of the company at 28 February 2009 are set out in note 14 of these financial statements.

During the year the company issued 10 096 922 (2008: 29 248 461) ordinary shares of 1 cent each at a total share premium of R310 million (2008: R575 million) to acquire shares in subsidiaries. Details of these acquisitions are set out in note 36 of these financial statements.

Share issue expenses of R1 million (2008: R26 million) were written off against share premium.

Share scheme

Full details of the share scheme are set out in note 29 of these financial statements.

Dividend

The following dividends were declared in respect of the year ended 28 February 2009.

Interim dividend number 3 of 30 cents per ordinary share (2008: 20 cents per share)
Final dividend number 4 of 70 cents per ordinary share (2008: 40 cents per share)

These financial statements do not reflect the final dividend payable as declaration took place after balance sheet date.

Business combinations

B&E International Holdings (Pty) Limited

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.

Space Construction (Pty) Limited and Space Indlela Construction (Pty) Limited

On 10 April 2008, the group acquired 100% of the share capital of Space Construction (Pty) Limited and Space Indlela Construction (Pty) Limited, 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. The purchase price is subject to adjustment after the expiry of the profit warranty period ending 31 August 2010. The total purchase price shall not exceed an amount of R90 million.

Zamori Construction (Pty) Limited

On 10 April 2008, the group acquired 100% of the share capital of Zamori Construction (Pty) Limited, 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.

Thaba Bosiu Construction (Pty) Limited

On 1 March 2008, the group acquired 100% of the share capital of Thaba Bosiu Construction (Pty) Limited, 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.

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

On 1 June 2008, the group acquired 100% of the share capital of Bonn Plant Hire (Pty) Limited and the business of Akasia Road Surfacing (Pty) Limited for R120 million cash. The company specialises in asphalt manufacturing and road surfacing.

Details of these acquisitions are set out in note 36 of these financial statements, while details of all subsidiaries are set out in Annexure 1 of these financial statements.

Capital commitments

Details of capital commitments are set out in note 35 of these financial statements.

Property, plant and equipment

There have been no major changes in the nature of the assets of the group during the year or in the policy relating to their use.

Capital expenditure for the year amounted to R383 million (2008: R245 million).

Property, plant and equipment acquired through the acquisition of subsidiaries amounted to R357 million (2008: R220 million).

Post balance sheet events

Acquisitions

The group acquired the following subsidiaries after year-end:

Anchor Park Investments 71 (Pty) Limited

The group acquired 100% of the share capital of Anchor Park Investments 71 (Pty) Limited for R35 million cash. The company owns a Pilatus PC12 aircraft and will provide flight services to the group. The acquired company is a related party to the group (note 33).

Directorate and secretary

The names of the directors and secretary are set out on the inside back cover of these financial statements.

Directors' report (continued)

Interests of directors in the share capital

Details of ordinary shares held directly and indirectly per individual director are listed below as at 28 February 2009. No share options have been allocated to directors.

	2009 Number of shares	2008 Number of shares
Beneficial		
Direct and indirect		
MC Matjila	**1 980 000**	1 980 000
F Diedrechsen	**3 650 000**	3 650 000
MB Swana	**1 980 000**	1 980 000
F Kenney	**20 615 384**	20 615 384
LA Maxwell	**16 000**	16 000
Non-beneficial		
Direct and Indirect		
JE Raubenheimer	**25 000 000**	25 000 000
GM Raubenheimer	**2 385 765**	2 385 765

At date of this report, these interests remained unchanged.

Shareholder spread

The company has one class of listed share; details of the company's authorised and issued share capital are set out in note 14 of these financial statements.

Analysis of ordinary shareholders at 28 February 2009

Size of holdings	Number of ordinary shareholders	Percentage of issued shares	Number of shares	Percentage of issued shares
1 – 1000 shares	1 510	50,8%	811 754	0,44%
1001 – 10 000 shares	1 038	34,9%	3 509 795	1,92%
10 001 – 100 000 shares	266	8,9%	9 607 439	5,26%
100 001 – 1 000 000 shares	136	4,6%	46 822 049	25,64%
1 000 001 shares and over	25	0,8%	121 872 546	66,73%
Total	**2 975**	**100,0%**	**182 623 583**	**100,0%**
Public/non-public shareholders				
Non-Public Shareholders (Directors & Associates)	9	0,30%	55 627 149	30,46%
Public Shareholders	2 966	99,70%	126 996 434	69,54%
Total	**2,975**	**100,0%**	**182,623,583**	**100,0%**

Beneficial shareholders holding more than 5% of the issued shares	Total shareholding	Percentage of issued shares
Raubenbel (Pty) Ltd	25 000 000	13,69%
Business Venture Inv 918 (Pty) Ltd	22 000 000	12,05%
Kenworth (Pty) Ltd	20 615 384	11,29%
Fidelity International	14 612 158	8,00%
Public Investment Corporation	10 105 148	5,53%
Total	**92 332 690**	**50,56%**

Auditors

PricewaterhouseCoopers Inc will continue in office in accordance with section 270 (2) of the Companies Act.

Group balance sheet

at 28 February 2009

	Notes	2009 R'000	2008 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**1 212 941**	668 365
Intangible assets	6	**724 289**	198 939
Investment in associates	7	**6 854**	2 671
Deferred income tax assets	19	**28 398**	9 283
Trade and other receivables	10	**728**	402
Total non-current assets		**1 973 210**	879 660
Current assets			
Inventories	8	**123 074**	50 440
Construction contracts in progress	9	**171 232**	73 644
Trade and other receivables	10	**589 823**	368 677
Current income tax receivable		**3 285**	12 055
Derivative financial instruments	11	**1 167**	–
Cash and cash equivalents	12	**588 345**	660 233
Total current assets		**1 476 926**	1 165 049
Assets of disposal group classified as held for sale	13	**3 000**	2 472
Total assets		**3 453 136**	2 047 181
EQUITY			
Equity			
Share capital	14	**1 826**	1 725
Share premium	14	**2 139 632**	1 830 853
Other reserves	15	**(1 148 471)**	(1 156 814)
Retained earnings		**855 995**	457 979
Equity attributable to equity holders of company		**1 848 982**	1 133 743
Minority interest in equity	16	**6 957**	2 785
Total equity		**1 855 939**	1 136 528
LIABILITIES			
Non-current liabilities			
Borrowings	17	**394 060**	249 070
Provisions for liabilities and charges	18	**14 215**	7 955
Deferred income tax liabilities	19	**207 999**	113 897
Total non-current liabilities		**616 274**	370 922
Current liabilities			
Trade and other payables	20	**624 636**	318 624
Borrowings	17	**256 887**	143 857
Current income tax liabilities		**87 444**	77 230
Bank overdrafts	12	**11 956**	20
Total current liabilities		**980 923**	539 731
Total liabilities		**1 597 197**	910 653
Total equity and liabilities		**3 453 136**	2 047 181

The notes on pages 27 to 69 are an integral part of these group financial statements.

Group income statement

for the year ended 28 February 2009

	Notes	2009 R'000	2008 R'000
Revenue	21	**4 162 780**	2 135 778
Cost of sales	24	**(3 148 561)**	(1 616 112)
Gross profit		**1 014 219**	519 666
Other income	22	**8 024**	18 979
Other gains/(losses) – net	23	**(24 448)**	3 076
Administrative expenses	24	**(203 201)**	(110 439)
Operating profit		**794 594**	431 282
Finance income	25	**42 630**	12 997
Finance costs	25	**(79 841)**	(27 986)
Finance costs – net	25	**(37 211)**	(14 989)
Share of profit of associates	7	**84**	478
Profit before income tax		**757 467**	416 771
Income tax expense	26	**(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	16	**3 002**	1 468
		528 854	295 618
Basic earnings per share (cents)	30	**289,2**	180,9
Diluted earnings per share (cents)	30	**285,8**	178,4

The notes on pages 27 to 69 are an integral part of these group financial statements.

Group statement of changes in equity

for the year ended 28 February 2009

	Share capital R'000	Share premium R'000
Balance at 1 March 2007	**1 433**	**1 282 167**
Changes in equity:		
Issue of share capital and share premium	292	574 631
Share issue expenses	–	(25 945)
Currency translation reserve	–	–
Share option reserve	–	–
Profit for the year	–	–
Dividends paid	–	–
Total changes	292	548 686
Balance at 29 February 2008	**1 725**	**1 830 853**
Note	14	14
Balance at 1 March 2008	**1 725**	**1 830 853**
Changes in equity:		
Issue of share capital and share premium	101	309 886
Share issue expenses	–	(1 107)
Currency translation reserve	–	–
Share option reserve	–	–
Minority interest in acquired company	–	–
Profit for the year	–	–
Dividends paid	–	–
Total changes	101	308 779
Balance at 28 February 2009	**1 826**	**2 139 632**
Note	14	14

The notes on pages 27 to 69 are an integral part of these group financial statements.

Other reserves R'000	Retained earnings R'000	Total attributable to equity holders of the parent company R'000	Minority interest R'000	Total equity R'000
(1 174 085)	**196 255**	**305 770**	**1 517**	**307 287**
–	–	574 923	–	574 923
–	–	(25 945)	–	(25 945)
2 910	–	2 910	–	2 910
14 361	–	14 361	–	14 361
–	294 150	294 150	1 468	295 618
–	(32 426)	(32 426)	(200)	(32 626)
17 271	261 724	827 973	1 268	829 241
(1 156 814)	**457 979**	**1 133 743**	**2 785**	**1 136 528**
15			16	
(1 156 814)	**457 979**	**1 133 743**	**2 785**	**1 136 528**
–	–	309 987	–	309 987
–	–	(1 107)	–	(1 107)
(6 541)	–	(6 541)	–	(6 541)
14 884	–	14 884	–	14 884
–	–	–	1 430	1 430
–	525 852	525 852	3 002	528 854
–	(127 836)	(127 836)	(260)	(128 096)
8 343	398 016	715 239	4 172	719 411
(1 148 471)	**855 995**	**1 848 982**	**6 957**	**1 855 939**
15			16	

Group cash flow statement

for the year ended 28 February 2009

	Notes	2009 R'000	2008 R'000
Cash flows from operating activities			
Cash generated from operations	32	**964 405**	448 815
Interest received	25	**42 630**	12 997
Interest paid	25	**(79 841)**	(27 986)
Income tax paid	32	**(200 026)**	(43 777)
Net cash generated from operating activities		**727 168**	390 049
Cash flows from investing activities			
Purchases of property, plant and equipment	5	**(382 781)**	(244 585)
Proceeds from sale of property, plant and equipment	32	**37 296**	22 759
Acquisition of subsidiaries	36	**(384 376)**	(57 143)
Associates dividends received		**–**	24
Loans granted to associates	7	**(4 100)**	–
Loan repayments received from associates	7	**–**	5 707
Net cash used in investing activities		**(733 961)**	(273 238)
Cash flows from financing activities			
Proceeds from borrowings		**52 173**	119 169
Proceeds from issuance of ordinary shares	14	**–**	405 476
Share issue expenses	14	**(1 107)**	(25 946)
Dividends paid to company's shareholders	31	**(127 837)**	(32 426)
Dividends paid to minority interests	16	**(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	12	**576 389**	660 213

The notes on pages 27 to 69 are an integral part of these group financial statements.

Notes to the group financial statements

for the year ended 28 February 2009

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of Raubex Group Limited have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed below.

1.1 Significant estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Estimated impairment of goodwill

The group annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 6).

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made (note 1.19).

Impairment of trade and other receivables

A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within cost of sales. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other income in the income statement.

Construction contract revenue recognition and profit taking

The group uses the percentage-of-completion method in accounting for its construction contracts. Use of the percentage-of-completion method requires the group to estimate the construction services and activities performed to date as a proportion of the total services and activities to be performed. In addition, judgements are required when recognising and measuring any variations or claims on each contract.

1. Summary of significant accounting policies (continued)

1.1 Significant estimates and judgements (continued)

Estimate of exposure and liabilities with regard to rehabilitation costs

Estimated long-term environmental obligations comprising rehabilitation are based on the group's environmental management plans in compliance with current technological, environmental and regulatory requirements.

Fair value of share-based compensation

The fair value of the employee share options are being determined using the Monte-Carlo model. The significant inputs into the model are: vesting periods and conditions, risk free interest rate, volatility, price on date of grant and dividend yield. (Refer note 29 for details.)

1.2 Consolidation

Common control transactions

Transactions involving entities under common control before and after the transaction and where control is not transitory are treated within the scope of IFRS 3. The difference between the purchase consideration and the carrying value of net assets acquired is recorded in equity against a separate reserve by the defined acquirer.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Consolidation ceases once control has been lost.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement (see note 1.6).

Inter-company revenues, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions and minority interests

The group applies the economic entity model as a policy of treating transactions with minority interests. The difference between the purchase consideration and the carrying value of the net assets acquired is recognised in equity against a separate reserve for transactions with minorities. The gains and losses on disposals to minorities are also recorded in equity against the same reserve.

1. Summary of significant accounting policies (continued)

1.2 Consolidation (continued)

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition, if applicable, net of any accumulated impairment loss (see note 7).

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Investment in joint ventures

The group's interests in jointly controlled entities are accounted for by proportionate consolidation. The group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements. The group recognises the portion of gains or losses on the sale of assets by the group to the joint venturers. The group does not recognise its share of profits or losses from the joint venture that result from the group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

1.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The group's primary format for reporting segmental information is determined in accordance with the nature of business and its secondary format is determined with reference to the geographical location of the operations.

Inter-segment transfers

Segment revenue, segment expenses and segment results include transfers between business segments and between geographical segments. Such transfers are accounted for at arm's-length prices. These transfers are eliminated on consolidation.

Segment revenue and expenses

All segment revenue and expenses are directly attributable to the segments. Segment revenue and expenses are allocated to the geographical segments based on the location of the operating activity.

1. Summary of significant accounting policies (continued)

1.3 Segment reporting (continued)

Segment assets

All operating assets used by a segment, principally property, plant and equipment, investments, inventories, contracts in progress, receivables (net of allowances) and cash and cash equivalents. Segment assets are allocated to the geographical segments based on where the assets are located.

