Raubex Group Limited
Annual Results

for the year ended 28 February 2010

19 May 2010

Agenda

- The Year in Review
- Highlights
- Financial Review
- Divisional Review
- Order Book
- Current and Recently Awarded Projects
- Conclusion

The Year in Review

- Satisfactory results despite challenging trading conditions
- Continued good performance by all three divisions
- Margins stabilising as expected
- Ongoing government expenditure
- International drive progressing
- Management restructuring completed
    - Rudolf Fourie assuming CEO role with strong operational focus
    - Francois Diedrechsen remains Financial and Commercial Director
    - Roads and maintenance operations headed by Louis Raubenheimer
    - Materials operations headed by Tobie Wiese

Performance Comparison

- Factors to consider when comparing FY 2009:
  - Deflationary environment
  - Higher depreciation policy
  - Forex impact
  - Increased competition
  - Building and residential sectors weakness
  - Impact of tax regulation amendments on cash flow
  - Extreme seasonal rains in South Africa's northern provinces and Zambia

Group Financial Highlights

- Revenues up 10,1% to R4,58bn (2009: R4,16bn)
- Operating profit up 11,7% to R887,3m (2009: R794,6m)
- Group operating margin of 19,4% (2009: 19,1%)
- HEPS up 11% to 323,8 cents per share (2009: 291,7 cents per share)
- Cash flow from operations down 17,8% to R793,1m (2009: 964,4m)
- Capex spend of R252,4m (2009: R382,8m)
- Final dividend of 75 cents per share declared; total dividend of 110 cents per share (2009: 100 cents per share)

Group Operational Highlights

- Stable operating margins:
  - Roadmac 20,5% (2009: 21,1%)
  - Raubex Construction 16,6% (2009: 13%)
  - Raumix 21,4% (2009: 21,6%)
- Phase 1 of Gauteng Freeway Improvement Project in advanced stages
- International strategy moving ahead; Namibian contract progressing well
- Heavy rainfalls impacting work in the Gauteng province and Zambia
- Order book slightly down at R4,7bn (2009: R5,2bn)
- Head count of over 6100

Income Statement

	Annual results 2010 (R'000)	Annual results 2009 (R'000)
Revenue	**4,582,883**	**4,162,780**
% growth	10,1%	-
EBIT	**887,263**	**794,594**
% growth	11,7%	-
Profit before tax	**858,576**	**757,467**
Profit after tax	**592,307**	**528,854**
Share incentive scheme expenses*	12,838	14,884
Operating margin	19,4%	19,1%
Effective tax rate	31%	30,2%
EPS (cents)	325,6	289,2
EPS growth	12,6%	59,9%
DPS (cents)	110	100
ROCE	29,4%	29,1%
Weighted average shares in issue ('000)	182,624	181,825
Number of Staff	6109	5863

Balance Sheet

	Annual results 2010 (R'000)	Annual results 2009 (R'000)
Non-current assets	**2,003,573**	**1,976,210**
Property, plant and equipment	1,243,360	1,212,941
Intangible assets	723,824	724,289
Other	36,389	38,980
Current assets	**1,822,837**	**1,476,926**
Inventory	123,983	123,074
Receivables	984,087	594,275
Construction contracts in progress	220,098	171,232
Cash	494,669	588,345
Total assets	**3,826,410**	**3,453,136**
Equity	**2,269,696**	**1,855,939**
Non-current liabilities	**482,798**	**616,274**
Current liabilities	**1,073,916**	**980,923**
Trade and other payables	736,315	624,636
Other	337,601	356,287
Total equity and liabilities	**3,826,410**	**3,453,136**

