



# Interim Results

Six months ended 31 Aug 2008

**United in bridging your expectations**



# Agenda

- Group Overview
- Highlights
- Acquisition of Stocks
- Financial Results
- Prospects & Conclusion

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## Six Month Overview

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- Successful conclusion of Stocks acquisition
- Rebranding of the Group
- Commencement of the harmonisation & merger process
- Bolstered Building & Construction business unit:
  - Management
  - Capacity

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## Financial Highlights

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Results for the six months ended 31 Aug 2008

% Change year-on-year

Revenue	R2,5bn	131%
Operating profit	R176m	126%
Net profit after tax	R143m	149%
Cash from operations*	R426m	120%
Earnings per share	89.8 cents	112%
Cash on hand	R867m	
Capex*	R239m	

\* 6 months only

Interim Results – Six months ended 31 Aug 2008

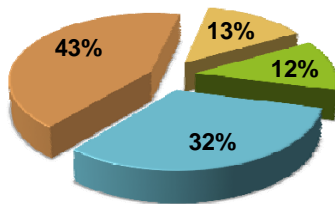


# Key Operations

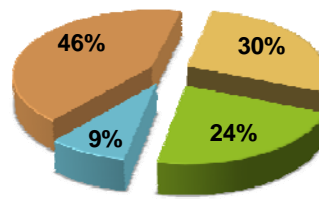
5



Contribution to turnover



Contribution to operating profit



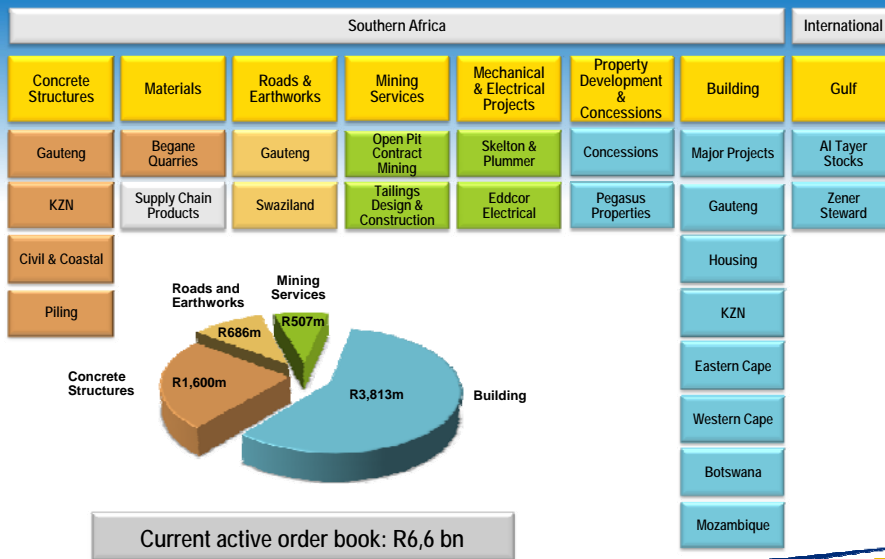
Head Office: -9%

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# Current Business Model

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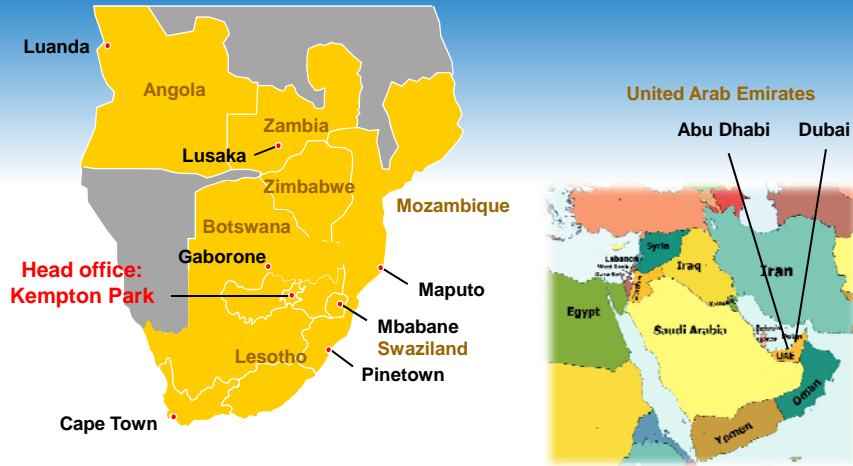