Segment liabilities

All operating liabilities of a segment, principally accounts payable, subcontractor liabilities and external interest bearing borrowings.

1.4 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rands, which is the group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the available-for-sale reserve in equity.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

1. Summary of significant accounting policies (continued)

1.4 Translation of foreign currencies (continued)

Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

– Buildings	20 years
– Machinery	10 – 20 years
– Vehicles	5 – 10 years
– Furniture, fittings and equipment	3 – 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net, in the income statement.

1.6 Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included as goodwill on the balance sheet. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The group allocates goodwill to each business segment in the area in which it operates.

Trademarks are not depreciated but tested annually for impairment and carried at cost less accumulated impairment losses.

1. Summary of significant accounting policies (continued)

1.6 Intangible assets (continued)

Licences are depreciated over the contract period on a straight-line basis

Mining rights are depreciated over the expected life of mine on a straight-line basis.

– Licences/rights	5 years
– Commercial quarries	9 – 99 years

1.7 Impairment of non-financial assets

Assets that have an indefinite useful life are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

1.8 Financial assets

1.8.1 Classification

The group classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet (notes 1.12 and 1.13).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

1. Summary of significant accounting policies (continued)

1.8 Financial assets (continued)

1.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, i.e the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest rate method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing on trade receivables is described in note 1.12.

1.9 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The group has not designated any of its financial instruments as hedging instruments.

Derivatives at fair value through profit and loss

Certain derivative instruments do not qualify for hedge accounting and are accounted for at fair value through profit and loss. Changes in the fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement within 'other operating expenses – net'.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the applicable variable selling expenses.The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1. Summary of significant accounting policies (continued)

1.11 Construction contracts in progress

Contract costs are initially recognised at cost when incurred. Cost should include all costs that relate directly to the specific contract, and allocated overheads relating to construction contracts generally. The group does not follow a policy of capitalising borrowing cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred during the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within trade and other receivables and construction contracts in progress respectively.

The group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

The group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

1.12 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provisions for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

1.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

1. Summary of significant accounting policies (continued)

1.14 Share capital and equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as part of other reserves.

If the group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental cost, is deducted from equity attributable to the group's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the group's equity holders.

1.15 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1.17 Current and deferred income tax

Current income tax assets and liabilities

Current income tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

1. Summary of significant accounting policies (continued)

1.18 Secondary tax on companies (STC)

South African resident companies are subject to a dual corporate tax system, one part of the tax being levied on taxable income and the other, a secondary tax (called STC), on distributed income. A company incurs STC charges on the declaration or deemed declaration of dividends (as defined under tax law) to its shareholders. STC is not a withholding tax on shareholders, but a tax on companies.

The STC tax consequence of dividends is recognised as a taxation charge in the income statement in the same period that the related dividend is accrued as a liability. The STC liability is reduced by dividends received during the dividend cycle. Where dividends declared exceed the dividends received during a cycle, STC is payable at the current STC rate on the net amount. Where dividends received exceed dividends declared within a cycle, there is no liability to pay STC. The potential tax benefit related to excess dividends received is carried forward to the next dividend cycle as an STC credit. Deferred tax assets are recognised on unutilised STC credits to the extent that it is probable that the group will declare future dividends to utilise such STC credits.

1.19 Provisions and contingencies

Provisions are recognised when:

- the group has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the sale of goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax. Inter-company revenues are eliminated on consolidation.

No element of financing is deemed present as the sales are made with a credit term of 60 days, which is consistent with the market practice.

Construction contracts

Revenue from construction contracts is recognised on the stage of completion method. Refer note 1.11 for further detail.

Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have passed to the buyer.

Interest income and dividends

Interest is recognised on a time-proportion basis using the effective interest rate method. Dividends are recognised when the company's right to receive payment has been established.

1. Summary of significant accounting policies (continued)

1.21 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases

Finance leases where the group is the lessee are recognised as assets and liabilities in the balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. The group from time to time leases out certain plant and equipment. Income from this is seen as incidental and included in other income.

1.22 Employee benefits

Pension obligations

The group operates defined contribution plans. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Profit sharing and bonus plans

The group pays performance based bonuses based on evaluations by management. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based compensation

The group operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

1.23 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the board of directors.

2. Standards, interpretations and amendments to published standards

Set out below are International Financial Reporting Standards, Interpretations and amendments issued but not yet effective for the year ended 28 February 2009 together with International Financial Reporting Standards, Interpretations and amendments that have become effective for the first time for the year ended 28 February 2009. These standards are not expected to have any significant effect on the results of operations or financial position of the group.

International Financial Reporting Standards and amendments issued but not effective for the year ended 28 February 2009

Number	Title	Effective date	Executive summary
IFRS 8	Operating Segments	1 January 2009	IFRS 8 requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. The Standard sets out requirements for disclosure of information about entity's operating segments and also about the entity's products and services, the geographical areas in which it operates and its major customers. The disclosure should enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.
IAS 23	Borrowing Costs – Revised	1 January 2009	The main change from the previous version of IAS 23 is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.
IAS 1	Presentation of Financial Statements – Revised	1 January 2009	The changes made to IAS 1 are to require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners separately from 'non-owner' changes. The revisions include changes in the titles of some of the financial statements to reflect their function more clearly. The new titles are not mandatory for use in financial statements.
IAS 27	Consolidated and Separate Financial Statements – Revised	1 July 2009	IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The Standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss.
IFRS 3	Business Combinations – Revised	1 July 2009	The new Standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed.
Amendment to IFRS 2	Amendment to IFRS 2 Share-Based Payment: Vesting Conditions and Cancellations	1 January 2009	The amendment deals with two matters. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

2. Standards, interpretations and amendments to published standards (continued)

Number	Title	Effective date	Executive summary
Amendments to IAS 32 and IAS 1	Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009	The amendments require entities to classify the following types of financial instruments as equity, provided they have particular features and meet specific conditions: a) puttable financial instruments (for example, some shares issued by co-operative entities); b) instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation (for example, some partnership interests and some shares issued by limited life entities). Additional disclosures are required about the instruments affected by the amendments.
Amendments to IFRS 1 and IAS 27	Amendments to IFRS 1 First-Time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	The amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendments also removed the definition of the cost method from IAS 27 and replaced it with a requirement to present dividends as income in the separate financial statements of the investor.
Amendments to IAS 39	Amendments to IAS 39 Financial Instruments: Recognition and Measurement Exposures Qualifying for Hedge Accounting	1 July 2009	The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges.
Improved, Revised and Replaced International Financial Reporting Standards effective for the first time for the February 2009 year-end			
Amendment to IAS 39 and IFRS 7	Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures – Reclassification of Financial Assets	1 July 2008	The amendments introduce the possibility of reclassifications for certain financial assets previously classified as 'held for trading' or 'available for sale' to another category under limited circumstances. Various disclosures are required where a reclassification has been made. Derivatives and assets designated as 'at fair value through profit or loss' under the fair value option are not eligible for this reclassification.

Interpretations of International Financial Reporting Standards effective for the first time for the year ended 28 February 2009

Number	Title	Effective date	Executive summary
IFRIC 12	Service Concession Arrangements	1 January 2008	IFRIC 12 addresses how service concession operators should apply existing IFRSs to account for the obligations they undertake and rights they receive in service concession arrangements.

2. Standards, interpretations and amendments to published standards (continued)

Number	Title	Effective date	Executive summary
IFRIC 14	IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008	IFRIC 14 provides general guidance on how to assess the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected when there is a statutory or contractual minimum funding requirement.

Interpretations of International Financial Reporting Standards issued but not effective for the year ended 28 February 2009

Number	Title	Effective date	Executive summary
IFRIC 13	Customer Loyalty Programmes	1 July 2008	IFRIC 13 addresses accounting by entities that grant loyalty award credits to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services to customers who redeem award credits.
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009	IFRIC 15 addresses diversity in accounting for real estate sales. IFRIC 15 clarifies how to determine whether an agreement is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from construction should be recognised. The guidance replaces example 9 in the appendix to IAS 18.
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008	IFRIC 16 provides guidance on identifying the foreign currency risks that qualify as a hedged risk (in the hedge of a net investment in a foreign operation). It secondly provides guidance on where, within a group, hedging instruments that are hedges of a net investment in a foreign operation can be held to qualify for hedge accounting. Thirdly, it provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.
IFRIC 17#	Distributions of Non-cash Assets to Owners	1 July 2009	IFRIC 17 applies to the accounting for distributions of non-cash assets (commonly referred to as dividends *in specie*) to the owners of the entity. The interpretation clarifies that: a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; an entity should measure the dividend payable at the fair value of the net assets to be distributed; and an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss.
IFRIC 18#	Transfers of Assets from Customers	1 July 2009	IFRIC 18 clarifies the accounting treatment for transfers of property, plant and equipment received from customers. This Interpretation applies to agreements with customers in which the entity receives cash from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment and the entity must then use the item of property, plant and equipment either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and services, or to do both.

These Interpretations are still subject to release by the Accounting Practices Board in South Africa.

3. Financial risk management

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk and credit risk, as well as investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The group operates internationally on a limited basis and is exposed to foreign exchange risk arising from some currency exposures, currently primarily with respect to the Zambian Kwacha. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group would consider using if necessary forward contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through managing the foreign asset base.

(ii) Price risk

The group is not exposed to equity securities price risk as it does not hold investments in equity of other entities that are publicly traded. The group is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The group has significant interest-bearing assets in the form of cash and cash equivalents, the group's finance income cash flows are exposed to interest rate risk and are dependent on market interest rates (*refer sensitivity analysis below*).

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings are issued at variable rates and expose the group to interest rate fluctuation risk. The group manages this risk by maintaining borrowing levels at pre-set targets to be able to absorb any drastic rate increases.

3. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

Interest rate risk – Sensitivity analysis

Interest rate risk is presented by way of sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense, other income components and, if appropriate, shareholders' equity. A one percentage point movement in the effective interest rate would have the following effect on profitability for the year:

	2009		2008	
	+1% R'000	-1% R'000	+1% R'000	-1% R'000
Cash and cash equivalents	**5 764**	**(5 764)**	6 602	(6 602)
Long-term borrowings	**(68)**	**68**	(87)	87
Suspensive sale agreements	**(6 411)**	**6 411**	(3 842)	3 842
Increase/(decrease) in profitability	**(715)**	**715**	2 673	(2 673)

(b) Credit risk

The group has no significant concentration of credit risk except contract debt to public sector institutions which is not considered to be a credit risk. It has policies in place to ensure that sales of aggregates are made to customers with appropriate credit history. The group has policies that limit the amount of credit exposure to any financial institution.

	Rating	2009 R'000	2008 R'000
Concentration of credit risk			
Cash and cash equivalents	AA	**494 406**	632 719
Cash and cash equivalents	AA	**15 047**	5 414
Cash and cash equivalents	A	**3 974**	12 241
Cash and cash equivalents	BBB	**72 899**	–
		586 326	650 374
Trade and other receivables	AAA	**–**	4 842
Trade and other receivables	AA	**73 132**	115 495
Trade and other receivables	A	**29 202**	20 777
Trade and other receivables	BBB	**231 090**	89 296
		333 424	230 410

Credit risk is represented by the going concern values of the receivables and cash and cash equivalents that are carried on the balance sheet at a value of R1 179 million (2008: R1 028 million).

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash coupled with the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the group maintains flexibility in funding by maintaining availability under committed credit lines.

3. Financial risk management (continued)

(c) Liquidity risk (continued)

Management monitors rolling forecasts of the group's liquidity reserve on the basis of expected cash flow.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount R'000	Contractual cash flows R'000	Within 1 year R'000	2 to 5 years R'000	5 years and later R'000
At 29 February 2008					
Non-derivative financial liabilities					
Mortgage loans	594	600	426	170	4
Suspensive sale agreements	384 239	389 535	143 293	246 242	–
Long-term loans	8 093	8 200	2 047	6 153	–
Trade and other payables	318 624	318 624	318 624	–	–
Bank overdraft	20	20	20	–	–
Total	711 570	716 979	464 410	252 565	4
At 28 February 2009					
Non-derivative financial liabilities					
Mortgage loans	**198**	**450**	**32**	**161**	**257**
Suspensive sale agreements	**644 111**	**720 952**	**295 109**	**417 341**	**8 502**
Long-term loans	**6 638**	**6 637**	**2 603**	**4 035**	**–**
Trade and other payables	**624 636**	**624 636**	**624 636**	**–**	**–**
Bank overdraft	**11 956**	**11 956**	**11 956**	**–**	**–**
Total	**1 287 539**	**1 364 631**	**934 336**	**421 537**	**8 759**

	2009		2008	
Net fair values	**Carrying value R'000**	**Fair value R'000**	Carrying value R'000	Fair value R'000
The estimated values of the group's financial instruments are:				
Financial instruments held or issued to finance the group's operations				
Financial assets				
Cash and cash equivalents	**588 345**	**588 345**	660 233	660 233
Trade and other receivables	**589 823**	**589 823**	368 677	368 677
Derivative financial instruments	**1 167**	**1 167**	–	–
Total	**1 179 335**	**1 179 335**	1 028 910	1 028 910
Financial liabilities				
Trade and other payables	**624 636**	**624 636**	318 624	318 624
Borrowings	**394 060**	**394 060**	249 070	249 070
Current portion of non-current borrowings	**256 887**	**256 887**	143 857	143 857
Bank overdrafts	**11 956**	**11 956**	20	20
Total	**1 287 539**	**1 287 539**	711 571	711 571

The carrying value less impairment provision of trade receivables and trade payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the group for similar financial instruments.

4. Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

The group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

The gearing ratios at 28 February 2009 and 29 February 2008 were as follows:

	2009 R'000	2008 R'000
Total borrowings (refer note 17)	**650 947**	392 927
Less: cash and cash equivalents (refer note 12)	**(576 389)**	(660 213)
Net debt	**74 558**	(267 286)
Total equity	**1 855 939**	1 136 528
Total capital and net debt	**1 930 497**	869 242
Gearing ratio	**4%**	-31%

5. Property, plant and equipment

	Land and buildings R'000	Vehicles and machinery R'000	Furniture, fittings and equipment R'000	Total R'000
At 28 February 2007				
Cost	12 301	311 205	2 216	325 722
Accumulated depreciation	(602)	(33 912)	(810)	(35 324)
Net book amount	11 699	277 293	1 406	290 398
Year ended 29 February 2008				
Opening net book amount	11 699	277 293	1 406	290 398
Exchange differences	(519)	722	15	218
Acquisition of subsidiaries	16 513	202 867	718	220 098
Additions	12 352	230 277	1 956	244 585
Assets held for sale	–	(2 472)	–	(2 472)
Disposals	(1 213)	(20 955)	(36)	(22 204)
Depreciation	(195)	(61 071)	(992)	(62 258)
Closing net book amount	38 637	626 661	3 067	668 365
At 29 February 2008				
Cost	39 475	738 078	4 976	782 529
Accumulated depreciation	(838)	(111 417)	(1 909)	(114 164)
Net book amount	38 637	626 661	3 067	668 365

	Land and buildings R'000	Vehicles and machinery R'000	Furniture, fittings and equipment R'000	Total R'000
5. Property, plant and equipment (continued)				
Year ended 28 February 2009				
Opening net book amount	38 637	626 661	3 067	668 365
Exchange differences	(92)	(397)	(11)	(500)
Acquisition of subsidiaries	10 000	344 528	2 041	356 569
Additions	11 980	367 217	3 584	382 781
Disposals	–	(39 016)	(73)	(39 089)
Depreciation	(142)	(153 044)	(1 999)	(155 185)
Closing net book amount	60 383	1 145 949	6 609	1 212 941
At 28 February 2009				
Cost	61 363	1 543 560	13 055	1 617 978
Accumulated depreciation	(980)	(397 611)	(6 446)	(405 037)
Net book amount	60 383	1 145 949	6 609	1 212 941

Depreciation expense of R155 million (2008: R62 million) has been charged in cost of sales.

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

Bank borrowings are secured over property, plant and equipment with a book value of R711 million (2008: R449 million).

A general notarial bond of R7 million (2008: R15 million) is registered over plant and equipment as security for borrowing and asset finance facilities.

Borrowings are disclosed in note 17 of these financial statements.

	Goodwill R'000	Trademarks and licences R'000	Total R'000
6. Intangible assets			
At 28 February 2007			
Cost	16 534	–	16 534
Accumulated amortisation and impairment	–	–	–
Net book amount	16 534	–	16 534
Year ended 29 February 2008			
Opening net book amount	16 534	–	16 534
Additions	–	10 000	10 000
Acquisition of subsidiaries	139 302	34 238	173 540
Amortisation charge	–	(1 135)	(1 135)
Closing net book value	155 836	43 103	198 939
At 29 February 2008			
Cost	155 836	44 238	200 074
Accumulated amortisation and impairment	–	(1 135)	(1 135)
Net book amount	155 836	43 103	198 939

	Goodwill R'000	Trademarks and licences R'000	Total R'000
6. Intangible assets (continued)			
Year ended 28 February 2009			
Opening net book amount	155 836	43 103	198 939
Additions	3 575	–	3 575
Acquisition of subsidiaries (note 36)	526 645	990	527 635
Amortisation charge	–	(2 285)	(2 285)
Impairment charge	(3 237)	–	(3 237)
Transferred to disposal group classified as held for sale	(338)	–	(338)
Closing net book value	682 481	41 808	724 289
At 28 February 2009			
Cost	686 056	45 228	731 284
Accumulated amortisation and impairment	(3 575)	(3 420)	(6 995)
Net book amount	682 481	41 808	724 289

The carrying amount of the 'aggregates and crusher' segment has been reduced to its recoverable amount through recognition of an impairment loss against goodwill of R3 237k (2008: nil). The loss has been included in other gains/(losses) – net.

Amortisation of R2 285k (2008: R1 135k) is included in cost of sales in the income statement.

The goodwill transferred to the disposal group classified as held for sale relates to commercial crushing operations in the Hartswater area.

Impairment test for goodwill

Goodwill is allocated to the group cash-generating units (CGU) identified according to country of operation and business segment.

An operating segment-level summary of the goodwill allocation is presented below.

	Aggregates and crusher R'000	Road surfacing and rehabilitation R'000	Road construction and earthworks R'000	Total R'000
At 29 February 2008				
Local	123 191	29 093	3 552	155 836
International	–	–	–	–
Total	123 191	29 093	3 552	155 836
At 28 February 2009				
Local	468 313	122 600	91 568	682 481
International	–	–	–	–
Total	468 313	122 600	91 568	682 481

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use earnings projections based on financial budgets approved by management. Cash flows beyond those budgeted are extrapolated using estimated growth rates, these rates do not exceed the long-term average growth rate of the construction industry. The discount rate used was 18,4%.

Notes to the group financial statements

for the year ended 28 February 2009 (continued)

		2009 R'000	2008 R'000
7.	**Investment in associates**		
	Unlisted associate		
	Shares at cost	**–**	–
	Group's share of retained profits	**1 054**	971
		1 054	971
	Unsecured loans	**5 800**	1 700
	Carrying value	**6 854**	2 671
	The carrying amounts of associates are shown net of impairment losses.		
	Reconciliation of carrying value		
	Beginning of year	**2 671**	14 630
	Associate's equity acquired to become subsidiary	**–**	(6 706)
	Share of retained profits	**84**	478
	Dividends received from associates	**–**	(24)
	Movement in loans	**4 099**	(5 707)
	End of year	**6 854**	2 671

The group's share of the results of its principal associates, all of which are unlisted, and its aggregate assets and liabilities are as follows:

Name	Country of incorporation	Assets R'000	Liabilities R'000	Revenue R'000	Profit/Loss R'000	% held
2008						
Muscle Construction (Pty) Limited	South Africa	5 783	4 813	18 820	478	48
2009						
Muscle Construction (Pty) Limited	South Africa	**6 013**	**4 959**	**16 066**	**84**	**48**

		2009 R'000	2008 R'000
8.	**Inventories**		
	Crusher stone	**46 947**	23 155
	Consumable stores	**76 127**	27 285
	Total inventories	**123 074**	50 440
	The cost of inventories recognised as expense and included in 'cost of sales' amounted to R1 450 million (2008: R703 million).		
9.	**Construction contracts in progress**		
	Costs incurred plus profits recognised, less recognised losses relating to contracts at year-end	**324 018**	281 209
	Less: progress billings	**(292 483)**	(275 883)
	Contracts in progress at balance sheet date	**31 535**	5 326
	Retentions	**139 697**	68 318
	Total contracts in progress at balance sheet date including retentions	**171 232**	73 644

Advances received in excess of work completed are included in trade and other payables (refer note 20).

	2009 R'000	2008 R'000
10. Trade and other receivables		
Trade receivables	**580 766**	365 605
Less: provision for impairment of trade receivables	**(20 721)**	(3 946)
Trade receivables – net	**560 045**	361 659
Prepayments	**7 738**	2 485
Loan to non-related party	**959**	509
Receivables from related parties (note 33)	**3 254**	474
Loans to related parties (note 33)	**18 555**	3 952
	590 551	369 079
Less: non-current portion: loan to non-related party	**(728)**	(402)
Current portion of trade and other receivables	**589 823**	368 677
The fair values of trade and other receivables are as follows:		
Trade receivables	**561 004**	362 168
Prepayments	**7 738**	2 485
Receivables from related parties	**3 254**	474
Loans to related parties	**18 555**	3 952
	590 551	369 079
The non-current loan of R728k is an enterprise development loan to a BEE entity. The loan is repayable in monthly instalments of R19k and bears no interest.		
As of 28 February 2009, trade receivables of R20 721k (2008: R3 946k) were impaired and provided for. The ageing analysis of these trade receivables is as follows:		
Over 6 months	**20 721**	3 946
As of 28 February 2009, trade receivables of R13 240k (2008: R21 914k) were in excess of 30 days but not considered impaired. These relate mainly to contracts where payment terms are contractually in excess of 30 days and clients for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:		
Up to 3 months	**1 412**	7 709
3 to 6 months	**10 102**	12 752
Over 6 months	**1 726**	1 453
	13 240	21 914
Trade and other receivables pledged as security		
Trade and other receivables of R51 501k (2008: R31 348k) are pledged as security for overdraft facilities of the group.		
Provision for impairment of trade receivable		
Balance at 1 March	**3 946**	2 299
Current year provision for receivables	**18 115**	–
Receivables written off during the year as uncollectible	**(3 693)**	(938)
Unused amounts reversed	**(890)**	–
Acquisitions	**3 243**	2 585
Balance at 28 February	**20 721**	3 946

	2009 R'000 Assets	2009 R'000 Liabilities	2008 R'000 Assets	2008 R'000 Liabilities
11. Derivative financial instruments				
Derivative classified as held for trading with fair value through profit and loss				
Forward foreign exchange contracts – at fair value	**1 167**	**–**	–	–
Total	**1 167**	**–**	–	–
Less: non-current portion:				
Forward foreign exchange contracts – at fair value	**–**	**–**	–	–
Current portion	**1 167**	**–**	–	–

The notional principal amounts of the outstanding forward foreign exchange contracts at 28 February 2009 were R16 million (Zambian Kwacha 8,2 billion).

	2009 R'000	2008 R'000
12. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	**2 019**	1 400
Bank balances	**586 099**	658 217
Other cash and cash equivalents	**227**	616
	588 345	660 233
Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:		
Cash and cash equivalents	**588 345**	660 233
Bank overdrafts	**(11 956)**	(20)
Total cash and cash equivalents	**576 389**	660 213
13. Assets of disposal group classified as held for sale		
Non-current assets held for sale include the following:		
Vehicles, machinery, inventory and goodwill	**3 000**	2 472

The above assets which fall under the aggregate and crusher segment comprised those of a disposal unit that was disposed of on 2 March 2009.

	Number of shares '000	Ordinary shares R'000	Share premium R'000	Total R'000
14. Share capital and premium				
At 28 February 2007	143 278	1 433	1 282 167	1 283 600
Acquisition of subsidiaries	18 852	188	169 259	169 447
Proceeds from shares issued	10 397	104	405 372	405 476
Share issue expenses	–	–	(25 945)	(25 945)
At 29 February 2008	**172 527**	**1 725**	**1 830 853**	**1 832 578**
Acquisition of subsidiaries	10 097	101	309 886	309 987
Share issue expenses	–	–	(1 107)	(1 107)
At 28 February 2009	**182 624**	**1 826**	**2 139 632**	**2 141 458**

14. Share capital and premium (continued)

The total authorised number of ordinary shares is 500 million shares (2008: 500 million) with a par value of 1 cent per share (2008: 1 cent per share). All issued shares are fully paid.

The group issued 9 029 677 shares on 10 April 2008 to the shareholders of B&E International Holdings (Pty) Limited as part of the purchase consideration for 100% of its ordinary share capital. The ordinary shares issued have the same rights as the other shares in issue. The fair value of the shares issued amounted to R269 987k.

The group issued 241 541 shares on 10 April 2008 to the shareholders of Space Construction (Pty) Limited as part of the purchase consideration for 100% of its ordinary share capital. The ordinary shares issued have the same rights as the other shares in issue. The fair value of the shares issued amounted to R8 695k.

The group issued 36 230 shares on 10 April 2008 to the shareholders of Space Indlela Construction (Pty) Limited as part of the purchase consideration for 100% of its ordinary share capital. The ordinary shares issued have the same rights as the other shares in issue. The fair value of the shares issued amounted to R1 304k.

The group issued 281 921 shares on 10 April 2008 to the shareholders of Zamori Construction (Pty) Limited as part of the purchase consideration for 100% of its ordinary share capital. The ordinary shares issued have the same rights as the other shares in issue. The fair value of the shares issued amounted to R10 713k.

The group issued 507 553 shares on 1 March 2008 to the shareholders of Thaba Bosiu Construction (Pty) Limited as part of the purchase consideration for 100% of its ordinary share capital. The ordinary shares issued have the same rights as the other shares in issue. The fair value of the shares issued amounted to R19 287k.

	2009 R'000	2008 R'000
15. Other reserves		
Balance at beginning of year	**(1 156 814)**	(1 174 085)
Translation difference of foreign subsidiary	**(6 541)**	2 910
Equity-settled share-based payment	**14 884**	14 361
Balance at end of year	**(1 148 471)**	(1 156 814)
Consisting of:		
Translation difference of foreign subsidiary	**(2 418)**	4 123
Minority interest acquisition	**(173 678)**	(173 678)
Reverse acquisition of subsidiaries	**(1 001 620)**	(1 001 620)
Equity-settled share-based payment	**29 245**	14 361
Balance at end of year	**(1 148 471)**	(1 156 814)
16. Minority interest		
Balance at beginning of year	**2 785**	1 517
Share of net profit of subsidiaries	**3 002**	1 468
Acquisition of minorities' interest in subsidiaries	**1 430**	–
Dividends paid to minorities	**(260)**	(200)
Balance at end of year	**6 957**	2 785

Notes to the group financial statements

for the year ended 28 February 2009 (continued)

		2009 R'000	2008 R'000
17.	**Borrowings**		
	Non-current		
	Bank borrowings	**389 473**	242 977
	Unsecured loan	**4 587**	6 093
	Total non-current borrowings	**394 060**	249 070
	Current		
	Bank borrowings	**254 836**	141 857
	Unsecured loan	**2 051**	2 000
	Total current borrowings	**256 887**	143 857
	Total borrowings	**650 947**	392 927

Bank borrowings

The bank borrowings are secured by hypothec over property, plant and equipment with a book value of R710 895k (2008: R448 794k) and repayable in monthly instalments of R27 635k (2008: R11 973k) with an effective interest rate ranging between 11,5% and 14% per annum (2008: 12,3% and 14,5%). Bank borrowings mature by March 2019.

A general notarial bond of R7 310k (2008: R15 000k) is registered over plant and equipment as security for overdraft and asset finance facilities granted to one of the group's subsidiaries.

Unsecured loan

The loan bears interest at 8% per annum and is repayable in annual instalments of R2 000k. The maturity date is September 2011.