Cash flow

	Annual results 2010 (R'000)	Annual results 2009 (R'000)
Cash flows from operating activities		
Cash generated from operations	793,099	964,405
Finance income	36,837	42,630
Finance cost	(65,544)	(79,841)
Dividend received	4,139	-
Taxation paid	(300,122)	(200,026)
Net cash generated from operating activities	468,409	727,168
Cash flows from investing activities		
Purchases of property, plant and equipment	(252,357)	(382,781)
Proceeds from sale of property, plant and equipment	49,693	37,296
Acquisition of subsidiaries	(49,887)	(384,376)
Associates loans repaid/(advanced)	6,550	(4,100)
Net cash used in investing activities	(246,001)	(733,961)
Cash flows from financing activities		
Proceeds from borrowings	186,060	375,648
Repayment of borrowings	(303,429)	(323,475)
Share issue expenses	-	(1,107)
Proceeds on disposal of investment to minority	6,000	-
Dividends paid to equity holders of company	(191,755)	(127,837)
Dividends paid to minority shareholders	(1,004)	(260)
Net cash used in financing activities	(304,128)	(77,031)
Total cash movement for the year	(81,720)	(83,824)
Cash at the beginning of the year	576,389	660,213
Total cash at end of the period	494,669	576,389

Dividend Declaration

- Final cash dividend declared of 75 cents per share
  - Interim cash dividend of 35 cents per share
- Relevant dates

Last day to trade cum dividend	Friday, 4 June 2010
Commence trading ex dividend	Monday, 7 June 2010
Record date	Friday, 11 June 2010
Payment date	Monday, 14 June 2010

Segmental Analysis

Business segments	Raumix	Roadmac	Raubex Construction	Consolidated
Feb 2010				
Revenue (R'000)	1,020,927	1,976,883	1,585,073	4,582,883
Operating profit (R'000)	218,698	405,414	263,151	887,263
Operating Margin	21,4%	20,5%	16,6%	19,4%
Feb 2009				
Revenue (R'000)	1,022,455	2,045,908	1,094,417	4,162,780
Operating profit (R'000)	220,886	430,998	142,710	794,594
Operating Margin	21,6%	21,1%	13%	19,1%

Geographical segments	Local	% of Group	International	% of Group
Feb 2010				
Revenue (R'000)	4,075,849	88,9%	507,034	11,1%
Operating profit (R'000)	851,625	96%	35,638	4%
Operating Margin	20,9%	-	7%	-
Feb 2009				
Revenue (R'000)	3,841,120	92,3%	321,660	7,7%
Operating profit (R'000)	763,630	96,1%	30,964	3,9%
Operating Margin	19,9%	-	9,6%	-

Roadmac

- Revenue decreased 3,4% to R1,98bn (2009: R2,05bn); 43,1% of total group revenue
- Operating profit decreased 5,9% to R405,4m (2009: R431m)
- Operating margin decreased to 20,5% (2009: 21,1%)
- Capex of R79,5m (2009: R90,4m)
- Order book of R2,1bn
- Increased competition requiring more aggressive tendering; total margins stabilised by improved asphalt margins but contracting margins have decreased
- Savings on lower oil related prices passed on to clients
- Asphalt production being transferred to Raumix to improve efficiencies
- New Olifantsfontein plant commissioned in September 2009
- Teams dispatched and actively working in Zambia
- Rain affected GFIP asphalt work severely

Asphalt Production (incl. Olifantsfontein)	
Utilised capacity (total capacity = 1750kts)	1071kts
Revenue	R720m
Operating Profit	R136m

Roadmac Strategic Outlook

- **Short term** (FY2011)
  - Major asphalt work on GFIP and other areas to pick up in H1 2011
  - Maintenance work to increase in-line with road infrastructure improvements
  - Margins to decrease to around 18-20%
- **Long term**
  - Economic growth necessary to sustain government spending
  - Expansion into SADC
  - Provincial and municipal expenditure needed

Raubex Construction

- Revenue increased 44,8% to R1,59bn (2009: R1,09bn)
- Operating profit increased 84,4% to R263,2m (2009: R142,7m)
- Operating margin increased to 16,6% (2009: 13%)
- All contracts progressing well
- Capex of R73,9m (2009: R74,8m)
- Order book secured – R1,778bn

