Audited results

for the year ended 28 February 2015

Raubex Group Limited

Raubex Group Limited (Incorporated in the Republic of South Africa) Registration number 2006/023666/06 Share Code: RBX ISIN Code: ZAE000093183 ("Raubex" or the "Group")

Salient features

Revenues
up 14,5% to R7,25 billion
(2014: R6,33 billion)

Operating profit
up 15,2% to R622,2 million
(2014: R539,9 million)

Group operating profit margin
of 8,6%
(2014: 8,5%)

HEPS
up 11,8% to 209,1 cents per share
(2014: 187,1 cents per share)

Cash flow
from operations up 4,5% to R785,1 million
(2014: R751,4 million)

Capex spend
of R510,6 million
(2014: R483,3 million)

Order book
of R8,68 billion
(2014: R6,55 billion)

Final dividend
of 36 cents
per share declared

40 YEARS

www.raubex.com

Rudolf Fourie, CEO of Raubex Group, said: **"We have delivered a strong set of results in a tough environment supported by a great performance from the materials division which now accounts for over 50% of the Group's earnings.**

"The recent acquisitions have been successfully integrated and are contributing positively. We will continue to seek earnings enhancing acquisitions that are in line with our integrated model.

"The Group's order book is at an all-time high and the international projects secured in Zambia allow us to be more selective in the work that we tender for in South Africa.

"Our more diversified base, strong balance sheet and cash position will help us navigate the challenging conditions in the South African construction market and deliver growth in the year ahead."

Group income statement

	Audited 12 months 28 February 2015 R'000	Audited 12 months 28 February 2014 R'000
Revenue	7 245 259	6 325 012
Cost of sales	(6 257 742)	(5 463 929)
Gross profit	987 517	861 083
Other income	12 113	11 302
Other gains/(losses) – net	9 984	16 021
Administrative expenses	(387 443)	(348 531)
Operating profit	622 171	539 875
Finance income	46 520	38 749
Finance costs	(62 259)	(44 162)
Share of profit of investments accounted for using the equity method	205	–
Profit before income tax	606 637	534 462
Income tax expense	(178 563)	(154 786)
Profit for the year	428 074	379 676
Profit for the year attributable to:		
Owners of the parent	399 837	355 573
Non-controlling interest	28 237	24 103
Basic earnings per share (cents)	213,4	191,3
Diluted earnings per share (cents)	209,9	187,9

Group statement of comprehensive income

	Audited 12 months 28 February 2015 R'000	Audited 12 months 28 February 2014 R'000
Profit for the year	428 074	379 676
Other comprehensive income for the year, net of tax		
Currency translation differences	382	4 688
Actuarial (loss)/gain on post-employment benefit obligations	(137)	2 043
Total comprehensive income for the year	428 319	386 407
Comprehensive income for the year attributable to:		
Owners of the parent	400 082	362 304
Non-controlling interest	28 237	24 103
Total comprehensive income for the year	428 319	386 407

Calculation of diluted earnings per share

	Audited 12 months 28 February 2015 R'000	Audited 12 months 28 February 2014 R'000
Profit attributable to owners of the parent entity	399 837	355 573
Weighted average number of ordinary shares in issue ('000)	187 330	185 900
Adjustments for:		
Shares deemed issued for no consideration (share options) ('000)	3 202	3 360
Weighted average number of ordinary shares for diluted earnings per share ('000)	190 532	189 260
Diluted earnings per share (cents)	209,9	187,9

Calculation of headline earnings per share

	Audited 12 months 28 February 2015 R'000	Audited 12 months 28 February 2014 R'000
Profit attributable to owners of the parent entity	399 837	355 573
Adjustments for:		
Profit on sale of property, plant and equipment	(11 348)	(10 244)
Excess from fair value of assets acquired over purchase price	–	(368)
Total tax effects of adjustments	3 177	2 868
Basic headline earnings	391 666	347 829
Weighted average number of shares ('000)	187 330	185 900
Headline earnings per share (cents)	209,1	187,1
Diluted headline earnings per share (cents)	205,6	183,8