Future minimum payments on borrowings are as follows:

	2009 R'000	2008 R'000
No later than 1 year	**256 887**	150 691
Later than 1 year and no later than 5 years	**386 151**	242 226
Later than 5 years	**7 908**	10
Total borrowings	**650 946**	392 927

		2009 R'000	2008 R'000
18.	**Provisions for liabilities and charges**		
	Rehabilitation provision		
	Balance at 1 March	**7 955**	658
	Charged to income statement	**1 974**	1 797
	Acquisitions	**4 286**	5 500
	Balance at 28 February	**14 215**	7 955

Rehabilitation provision consists of amounts accrued to rehabilitate environments disturbed by quarries. The provisions have been determined based on assessments and estimates by management to reflect the estimated current cost of the rehabilitation. Actual results could differ from estimates and there is no certainty as to the timing of the cash flows relating to these provisions.

	2009 R'000	2008 R'000
19. Deferred income tax		
The gross movement on the deferred income tax account is as follows:		
Balance at 1 March	**104 614**	47 877
Exchange differences	**(1 679)**	103
Acquisition of subsidiaries	**51 375**	44 951
Charged to the income statement	**25 291**	9 113
Charged directly to equity	**–**	2 570
Balance at 28 February	**179 601**	104 614

The balance comprises:

	Accelerated depreciation R'000	Construction contracts R'000	Other R'000	Total R'000
Deferred tax liabilities				
At 1 March 2007	44 332	8 180	–	52 512
Exchange differences	29	(108)	–	(79)
Charged directly to equity	2 571	–	–	2 571
Charged to income statement	16 424	7 029	(4 546)	18 907
Acquisition of subsidiaries	35 868	(8 029)	12 147	39 986
At 29 February 2008	99 224	7 072	7 601	113 897
Exchange differences	(168)	(2 527)	1 041	(1 654)
Charged to income statement	26 936	15 122	(409)	41 649
Acquisition of subsidiaries	54 107	–	–	54 107
At 28 February 2009	**180 099**	**19 667**	**8 233**	**207 999**

	Provisions R'000	Tax losses R'000	Other R'000	Total R'000
Deferred tax assets				
At 1 March 2007	(3 264)	(59)	(1 312)	(4 635)
Exchange differences	181	–	–	181
Charged to income statement	(10 572)	777	–	(9 795)
Acquisition of subsidiaries	5 684	(718)	–	4 966
At 29 February 2008	(7 971)	–	(1 312)	(9 283)
Exchange differences	(24)	–	–	(24)
Charged to income statement	(18 875)	1 204	1 312	(16 359)
Acquisition of subsidiaries	(1 415)	(1 317)	–	(2 732)
At 28 February 2009	**(28 285)**	**(113)**	**–**	**(28 398)**

	2009 R'000	2008 R'000
20. Trade and other payables		
Trade payables	**302 941**	205 757
Payables due to related parties (note 33)	**5 917**	155
Loans from related parties (note 33)	**6 850**	1 952
Accrued expenses	**232 364**	72 156
Excess billing over work done	**76 564**	38 604
Total trade and other payables	**624 636**	318 624

Notes to the group financial statements

for the year ended 28 February 2009 (continued)

		2009 R'000	2008 R'000
21.	**Revenue**		
	Contracting revenue	**3 932 071**	2 016 056
	Commercial quarry revenue	**230 709**	119 722
	Total revenue	**4 162 780**	2 135 778
22.	**Other income**		
	Rental of construction plant and equipment	**5 186**	15 649
	Insurance income	**2 254**	1 837
	Seta recoveries	**514**	230
	Bad debts recovered	**70**	1 263
	Total other income	**8 024**	18 979
23.	**Other gains/(losses) – net**		
	Excess from fair value of assets acquired over purchase price	**–**	682
	Profit/ (loss) on sale of fixed assets	**(1 793)**	555
	Profit/(loss) on exchange differences	**(21 854)**	1 839
	Profit on forward exchange contracts – at fair value	**2 436**	–
	Impairment of assets held for sale	**(3 237)**	–
	Total other gains/(losses)	**(24 448)**	3 076
24.	**Expenses by nature**		
	Changes in inventories and construction contracts in progress	**(74 947)**	(20 871)
	Subcontractors	**644 180**	367 660
	Raw materials and consumables	**1 449 930**	703 106
	Employee benefit expense (note 28)	**703 082**	318 413
	Depreciation and amortisation (note 5 and 6)	**157 472**	63 393
	Operating lease charges	**13 377**	4 493
	Repairs and maintenance	**248 807**	106 188
	Other operating expenses	**209 861**	184 169
	Total of cost of sales and administrative expenses	**3 351 762**	1 726 551
25.	**Finance income and costs**		
	Finance income		
	Interest income on cash resources	**38 216**	12 161
	Other interest	**4 414**	836
	Total finance income	**42 630**	12 997
	Interest expense:		
	Bank borrowings	**(75 532)**	(27 877)
	Other interest	**(4 309)**	(109)
	Total finance costs	**(79 841)**	(27 986)
	Net finance costs	**(37 211)**	(14 989)

		2009 R'000	2008 R'000
26.	**Income tax expense**		
	South African normal taxation		
	Current tax		
	Current period	**187 051**	101 723
	Recognised in current tax for prior periods	**738**	217
	Capital gains tax	**594**	641
	Secondary tax on companies	**12 848**	3 263
	Total South African normal taxation	**201 231**	105 844
	Deferred tax		
	Originating and reversing temporary differences	**17 761**	11 518
	Change in tax rate	**–**	(3 280)
	Total South African deferred taxation	**17 761**	8 238
	Total South African taxation	**218 992**	114 082
	Foreign taxation		
	Current tax		
	Current period	**2 091**	5 744
	Recognised in current tax for prior periods	**–**	452
	Total foreign normal tax	**2 091**	6 196
	Deferred tax		
	Originating and reversing temporary differences	**7 530**	875
	Total foreign taxation	**9 621**	7 071
	Total income tax expense	**228 613**	121 153
	Reconciliation between applicable tax rate and effective tax rate	**%**	%
	Applicable tax rate	**28,00**	29,00
	Exempt income	**(0,05)**	(0,29)
	Tax loss used	**–**	(0,04)
	Capital gains tax	**(0,08)**	(0,17)
	Secondary tax on companies	**1,70**	0,78
	Current tax recognised in prior periods	**0,10**	0,16
	Disallowed charges	**0,27**	0,07
	Change in tax rate	**–**	(0,79)
	Tax at rates in foreign countries	**0,25**	0,27
	Effective tax rate	**30,19**	29,07
27.	**Auditors' remuneration**		
	Fees	**4 026**	2 133
	Prior year under provision	**378**	885
	Tax, accounting and secretarial services	**91**	472
	Total auditors' remuneration	**4 495**	3 490

	2009 R'000	2008 R'000
28. Employee benefit expense		
Wages and salaries	**650 538**	286 873
Share options granted to employees (note 29)	**14 884**	14 361
Pension cost	**21 786**	9 845
Medical aid costs	**9 461**	4 245
Other contributions	**6 413**	3 089
Total employee benefit expense	**703 082**	318 413
Number of employees – permanent	**5 863**	4 191

29. Employee Share Option Scheme

During the year ended 29 February 2008 the company adopted and approved the Raubex Share Incentive Plan 2007.

The rationale for the scheme is to reward staff for long service and to take account of the latest trends of incentivising staff.

A total of 5 000 000 option shares were approved for the Share Scheme, and of these, 2 200 000 option shares (initial options) were approved to be initially offered to qualifying employees.

Details of the share scheme are as follows:

a) Initial options

If the share price on the JSE (Johannesburg Securities Exchange Limited) of a Share, forming the subject matter of an Option, increases (annually compounded) during the three year period calculated from the Allocation Date to the Vesting Date:

- by 20% or less per annum (annually compounded), the Option Price in respect of the Initial Options shall be R15 (**the strike price**);
- by more than 20% but less than 30% per annum (annually compounded), the Option Price in respect of the Initial Options shall be 83,3% of the strike price;
- by more than 30% but less than 40% per annum (annually compounded), the Option Price in respect of the Initial Options shall be 66,7% of the strike price;
- by more than 40% but less than 50% per annum (annually compounded), the Option Price in respect of the Initial Options shall be 50% of the strike price; and
- by more than 50% per annum (annually compounded), the Option Price in respect of the Initial Options shall be 33,3% of the strike price.

b) Options other than initial options

If the share price on the JSE of a Share, forming the subject matter of an Option, increases (annually compounded) during the three year period calculated from the Allocation Date to the Vesting Date:

- by 20% or less per annum (annually compounded), the Option Price in respect of the Options, other than the Initial Options, shall be the VWAP (Volume Weighted Average Price);
- by more than 20% but less than 30% per annum (annually compounded), the Option Price in respect of the Options, other than the Initial Options, shall be 83,3% of the VWAP;
- by more than 30% but less than 40% per annum (annually compounded), the Option Price in respect of the Options, other than the Initial Options, shall be 66,7% of the VWAP;
- by more than 40% but less than 50% per annum (annually compounded), the Option Price in respect of the Options, other than the Initial Options, shall be 50% of the VWAP; and
- by more than 50% per annum (annually compounded), the Option Price in respect of the Options, other than the Initial Options, shall be 33,3% of the VWAP.

29. Employee Share Option Scheme (continued)

Arrangement	1: Initial options	2: Balance of options
Nature of arrangement	Grant of share option	Grant of share option
Options approved	2 200 000	2 800 000
Number of options granted	2 110 000	–
Exercise price	Between R5 and R15 variable with share price growth	Between VWAP on allocation date and 33,3% of VWAP variable with share price growth
Date of grant	21 September 2007	N/A
Share price at the date of grant	R 31,10	N/A
Contractual life	12 months from vesting date	12 months from vesting date
Vesting conditions	Three years of service from the date of listing 20 March 2007	Three years of service from the date of allocation
Settlement	Shares	Shares
Expected volatility	45%	N/A
Expected option life at grant date	3 years	N/A
Risk free interest rate	10%	N/A
Expected dividend yield	2%	N/A
Expected departures (grant date)	0%	N/A
Expected outcome of meeting performance criteria (grant date)	100%	N/A
Fair value of options determined at the grant date	R 21,82	N/A
Valuation model	Monte-Carlo model	N/A

No share options were exercised during the year. The following information applies to options outstanding at the end of each period:

28 February 2009					29 February 2008				
Range of exercise prices	Weighted average exercise price	Number of options	Weighted average remaining life (yrs) Expected	Contractual	Range of exercise prices	Weighted average exercise price	Number of options	Weighted average remaining life (yrs) Expected	Contractual
R5 – R15	R10	2 200 000	1,6	1,6	R5 – R15	R10	2 200 000	2,6	2,6

A reconciliation of movements in the number of share options (Arrangement 1 – Initial Options) can be summarised as follows:

	2009 Number of options	2009 Weighted average exercise price	2008 Number of options	2008 Weighted average exercise price
Outstanding at beginning of year	**2 085 000**	**R10**	–	–
Options approved	**–**	**–**	2 200 000	R10
Options granted	**90 000**	**R10**	2 085 000	R10
Options forfeited	**65 000**	**R10**	–	–
Options exercised	**–**	**–**	–	–
Outstanding at end of year	**2 110 000**	**R10**	2 085 000	R10
Exercisable at year-end	**–**	**–**	–	–

	2009 R'000	2008 R'000
29. Employee Share Option Scheme (continued)		
The amounts recognised in the financial statements (before tax) for share-based payment transactions with employees can be summarised as follows:		
Expense		
Equity settled arrangements		
a) Initial options	**14 884**	14 361
b) Balance of options	**–**	–
Total expense	**14 884**	14 361
30. Earnings per share		
Basic		
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.		
Profit attributable to equity holders of the company	**525 852**	294 150
Weighted average number of ordinary shares in issue	**181 824**	162 641
Basic earnings per share (cents)	**289,2**	180,9
Diluted		
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has one category of dilutive potential ordinary shares i.e share options. A total of 2 200 000 option shares (initial options) will initially be offered to qualifying employees.		
Profit attributable to equity holders of the company	**525 852**	294 150
Weighted average number of ordinary shares in issue	**181 824**	162 641
Adjustments for:		
– share options	**2 200**	2 200
Weighted average number of ordinary shares for diluted earnings per share	**184 024**	164 841
Diluted earnings per share (cents)	**285,8**	178,4
Headline		
Profit attributable to equity holders of the company	**525 852**	294 150
Adjustments for:		
Loss/(profit) on sale of fixed assets after tax	**1 291**	(555)
Excess from fair value of assets acquired over purchase price	**–**	(682)
Impairment of assets held for sale	**3 237**	–
Basic headline earnings	**530 380**	292 913
Weighted average number of shares	**181 824**	162 641
Headline earnings per share (cents)	**291,7**	180,1
Diluted headline		
Headline earnings	**530 380**	292 913
Adjusted weighted average number of shares	**184 024**	164 841
Diluted headline earnings per share (cents)	**288,2**	177,7

31. Dividends per share

The dividends paid to ordinary shareholders in 2009 and 2008 were R127 837k (70 cents per share) and R32 426k (20 cents per share) respectively. The final dividend in respect of the year ended 28 February 2009 of R127 837k (70 cents per share) amounting to a total dividend of R182 624k (100 cents per share) is to be proposed at the board of directors meeting on 8 May 2009 and declared on the release of the group's results on 18 May 2009. These financial statements do not reflect this dividend payable.

