



Annual Results

12 Months ended 28 Feb 2010

United in bridging **your** expectations

A multi-disciplinary engineering
and construction group



Agenda

- 12 month Overview
- Operational Overview
- Financial Results
- Prospects & Conclusion

United in bridging **your** expectations

12 month overview



- Solid financial performance in:
 - Roads & Earthworks
 - Structures
 - Building
- Acquisition of all minority shareholders
- Rebranding of the new acquisitions

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Financial Highlights



Results for the 12 months ended 28 Feb 2010

% Change year-on-year

Revenue	R7,4bn	18%
Operating profit	R501m	28%
Net profit after tax	R389m	22%
Earnings Per Share (EPS)	220.1c	20%
Normalised HEPS	230.6c	14%
Dividend per share (cover 3x)	70c*	21%
Cash on hand	R1,3bn	
Market cap (R11.50 / share)	R2,2bn	

* Dividend - interim: 25c, final: 45c = 70c (2009: 58c)

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Operational Overview

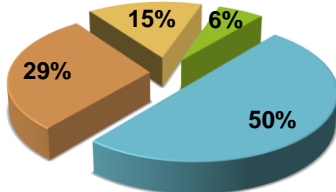


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Key Operations

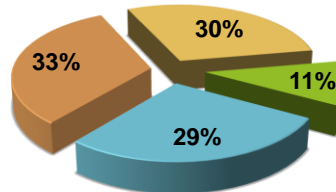


Contribution to turnover



Outside South Africa: 22%

Contribution to operating profit*



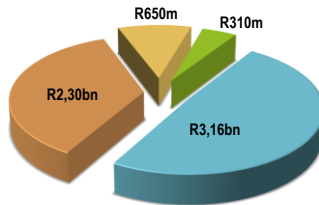
* Excludes head office

Outside South Africa: 28%

Key Operations



Southern Africa						International
Concrete Structures	Roads & Earthworks	Mining Services	Mechanical, Electrical & Power	Concessions	Building	Middle East
Gauteng	Earthworks	Tailings Operations	Mechanical	Concessions (PPPs)	North region	Al Tayer Stocks
KZN	Surfacing	Design & Construction	Electrical & Instrument.		South region	Zener Steward
Marine	Africa (SADC)	Open Pit Contract Mining	Power Distribution & Transmission		East region	Construction
Geotechnical		Materials Handling			Housing	
					Africa (SADC)	



Order book Feb 2010: R6,2 bn

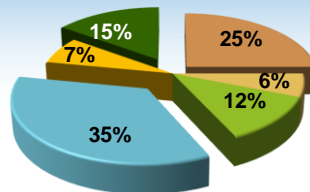
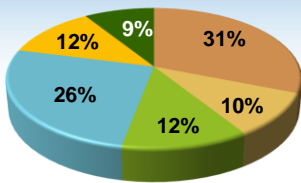
Structures

% turnover by sector



28 Feb 2010

Projected forward



Outside South Africa: 19%

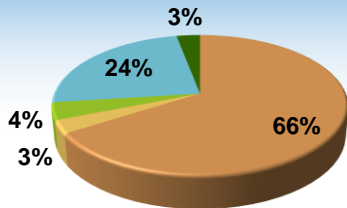
Outside South Africa: 29%

- Govt.
- Private
- Power
- Mining
- Industrial
- Petrochemical

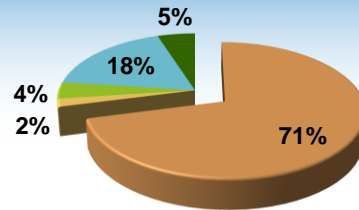
Roads & Earthworks % turnover by sector



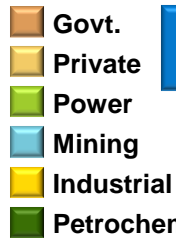
28 Feb 2010



Projected forward



Outside South Africa:
28%

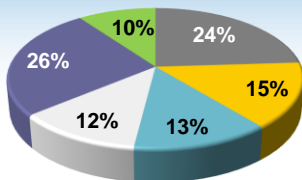


Outside South Africa:
26%

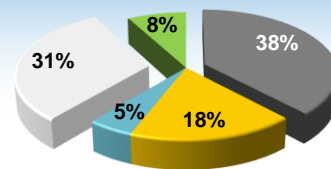
Mining Services % turnover by sector



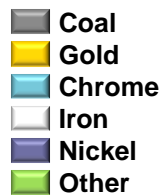
28 Feb 2010



Projected forward



Outside South Africa:
0%



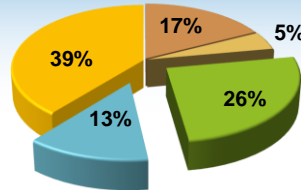
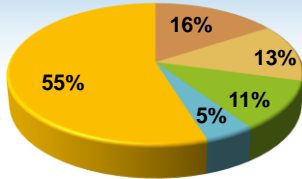
Outside South Africa:
4%