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## Geographical footprint

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## Acquisition of Stocks

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## Stocks Limited

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Percentage ownership	100%
Cost of acquisition	R1,087m
▪ Shares issued: 39,7 million	R675m
▪ Cash paid	R412m
Stocks NAV	R244m
Period included	1 month
Revenue included	R236m
Profit after tax included	R13m
Weighted shares included	6,8 million

Interim Results – Six months ended 31 Aug 2008



## Building & construction company

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- Integrated well with existing building business
- Building business unit management strengthened
- Access to large building type projects
- PPE knowledge base
- Increase direct BEE credentials to 18.3%
- Access to Gulf region with US\$ income



Interim Results – Six months ended 31 Aug 2008



# Financial Results

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	2008	2007
R'000		
Contract Revenue	2 536 374	1 100 308
Contract Profit	1 100 308	1 100 308
EBITDA	1 100 308	1 100 308
EBITDA (%)	43.4	100.0
Depreciation & amortization of intangibles	100 000	100 000
Operating Profit	1 000 308	1 000 308
Operating Margin (%)	39.5	90.9
Net investment income	50 000	50 000
Profit before taxation	1 050 308	1 050 308
Taxation	100 000	100 000
Profit for the period	950 308	950 308
Net Margin (%)	37.5	86.4
Headline Earnings attributable to ordinary shareholders	100 000	100 000
Weighted average shares in issue	100 000 000	100 000 000
Diluted weighted average shares in issue	100 000 000	100 000 000
WEPS (cents)	0.95	0.95
Diluted WEPS (cents)	0.95	0.95

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# Abridged Income Statement

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R'000	Reviewed 6 months to 31 Aug 2008	% Change	Reviewed 6 months to 31 Aug 2007
Contract Revenue	2 536 374	131	1 100 308

- Half year results equate to full year 2008
- Stocks results are included for 1 month only
- Stocks revenue contribution = R236m
- Turnover up 131% y-o-y



## Abridged Income Statement

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R'000	Reviewed 6 months to 31 Aug 2008	% Change	Reviewed 6 months to 31 Aug 2007
Contract Revenue	2 536 374	131	1 100 308
Contract Profit	390 888		150 233
EBITDA	219 954	141	91 192
<i>EBITDA (%)</i>	8.7%		8.3%
Depreciation & amortisation of intangibles	(43 675)		(13 350)
Operating Profit	176 279	126	77 842
<i>Operating Margin (%)</i>	7.0%		7.1%

- EBITDA up 141% y-o-y, with improving margins
- Operating profit up 126% y-o-y
- Stocks 1 month contribution = R13m

Interim Results – Six months ended 31 Aug 2008



## Abridged Income Statement

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R'000	Reviewed 6 months to 31 Aug 2008	% Change	Reviewed 6 months to 31 Aug 2007
Contract Revenue	2 536 374	131	1 100 308
Contract Profit	390 888		150 233
EBITDA	219 954	141	91 192
<i>EBITDA (%)</i>	8.7%		8.3%
Depreciation & amortisation of intangibles	(43 675)		(13 350)
Operating Profit	176 279	126	77 842
<i>Operating Margin (%)</i>	7.0%		7.1%
Net investment income	23 133		4 281
Profit before taxation	199 412	143	82 123
Taxation	(56 750)		(24 840)
Profit for the period	142 662	149	57 283
<i>Net Margin (%)</i>	5.6%		5.2%
Headline Earnings attributable to ordinary shareholders	132 002	141	54 684
Weighted average shares in issue	145 980 140		130 634 200
Diluted weighted average shares in issue	155 159 576		135 970 022

Interim Results – Six months ended 31 Aug 2008



## Abridged Income Statement

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R'000	Reviewed 6 months to 31 Aug 2008	% Change	Reviewed 6 months to 31 Aug 2007
Contract Revenue	2 536 374	131	1 100 308
Contract Profit	390 888		150 233
EBITDA	219 954	141	91 192
<i>EBITDA (%)</i>	<i>8.7%</i>		<i>8.3%</i>
Depreciation			(3 350)
Operating Profit			77 842
Operating Profit (%)			7.1%
Net Profit			4 281
Profit Before Tax			82 123
Taxation			(24 840)
Profit After Tax			57 283
Net Profit (%)			5.2%
Headline Earnings attributable to ordinary shareholders	132 002	141	54 684
Weighted average shares in issue	145 980 140		130 634 200
Diluted weighted average shares in issue	155 159 576		135 970 022
HEPS (cents)	90.42	116	41.86
Diluted HEPS (cents)	85.08	112	40.22

- HEPS increase of 116% y-o-y
- Full impact of intangible write-off iro Stocks transaction will only reflect in H2 2009