Raubex Construction Strategic Outlook

- **Short** (FY2011)
  - Order book secured; aggressively seeking long-term workflow
  - Margins to remain stable (13-15%)
  - Higher margins work packages expected on various contracts
  - Solid earnings and revenue growth expected
- **Long term**
  - Economic growth necessary to sustain government spending
  - Ongoing PPPs/concessions negotiations
  - N1 N2 Winelands Project
  - Gauteng Freeway Improvement Project - Phase 2
  - Provincial expenditure needed

Raumix

- Revenue flat at R1,02bn (2009: R1,02bn)
- Operating profit decrease by 1% to R218,7m (2009: R220,9m)
- Operating margin constant at 21,4% (2009: 21,6%)
- Capital expenditure of R99m (2009: R217,6m)
- General construction and residential building markets remain weak
- B&E International performing well
- Mining activities showing signs of recovery
- Order book – R843m

Production schedule (Mts)	
Contract Crushing	6,9
Commercial Crushing	2,1
Mining	31,6

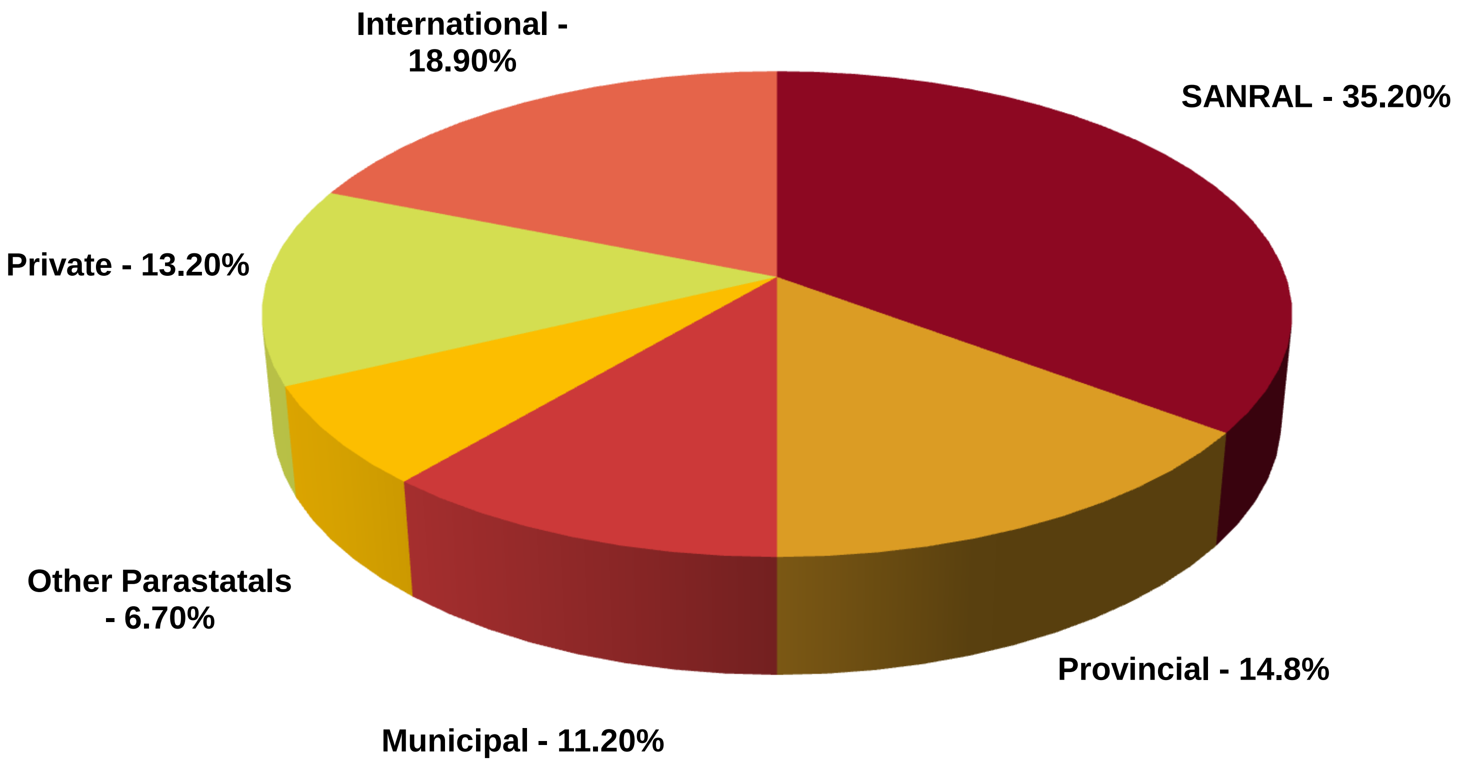
Raumix Strategic Outlook

- **Short term** (FY2011)
  - Margins to decrease to around 15-18%
  - Residential market bottoming out
  - Increased activity in contract crushing
  - Credit risk management
  - Mining activities improving; 2 diamonds contracts re-awarded
- **Long term**
  - Demand dependent on recovery in the residential and commodity sectors
  - Continued prospects for water infrastructure contracts
  - Demand from low-cost housing programmes

Raubex Construction International

- Revenue up 57,6% to R507m (2009: R321,7m)
  - 11,1% of Group total
- Operating profit up to R35,6m (2009: R31m)
  - 4% of Group total
- Operating margin decreased to 7% (2009: 9,6%)
- Sustained activity in Zambia; surfacing teams dispatched
- Underperformance in Zambia attributable to:
  - Excessive rains
  - Kwacha/Rand exchange rate
- Currency hedges
- Namibian work progressing well; additional work secured
- Sites established in Malawi and Windhoek
- Continuously exploring further SADC opportunities

Group Order Book Revenue Streams



Order Book	R4,717bn
Time Distribution	
FY 2011	R3,803bn
FY 2012	R0,860bn
FY 2013	R0,054bn