Group statement of financial position

	Audited 12 months 28 February 2015 R'000	Audited 12 months 28 February 2014 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	2 171 829	1 841 611
Intangible assets	795 098	763 671
Investment in associates and joint ventures	10 708	–
Deferred income tax assets	43 136	37 509
Non-current inventories	90 668	–
Non-current trade and other receivables	129 355	–
Total non-current assets	3 240 794	2 642 791
Current assets		
Inventories	438 330	420 240
Construction contracts in progress and retentions	362 351	322 590
Trade and other receivables	1 253 668	1 068 410
Current income tax receivable	40 964	28 671
Cash and cash equivalents	937 275	871 260
Total current assets	3 032 588	2 711 171
Total assets	6 273 382	5 353 962
EQUITY		
Share capital	1 873	1 859
Share premium	2 179 613	2 179 613
Other reserves	(1 140 762)	(1 104 240)
Retained earnings	2 381 905	2 109 193
Equity attributable to owners of the parent	3 422 629	3 186 425
Non-controlling interest	110 788	54 612
Total equity	3 533 417	3 241 037
LIABILITIES		
Non-current liabilities		
Borrowings	672 320	429 961
Provisions for liabilities and charges	54 253	34 675
Deferred income tax liabilities	311 621	266 464
Other financial liabilities	77 262	–
Total non-current liabilities	1 115 456	731 100
Current liabilities		
Trade and other payables	1 170 248	1 075 529
Borrowings	427 620	287 600
Current income tax liabilities	26 641	18 696
Total current liabilities	1 624 509	1 381 825
Total liabilities	2 739 965	2 112 925
Total equity and liabilities	6 273 382	5 353 962

Directors
JE Raubenheimer#, RJ Fourie, JF Gibson, F Kenney#, LA Maxwell*, BH Kent*, NF Msiza*
*# Non-executive * Independent non-executive*

Company secretary
Mrs HE Ernst

Registered office
The Highgrove Office Park
Building No 1
Tegel Avenue
Centurion
South Africa

Transfer secretaries
Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
2001
South Africa

Auditors
PricewaterhouseCoopers Inc.

Sponsor
Investec Bank Limited

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Group statement of cash flows

	Audited 12 months 28 February 2015 R'000	Audited 12 months 28 February 2014 R'000
Cash flows from operating activities		
Cash generated from operations	785 053	751 420
Finance income	46 520	38 749
Finance costs	(57 900)	(44 162)
Income tax paid	(188 848)	(136 438)
Net cash generated from operating activities	584 825	609 569
Cash flows from investing activities		
Purchases of property, plant and equipment	(510 599)	(483 299)
Proceeds from sale of property, plant and equipment	40 267	52 839
Acquisition of subsidiaries	(202 485)	(115 040)
Loans granted to associates and joint ventures	(10 500)	–
Net cash used in investing activities	(683 317)	(545 500)
Cash flows from financing activities		
Proceeds from borrowings	752 827	504 253
Repayment of borrowings	(411 642)	(404 319)
Proceeds from shares issued	14	14
Dividends paid to owners of the parent	(131 131)	(120 835)
Dividends paid to non-controlling interests	(33 242)	(2 308)
Acquisition of interest in a subsidiary	(12 294)	(8 185)
Net cash generated from/(used in) financing activities	164 532	(31 380)
Net increase in cash and cash equivalents	66 040	32 689
Cash and cash equivalents at the beginning of the year	871 260	835 685
Effects of exchange rates on cash and cash equivalents	(25)	2 886
Cash and cash equivalents at the end of the year	937 275	871 260

