



Interim Results

Six months ended 31 Aug 2010

United in bridging **your** expectations

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Agenda

Six Month Overview

Highlights

Financial Results

Prospects & Conclusion

United in bridging **your** expectations

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Six Month - Highlights



- Solid financial performance in:
 - Structures
 - Building
 - Roads & Earthworks
- Growth in order book
- Power, Transmission & Distribution division now established
- Maintained strong Balance Sheet
- Strengthening brand value

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Financial Performance



Results for the six months ended 31 Aug 2010

% Change year-on-year

Revenue	R3.6bn
EBITDA	R296m
Operating profit	R222m
Headline earnings	R165m
HEPS	96 cents
Cash on hand	R1,1bn
Interim dividend	20 cps

-9%

-8%

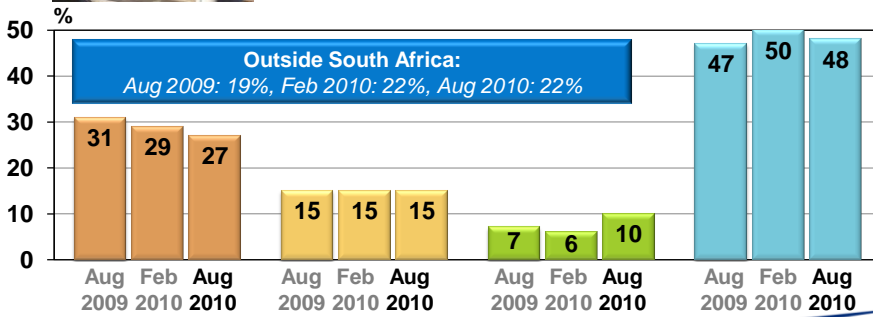
-14%

-15%

-14%

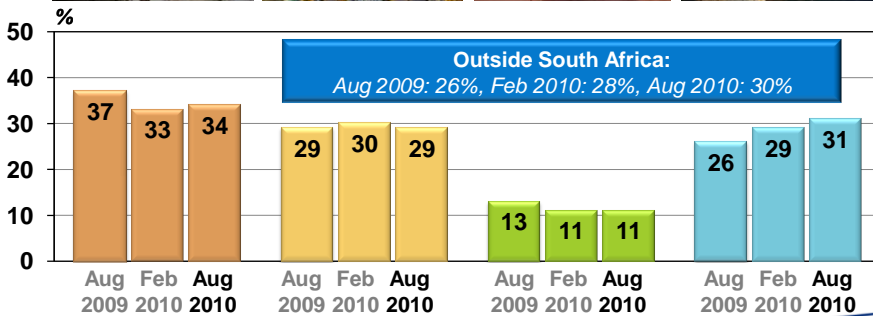
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Key Operations: Contribution to turnover



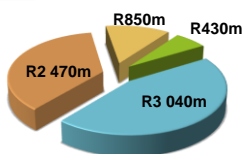
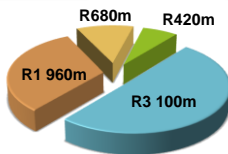
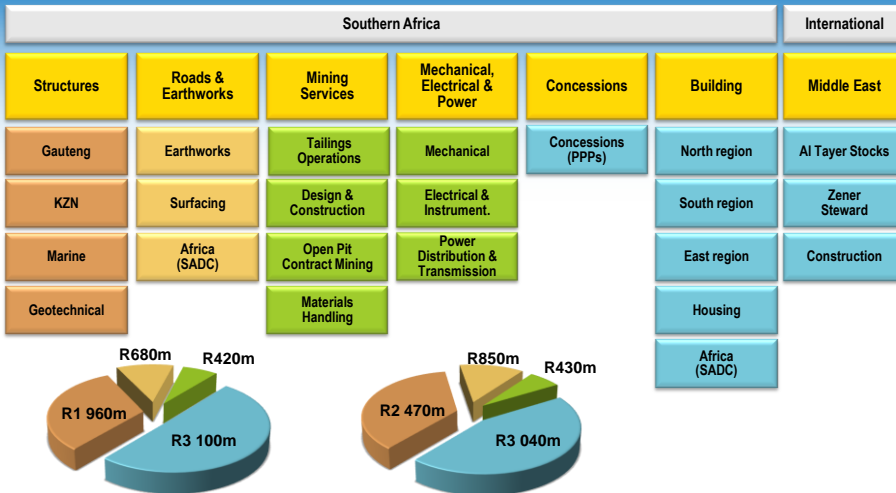
Aug = Interim results
Feb = Full year results

