

Unaudited Interim Results

for the six months ended 31 August 2009



Highlights

- Revenues up 1,8% to R2,27 billion (H1 2009: R2,23 billion)
- Operating profit up 10,6% to R440,2 million (H1 2009: R398 million)
- HEPS up 10,2% to 159,4 cents per share (H1 2009: 144,6 cents per share)
- Strong cash flow from operations up 40% to R466,6 million (H1 2009: R333,3 million)
- Capex spend of R164,6 million (H1 2009: R232 million)
- Stable order book of R 5,2 billion (H1 2009: R4,9 billion)
- Interim dividend of 35 cents per share

CONSOLIDATED INCOME STATEMENT

	Unaudited six months 31 August 2009	Unaudited six months 31 August 2008	Audited 12 months 28 February 2009
	R'000	R'000	R'000
Revenue	2 273 345	2 232 676	4 162 780
Cost of sales	(1 738 795)	(1 754 348)	(3 148 561)
Gross profit	534 550	478 328	1 014 219
- Other income	3 070	6 233	8 024
- Other gains/(losses) - net	5 044	2 924	(24 448)
- Administrative expenses	(102 481)	(89 517)	(203 201)
Operating profit	440 183	397 968	794 594
- Finance income	21 710	20 722	42 630
- Finance costs	(32 947)	(33 807)	(79 841)
- Share of profit of associate	-	50	84
Profit before income tax	428 946	384 933	757 467
- Income tax expense	(133 683)	(116 699)	(228 613)
Profit for the period	295 263	268 234	528 854
Profit for the period attributable to:			
Equity holders of the company	294 490	266 810	525 852
Minority interest	773	1 424	3 002
Basic earnings per share (cents)	161,3	146,1	289,2
Diluted earnings per share (cents)	159,2	144,4	285,8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months 31 August 2009	Unaudited six months 31 August 2008	Audited 12 months 28 February 2009
	R'000	R'000	R'000
Profit for the period	295 263	268 234	528 854
Other comprehensive income for the period, net of tax			
- Movement in foreign currency translation reserve	(4 135)	1 816	(6 541)
Total comprehensive income for the period	291 128	270 050	522 313
Total comprehensive income for the period attributable to:			
Equity holders of the company	290 355	268 626	519 311
Minority interest	773	1 424	3 002
	291 128	270 050	522 313

CALCULATION OF DILUTED EARNINGS PER SHARE

	Unaudited six months 31 August 2009	Unaudited six months 31 August 2008	Audited 12 months 28 February 2009
	R'000	R'000	R'000
Profit attributable to equity holders of the company	294 490	266 810	525 852
Weighted average number of ordinary shares in issue ('000)	182 624	182 624	181 825
Adjustments for:			
- Share options ('000)	2 367	2 200	2 200
Weighted average number of ordinary shares for diluted earnings per share ('000)	184 991	184 824	184 025
Diluted earnings per share (cents)	159,2	144,4	285,8