Group segmental analysis

	Materials R'000	Road surfacing and rehabilitation R'000	Road construction and earthworks R'000	Infra-structure R'000	Tosas R'000	Consoli-dated R'000
Reportable segments						
28 February 2015						
Segment revenue	1 961 342	2 568 538	1 463 953	862 660	388 766	7 245 259
Segment result (operating profit)	323 640	192 462	55 169	39 649	11 251	622 171
Margin	16,5%	7,5%	3,8%	4,6%	2,9%	8,6%
28 February 2014						
Segment revenue	1 624 577	2 505 115	1 179 805	730 759	284 756	6 325 012
Segment result (operating profit)	259 152	209 260	40 026	36 966	(5 529)	539 875
Margin	16,0%	8,4%	3,4%	5,1%	(1,9%)	8,5%

	Local R'000	International R'000	Consolidated R'000
Geographical information			
28 February 2015			
Segment revenue	6 606 290	638 969	7 245 259
Segment result (operating profit)	538 722	83 449	622 171
Margin	8,2%	13,1%	8,6%
28 February 2014			
Segment revenue	5 890 468	434 544	6 325 012
Segment result (operating profit)	459 116	80 759	539 875
Margin	7,8%	18,6%	8,5%

Additional information

Employee benefit expense

	Audited 12 months 28 February 2015 R'000	Audited 12 months 28 February 2014 R'000
Employee benefit expense in the income statement consists of:		
Salaries, wages and contributions	1 648 079	1 436 923
Share options granted to employees	27 797	27 354
Total employee benefit expense	1 675 876	1 464 277

Capital expenditure and depreciation

	Audited 12 months 28 February 2015 R'000	Audited 12 months 28 February 2014 R'000
Capital expenditure for the year	510 599	483 299
Depreciation for the year	334 997	282 968
Amortisation of intangible assets for the year	280	280

Notes

Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

These summary consolidated financial statements for the year ended 28 February 2015 have been prepared under the supervision of the Financial Director, Mr JF Gibson CA(SA) and audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived. A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the Company's registered office.

The auditor's report does not necessarily report on all of the information contained in this announcement. Any reference to *pro forma* or future financial information included in this announcement has not been reviewed or reported on by the auditors. Shareholders are advised that in order to obtain a full understanding of the nature of the auditors' engagement they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

Business combinations

Shisalanga Construction (Pty) Ltd ("Shisalanga")

On 1 June 2014 the Group acquired 60% of the issued share capital and obtained control of Shisalanga for a purchase price of R38,4 million settled in cash. Shisalanga manufactures a range of asphalt products from its plants based in Northern KwaZulu-Natal.

The revenue included in the consolidated income statement since 1 June 2014 contributed by Shisalanga was R101,7 million with a net profit contribution of R7,0 million over the same period. Had Shisalanga been consolidated from 1 March 2014 the consolidated income statement would show *pro forma* revenue of R123,1 million and net profit of R4,3 million.

OMV Stilfontein (Pty) Ltd and OMV Gypsum Potchefstroom (Pty) Ltd ("OMV")

On 1 July 2014 the Group acquired a 70% interest in OMV's aggregate crushing and ready-mix concrete operations situated near Stilfontein and a 70% interest in OMV's gypsum operations situated near Potchefstroom in the North West province for a purchase price of R70,3 million settled in cash. An additional contingent consideration is payable dependent on future earnings and a put option has been written on the remaining 30% in favour of the non-controlling interest. The contingent consideration liability has been valued at R18,9 million and the put option liability at R48,5 million.

The revenue included in the consolidated income statement since 1 July 2014 contributed by OMV was R89,2 million with a net profit contribution of R9,2 million over the same period. Had OMV been consolidated from 1 March 2014 the consolidated income statement would show *pro forma* revenue of R147,1 million and net profit of R12,4 million.