	2009 R'000	2008 R'000
32. Cash generated from operations		
Profit before income tax	**757 467**	416 771
Adjustments for:		
– Depreciation (note 5)	**155 185**	62 258
– Amortisation and impairment (note 6)	**5 522**	1 135
– Loss/(profit) on sale of assets (note 23)	**1 793**	(555)
– Finance income	**(42 630)**	(12 997)
– Finance costs	**79 841**	27 986
– Foreign exchange loss/(gains) – unrealised	**14 060**	(1 838)
– Provision for rehabilitation (note 18)	**1 974**	1 797
– Income from associates (note 7)	**(84)**	(478)
– Share options granted to employees	**14 884**	14 361
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation)		
– Inventories	**(45 296)**	(18 020)
– Trade and other receivables	**(84 915)**	(62 744)
– Construction contracts in progress	**(96 558)**	(29 380)
– Trade and other payables	**203 162**	50 519
Net cash generated from operations	**964 405**	448 815
In the cash flow statement, proceeds from sale of property, plant and equipment comprise:		
Net book amount (note 5)	**39 089**	22 204
(Loss)/profit on disposal of property, plant and equipment (note 23)	**(1 793)**	555
Proceeds from disposal of property, plant and equipment	**37 296**	22 759
In the cash flow statement taxation paid is calculated as follows:		
Balance due/(receivable) beginning of year	**65 175**	(8 583)
Add: acquisitions	**15 688**	5 495
Add: current year tax charge (note 26)	**203 322**	112 040
Less: balance due/(receivable) at end of year	**(84 159)**	(65 175)
Taxation paid	**200 026**	43 777

33. Related parties

Relationships

Associates	Muscle Construction (Pty) Limited
Joint ventures	Refer to annexure 2
Directors	JE Raubenheimer, JM Mwewa, NT Danoher, PJC Beneke, WP van der Merwe
Companies and trusts controlled by directors	Agro Fuel Investments Limited
	Anchor Park Investments 71 (Pty) Limited
	B&E International Properties (Pty) Limited
	First Edition Investments (Pty) Limited
	Iromaz Trust
	Pieter Beneke Trust
	Raubex Eiendomme (Pty) Limited
	Raubenbel (Pty) Limited

	2009 R'000	2008 R'000
33. Related parties (continued)		
Related party balances		
Amounts included in trade receivables regarding related parties		
Anchor Park Investments 71 (Pty) Limited	**7**	–
H&I/Roadmac Joint Venture	**1 663**	114
HIR R300 Joint Venture	**1 578**	–
JE Raubenheimer	**5**	–
Muscle Construction (Pty) Limited	**1**	–
Touws River Joint Venture	**–**	360
Receivables from related parties (note 10)	**3 254**	474
Amounts included in trade payables regarding related parties		
Agro Fuel Investments Limited	**150**	–
Anchor Park Investments 71 (Pty) Limited	**465**	–
H&I/Roadmac Joint Venture	**63**	–
Kentha/Raumix Joint Venture	**161**	155
Muscle Construction (Pty) Limited	**5 078**	–
Payables due to related parties (note 20)	**5 917**	155
Loans to related parties		
EB Cloete Joint Venture	**–**	1 657
First Edition Investments (Pty) Limited	**10**	–
Iromaz Trust	**732**	–
H&I/Roadmac Joint Venture	**10 454**	320
HIR Joint Venture	**1**	1
HIR R300 Joint Venture	**198**	–
Kentha Raumix Joint Venture	**156**	–
Muscle Construction (Pty) Limited	**5 800**	1 700
Pieter Beneke Trust	**676**	–
Touws River Joint Venture	**528**	274
Loans to related parties (note 10)	**18 555**	3 952
Loans to entities controlled by key management:		
At 1 March	**–**	97
Net movement	**1 418**	(97)
At 28 February	**1 418**	–
Loans to joint ventures		
At 1 March	**2 252**	3 947
Net movement	**9 085**	(1 695)
At 28 February	**11 337**	2 252
Loans to associates:		
At 1 March	**1 700**	6 407
Net movement	**4 100**	(4 707)
At 28 February	**5 800**	1 700
Total loans to related parties:		
At 1 March	**3 952**	10 452
Net movement	**14 603**	(6 500)
At 28 February (note 10)	**18 555**	3 952

	2009 R'000	2008 R'000
33. Related parties (continued)		
Loans from related parties		
B&E International Properties (Pty) Limited	**50**	–
H&I/Roadmac Joint Venture	**6 800**	–
Raubex BGM Joint Venture Limited	**–**	1 952
Loans from related parties (note 20)	**6 850**	1 952
Loans from entities controlled by key management:		
At 1 March	**–**	–
Net movement	**50**	–
At 28 February	**50**	–
Loans from joint ventures		
At 1 March	**1 952**	1 648
Net movement	**4 848**	304
At 28 February	**6 800**	1 952
Total loans to related parties:		
At 1 March	**1 952**	1 648
Net movement	**4 898**	304
At 28 February (note 20)	**6 850**	1 952
Related party transactions		
Interest received from/(paid to) related parties		
H&I/Roadmac Joint Venture	**(182)**	–
Subcontractors' fees received/(paid)		
Muscle Construction (Pty) Limited	**271**	–
Touws River Joint Venture	**–**	4 660
Rental of equipment and premises received from/(paid to) related parties		
HIR R300 Joint Venture	**1 451**	–
H&I/Roadmac Joint Venture	**4 009**	–
JE Raubenheimer	**40**	–
JM Mwewa	**(206)**	(126)
Kentha/Raumix Joint Venture	**(637)**	(588)
Muscle Construction (Pty) Limited	**3 350**	–
Raubex Eiendomme (Pty) Limited	**(229)**	(751)
Administration fees received from/(paid to) related parties		
H&I/Roadmac Joint Venture	**701**	37
HIR Joint Venture	**–**	20
HIR R300 Joint Venture	**400**	–
Touws River Joint Venture	**–**	600
Other fees received from/(paid to) related parties		
Agro Fuel Investments Limited	**(1 638)**	–
Anchor Park Investments 71 (Pty) Limited	**7**	–
H&I/Roadmac Joint Venture	**6 536**	63
Hex River Joint Venture	**–**	53
HIR Joint Venture	**–**	350
HIR R300 Joint Venture	**1 699**	–
Touws River Joint Venture	**10**	455

	Salary R'000	Bonuses performance-related payments R'000	Other allowances and fringe benefits R'000	Medical contri-butions R'000	Retirement fund contri-butions R'000	Total directors' emoluments R'000
33. Related parties (continued)						
Related party transactions with directors						
Directors' emoluments 2008						
Executive directors						
JE Raubenheimer	900	75	136	15	63	1 189
GM Raubenheimer	840	70	12	12	59	993
F Diedrechsen	600	70	240	–	59	969
Non-executive directors						
LA Maxwell	140	12	–	–	–	152
F Kenney	18	–	–	–	–	18
MC Matjila	12	–	–	–	–	12
M Swana	18	–	–	–	–	18
Directors' emoluments 2009						
Executive directors						
JE Raubenheimer	**1 743**	**1 120**	**139**	**16**	**20**	**3 038**
GM Raubenheimer	**1 290**	**1 018**	**4**	**14**	**90**	**2 416**
F Diedrechsen	**1 050**	**1 018**	**240**	**–**	**90**	**2 398**
Non-executive directors						
LA Maxwell	**210**	**18**	**–**	**–**	**–**	**228**
F Kenney	**54**	**–**	**–**	**–**	**–**	**54**
MC Matjila	**45**	**–**	**–**	**–**	**–**	**45**
M Swana	**45**	**–**	**–**	**–**	**–**	**45**

	2009 R'000	2008 R'000
34. Directors' emoluments		
Executive		
For services as directors of the company	**7 852**	3 151
For services as directors of subsidiaries	**79 225**	24 903

Senior management consists of directors of subsidiaries included above.

	2009 R'000	2008 R'000
35. Commitments		
Capital commitments		
Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:		
Property, plant and equipment	**12 094**	13 449
Investment in subsidiaries	**35 000**	820 000
Total capital commitments	**47 094**	833 449
The capital commitments will be funded by instalment sale agreements. Investment in subsidiaries will be funded as follows:		
Cash	**35 000**	444 873
Shares	**–**	375 127
	35 000	820 000
Operating lease commitments		
The group leases various land and buildings and quarries under non-cancellable operating lease agreements. These leases have varying terms, clauses and renewal rights.		
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:		
No later than 1 year	**9 814**	2 731
Later than 1 year and no later than 5 years	**3 000**	4 511
Later than 5 years	**1 576**	3 084
Total operating lease commitments	**14 390**	10 326
36. Business combinations		
B&E International Holdings (Pty) Limited		
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 in Southern Africa. 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.		
Details of net assets acquired and the goodwill are as follows:		
Purchase consideration:		
– Cash	**217 872**	
– Fair value of shares issued	**269 987**	
– Direct costs relating to the acquisition	**3 294**	
Less: sale claims	**(17 309)**	
Total purchase consideration	**473 844**	
Fair value of net assets acquired	**(128 722)**	
Goodwill	**345 122**	

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the acquisition.

	Fair value R'000	Acquiree's carrying amount R'000
36. Business combinations (continued)		
The assets and liabilities arising from the acquisition are as follows:		
Property, plant and equipment	252 072	252 072
Inventories	22 470	22 470
Trade and other receivables	110 452	110 452
Cash and cash equivalents	40 308	40 308
Intangible asset	990	–
Borrowings	(166 951)	(166 951)
Deferred tax liabilities	(35 051)	(34 774)
Trade and other payables	(94 138)	(94 138)
Total net assets	130 152	129 439
Less: minority share	(1 430)	
Net assets acquired	128 722	
Purchase consideration settled in cash		221 166
Cash and cash equivalents in subsidiary acquired		(40 308)
Cash outflow on acquisition		(180 858)

Space Construction (Pty) Limited

On 10 April 2008 the group acquired 100% of the share capital of Space Construction (Pty) Limited, a company specialising in road construction. The acquired business contributed revenues of R165,7 million and net profit of R13 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 R180,8 million and net profit of R14,1 million.

The purchase price is subject to adjustment after the expiry of the profit warranty period ending 31 August 2010. The total purchase price shall not exceed an amount of R78 million.

Details of net assets acquired and the goodwill are as follows:

Purchase consideration:	R'000
– Cash	34 782
– Fair value of shares issued	8 695
– Direct costs relating to the acquisition	430
Total purchase consideration	43 907
Fair value of net assets acquired	(27 846)
Goodwill	16 061

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the acquisition.

	Fair value R'000	Acquiree's carrying amount R'000
36. Business combinations (continued)		
The assets and liabilities arising from the acquisition are as follows:		
Property, plant and equipment	35 502	35 502
Inventories	879	879
Trade and other receivables	12 555	12 555
Cash and cash equivalents	10 803	10 803
Borrowings	(16 213)	(16 213)
Deferred tax liabilities	(6 803)	(6 803)
Trade and other payables	(8 877)	(8 877)
Total net assets	27 846	27 846
Purchase consideration settled in cash		(35 212)
Cash and cash equivalents in subsidiary acquired		10 803
Cash outflow on acquisition		(24 409)

Space Indlela Construction (Pty) Limited

On 10 April 2008 the group acquired 100% of the share capital of Space Indlela Construction (Pty) Limited, a company specialising in road construction. The acquired business contributed revenues of R0,23 million and net profit of R0,07 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 remained unchanged.

The purchase price is subject to adjustment after the expiry of the profit warranty period ending 31 August 2010. The total purchase price shall not exceed an amount of R12 million.

Details of net assets acquired and the goodwill are as follows:

Purchase consideration:	R'000
– Cash	5 218
– Fair value of shares issued	1 304
– Direct costs relating to the acquisition	17
Total purchase consideration	6 539
Fair value of net assets acquired	(3 637)
Goodwill	2 902

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the acquisition.

	Fair value R'000	Acquiree's carrying amount R'000
36. Business combinations (continued)		
The assets and liabilities arising from the acquisition are as follows:		
Trade and other receivables	3 759	3 759
Cash and cash equivalents	1 363	1 363
Borrowings	(1 205)	(1 205)
Trade and other payables	(280)	(280)
Total net assets	3 637	3 637
Purchase consideration settled in cash		(5 235)
Cash and cash equivalents in subsidiary acquired		1 363
Cash outflow on acquisition		(3 872)

Zamori Construction (Pty) Limited

On 10 April 2008 the group acquired 100% of the share capital of Zamori Construction (Pty) Limited, a company specialising in road construction. 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.

Details of net assets acquired and the goodwill are as follows:

Purchase consideration:	R'000
– Cash	24 997
– Fair value of shares issued	10 713
– Direct costs relating to the acquisition	89
Total purchase consideration	35 799
Fair value of net assets acquired	(8 289)
Goodwill	27 510

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the acquisition.

	Fair value R'000	Acquiree's carrying amount R'000
Property, plant and equipment	9 991	9 991
Inventories	154	154
Trade and other receivables	5 031	5 031
Cash and cash equivalents	2 829	2 829
Borrowings	(4 028)	(4 028)
Deferred tax liabilities	(1 436)	(1 436)
Trade and other payables	(4 252)	(4 252)
Total net assets	8 289	8 289
Purchase consideration settled in cash		(25 086)
Cash and cash equivalents in subsidiary acquired		2 829
Cash outflow on acquisition		(22 257)

36. Business combinations (continued)

Thaba Bosiu Construction (Pty) Limited

On 1 March 2008 the group acquired 100% of the share capital of Thaba Bosiu Construction (Pty) Limited, a company specialising in road construction. The acquired business contributed revenues of R69,8 million and net profit of R13,1 million to the group for the period from 1 March 2008 to 28 February 2009.

Details of net assets acquired and the goodwill are as follows:

Purchase consideration:	**R'000**
– Cash	**45 003**
– Fair value of shares issued – on closing date	**19 287**
– Direct costs relating to the acquisition	**505**
Total purchase consideration	**64 795**
Fair value of net assets acquired	**(23 252)**
Goodwill	**41 543**

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the acquisition.

	Fair value R'000	Acquiree's carrying amount R'000
The assets and liabilities arising from the acquisition are as follows:		
Property, plant and equipment	**21 310**	**21 310**
Trade and other receivables	**10 010**	**10 010**
Cash and cash equivalents	**12 084**	**12 084**
Borrowings	**(5 140)**	**(5 140)**
Deferred tax liability	**(3 294)**	**(3 294)**
Trade and other payables	**(11 718)**	**(11 718)**
Total net assets	**23 252**	**23 252**
Purchase consideration settled in cash		**(45 508)**
Cash and cash equivalents in subsidiary acquired		**12 084**
Cash outflow on acquisition		**(33 424)**

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

On 1 June 2008 the group acquired 100% of the share capital of Bonn Plant Hire (Pty) Limited, including the business of Akasia Road Surfacing (Pty) Limited. The company specialises in road surfacing and asphalt manufacturing. The company's name was subsequently changed to Akasia Road Surfacing (Pty) Limited. The acquired business 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.