CALCULATION OF HEADLINE EARNINGS PER SHARE

	Unaudited six months 31 August 2009	Unaudited six months 31 August 2008	Audited 12 months 28 February 2009
	R'000	R'000	R'000
Profit attributable to equity holders of the company	294 490	266 810	525 852
Adjustments for:			
- (Profit)/loss on sale of fixed assets after tax	(3 338)	(2 648)	1 291
- Impairment of asset held for sale	-	-	3 237
Basic headline earnings	291 152	264 162	530 380
Weighted average number of shares ('000)	182 624	182 624	181 825
Headline earnings per share (cents)	159,4	144,6	291,7
Diluted headline earnings per share (cents)	157,4	142,9	288,2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited six months 31 August 2009	Unaudited six months 31 August 2008	Audited 12 months 28 February 2009
	R'000	R'000	R'000
ASSETS			
Non-current assets			
- Property, plant and equipment	1 264 648	1 159 040	1 212 941
- Intangible assets	727 464	771 535	724 289
- Investments in associate	6 512	8 121	6 854
- Deferred income tax assets	49 349	32 125	28 398
- Trade and other receivables	612	348	728
Total non-current assets	2 042 427	1 971 169	1 973 210
Current assets			
- Inventories	123 951	120 596	123 074
- Construction contracts in progress	222 564	115 283	171 232
- Trade and other receivables	776 578	792 456	589 823
- Current income tax receivable	5 212	2 283	3 285
- Derivative financial instruments	-	-	1 167
- Cash and cash equivalents	583 650	366 337	588 345
Total current assets	1 711 955	1 396 955	1 476 926
Assets of disposal group classified as held for sale	-	-	3 000
Total assets	3 754 382	3 368 124	3 453 136
EQUITY AND LIABILITIES			
Equity			
- Share capital	1 826	1 826	1 826
- Share premium	2 139 632	2 164 773	2 139 632
- Other reserves	(1 144 823)	(1 147 260)	(1 148 471)
- Retained earnings	1 022 648	651 740	855 995
Equity attributable to equity holders of the company	2 019 283	1 671 079	1 848 982
Minority interest in equity	7 730	5 639	6 957
Total equity	2 027 013	1 676 718	1 855 939
LIABILITIES			
Non-current liabilities			
- Borrowings	317 890	414 998	394 060
- Provisions for liabilities and charges	14 135	12 533	14 215
- Deferred income tax liability	214 369	195 312	207 999
Total non-current liabilities	546 394	622 843	616 274
Current liabilities			
- Trade and other payables	771 988	646 227	624 636
- Borrowings	315 940	248 689	256 887
- Current income tax liabilities	82 760	165 863	87 444
- Bank overdrafts	10 287	7 784	11 956
Total current liabilities	1 180 975	1 068 563	980 923
Total liabilities	1 727 369	1 691 406	1 597 197
Total equity and liabilities	3 754 382	3 368 124	3 453 136

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	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
Balance at 1 March 2008	1 725	1 830 853	(1 156 814)	457 979	1 133 743	2 785	1 136 528
Issue of share capital and share premium	101	335 027	-	-	335 128	-	335 128
Share issue expenses	-	(1 107)	-	-	(1 107)	-	(1 107)
Currency translation reserve	-	-	1 816	-	1 816	-	1 816
Share option reserve	-	-	7 738	-	7 738	-	7 738
Minorities' interest in acquired company	-	-	-	-	-	1 430	1 430
Profit for the period	-	-	-	266 810	266 810	1 424	268 234
Dividends paid	-	-	-	(73 049)	(73 049)	-	(73 049)
Balance at 31 August 2008	1 826	2 164 773	(1 147 260)	651 740	1 671 079	5 639	1 676 718
Share based payment adjustment on acquisition	-	(25 141)	-	-	(25 141)	-	(25 141)
Currency translation reserve	-	-	(8 357)	-	(8 357)	-	(8 357)
Share option reserve	-	-	7 146	-	7 146	-	7 146
Profit for the period	-	-	-	259 042	259 042	1 578	260 620
Dividends paid	-	-	-	(54 787)	(54 787)	(260)	(55 047)
Balance at 28 February 2009	1 826	2 139 632	(1 148 471)	855 995	1 848 982	6 957	1 855 939
Currency translation reserve	-	-	(4 135)	-	(4 135)	-	(4 135)
Share option reserve	-	-	7 783	-	7 783	-	7 783
Profit for the period	-	-	-	294 490	294 490	773	295 263
Dividends paid	-	-	-	(127 837)	(127 837)	-	(127 837)
Balance at 31 August 2009	1 826	2 139 632	(1 144 823)	1 022 648	2 019 283	7 730	2 027 013