Key Operations: Contribution to operating profit*



Aug = Interim results * Excludes head office
Feb = Full year results

Key Operations & Order Book



28 Feb 2010: R6,2 bn

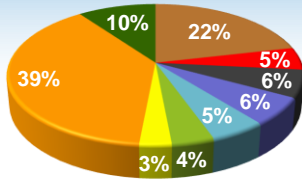
31 Aug 2010: R6,8 bn

Order book has grown and shifted into higher margin business units

Group % turnover by sector



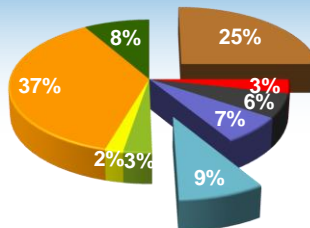
31 Aug 2010



Government work: 38%

Outside South Africa: 22%

Projected



Government work: 32%

Outside South Africa: 26%

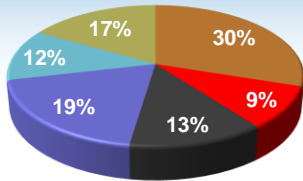
- Mining
- Industrial
- Oil & Gas
- Power
- Water
- Airports
- Residential
- Non-residential
- Rail & Road

Structures

% turnover by sector



31 Aug 2010

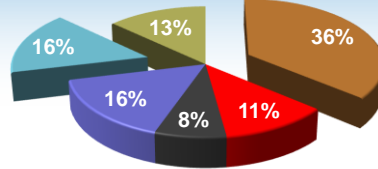


Government work: 45%

Outside South Africa: 14%

- Mining
- Industrial
- Oil & Gas
- Power
- Water
- Rail & Road

Projected



Government work: 41%

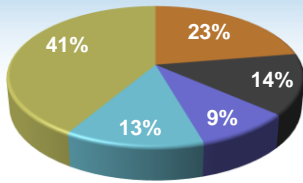
Outside South Africa: 19%

Roads & Earthworks

% turnover by sector



31 Aug 2010

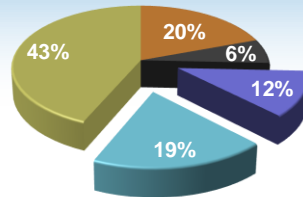


Government work: 63%

Outside South Africa: 26%

- Mining
- Oil & Gas
- Power
- Water
- Rail & Road

Projected



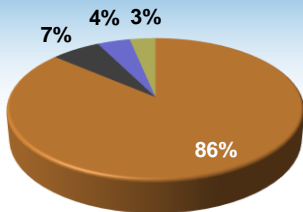
Government work: 74%

Outside South Africa: 21%

Mining Services % turnover by sector



31 Aug 2010

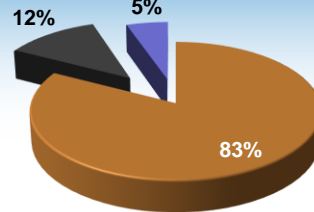


Government work:
0%

Outside South Africa:
0%

Mining
Oil & Gas
Power
Rail & Road

Projected



Government work:
0%

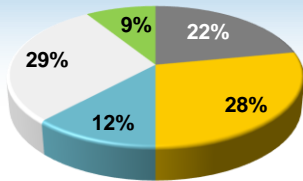
Outside South Africa:
0%

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Mining % turnover by mineral

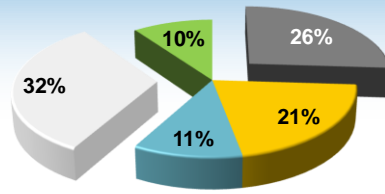


31 Aug 2010



Coal
Gold
Chrome
Iron
Other

Projected



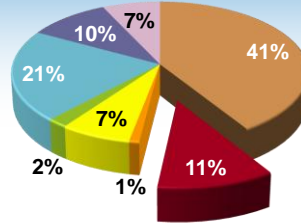
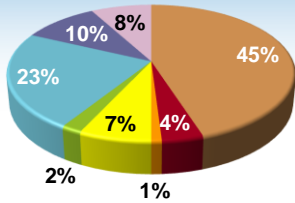
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Building % turnover by sector



31 Aug 2010

Projected



Govt. work: 29%

Govt. work: 25%

Outside SA: 26%

Outside SA: 32%

- Office & Commercial
- Shopping & Retail
- Hospitals & Medical
- Leisure
- Sporting
- Factories & Warehouses
- Residential
- Airports