Details of net assets acquired and the goodwill are as follows:

Purchase consideration:	**R'000**
– Cash	**120 425**
– Direct costs relating to the acquisition	**371**
Total purchase consideration	**120 796**
Fair value of net assets acquired	**(27 288)**
Goodwill	**93 508**

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the acquisition.

	Fair value R'000	Acquiree's carrying amount R'000
36. Business combinations (continued)		
The assets and liabilities arising from the acquisition are as follows:		
Property, plant and equipment	37 694	37 694
Inventory	3 835	3 835
Trade and other receivables	142	142
Cash and cash equivalents	4 815	4 815
Intangible asset	–	50 915
Borrowings	(6 037)	(71 036)
Deferred tax liability	(4 670)	(4 670)
Trade and other payables	(8 491)	(8 491)
Total net assets	**27 288**	**13 204**
Purchase consideration settled in cash		(120 796)
Cash and cash equivalents in subsidiary acquired		4 815
Cash outflow on acquisition		**(115 981)**

37. Contingencies

Total financial institution backed contract guarantees provided to third parties on behalf of subsidiary companies amounted to R700 million (2008: R353 million). The directors do not believe that any exposure to loss is likely. Total available facilities in this regard amount to R900 million (2008: R500 million).

The group is, from time to time, involved in various claims and legal proceedings arising in the ordinary course of business. The directors do not believe that adverse decisions in any pending proceedings or claims against the group will have a material adverse effect in the financial position or future operations of the group.

38. Events after balance sheet date

Business combinations

Anchor Park Investments 71 (Pty) Limited

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

	Aggregate and crusher R'000	Road surfacing and rehabilitation R'000	Road construction and earthworks R'000	Consolidated R'000
39. Segmental analysis				
Primary reporting format				
Business segments				
At 29 February 2008				
Segment revenue – external	362 915	1 252 902	519 961	2 135 778
Segment result (operating profit)	102 240	233 922	95 120	431 282
Finance income	140	2 840	10 017	12 997
Finance costs	(18 567)	(4 868)	(4 551)	(27 986)
Share of associate's income	–	–	478	478
Taxation	(23 157)	(70 799)	(27 197)	(121 153)
Profit for the year	60 657	161 094	73 867	295 618
Segment assets	585 674	660 600	799 594	2 045 868
Segment liabilities	295 313	416 080	197 946	909 339
Depreciation	34 698	13 512	14 048	62 258
Capital expenditure	100 769	76 227	67 589	244 585
Investment in associates	–	–	2 671	2 671
At 28 February 2009				
Segment revenue – external	**1 022 455**	**2 045 908**	**1 094 417**	**4 162 780**
Segment result (operating profit)	**220 886**	**430 998**	**142 710**	**794 594**
Finance income	**8 734**	**4 442**	**29 454**	**42 630**
Finance costs	**(54 608)**	**(11 307)**	**(13 926)**	**(79 841)**
Share of associate's income	**–**	**–**	**84**	**84**
Taxation	**(46 749)**	**(121 350)**	**(60 514)**	**(228 613)**
Profit for the year	**128 263**	**302 782**	**97 809**	**528 854**
Segment assets	**1 530 096**	**880 146**	**1 042 894**	**3 453 136**
Segment liabilities	**681 114**	**495 598**	**420 485**	**1 597 197**
Depreciation	**106 409**	**22 250**	**26 526**	**155 185**
Capital expenditure	**217 600**	**90 407**	**74 774**	**382 781**
Investment in associates	**–**	**–**	**6 854**	**6 854**

	Local R'000	International R'000	Consolidated R'000
39. Segmental analysis (continued)			
Secondary reporting format			
Geographical segments namely local and international			
At 29 February 2008			
Segment revenue – external	1 990 906	144 872	2 135 778
Segment result (operating profit)	407 734	23 548	431 282
Finance income	12 792	205	12 997
Finance costs	(26 030)	(1 956)	(27 986)
Share of associate's income	478	–	478
Taxation	(114 092)	(7 061)	(121 153)
Profit for the year	280 881	14 737	295 618
Segment assets	1 951 551	94 317	2 045 868
Segment liabilities	872 042	37 297	909 339
Depreciation	61 369	889	62 258
Capital expenditure	243 531	1 054	244 585
Investment in associates	2 671	–	2 671
At 28 February 2009			
Segment revenue – external	**3 841 120**	**321 660**	**4 162 780**
Segment result (operating profit)	**763 630**	**30 964**	**794 594**
Finance income	**42 392**	**238**	**42 630**
Finance costs	**(76 096)**	**(3 745)**	**(79 841)**
Share of associate's income	**84**	**–**	**84**
Taxation	**(218 980)**	**(9 633)**	**(228 613)**
Profit for the year	**511 030**	**17 824**	**528 854**
Segment assets	**3 287 007**	**166 129**	**3 453 136**
Segment liabilities	**1 527 473**	**69 724**	**1 597 197**
Depreciation	**153 878**	**1 307**	**155 185**
Capital expenditure	**375 609**	**7 172**	**382 781**
Investment in associates	**6 854**	**–**	**6 854**

Inter segmental revenue for the year amounted to R1 278 million (2008: R783 million).

Annexure 1 – Interest in subsidiaries

for the year ended 28 February 2009

		Issued share capital Shares	Percentage held 2009 %	Percentage held 2008 %	Shares at cost 2009 R	Shares at cost 2008 R	Amounts owing by subsidiaries 2009 R	Amounts owing by subsidiaries 2008 R
Direct								
Raubex (Pty) Limited	#	300	**100**	100	**1 001 620 337**	1 001 620 337	**746 045 870**	844 041 952
B&E International Holdings (Pty) Limited	•	916	**100**	–	**473 843 959**	–	**–**	–
Indirect								
Akasia Road Surfacing (Pty) Limited	^	100	**100**	–	**120 796 280**	–	**–**	–
Aliwal Dolorite Quarry (Pty) Limited	•	100	**100**	100	**7 600 000**	7 600 000	**–**	–
Acquasoil (Pty) Limited	§	40 000	**100**	100	**–**	–	**–**	–
Acquatic Services (Pty) Limited	#	300	**100**	100	**111 336 220**	111 336 220	**–**	–
B&E International (Botswana) (Pty) Limited	§	10 000	**100**	–	**–**	–	**–**	–
B&E International (Lesotho) (Pty) Limited	§	1 000	**100**	–	**–**	–	**–**	–
B&E International (Namibia) (Pty) Limited	•	200	**74**	–	**–**	–	**–**	–
B&E International (Pty) Limited	•	1 000	**100**	–	**–**	–	**–**	–
B&E International (Swaziland) (Pty) Limited	§	4 000	**100**	–	**–**	–	**–**	–
B&E Quarries (Pty) Limited	§	100	**100**	–	**–**	–	**–**	–
B&E Quarries Leasing (Pty) Limited	§	1 000	**100**	–	**–**	–	**–**	–
Bedrock Mining (Pty) Limited	§	100	**100**	–	**–**	–	**–**	–
Bekha Trading (Pty) Limited	•	100	**100**	–	**–**	–	**–**	–
Canyon Rock (Pty) Limited	•	120	**100**	100	**46 294 000**	46 294 000	**–**	–
Centremark Roadmarking (Pty) Limited	^	100	**60**	60	**2 802 022**	2 802 022	**–**	–
Cherry Moss Trade and Invest (Pty) Limited	§	100	**100**	–	**–**	–	**–**	–
DBE Mining (Pty) Limited	§	100	**100**	–	**–**	–	**–**	–
Forward Infra (Pty) Limited	§	100	**100**	100	**100**	100	**–**	–
Haulking (Pty) Limited	§	100	**100**	100	**100**	100	**–**	–
Instant Concrete Investments (Pty) Limited	§	100	**100**	–	**–**	–	**–**	–
Lacrete Construction (Pty) Limited	§	100	**100**	100	**100**	100	**–**	–
Milling Techniks (Pty) Limited	^	100	**100**	100	**15 000 000**	15 000 000	**–**	–
Multistone Construction (Pty) Limited	^	100	**100**	100	**100**	100	**–**	–
Narindonde Construction (Pty) Limited	•	100	**74**	–	**–**	–	**–**	–
Notwane Quarries (Pty) Limited	§	100	**100**	–	**–**	–	**–**	–
Petra Quarry (Pty) Limited	•	100	**100**	100	**3 849 070**	3 849 070	**–**	–
Phambili Road Surfacing (Pty) Limited	^	100	**100**	100	**20 515 136**	20 515 136	**–**	–
Pretoria Amalgamated Quarries (Pty) Limited	†	870 000	**100**	100	**–**	–	**–**	–
Queenstown Quarry (Pty) Limited	•	100	**100**	100	**21 929 104**	21 929 104	**–**	–
Raubex BGM Joint Venture Limited	§	5 000 000	**100**	100	**9 791**	9 791	**–**	–
Raubex Civil (Pty) Limited	#	100	**100**	100	**14 999 105**	14 999 105	**–**	–
Raubex Construction (Pty) Limited	^	100	**100**	100	**87 300 660**	87 300 660	**–**	–
Raubex Construction Zambia Limited	^	5 000 000	**100**	100	**6 008 989**	6 008 989	**–**	–
Raubex North (Pty) Limited	§	100	**100**	100	**100**	100	**–**	–
Raumix (Pty) Limited	•	100	**100**	100	**23 477 234**	23 477 234	**–**	–
Roadmac (Pty) Limited	#	100	**100**	100	**84 550 070**	84 550 070	**–**	–
Roadmac Surfacing (Pty) Limited	^	100	**100**	100	**20 000 080**	20 000 080	**–**	–
Roadmac Surfacing Cape (Pty) Limited	^	200	**100**	100	**24 299 160**	24 299 160	**–**	–
Roadmac Surfacing KZN (Pty) Limited	^	100	**100**	100	**1 385 219**	1 385 219	**–**	–
Saldanha Plant Hire (Pty) Limited	§	100	**100**	100	**–**	–	**–**	–
Space Construction (Pty) Limited	^	100	**100**	–	**43 906 750**	–	**–**	–
Space Indlela Construction (Pty) Limited	§	900	**100**	–	**6 538 806**	–	**–**	–
SPH Earthmoving (Pty) Limited	§	100	**100**	100	**–**	–	**–**	–
SPH Equipment Hire (Pty) Limited	§	100	**100**	100	**–**	–	**–**	–
SPH Group (Pty) Limited	#	300	**100**	100	**–**	–	**–**	–
SPH Group Properties (Pty) Limited	§	100	**100**	100	**–**	–	**–**	–
SPH Kundalila (Pty) Limited	•	100	**100**	100	**–**	–	**–**	–
SPH Sand (Pty) Limited	§	100	**100**	100	**–**	–	**–**	–
Stabilpave (Pty) Limited	§	200	**100**	100	**200**	200	**–**	–
Super Civil Construction (Pty) Limited	§	100	**100**	100	**100**	100	**–**	–
Thaba Bosiu Construction (Pty) Limited	^	1 200	**100**	–	**64 794 817**	–	**–**	–
Willows Quarries (Pty) Limited	•	100	**100**	–	**–**	–	**–**	–
Zamori Construction (Pty) Limited	^	120	**100**	–	**35 799 275**	–	**–**	–

Nature of business

^ Rehabilitation of roads, civil and general construction work
• Contract crushing and material handling
† Property holding company
# Investment and holding company
§ Dormant entity

All companies are incorporated in South Africa except Raubex Construction Zambia Limited and Raubex BGM Joint Venture Limited which are incorporated in Zambia, B&E International (Botswana) (Pty) Limited, B&E International (Lesotho) (Pty) Limited and B&E International (Namibia) (Pty) Limited.

The group maintains a register of all subsidiaries for inspection at the registered office of Raubex (Pty) Limited.

Annexure 2 – Interest in joint ventures

for the year ended 28 February 2009

Joint ventures	Country	Nature of business	Proportion of interest held 2009 %	Proportion of interest held 2008 %
Touwsriver Joint Venture	South Africa	Construction	**50**	50
Hex River Joint Venture	South Africa	Construction	**50**	50
Kentha/Raumix Joint Venture	South Africa	Construction	**49**	49
HIR Joint Venture	Namibia	Construction	**50**	50
H&I/Roadmac Joint Venture	South Africa	Construction	**50**	–
HIR Joint Venture (R300)	South Africa	Construction	**35**	–

The group maintains a register of all joint ventures for inspection at its registered office.

AGGREGATE FINANCIAL INFORMATION:

	2009 R'000	2008 R'000
Balance sheet		
(Group's proportionate share of assets and liabilities)		
Assets		
Non-current assets	**6**	11
Current assets	**34 133**	5 669
	34 139	5 680
Equity and liabilities		
Partners' interest	**2 410**	2 740
Non-current liabilities	**–**	–
Current liabilities	**31 729**	2 940
	34 139	5 680
Income statement		
(Group's proportionate share of income and expenditure)		
Revenue	**82 680**	39 572
Profit/(loss) attributable to group	**13 796**	7 620

Balance sheet

at 28 February 2009

	Notes	2009 R'000	2008 R'000
ASSETS			
Non-current assets			
Investments in subsidiaries	2	**1 475 464**	1 001 620
Total non-current assets		**1 475 464**	1 001 620
Current assets			
Loans to group companies	3	**746 046**	844 042
Trade and other receivables	4	**–**	2 061
Cash and cash equivalents	5	**49**	24
Total current assets		**746 095**	846 127
Total assets		**2 221 559**	1 847 747
EQUITY AND LIABILITIES			
Equity			
Ordinary shares	6	**1 826**	1 725
Share premium		**2 139 720**	1 830 853
Reserves		**29 245**	14 361
Retained income		**50 583**	4
Total equity		**2 221 374**	1 846 943
LIABILITIES			
Current liabilities			
Trade and other payables		**185**	804
Current income tax liabilities		**–**	–
Total current liabilities		**185**	804
Total equity and liabilities		**2 221 559**	1 847 747

The notes on pages 76 to 84 are an integral part of these financial statements.

Income statement

for the year ended 28 February 2009

	Note	2009 R'000	2008 R'000
Revenue		**191 200**	32 430
Administrative expenses		**(512)**	(983)
Other income		**36**	983
Operating profit		**190 724**	32 430
Finance income		**476**	–
Finance costs		**(1)**	–
Profit before income tax		**191 199**	32 430
Income tax expense	7	**(12 784)**	–
Profit for the year		**178 415**	32 430

The notes on pages 76 to 84 are an integral part of these financial statements.