Buildmax Aggregates and Quarries (Pty) Ltd ("BAQ")

On 1 September 2014 the Group acquired certain business operations and assets from BAQ for a purchase price of R59,7 million in cash. The business combination acquired comprises the sand quarry operations of Crushco Quarry and Alpha Sand Quarry and the aggregate crushing operations of Aflease. These operations will give the Group a more diversified product range in the form of building and plaster sand to add to its existing range of aggregates and are located in the Gauteng province.

The revenue included in the consolidated income statement since 1 September 2014 contributed by BAQ was R53,3 million with a net profit contribution of R6,2 million over the same period. Had BAQ been consolidated from 1 March 2014 the consolidated income statement would show *pro forma* revenue of R98,9 million and net profit of R13,5 million.

Prodev Plant Hire (Pty) Ltd ("Prodev")

On 1 September 2014 Burma Plant Hire (Pty) Ltd acquired 100% of the issued share capital of Prodev for R31 million cash. Prodev is a plant hire company operating in Namibia and the acquisition of this business will increase the Group's presence in Namibia.

The revenue included in the consolidated income statement since 1 September 2014 contributed by Prodev was R22,9 million with a net profit contribution of R4,9 million over the same period. Had Prodev been consolidated from 1 March 2014 the consolidated income statement would show *pro forma* revenue of R38,1 million and net profit of R10,0 million.

Empa Structures CC and Empa Plant CC ("Empa")

On 1 November 2014 the Group acquired a 70% interest in Empa for R25,5 million cash. The company specialises in the construction of concrete structures with its main focus on construction of water treatment plants, waste water treatment plants, reservoirs and bridges.

The revenue included in the consolidated income statement since 1 November 2014 contributed by Empa was R48,0 million with a net profit contribution of R1,1 million over the same period. Had Empa been consolidated from 1 March 2014 the consolidated income statement would show *pro forma* revenue of R152,6 million and net profit of R1,1 million.

Details of the net assets acquired, purchase consideration and goodwill are set out below:

	Shisa R'000	OMV R'000	BAQ R'000	Prodev R'000	Empa R'000	Total R'000
Consideration						
Cash	38 400	70 284	59 695	31 000	25 490	224 869
Contingent consideration (fair value)	–	18 874	–	–	2 136	21 010
Total consideration	38 400	89 158	59 695	31 000	27 626	245 879
Recognised amounts of identifiable assets acquired and liabilities assumed						
Property, plant and equipment	34 070	35 159	54 761	31 000	29 680	184 670
Deferred tax asset	3 420	–	3 756	–	1 372	8 548
Non-current inventories	–	95 184	–	–	–	95 184
Inventories	762	11 253	4 934	–	1 612	18 561
Construction contracts in progress	990	–	–	–	12 026	13 016
Trade and other receivables	34 765	22 195	3 764	–	25 701	86 425
Current income tax receivable	490	–	–	–	–	490
Cash and cash equivalents	8 209	5 549	–	–	8 626	22 384
Borrowings	(28 739)	(4 484)	–	–	(7 972)	(41 195)
Provision for liabilities and charges	–	–	(13 415)	–	–	(13 415)
Deferred tax liability	(5 025)	(37 378)	–	(3 999)	(6 214)	(52 616)
Current income tax liability	–	–	–	–	(1 671)	(1 671)
Trade and other payables	(7 430)	(10 824)	–	–	(26 578)	(44 832)
Total identifiable net assets	41 512	116 654	53 800	27 001	36 582	275 549
Non-controlling interest	(16 605)	(34 996)	–	–	(10 975)	(62 576)
Goodwill attributable to owners of the parent	13 493	7 500	5 895	2 799	2 019	31 706
Goodwill attributable to non-controlling interests	–	–	–	1 200	–	1 200
Total	38 400	89 158	59 695	31 000	27 626	245 879
Purchased consideration settled in cash	38 400	70 284	59 695	31 000	25 490	224 869
Less: Cash and cash equivalents	(8 209)	(5 549)	–	–	(8 626)	(22 384)
Cash outflow on acquisition for cash flow statement	30 191	64 735	59 695	31 000	16 864	202 485

Events after the reporting period

Belabela Quarries (Pty) Ltd

On 18 April 2015 the Group effectively acquired 74% of Belabela Quarries (Pty) Ltd ("Belabela"), through its subsidiary Loop en Hoop (Pty) Ltd for a purchase price of R43 million to be settled in cash. Belabela is a commercial quarry operating on the outskirts of Gaborone in Botswana. The acquisition will give the Group a base from which it can expand and further develop its operating model in Botswana.