Building % turnover by sector



28 Feb 2010

Projected forward



Outside South Africa:
27%

Outside South Africa:
33%

- Govt.
- Leisure
- Private
- Residential
- Commercial

Financial Overview



R'000
 Contract Revenue
 Contract Profit
 Earnings before interest, taxation, depreciation and amortisation (EBITDA)
 EBITDA (%)
 Depreciation
 Amortisation of Intangible Assets
 Operating profit before investment income
 Operating Margin
 Net Investment income
 Profit before taxation

	Reviewed 12 months ended 28 Feb 2010	% Inc.	Audited 12 months ended 28 Feb 2009
Contract Revenue	7 365 023	18.5%	6 212 899
Contract Profit	1 109 061	17.1%	946 895
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	657 337	23.6%	531 838
EBITDA (%)	8.9%		8.6%
Depreciation	(138 587)		(100 896)
Amortisation of Intangible Assets	(18 005)		(38 751)
Operating profit before investment income	500 745	27.7%	392 191
Operating Margin	6.8%		6.3%
Net Investment income	60 230		44 344
Profit before taxation	561 948	28.9%	435 832
	7.6%		7.0%
	(172 703)		(116 414)
	389 245	21.9%	319 418
	5.3%		5.1%
	284 775	29.3%	297 525
	4 471		21 893
	2 246	21.9%	319 418
	405		299 267
	174 787 507		327 169
	188 080 746		161 464 960
	220.1		171 428 947
			184.3
			195.3



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Abridged Income Statement



R'000	Reviewed 12 months ended 28 Feb 2010	% Inc.	Audited 12 months ended 28 Feb 2009
Contract Revenue	7 365 023	18.5%	6 212 899

- Turnover up 18% y-o-y
- Stocks results are included for full 12 months
- Effect of rain and delays

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Abridged Income Statement



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Operating Margin (%)	6.8%		6.3%

- EBITDA up 24% y-o-y, from 8.6% to 8.9%
- Operating margin up to 6.8%, at R500m
- Depreciation increase from prior year capex

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Abridged Income Statement



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Net Investment income	60 230		44 344
Profit before taxation	561 948	28.9%	435 832
Taxation	(172 703)		(116 414)
Profit for the period	389 245	21.9%	319 418
PAT (%)	5.3%		5.1%

- Profit margin increased to 5.3%
- Increase in tax rate due to STC on dividends

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Abridged Income Statement



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Taxation	(172 703)		(116 414)
Profit for the period	389 245	21.9%	319 418
PAT (%)	5.3%		5.1%
Attributable to:			
Equity holders of the company	384 775	29.3%	297 525
Minority shareholders	4 471		21 893
	389 246	21.9%	319 418
Headline earnings attributable to ordinary shareholder	392 115		299 267
Normalised earnings attributable to ordinary shareholder	403 069		327 169
Number of weighted average shares in issue	174 787 507		161 464 960
Number of diluted weighted average shares in issue	188 080 746		171 428 947
Earnings per share (cents)	220.1	19.5%	184.3
Headline earnings per share (cents)	224.3	21.0%	185.3
Normalised headline earnings per share (cents)	230.6	13.8%	202.6
Dividend per share (cents)	70.0	20.7%	58.0

- HEPS increase of 21% y-o-y
- Normalised HEPS increase 14% y-o-y
- Final dividend of 45c (total 70c)

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Abridged Balance Sheet



R'000	Reviewed 12 months ended 28 Feb 2010	% Inc.	Audited 12 months ended 28 Feb 2009
ASSETS			
Non-current assets			
Property, plant and equipment	791 865	3.7%	763 246

- Capex spend R214m
- Currently R10m committed
- No forex exposure

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Abridged Balance Sheet



R'000	Reviewed 12 months ended 28 Feb 2010	% Inc.	Audited 12 months ended 28 Feb 2009
ASSETS			
Non-current assets			
Property, plant and equipment	791 865	3.7%	763 246
Intangible assets	1 126 547	-3%	1 161 544

- Small amortisation of intangibles
- Goodwill tested for impairment

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Abridged Balance Sheet



R'000	Reviewed 12 months ended 28 Feb 2010	% Inc.	Audited 12 months ended 28 Feb 2009
ASSETS			
Non-current assets			
Property, plant and equipment	791 865	3.7%	763 246
Intangible assets	1 126 547	-3%	1 161 544
Deferred taxation	45 303		59 981
Current assets			
Bank balances	1 347 604	1.0%	1 333 877

- Strong bank balances maintained
- Dividends paid R159m

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Abridged Balance Sheet



R'000	Reviewed 12 months ended 28 Feb 2010	% Inc.	Audited 12 months ended 28 Feb 2009
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Intangible assets	1 126 547	-3%	1 161 544
Deferred taxation	45 303		59 981
Current assets			
Bank balances	1 347 604	1.0%	1 333 877
Other current assets	1 635 943		1 639 654
Total assets	5 027 783		5 024 040