Statement of changes in equity

for the year ended 28 February 2009

	Share capital R'000	Share premium R'000	Reserves for employees' share option scheme R'000	Retained earnings R'000	Total equity R'000
Balance at 1 March 2007	**1 433**	**1 282 167**	**–**	**–**	**1 283 600**
Changes in equity:					
Issue of share capital and share premium	292	574 631	–	–	574 923
Employees' share option scheme	–	–	14 361	–	14 361
Share issue expenses	–	(25 945)	–	–	(25 945)
Profit for the year	–	–	–	32 430	32 430
Dividends paid	–	–	–	(32 426)	(32 426)
Total changes	292	548 686	14 361	4	563 343
Balance at 1 March 2008	**1 725**	**1 830 853**	**14 361**	**4**	**1 846 943**
Changes in equity:					
Issue of share capital and share premium	101	309 886	–	–	309 987
Employees' share option scheme	–	–	14 884	–	14 884
Share issue expenses	–	(1 019)	–	–	(1 019)
Profit for the year	–	–	–	178 415	178 415
Dividends paid	–	–	–	(127 836)	(127 836)
Total changes	101	308 867	14 884	50 579	374 431
Balance at 28 February 2009	**1 826**	**2 139 720**	**29 245**	**50 583**	**2 221 374**
Note	6	6			

The notes on pages 76 to 84 are an integral part of these financial statements.

Cash flow statement

for the year ended 28 February 2009

	Notes	2009 R'000	2008 R'000
Cash flows from operating activities			
Cash generated from operations	8	**966**	(1 257)
Dividends received		**191 200**	32 430
Interest received		**476**	–
Interest paid		**(1)**	–
Taxation paid	8	**(12 784)**	–
Net cash generated from operating activities		**179 857**	31 173
Cash flows from investing activities			
Investment in subsidiary		**(221 166)**	–
Loans repaid/(advanced) to group companies		**170 190**	(378 254)
Net cash from investing activities		**(50 976)**	(378 254)
Cash flows from financing activities			
Proceeds from shares and share premium		**–**	405 476
Share issue expenses		**(1 019)**	(25 945)
Dividends paid		**(127 837)**	(32 426)
Net cash from financing activities		**(128 856)**	347 105
Total cash movement for the year		**25**	24
Cash and cash equivalents at the beginning of the year		**24**	–
Total cash and cash equivalents at the end of the year	5	**49**	24

The notes on pages 76 to 84 are an integral part of these financial statements.

Notes to the financial statements

for the year ended 28 February 2009

1. Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa, 1973. The financial statements have been prepared on the historical cost basis as modified by the revaluation of financial assets and financial liabilities and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period

1.1 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.2 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Loans to group companies

These include loans to holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Loans to group companies are classified as loans and receivables.

1. Summary of significant accounting policies (continued)

1.2 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the income statement.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments is deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1. Summary of significant accounting policies (continued)

1.4 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the goods or services received are measured, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, indirectly, are measured by reference to the fair value of the equity instruments granted.

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, company accounts for those services as they are rendered by the counterparty during the vesting period (or on a straight-line basis over the vesting period).

If the share-based payments vest immediately the services received are recognised in full.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

1.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the sale of goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest income and dividends

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.6 Borrowing costs

Borrowing costs are recognised directly in the income statement when incurred.

1. Summary of significant accounting policies (continued)

1.7 Standards, interpretations and amendments to published standards

International Financial Reporting Standards and amendments issued but not effective for the year ended 28 February 2009

Number	Title	Effective date	Executive summary
IFRS 8	Operating Segments	1 January 2009	IFRS 8 requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. The Standard sets out requirements for disclosure of information about an entity's operating segments and are also about the entity's products and services, the geographical areas in which it operates, and its major customers. The disclosure should enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.
IAS 23	Borrowing Costs – Revised	1 January 2009	The main change from the previous version of IAS 23 is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.
IAS 1	Presentation of Financial Statements – Revised	1 January 2009	The changes made to IAS 1 are to require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners separately from 'non-owner' changes. The revisions include changes in the titles of some of the financial statements to reflect their function more clearly. The new titles are not mandatory for use in financial statements.
IAS 27	Consolidated and Separate Financial Statements – Revised	1 July 2009	IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The Standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss.

1. Summary of significant accounting policies (continued)

1.7 Standards, interpretations and amendments to published standards (continued)

Number	Title	Effective date	Executive summary
IFRS 3	Business Combinations – Revised	1 July 2009	The new Standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed.
Amendment to IFRS 2	Amendment to IFRS 2 Share-Based Payment: Vesting Conditions and Cancellations	1 January 2009	The amendment deals with two matters. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.
Amendments to IAS 32 and IAS 1	Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009	The amendments require entities to classify the following types of financial instruments as equity, provided they have particular features and meet specific conditions: a) puttable financial instruments (for example, some shares issued co-operative entities); b) instruments, or by components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation (for example, some partnership interests and some shares issued by limited life entities). Additional disclosures are required about the instruments affected by the amendments.
Amendments to IFRS 1 and IAS 27	Amendments to IFRS 1 First-Time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	The amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removed the definition of the cost method from IAS 27 and replaced it with a requirement to present dividends as income in the separate financial statements of the investor.
Amendment to IAS 39	Amendment to IAS 39 Financial Instruments: Recognition and Measurement Exposures Qualifying for Hedge Accounting	1 July 2009	The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges.

1. Summary of significant accounting policies (continued)

1.7 Standards, interpretations and amendments to published standards (continued)

Improved, revised and replaced International Financial Reporting Standards effective for the first time for the February 2009 year-end

Number	Title	Effective date	Executive summary
Amendments to IAS 39 and IFRS 7	Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures – Reclassification of Financial Assets	1 July 2008	The amendments introduce the possibility of reclassifications for certain financial assets previously classified as 'held for trading' or 'available for sale' to another category under limited circumstances. Various disclosures are required where a reclassification has been made. Derivatives and assets designated as 'at fair value through profit or loss' under the fair value option are not eligible for this reclassification.

Interpretations of International Financial Reporting Standards effective for the first time for the year ended 28 February 2009

Number	Title	Effective date	Executive summary
IFRIC 12	Service Concession Arrangements	1 January 2008	IFRIC 12 addresses how service concession operators should apply existing IFRSs to account for the obligations they undertake and rights they receive in service concession arrangements.
IFRIC 14	IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008	IFRIC 14 provides general guidance on how to assess the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected when there is a statutory or contractual minimum funding requirement.

Interpretations of International Financial Reporting Standards issued but not effective for the year ended 28 February 2009

Number	Title	Effective date	Executive summary
IFRIC 13	Customer Loyalty Programmes	1 July 2008	IFRIC 13 addresses accounting by entities that grant loyalty award credits to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services to customers who redeem award credits.
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009	IFRIC 15 addresses diversity in accounting for real estate sales. IFRIC 15 clarifies how to determine whether an agreement is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from construction should be recognised. The guidance replaces example 9 in the appendix to IAS 18.

1. Summary of significant accounting policies (continued)

1.7 Standards, interpretations and amendments to published standards (continued)

Number	Title	Effective date	Executive summary
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008	IFRIC 16 provides guidance on identifying the foreign currency risks that qualify as a hedged risk (in the hedge of a net investment in a foreign operation). It secondly provides guidance on where, within a group, hedging instruments that are hedges of a net investment in a foreign operation can be held to qualify for hedge accounting. Thirdly, it provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.
IFRIC 17#	Distributions of Non-cash Assets to Owners	1 July 2009	IFRIC 17 applies to the accounting for distributions of non-cash assets (commonly referred to as dividends *in specie*) to the owners of the entity. The interpretation clarifies that: a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; an entity should measure the dividend payable at the fair value of the net assets to be distributed; and an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss.
IFRIC 18#	Transfers of Assets from Customers	1 July 2009	IFRIC 18 clarifies the accounting treatment for transfers of property, plant and equipment received from customers. This Interpretation applies to agreements with customers in which the entity receives cash from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment and the entity must then use the item of property, plant and equipment either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and services, or to do both.

These Interpretations are still subject to release by the Accounting Practices Board in South Africa.

Notes to the financial statements

for the year ended 28 February 2009 (continued)

		2009 R'000	2008 R'000
2.	**Investment in subsidiaries**		
	Name of company		
	Raubex (Pty) Limited – 100% holding	**1 001 620**	1 001 620
	B&E International Holdings (Pty) Limited – 100% holding	**473 844**	–
	Total investment in subsidiaries	**1 475 464**	1 001 620
	The carrying amount of investment in subsidiary is shown net of impairment losses.		
3.	**Loans to group companies**		
	Raubex (Pty) Limited	**746 046**	844 042
	The loan is interest free and has no fixed terms of repayment.		
4.	**Trade and other receivables**		
	Trade receivables	**–**	597
	Prepayments	**–**	576
	VAT	**–**	888
		–	2 061
5.	**Cash and cash equivalents**		
	Cash and cash equivalents consist of:		
	Bank balance	**49**	24
6.	**Share capital**		
	Authorised		
	500 000 000 ordinary shares of one cent each	**5 000**	5 000
	Issued		
	182 623 583 ordinary shares of one cent each	**1 826**	1 725
	Issued		
	Ordinary	**1 826**	1 725
7.	**Taxation**		
	South African normal taxation		
	Current tax		
	Current period	**–**	–
	Secondary tax on companies	**12 784**	–
	Total South African normal taxation	**12 784**	–

		2009 R'000	2008 R'000
8.	**Cash generated from operations**		
	Profit before income tax	**191 199**	32 430
	Adjustments for:		
	– Finance income	**(476)**	–
	– Finance costs	**1**	–
	– Dividends received	**(191 200)**	(32 430)
	Changes in working capital		
	– Trade and other receivables	**2 061**	(2 061)
	– Trade and other payables	**(619)**	804
	Net cash generated from operations	**966**	(1 257)
	In the cash flow statement taxation paid is calculated as follows:		
	Balance due beginning of year	**–**	–
	Add: current year tax charge (note 7)	**12 784**	–
	Less: balance due at end of year	**–**	–
	Taxation paid	**12 784**	–
9.	**Related party transactions**		
	Relationship		
	Subsidiary – direct — Raubex (Pty) Limited		
	Related party balances		
	Loans to related parties		
	Raubex (Pty) Limited		
	At 1 March	**844 042**	281 980
	Net movement	**(97 996)**	562 062
	At 28 February	**746 046**	844 042
	Administration fees received from related parties		
	Raubex (Pty) Limited	**36**	983
10.	**Directors' emoluments**		
	No emoluments were paid to the directors during the year.		

Notice to members

Notice is hereby given that the third annual general meeting of members of Raubex Group Limited (Raubex or the company) will be held at Glenhove Conference Centre, 52 Glenhove Road, Melrose Estate, off Rosebank on Friday, 2 October 2009 at 10h00 to conduct the following business:

1. To receive, consider and adopt the annual financial statements of the company and the group for the year ended 28 February 2009, together with the reports of the directors and auditors thereon.

2. To elect and appoint directors in place of those directors retiring in accordance with the Articles of Association of the company (the articles).

   Messrs GM Raubenheimer, MC Matjila, JE Raubenheimer, F Diedrechsen, F Kenney, MB Swana and LA Maxwell retire by rotation in terms of the articles. Messrs MC Matjila, JE Raubenheimer, F Diedrechsen, F Kenney, MB Swana and LA Maxwell offer themselves for re-election and re-appointment as directors of the company.

   In addition, Mr RJ Fourie has been nominated for election and appointment as director of the company in terms of the articles.

   An abbreviated *curriculum vitae* in respect of each director offering himself for election and re-election is contained on page 89 to 90 of this annual report.

3. To authorise the directors to determine the remuneration of the auditors for the past audit.

4. To reappoint PricewaterhouseCoopers Inc. as the independent registered auditors of the company, and to note that the individual registered auditor who will undertake the audit during the financial year ending 28 February 2010 is Mr DA Foster.

5. To approve the payment of remuneration to the directors.

6. To consider and, if deemed fit, pass with or without modification, the following ordinary resolution:

   Ordinary resolution No. 1
   Resolved that, the authorised but unissued ordinary shares in the share capital of the company be and are hereby placed under the control of the directors of the company in terms of sections 221 and 222 of the Companies Act, 1973 (Act No. 61 of 1973), as amended (Companies Act) until the next annual general meeting, to enable them to allot and issue such ordinary shares at their discretion, subject to the provisions of the Companies Act, the company's Articles of Association and the Listing Requirements of the JSE Limited (JSE Listing Requirements), provided that the maximum number of ordinary shares which can be issued in terms of this authority in the aggregate in any one year shall not exceed 10% of the issued ordinary share capital of the company from time to time.

7. To consider and, if deemed fit, to pass with or without modification, the following ordinary resolution:

   Ordinary resolution No. 2
   Resolved that, the directors of the company be and they are hereby authorised by way of general authority to issue all or any of the authorised but unissued ordinary shares in the capital of the company for cash, as and when they in their discretion deem fit, subject to the JSE Listing Requirements, which currently provide, *inter alia*, that:
   - this authority shall be valid until the next annual general meeting of the company, provided it shall not extend beyond 15 (fifteen) months from the date that this authority is given;
   - a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of an issue representing, on a cumulative basis within one year, 5% or more of the number of shares in issue prior to such issue;
   - issues in the aggregate in any one financial year will not exceed 15% of the number of ordinary shares in the company's issued share capital from time to time;

- in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price determined over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors; and
- any such issue will only be made to public shareholders as defined in the JSE Listing Requirements,

provided that the maximum number of ordinary shares which can be issued in terms of this authority in the aggregate in any one year shall not exceed 10% of the issued ordinary share capital of the company, from time to time.

The approval of a 75% majority of the votes cast by ordinary shareholders present or represented by proxy at this annual general meeting is required for the authority in 7 above to become effective.