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited six months 31 August 2009	Unaudited six months 31 August 2008	Audited 12 months 28 February 2009
	R'000	R'000	R'000
Cash flows from operating activities			
Cash generated from operations	466 573	333 288	964 405
Interest received	21 710	20 722	42 630
Interest paid	(32 947)	(33 808)	(79 841)
Income tax paid	(154 794)	(30 172)	(200 026)
Net cash from operating activities	300 542	290 030	727 168
Cash flows from investing activities			
Purchases of property, plant and equipment	(164 631)	(231 990)	(382 781)
Proceeds from sale of property, plant and equipment	41 078	13 672	37 296
Acquisition of subsidiaries	(40 438)	(384 057)	(384 376)
Loans to associates repaid/advanced	6 500	(5 400)	(4 100)
Net cash used in investing activities	(157 491)	(607 775)	(733 961)
Cash flows from financing activities			
Net proceeds from borrowings	(18 240)	90 241	52 173
Share issue expenses	-	(1 107)	(1 107)
Dividends paid to company's shareholders	(127 837)	(73 049)	(127 837)
Dividends paid to minorities	-	-	(260)
Net cash used in financing activities	(146 077)	16 085	(77 031)
Net decrease in cash and cash equivalents	(3 026)	(301 660)	(83 824)
Cash and cash equivalents at the beginning of the year	576 389	660 213	660 213
Cash and cash equivalents at the end of the period	573 363	358 553	576 389

CONSOLIDATED SEGMENTAL ANALYSIS

	Aggregate and crusher R'000	Road surfacing and rehabilitation R'000	Road construction and earthworks R'000	Consolidated R'000
Business segments				
At 31 August 2009				
Segment revenue	581 431	943 593	748 321	2 273 345
Segment result (operating profit)	136 421	198 248	105 514	440 183
At 31 August 2008				
Segment revenue	544 447	1 177 227	511 002	2 232 676
Segment result (operating profit)	115 469	219 855	62 644	397 968
At 28 February 2009				
Segment revenue	1 022 455	2 045 908	1 094 417	4 162 780
Segment result (operating profit)	220 886	430 998	142 710	794 594
Geographical segments				
At 31 August 2009				
Segment revenue	-	2 067 554	205 791	2 273 345
Segment result (operating profit)	-	429 928	10 255	440 183
At 31 August 2008				
Segment revenue	-	2 083 192	149 484	2 232 676
Segment result (operating profit)	-	374 664	23 304	397 968
At 28 February 2009				
Segment revenue	-	3 841 120	321 660	4 162 780
Segment result (operating profit)	-	763 630	30 964	794 594

EMPLOYEE BENEFIT EXPENSE

	Unaudited six months 31 August 2009	Unaudited six months 31 August 2008	Audited 12 months 28 February 2009
	R'000	R'000	R'000
Employee benefit expense in the income statement consists of:			
- Salaries, wages and contributions	406 347	364 371	688 198
- Share options granted to employees	7 783	7 738	14 884
Total employee benefit expense	414 130	372 109	703 082

CAPITAL EXPENDITURE AND DEPRECIATION

	Unaudited six months 31 August 2009	Unaudited six months 31 August 2008	Audited 12 months 28 February 2009
	R'000	R'000	R'000
Capital expenditure for the period	164 631	231 990	382 781
Depreciation for the period	111 834	77 014	155 186
Amortisation of intangible assets for the period	1 148	1 154	2 285

NOTES

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 *Interim Financial Reporting*, the South African Companies Act, as amended, and the JSE Listings Requirements. The principal accounting policies used in the preparation of the unaudited results for the period ended 31 August 2009 are consistent with those applied for the year ended 28 February 2009 and for the unaudited results for the six months ended 31 August 2008 in terms of IFRS.

The following new amendment to "IFRS" is relevant to the Group and is mandatory for the first time for the financial year beginning 1 March 2009.

IAS 1 (*revised*), *Presentation of financial statements*. The revised standard prohibits the presentation of items of income and expense (that is 'non-owner' changes in equity) in the statement of changes in equity, requiring 'non-owner' changes in equity' to be presented separately from owner changes in equity. All 'non-owner' changes in equity are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

Changes in estimates

Useful economic lives of tangible assets

In terms of IAS 16, *Property Plant and Equipment*, the residual value and the useful life of an asset shall be reviewed at least at each financial year end and, if expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimate in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

A review of the useful economic lives of tangible assets was performed during the period ended 31 August 2009. This review has resulted in an additional depreciation charge of R17 million for the six months ended 31 August 2009, which is expected to recur over the remaining useful life of the assets.</