Interim Results – Six months ended 31 Aug 2008



## Abridged Balance Sheet

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R'000	Reviewed 6 months to 31 Aug 2008	% Change	Reviewed 6 months to 31 Aug 2007
<b>ASSETS</b>			
Non-current assets			
Property plant and equipment	703 926	170	260 895

- Capex spend R239m for six months
- Additional R134m committed
- Building operating capacity for the future
- No forex exposure

Interim Results – Six months ended 31 Aug 2008



## Abridged Balance Sheet

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R'000	Reviewed 6 months to 31 Aug 2008	% Change	Reviewed 6 months to 31 Aug 2007
<b>ASSETS</b>			
Non-current assets			
Property plant and equipment	703 926	170	260 895
Intangible assets	1 183 115		73 639

- Increase in intangible assets mainly due to Stocks acquisition
- Intangible write-off in H2 2009

Interim Results – Six months ended 31 Aug 2008



## Abridged Balance Sheet

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R'000	Reviewed 6 months to 31 Aug 2008	% Change	Reviewed 6 months to 31 Aug 2007
<b>ASSETS</b>			
Non-current assets			
Property plant and equipment	703 926	170	260 895
Intangible assets	1 183 115		73 639
Other non-current assets	16 061		-
Current assets			
Other current assets	1 571 533		493 494
Bank balances	867 400	72	503 168
<b>Total assets</b>	<b>4 342 035</b>		<b>1 331 196</b>

**Cash on hand R867m after Stocks transaction**

Interim Results – Six months ended 31 Aug 2008



## Abridged Balance Sheet

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R'000	Reviewed 6 months to 31 Aug 2008	% Change	Reviewed 6 months to 31 Aug 2007
<b>ASSETS</b>			
Non-current assets			
Property plant and equipment	703 926	170	260 895
Intangible assets	1 183 115		73 639
Other non-current assets	16 061		-
Current assets			
Other current assets	1 571 533		493 494
Bank balances	867 400	72	503 168
<b>Total assets</b>	<b>4 342 035</b>		<b>1 331 196</b>

<b>Other current assets</b>			
Inventories & contracts in progress	141 032		44 266
Trade accounts receivable	1 011 942		427 617
Other receivables	418 559		21 611
	<b>1 571 533</b>		<b>493 494</b>

Interim Results – Six months ended 31 Aug 2008



## Abridged Balance Sheet

20

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<b>Total assets</b>	<b>4 342 035</b>		<b>1 331 196</b>
<b>EQUITY AND LIABILITIES</b>			
Equity and Reserves	1 441 185	183	509 107

- Share premium of R675m for Stocks transaction
- 183% increase in shareholders' equity

Interim Results – Six months ended 31 Aug 2008



## Abridged Balance Sheet

21

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<b>Total assets</b>	<b>4 342 035</b>		<b>1 331 196</b>
<b>EQUITY AND LIABILITIES</b>			
Equity and Reserves			
	1 441 185	183	509 107
Non-current liabilities			
Other financial liabilities	187 940		63 542
Deferred taxation	12 042		19 143
Current liabilities			
Other current liabilities	1 824 179		499 134
Provisions	770 647		185 223
Taxation	106 042		55 047
<b>Total equity and liabilities</b>	<b>4 342 035</b>		<b>1 331 196</b>

Interim Results – Six months ended 31 Aug 2008



## Abridged Balance Sheet

22

R'000	Reviewed 6 months to 31 Aug 2008	% Change	Reviewed 6 months to 31 Aug 2007
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Non-current liabilities			
Other financial liabilities	187 940		63 542
Deferred taxation	12 042		19 143
Current liabilities			
Other current liabilities	1 824 179		499 134

Other current liabilities			
Short term loans	217 462		67 812
Trade accounts payable	720 358		429 736
Accruals & other current liabilities	886 359		1 586
	<b>1 824 179</b>		<b>499 134</b>

Interim Results – Six months ended 31 Aug 2008



## Abridged Balance Sheet

23

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<b>ASSETS</b>			
Non-current assets			
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Deferred taxation	12 042		19 143
Current liabilities			
Other current liabilities	1 824 179		499 134
Provisions	770 647		185 223
Taxation	106 042		55 047
<b>Total equity and liabilities</b>	<b>4 342 035</b>		<b>1 331 196</b>
Total shares in issue	177 912 105		139 380 867
Total diluted shares in issue*	188 080 746		148 355 867
Net asset value per share (cents)	790		362
Net tangible asset value per share (cents)	125		309