Financial Results



United in bridging your expectations

Abridged statement of comprehensive income



R'000	Reviewed 6months to 31 Aug 2010	% Change	Reviewed 6months to 31 Aug 2009	Audited 12 months ended 28 Feb 2010
Contract Revenue	3 581 030	-9,0%	3 936 682	7 365 023

- Contract revenue down 9% y-o-y
- World Cup infrastructure revenue contributed 2% (Feb 2010: 8%)
- Delays in contract awards & project information
- Anticipated improved revenue contribution in H2 2011

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Abridged statement of comprehensive income



R'000	Reviewed 6months to 31 Aug 2010	% Change	Reviewed 6months to 31 Aug 2009	Audited 12 months ended 28 Feb 2010
Contract Revenue	3 581 030	-9,0%	3 936 682	7 365 023
EBITDA	295 626	-7,8%	320 786	657 337
EBITDA (%)	8.3%		8.1%	8.9%
Depreciation & amortisation of intangibles	(73 790)		(63 660)	(156 592)
Operating Profit	221 836	-13,7%	257 126	500 745
Operating Margin (%)	6.2%		6.5%	6.8%

- EBITDA down 8% y-o-y
- Improved EBITDA margin from 8,1% to 8,3%
- Operating profit down 14% at R222m
- Depreciation increase due to prior and current year capex

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Abridged statement of comprehensive income



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<i>Operating Margin (%)</i>	6.2%		6.5%	6.8%
Net investment income	21 931		28 259	61 203
Profit before taxation	243 767	-14,6%	285 385	561 948
Taxation	(77 876)		(87 306)	(172 703)
Profit for the period	165 891	-16,3%	198 079	389 245

**Increase in effective tax rate
from 30,6% to 31,9%**

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Abridged statement of comprehensive income



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Profit for the period	165 891	-16,3%	198 079	389 245
<i>Net Margin (%)</i>	4.6%		5.0%	5.3%
Earnings attributable to ordinary shareholders	165 891		196 304	384 774
Headline Earnings attributable to ordinary shareholders	165 354	-15,2%	194 957	392 115
Diluted weighted average shares in issue	188 080 746		188 080 746	188 080 746
HEPS (cents)	96.0	-13,7%	111.2	224.3
Diluted HEPS (cents)	87.9		103.7	208.5

- **HEPS decrease of 13,7% y-o-y**
- **Interim dividend per policy of 20 cps**
- **Dividend based on normalised earnings**

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Abridged statement of comprehensive income



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Profit before taxation				
Taxation				
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Diluted weighted average shares in issue	188 080 746		188 080 746	188 080 746
HEPS (cents)	96.0	-13,7%	111.2	224.3
Diluted HEPS (cents)	87.9		103.7	208.5
Dividend per share (cents)	20.0	-20,0%	25.0	70.0

Interim dividend per policy of 20 cps

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Abridged statement of financial position



R'000	Reviewed 6months to 31 Aug 2010	% Change	Audited 12 months ended 28 Feb 2010
ASSETS			
Non-current assets			
Property plant and equipment	855 266	8,0%	791 865

- Capex spend on plant & equipment = R110m
- Capex spend on operational properties = R34m
- Additional R50m anticipated

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Abridged statement of financial position



R'000	Reviewed 6months to 31 Aug 2010	% Change	Audited 12 months ended 28 Feb 2010
ASSETS			
Non-current assets			
Property plant and equipment	855 266	8,0%	791 865
Goodwill and intangible assets	1 135 119		1 126 547
Other non-current assets	20 965		20 024
Current assets			
Bank balances	1 125 385	-16,5%	1 347 604

Cash on hand R1,1bn after dividend of R77m

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Abridged statement of financial position



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ASSETS			
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Property plant and equipment	855 266	8,0%	791 865
Goodwill and intangible assets	1 135 119		1 126 547
Other non-current assets	20 965		20 024
Current assets			
Bank balances	1 125 385	-16,5%	1 347 604
Other current assets	1 741 710		1 635 943
Total assets	4 977 463		5 027 783

Other current assets			
Inventories & contracts in progress	206 105		214 240
Trade accounts receivable	1 075 501		1 005 696
Other receivables	460 104		416 007
	1 741 710		1 635 943

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Abridged statement of financial position



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Total assets	4 977 463		5 027 783
EQUITY AND LIABILITIES			
Equity and Reserves	1 731 291	2,8%	1 683 632