8. To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Special resolution No. 1

Resolved that, the directors of the company be and are hereby authorised, by way of general approval pursuant, *inter alia*, to articles 13 and 14 of the company's Articles of Association, to facilitate, *inter alia*, the acquisition by Raubex, or a subsidiary of Raubex (collectively the group), from time to time of the issued ordinary shares of Raubex upon such terms and conditions and in such number as the directors of the company may from time to time decide, but subject to the provisions of the Companies Act and the JSE Listing Requirements from time to time, which general approval shall endure until the next annual general meeting of the company; provided that it shall not extend beyond fifteen months from the date of the annual general meeting at which this special resolution is passed, it being recorded that the JSE Listing Requirements currently require, *inter alia*, in relation to a general approval of shareholders that:

- acquisitions of securities be implemented through the order book operated by the JSE Limited trading system and done without prior understanding or arrangement between the company and the counterparty;
- acquisitions in any one financial year are limited to a maximum of 20% of the company's issued share capital of the relevant class; provided that acquisitions by subsidiaries of Raubex are limited to a maximum of 10% of the company's issued share capital of the relevant class;
- an acquisition may not be made at a price more than 10% above the weighted average of the market value for the shares in question for the five business days immediately preceding the date on which the acquisition is agreed;
- a paid press announcement containing details of such acquisition must be published as soon as the company and/or any of its subsidiaries has/have acquired shares constituting, on a cumulative basis, 3% of the number of shares of the relevant class in issue at the date of the annual general meeting at which this special resolution is passed (initial number) and for each 3% in aggregate of the initial number acquired thereafter;
- at any point in time, the company may only appoint one agent to effect any repurchases;
- such repurchases may only be effected if, thereafter, the company still complies with the spread requirements of the JSE Limited; and
- no repurchase may take place during prohibited periods stipulated by the JSE Listing Requirements.

Although no repurchase of shares is contemplated at the present time, the directors, having considered the effects of a repurchase of the maximum number of ordinary shares issued in terms of the aforegoing general authority, are of the opinion that for a period of 12 (twelve) months after the date of the notice of annual general meeting:

- the company and the group will be able, in the ordinary course of business, to pay its debts as they become due;
- the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will be in excess of its consolidated liabilities;
- the issued share capital and reserves of the company and the group are adequate for their ordinary business purposes; and
- the working capital of the company and the group will be adequate for a period of 12 (twelve) months from date of this notice of annual general meeting.

For the purposes of considering special resolution number 1 and in compliance with Rule 11.26(b) of the JSE Listing Requirements, the information listed below has been included in the annual report, in which this notice of annual general meeting is included, at the pages as indicated.

- Directors and management – pages 2 and 3;
- Major shareholders – page 21;
- Material changes – page 87;
- Directors' interest in securities – page 21;
- Share capital of the company – page 83; and
- Litigation statement – page 87

This special resolution number 1 is to be voted on by the ordinary shareholders in the company.

The reason for this special resolution is to obtain, and the effect thereof is to grant the company, a general approval in terms of the Companies Act for the acquisition by the company, or a subsidiary of the company, of ordinary shares in the capital of the company, which general approval shall be valid until the next annual general meeting of the company; provided that the general authority shall not extend beyond 15 (fifteen) months from the date of the annual general meeting at which this special resolution is passed.

Litigation statement
In terms of Section 11.26 of the JSE Listing Requirements, the directors, whose names appear on page 2 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the company's or group's financial position.

Directors' responsibility statement
The directors, whose names appear on page 2 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the information referred to in this special resolution number 1 contains all the information required by law and the JSE Listing Requirements.

Material changes
Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

The reason for and effect of this special resolution is to grant the directors of the company a general authority in terms of the Companies Act and the JSE Listing Requirements for the implementation and administration of the share incentive scheme.

9. To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolution.

   Ordinary resolution No. 3
   Resolved that, any director of the company be and is hereby authorised to do all such things, sign all such documents and take all such actions as are necessary to give effect to the special and ordinary resolutions proposed at the annual general meeting at which this ordinary resolution is proposed, if it/they is/are passed (in the case of ordinary and special resolutions) and registered by the Registrar of Companies (in the case of special resolutions).

10. To transact such other business as may be transacted at an annual general meeting of members.

Notice to members (continued)

Notes:
A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the company.

All proxy forms or other instruments of authority must be deposited with the Transfer Secretaries, Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) so as to be received not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

If you are a certificated Raubex shareholder or an own name dematerialised Raubex shareholder and are unable to attend the annual general meeting of Raubex shareholders to be held at 10h00 on Friday, 2 October 2009 (the Raubex annual general meeting), but wish to be represented thereat, you must complete the form of proxy attached hereto in accordance with the instructions therein and return it to the Transfer Secretaries, Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) so as to be received by no later than 13h00 on Wednesday, 30 September 2009.

If you are a dematerialised Raubex shareholder and are not an own name dematerialised Raubex shareholder then you must instruct your CSDP or broker as to how you wish to cast your vote at the Raubex annual general meeting in order for them to vote in accordance with your instructions. If you wish to attend the Raubex annual general meeting in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised Raubex shareholder (who is not an own name dematerialised Raubex shareholder) and the CSDP or broker.

By order of the board

Heike Elze Ernst
Company Secretary

Executive Directors

Jacobus (Koos) Essaias Raubenheimer – Chief Executive Officer (66) – BSc Eng (Civil) Pr Eng

Koos founded Raubex in 1974 and has acted as Managing Director/Chief Executive Officer of the group since its inception. Prior to founding Raubex, Koos served as an engineer with the Free State and Kruger National Park roads departments for a period of nine years. He has gained valuable experience in steering Raubex through a challenging market and believes Raubex shareholders will now benefit from the labours of a cohesive and loyal management team with a common purpose and a rich skills base. Koos has over 44 years of construction experience, which he continues to put to use in the strategic decision-making and navigation of Raubex. Leadership for Koos means shouldering responsibility for the bottom line, effective decision-making, communication and the well-being of those in charge.

Francois Diedrechsen – Finance and Commercial Director (37) – BCompt (Hons)

Francois joined Raubex in March 2004 after concluding Raubex's empowerment transaction with Matlapeng. He was appointed as a director of Raubex early in 2006 and has led the restructuring and strategic planning of Raubex with a view to the eventual listing. He has also led various mergers and acquisitions for the group since joining. Prior to Raubex, Francois was the Chief Executive Officer of JIC Mining and Construction, a leading mining contracting firm in South Africa, where he had spent 12 years. After leaving JIC Mining and Construction, Francois established Matlapeng, where he was Chief Executive Officer until accepting full-time employment at Raubex.

Rudolf Johannes Fourie – to be appointed Executive Director (43) – N Dip Marketing Management

Rudolf joined the Raubex Group in 1997 as Managing Director of a newly formed company, Roadmac Surfacing. Under his management, it has grown to be the leading surfacing company in South Africa. He has 20 years' experience in road surfacing and the bitumen industry. Prior to working for Raubex he worked as regional manager for the Colas Group until 1997 after he completed his studies in 1989.

Non-Executive Directors

Marake Collin Matjila – Non-Executive Chairperson (48) – BA (Law) (University of Lesotho), LLB (University of Witwatersrand), MAP (Harvard University)

Collin was an active member of the CIVIC Movement and has held various leadership positions in the ANC. He led the ANC negotiations prior to the formation of the Greater Johannesburg Transitional Metropolitan Council during 1994 and was appointed Chairperson of the Executive Committee until April 2000 when he joined Kopano Ke Matla Investment Company. His extensive knowledge of local government earned him the appointment as the first Chairperson of the South African Local Government Association in 1996. He simultaneously served as Chairperson of the Commonwealth Local Government Forum and as an Executive Member of the International Union of Local Authorities. A keen sense for business, practical knowledge and leadership, executive management skills led to his appointment as the Chief Executive Officer of Kopano Ke Matla Investment Company, the investment arm of COSATU, in May 2000. Within the public sector portfolio positions held by Collin had been Chief Executive Officer of the Command Centre for Emergency Reconstruction (a special purpose vehicle formed by Cabinet in 2001 to reconstruct flood damaged infrastructure in the country with a project value of over R1,5 billion). Collin was also appointed as the chairperson of the National Electricity Regulator in 2000 and currently serves as Chairperson of the National Energy Regulator of South Africa. In addition to holding director and chairperson positions in listed and unlisted entities, Collin has also been recognised as one of the Top 12 Business Personalities by the South African Chamber of Commerce. His role as non-executive chairperson enables him to pass on the wisdom gained in top management. His role includes providing strategic direction and guidance for the executive team.

Mbali Bekiso Swana – Non-Executive Director (52) – BAS (UCT) BArch (UCT)

Mbali was appointed as a non-executive director of Raubex on 1 September 2005. Mbali founded Plan Architects Incorporated in 1986. The firm is now well-established with offices in Durban, Johannesburg and Cape Town. In 1990 he founded a project and construction management firm, Swana Management Services, and in 1996 he founded a property consulting firm. In 2000 he consolidated his project and construction interests with his property consulting firm into one multi-disciplinary platform under the umbrella of Prop 5 Corporation Limited where he is currently the Managing Director. Mbali has executed various major projects as a Project Manager and Construction Manager. From 1995 to 2000 he contributed to the National Government programme of development of procurement specifications and systems aimed at aligning the South African Government's procurement policies to world best practice and the South African Constitution. Between 1996 and 2000 he implemented the system in the procurement of correctional facilities with capex in excess of R700 million. From 2000 to date, he commenced the development of PPP tailored for competitive advantage of Prop 5. The programme was applied to the first South African PPP project "Taverna Campus" under concession by the DTI. The concession contract was procured at a capital expenditure of R500 million.

Freddie Kenney – Non-Executive Director (55)
Freddie Kenney joined Raubex (Proprietary) Limited as a director and shareholder in 2004, through the empowerment transaction with Kenworth. Freddie is widely regarded as a versatile and talented businessman in Bloemfontein, with interests in low cost housing development, retail development and construction.

Leslie Arthur Maxwell – Independent Non-Executive Director (62) – CA(SA)
Les joined Raubex as an independent non-executive director in 2007. He currently holds the position of Financial Director of JCI Limited, a position he was nominated for as a result of his extensive financial experience and strong grounding and knowledge of corporate governance. Les joined the board of JCI as an independent financial director to manage/effect the finalisation of the forensic and other financial investigations in progress, the implementation of decisions and settlements arising therefrom and the preparation and publication of consequent financial results and reports. Les, over a 19-year period, has held directorships with Fralex Limited, Fraser Alexander Limited and Joy Manufacturing Co (Proprietary) Limited, where he held the position of Financial Director.

Form of proxy

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS OF RAUBEX GROUP LIMITED (Raubex) ONLY

I/We (Name in block letters)

Of (Address in block letters)

Being the registered holder of shares in Raubex, hereby appoint

of or failing him

of or failing him

the chairman of the meeting, as my/our proxy to vote for on my/our behalf at the annual general meeting to be held at Glenhove Conference Centre, 52 Glenhove Road, Melrose Estate, off Rosebank on Friday, 2 October 2009 at 10h00 or any adjournment as follows:

Resolutions	**In favour of**	**Against**	**Abstain**
1. Adoption of annual financial statements for the year ended 28 February 2009			
2. Election and appointment of the following directors:			
2.1 MC Matjila**			
2.2 JE Raubenheimer**			
2.3 F Diedrechsen**			
2.4 F Kenney**			
2.5 MB Swana**			
2.6 LA Maxwell**			
2.7 RJ Fourie			
3. Auditors' remuneration			
4. Reappointment of PricewaterhouseCoopers Inc. as the independent registered auditors of the company			
5. To approve payment of remuneration to the directors			
6. **Ordinary resolution No. 1:** To place the unissued shares in the authorised capital under the control of the directors			
7. **Ordinary resolution No. 2:** General authority to issue shares for cash			
8. **Special resolution No. 1:** Authority to repurchase shares			
9. **Ordinary resolution No. 3:** Signing of documents			

**Directors who will retire at the meeting by rotation, in accordance with the Articles of Association and, being eligible, offer themselves for re-election and reappointment.

My/our proxy has been instructed to vote in accordance with my/our wishes as indicated by the placing of a cross in the appropriate space above. Unless so instructed, my/our proxy may vote as he/she thinks fit.

Signed at this day of 2009

Signature/(s) of member/(s)

Telephone no. Cell no. Fax no.

Notes to form of proxy

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the company.

All proxy forms or other instruments of authority must be deposited with the Transfer Secretaries, Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) so as to be received not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

If you are a certificated Raubex shareholder or an own name dematerialised Raubex shareholder and are unable to attend the annual general meeting of Raubex shareholders to be held at 10h00 on Friday, 2 October 2009 (the Raubex annual general meeting), but wish to be represented thereat, you must complete the form of proxy attached hereto in accordance with the instructions therein and return it to the Transfer Secretaries, Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) so as to be received by no later than 13h00 on Wednesday, 30 September 2009.

If you are a dematerialised Raubex shareholder and are not an own name dematerialised Raubex shareholder then you must instruct your CSDP or broker as to how you wish to cast your vote at the Raubex annual general meeting in order for them to vote in accordance with your instructions. If you wish to attend the Raubex annual general meeting in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised Raubex shareholder (who is not an own name dematerialised Raubex shareholder) and the CSDP or broker.

General information

Nature of business and principal activities	Construction work, civil engineering and holding company
Directors	MC Matjila *(Chairman Non-executive)* JE Raubenheimer F Diedrechsen GM Raubenheimer F Kenney *(Non-executive)* MB Swana *(Non-executive)* LA Maxwell *(Independent Non-executive)*
Registered office	1st Floor, Leopard Creek Building The Greens Office Park Charles de Gaulle Crescent Centurion South Africa 0169 Tel: +27 (0)12 665 3226 Fax: +27 (0)12 665 2028
Business address	Cleveley Eeufees Extension Bloemfontein South Africa 9300
Postal address	PO Box 3722 Bloemfontein South Africa 9300
Auditors	PricewaterhouseCoopers Inc. Registered Auditors
Company Secretary	HE Ernst
Sponsor	Investec Bank Limited
Registrars	Computershare Investor Services (Pty) Limited
Investor relations	College Hill Tel: +27 (0)11 447 3030 Fax: +27 (0)11 447 6910
Company registration number	2006/023666/06

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