Other current assets			
Inventories & contracts in progress	214 240		202 239
Trade accounts receivable	1 005 696		1 107 021
Other receivables	416 007		330 394
	1 635 943		1 639 654

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Abridged Balance Sheet



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Other current assets	1 635 943		1 639 654
Total assets	5 027 783		5 024 040
EQUITY AND LIABILITIES			
Capital and reserves	1 683 632	4.4%	1 613 258

- 4% increase in shareholders' equity
 - after dividends of R159m
 - acquisition of minorities R98m
- Interest bearing D:E = 14%
- ROE of 23%

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Abridged Balance Sheet



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Total assets	5 027 783		5 024 040
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' interest	1 681 457	4.4%	1 574 049
Minority shareholders' interest	2 175		39 209
Non-current liabilities			
Interest bearing liabilities	108 477		160 953
Deferred taxation	68 252		66 154
Current liabilities			
Other current liabilities	1 658 686		1 870 555

Other current liabilities			
Short term loans	130 358		199 146
Trade accounts payable	842 313		771 759
Accruals & other current liabilities	687 015		899 650
	1 658 686		1 870 555

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Abridged Balance Sheet



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Non-current liabilities			
Interest bearing liabilities	108 477		160 953
Deferred taxation	68 252		66 154
Current liabilities			
Other current liabilities	1 658 686		1 870 555
Provisions and payment in advance	1 449 735	23.7%	1 172 207
Taxation	54 607		93 476
Total equity and liabilities	5 027 783		5 024 040

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Abridged Balance Sheet



R'000	Reviewed 12 months ended 28 Feb 2010	% Inc.	Audited 12 months ended 28 Feb 2009
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Intangible assets	1 126 547	-3%	1 161 544
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Non-current liabilities			
Interest bearing liabilities	108 477		160 953
Deferred taxation	68 252		66 154
Current liabilities			
Other current liabilities	1 658 686		1 870 555
Provisions and payment in advance	1 449 735	23.7%	1 172 207
Taxation	54 607		93 476
Total equity and liabilities	5 027 783		5 024 040
Total number of net shares in issue	172 476 565		175 859 983
Total number of shares in issue	188 080 746		188 080 746
Net asset value per share (cents)	974.9		895.1
Net tangible asset value per share (cents)	321.7		234.6

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Abridged Cashflow Statement



R'000	Reviewed 12 months ended 28 Feb 2010	% Inc.	Audited 12 months ended 28 Feb 2009
Cash generated from operations	792 052	-30.6%	1 142 717
Cash flows from operating activities	481 007		1 033 040

- Reduction in advance payments
- Adverse working capital cycle
- Dividends paid

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Abridged Cashflow Statement



R'000	Reviewed 12 months ended 28 Feb 2010	% Inc.	Audited 12 months ended 28 Feb 2009
Cash generated from operations	792 052	-30.6%	1 142 717
Cash flows from operating activities	481 007		1 033 040
Expenditure to maintain operating capacity	(16 226)		(343 187)
Expenditure for expansion	(310 447)		(121 564)
Cash flows from investing activities	(326 673)		(464 751)
Cash flows from financing activities	(92 611)		65 995
Net increase in cash for period	61 723		634 284
Effects of exchange rate changes on cash and cash equivalents	(47 996)		36 610
Cash at beginning of period	1 333 877		662 983
Net cash at end of period	1 347 604		1 333 877

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Operating Segments

as at 28 Feb 2009



R'000s	Structures	Roads & Earthworks	Mining Services	Building	Head Office	Group
Revenue	2 107 680	747 402	609 424	2 748 393	-	6 212 899
<i>% Contribution</i>	33.9%	12.0%	9.8%	44.2%	-	100%
Operating profit	162 722	111 512	84 836	101 608	(68 486)	392 192
<i>% Contribution</i>	41.5%	28.4%	21.6%	25.9%	(17.5%)	100%
Operating margin (%)	7.7%	14.9%	13.9%	3.7%	N/A	6.3%

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Operating Segments

as at 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
<i>% Contribution</i>	28.5 %	15.0%	6.4%	50.1%	-	100%
Operating profit	166 112	151 922	55 755	142 499	(15 543)	500 745
<i>% Contribution</i>	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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Prospects & Conclusion



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Prospects 2010 and beyond



- Private sector
 - Power and petrochemical
 - Office space, warehousing, residential and malls
- Government and municipal infrastructure spend
 - Roads, railways and ports
 - Water and dams
 - Hospitals, education
- 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

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Conclusion



**Growth opportunities in all our disciplines
– both private & public sectors**

**Growth opportunities in existing
& new African markets**

**Diversified disciplines counter
cyclic market conditions**

Strong balance sheet

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Stefanutti Stocks City



A multi-disciplinary engineering and construction group



Q & A

www.stefanuttistocks.com