- Return on equity = 19%
- Interest bearing D:E = 15%

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Abridged statement of financial position



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Total assets	4 977 463		5 027 783
EQUITY AND LIABILITIES			
Equity and Reserves	1 731 291	2,8%	1 683 632
Non-current liabilities			
Other financial liabilities	118 558		108 477
Deferred taxation	32 506		22 949
Current liabilities			
Other current liabilities	1 696 526		1 658 686

Other current liabilities		
Short term loans	135 456	130 358
Trade accounts payable	800 665	841 313
Accruals & other current liabilities	760 405	687 015
Total	1 696 526	1 658 686

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Abridged statement of financial position



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Non-current liabilities			
Other financial liabilities	118 558		108 477
Deferred taxation	32 506		22 949
Current liabilities			
Other current liabilities	1 696 526		1 658 686
Provisions and advance payments	1 319 519		1 449 735
Taxation	20 757		32 841
Total equity and liabilities	4 977 463		5 027 783

* Issue to share trusts and share buy-backs

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Abridged statement of financial position



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Provisions and advance payments	1 319 519		1 449 735
Taxation	20 757		32 841
Total equity and liabilities	4 977 463		5 027 783
Total shares in issue	171 500 010		172 476 565
Total diluted shares in issue*	188 080 746		188 080 746
Diluted NAV per share (cents)	921	3,0%	894
Diluted NTAV per share (cents)	317	7,4%	295

* Issue to share trusts and share buy-backs

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Abridged cashflow statement



R'000	Reviewed 6months to 31 Aug 2010	% Change	Reviewed 6 months to 31 Aug 2009
Cash generated from operations	115 159		386 146
Cash flows from operating activities	(18 761)	-107%	239 230

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Abridged cashflow statement



R'000	Reviewed 6months to 31 Aug 2010	% Change	Reviewed 6 months to 31 Aug 2009
Cash generated from operations	115 159		386 146
Cash flows from operating activities	(18 761)	-107%	239 230
Expenditure to maintain operating capacity	(65 519)		(55 278)
Expenditure for expansion	(107 615)		(110 784)
Cash flows from investing activities	(173 134)		(166 062)
Cash flows from financing activities	(4 864)		(33 032)
Net (decrease) / increase in cash for period	(196 759)		40 136
Effects of exchange rate changes on cash and cash equivalents	(25 460)		(45 215)
Cash at beginning of period	1 347 604		1 333 877
Net cash at end of period	1 125 385		1 328 798

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Operating Segments

Full year – 28 Feb 2010



R'000s	Concrete Structures	Roads & Earthworks	Mining	Building	Head Office	Group
Revenue	2 098 888	1 104 302	473 771	3 688 062	-	7 365 023
% Contribution	28.5 %	15.0%	6.4%	50.1%	-	100%
Operating profit	166 112	151 922	55 755	142 499	(15 543)	500 745
% Contribution	33.2%	30.3%	11.1%	28.5%	(3.1%)	100%
Operating margin (%)	7.9%	13.8%	11.8%	3.9%	N/A	6.8%

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Operating Segments

Six months – 31 August 2010



R'000s	Concrete Structures	Roads & Earthworks	Mining	Building	Head Office	Group
Revenue	966 840	518 295	366 616	1 729 279	-	3 581 030
% Contribution	27.0 %	14.5%	10.2%	48.3%	-	100%
Operating profit	75 805	63 740	24 431	68 231	(10 371)	221 836
% Contribution	34.2%	28.7%	11.0%	30.8%	(4.7%)	100%
Operating margin (%)	7.8%	12.3%	6.7%	3.9%	N/A	6.2%

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Prospects & Conclusion



United in bridging your expectations

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Prospects – 12 to 18 months



- Private sector
 - Office space, warehousing and malls
- Eskom's committed electrical power expansion
 - Coal-fired power stations (Kusile, Medupi)
 - Electrical power transmission and distribution
- Other opportunities
 - Minerals and commodities infrastructure
 - Growth in neighbouring states and rest of Africa
- Government and provincial infrastructure spend
 - Water and dams
 - Hospitals and education

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Conclusion



Solid performance and strong balance sheet

Well diversified with enhanced brand equity

Good geographical spread with established presence in various African countries

Strong pipeline in the private sector

Positioned for growth

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Stefanutti Stocks City

A multi-disciplinary engineering and construction group



Q&A

www.stefanuttistocks.com