Buildmax Aggregates and Quarries (Pty) Ltd

On 10 March 2015 the Group acquired certain mining rights and properties for an aggregate sum of R37 million in cash from the former owners of the businesses of Buildmax Aggregates and Quarries (Pty) Ltd.

Commentary

Financial overview

Revenue increased 14,5% to R7,25 billion and operating profit increased by 15,2% to R622,2 million from the corresponding prior year. These results were supported by positive contributions from acquisitions concluded during the year and a strong performance from the Group's materials division which contributed 52,0% to total operating profit. The road construction divisions experienced a stable but challenging year due to persistent competitive pressures in this sector.

Profit before tax increased 13,5% to R606,6 million (2014: R534,5 million) with the effective tax rate increasing to 29,4% from 29,0%.

Earnings per share increased 11,6% to 213,4 cents with headline earnings per share increasing 11,8% to 209,1 cents.

Group operating profit margin remained flat at 8,6% (2014: 8,5%).

Cash generated from operations increased 4,5% to R785,1 million (2014: R751,4 million) before finance charges and taxation.

Net finance costs increased to R15,7 million (2014: R5,4 million) due to increased borrowings and non-cash finance costs of R2,7 million relating to the unwinding of discount in the valuation of the contingent consideration and put option granted to the sellers of OMV. Total non-cash finance costs amounted to R4,4 million for the year.

Trade and other receivables increased by 29,5% to R1,38 billion due mainly to the acquisitions concluded during the year and also the inclusion of plant accounted for as receivables under finance leases.

Inventories increased by 25,9% to R529,0 million due mainly to the inclusion of the mine dumps at Stilfontein and the gypsum dump at Potchefstroom on the acquisition of OMV. The value of bitumen stock on hand decreased due to the lower bitumen price which tracks international fuel oil prices.

Borrowings increased 53,3% to R1,10 billion (2014: R717,6 million) due mainly to the financing of plant and equipment for the Tschudi copper mine project in Namibia and also the Buildmax and Prodev assets acquired.

Capital expenditure on property, plant and equipment increased 5,6% to R510,6 million (2014: R483,3 million).

The Group's net cash inflow for the year was R66,0 million. Total cash and cash equivalents at the end of the year increased 7,6% to R937,3 million (2014: R871,3 million).

Operational overview

Materials

The materials division, which includes the Raumix operations, comprises three main disciplines including commercial quarries, contract crushing and materials handling and processing for the mining industry.

The division delivered a strong organic performance for the year and also successfully bedded down the acquisitions of OMV crushers and the Buildmax Aggregates quarries, which contributed positively to earnings. The commercial quarries reported solid results for the year with healthy demand experienced from the residential and commercial building markets as well as infrastructure projects. Conditions also favoured the mining and material handling operations where good results were reported despite being affected by a three-week strike at the Namdeb operations in Namibia, which was successfully resolved before year end. In line with the South African construction sector, contract crushing operations have been operating under competitive conditions and were negatively affected in Mozambique by a one-month production loss due to flooding in the northern region of the country.

Revenue for the division increased 20,7% to R1,96 billion (2014: R1,62 billion) and operating profit increased by 24,9% to R323,6 million (2014: R259,2 million).

The divisional operating profit margins increased to 16,5% (2014: 16,0%).

The division incurred capital expenditure of R358,3 million during the year (2014: R320,3 million).

The division has a secured order book of R1,86 billion (2014: R1,67 billion).