\* Issue to share trusts

Interim Results – Six months ended 31 Aug 2008



## Abridged Cashflow Statement

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R'000	Reviewed 6 months to 31 Aug 2008
Cash generated from operations	425 932

- Improved working capital cycle
- Increase in advance payments and provisions

Interim Results – Six months ended 31 Aug 2008



## Abridged Cashflow Statement

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R'000	Reviewed 6 months to 31 Aug 2008
Cash generated from operations	425 932
Interest received	34 309
Finance costs	(11 905)
Dividends paid	(1 487)
Taxation paid	(45 604)
Secondary tax on companies paid	(64)
<b>Cash flows from operating activities</b>	<b>401 181</b>
Expenditure to maintain operating capacity	(233 575)
Expenditure for expansion	(87 577)
<b>Cash flows from investing activities</b>	<b>(321 152)</b>
<b>Cash flows from financing activities</b>	<b>124 388</b>
<b>Net increase in cash for period</b>	<b>204 417</b>
Cash at beginning of period	662 983
<b>Net cash at end of period</b>	<b>867 400</b>

Interim Results – Six months ended 31 Aug 2008



## Operating Segments as at 31 Aug 2008

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R'000s	Concrete Structures	Roads & Earthworks	Mining	Building	Head Office	Group
<b>Revenue</b>	1 073 998	337 373	310 502	814 501	-	<b>2 536 374</b>
<i>% Contribution</i>	42.3%	13.3%	12.3%	32.1%	-	<b>100%</b>
<b>Operating profit</b>	81 701	53 351	41 978	15 538	(16 289)	<b>176 279</b>
<i>% Contribution</i>	46.3%	30.3%	23.8%	8.8%	(9.2%)	<b>100%</b>
<b>Operating margin (%)</b>	7.6%	15.8%	13.5%	1.9%	N/A	<b>7.0%</b>
<b>Profit after tax</b>	70 687	40 088	26 963	19 416	(14 492)	<b>142 662</b>
<i>% Contribution</i>	49.5%	28.1%	18.9%	13.6%	10.1%	<b>100%</b>

**Building margin and turnover to increase in H2 2009**

Interim Results – Six months ended 31 Aug 2008



## Operating Segments as at 29 Feb 2008

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R'000s	Concrete Structures	Roads & Earthworks	Mining	Building	Head Office	Group
<b>Revenue</b>	1 052 443	347 194	347 715	797 571	-	2 544 923
<i>% Contribution</i>	41.4%	13.6%	13.7%	31.3%	-	100%
<b>Operating profit</b>	86 305	59 385	56 381	(6 032)	(11 735)	184 304
<i>% Contribution</i>	46.8%	32.2%	30.6%	(3.3%)	(6.3%)	100%
<b>Operating margin (%)</b>	8.2%	17.1%	16.2%	(0.7%)	N/A	7.2%
<b>Profit after tax</b>	67 966	43 975	37 454	186	(5 163)	144 418
<i>% Contribution</i>	47.1%	30.4%	25.9%	0.2%	(3.6%)	100%

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## Prospects & Conclusion

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## Prospects

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- Infrastructure spend to continue beyond 2010
- Government and municipal infrastructure spend:
  - Roads, railways and ports
  - Water and effluent treatment works
  - Hospitals, education & Government buildings
- Eskom's committed electrical power expansion
  - Coal-fired, nuclear power stations and wind farms
- Capital project spending in private sector:
  - Commodities and resources
  - Affordable mass housing, inner city building refurbishment
  - Growth in the Gulf region
  - Petrochemical

Interim Results – Six months ended 31 Aug 2008



## Strategy – Southern Africa

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- Take advantage of local infrastructure, mining, petrochemical and electrical power markets
- Take on larger and more technically challenging projects
- Increase footprint and market share throughout Southern Africa
- Expand Roads & Earthworks and Mining Services business units
- Bigger involvement in public-private partnerships (PPP's)

Interim Results – Six months ended 31 Aug 2008



## International Market Strategy

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- Increase market share in the Gulf
- Lay foundation for further international expansion
- Strategic partnerships with international construction companies

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## Order Book

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**Total order book at listing  
Aug 2007 = R2,5 bn**

**Current order book  
Aug 2008 = R6,6 bn**

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## Conclusion

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**Market remains positive beyond 2010**

**Strong focus on Structures, Roads & Mining**

**Structures & Building divisions  
management strengthened**

**Excellent client relationships assist  
in negotiated projects**

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**Current active order book R6,6bn**

**Q&A**

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