Current Projects Sample

Raubex Construction

Location	Description	Duration	Price
Namibia	Upgrading and construction of Road between Elundu and Rundu	May 2009 to August 2011	R1bn
Gauteng	Upgrading of National Route 21 between the Olifantsfontein and Hans Strydom interchanges	September 2008 to August 2010	R719m
Free State	Upgrade of National Route R30 between Beatrix and Virginia	March 2009 to January 2011	R232m
Free State	Rehabilitation of national route 5 between Vals River and Paul Roux	January 2009 to December 2010	R176m

Roadmac

Location	Description	Duration	Price
North West	Reseal of N14 between Sannieshof and Coligny	November 2009 to October 2010	R166m
Western Cape	Reseal of road between Dwyka River to Veltevrede	April 2009 to February 2011	R124m
Namibia	Upgrading and resurfacing of Windhoek's Hosea Kutako International Airport	January 2010 to October 2010	R120m
Northern Cape	Repair and reseal of N12 between Victoria West and Vosburg	September 2009 to November 2010	R95m

Recently Awarded Projects Sample

Division	Location	Description	Duration	Price
Roadmac	Gauteng	Reconstruction of the N14 from Ventersdorp to the North West Province border	22 months	R115m
Raubex	Malawi	Upgrading of road between Mchinji and Kawere	18 months	EUR7.3m
Roadmac	Gauteng	Maintenance and rehabilitation of roads in regions across the Ekurhuleni Metro	30 months	R170m
Roadmac	Limpopo	Rehabilitation of roads in the Waterberg District	6 months	R44m
Roadmac	KwaZulu Natal	Reseal of the N2 between Khangela and Mduna River	6 months	R34m
Raubex	Free State	Rehabilitation of P18 between Rouxville and Wepener	24 months	R394m

Conclusion

- Pleased to have grown the business and dividend notwithstanding adverse conditions during the year
- Strong balance sheet
- Sustained strong cash generation
- International expansion continues; new geographies entered
- Short term order book stable (all work guaranteed)
- SANRAL committed to planned expenditure; supported by government infrastructure drive
- N1 N2 Winelands Project discussions underway
- Expecting the next 12 months to be challenging operationally; including WC 2010 impact