Road surfacing and rehabilitation

This division specialises in the manufacturing and laying of asphalt, chip and spray, surface dressing, enrichments and slurry seals.

The division delivered a stable performance for the year in an operating environment that remains very competitive. Increased competition in the asphalt market and a lower volume of work awarded in the KwaZulu-Natal provincial market made for particularly challenging conditions. However, margins have stabilised at the current levels. The division has increased its order book which includes contracts from SANRAL, the N3 Toll Concession and provincial work in the Western and Eastern Cape. Asphalt margins improved slightly during the year supported by the acquisition of Shisalanga Construction.

Revenue for the division increased 2,5% to R2,57 billion (2014: R2,51 billion) with operating profit decreasing by 8,0% to R192,5 million (2014: R209,3 million).

The divisional operating profit margin decreased to 7,5% (2014: 8,4%).

The division incurred capital expenditure of R63,4 million during the year (2014: R85,5 million).

The division has a secured order book of R2,47 billion (2014: R1,78 billion).

Road construction and earthworks

This division is the road and civil infrastructure construction division focused on the key areas of new road construction and heavy road rehabilitation.

The division delivered an improved performance for the year in an operating environment that remains very competitive. Management has focused its attention on production monitoring and driving efficiencies across the business units to ensure that the low margin work available is executed profitably. The progress made on projects in Namibia and Zambia also supported these results. The divisional order book grew significantly following the awards of significant contracts from both SANRAL in South Africa and the Roads Development Agency in Zambia during the year.

Revenue for the division increased 24,1% to R1,46 billion (2014: R1,18 billion) with operating profit increasing 37,8% to R55,2 million (2014: R40,0 million).

The divisional operating profit margins increased to 3,8% (2014: 3,4%) with a marked improvement in the last six months due to a number of lower margin contracts being substantially completed in the first half.

The division incurred capital expenditure of R44,6 million during the year (2014: R51,2 million).

The division has a secured order book of R3,20 billion (2014: R2,07 billion) with R1,49 billion relating to contracts in Zambia and Namibia.

Raubex Infrastructure

The infrastructure division specialises in disciplines outside of the road construction sector, including energy (with a specific focus on renewable energy), rail, telecommunications, pipeline construction and housing infrastructure projects.

The division has established its reputation in the market and is supported by a stable order book of work mainly focused on civil construction works related to Eskom's Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP"), residential housing solutions, mine housing solutions and water pipeline infrastructure. The division successfully completed work on two second round photovoltaic ("PV") solar farms during the first half of the year but the delays experienced in reaching financial closure on round 3 REIPPPP projects pushed the order book out into the new year and impacted the second half performance. The acquisition of Empa Structures has been bedded down and will strengthen the Group's own capacity to tender on projects that require specialist concrete structure work.

Revenue for the division increased 18,0% to R862,7 million (2014: R730,8 million) and operating profit increased 7,3% to R39,6 million (2014: R37,0 million).

The divisional operating profit margins decreased to 4,6% (2014: 5,1%).

The division incurred capital expenditure of R37,7 million (2014: R22,8 million).

The division has a secured order book of R1,01 billion (2014: R909,4 million).

Tosas

Tosas is a manufacturer and distributor of value added bituminous products used primarily for road construction activities.

The company made good progress during the year and returned to profitability through a combination of "right sizing" initiatives and increased volume through improved marketing and service delivery. The modified bitumen industry is experiencing challenging trading conditions and margins pressure as new entrants compete for market share. The Group has continued to realise synergies from this acquisition through the efficient supply of bitumen on internal contracts.

Revenue for Tosas increased 36,5% to R388,8 million (2014: R284,8 million) with an operating profit of R11,3 million from a loss of R5,5 million reported in the prior year. Total revenue including internal supply to the Group amounted to R696,1 million (2014: R411,5 million).

Tosas has secured an external order book of R129,4 million (2014: R127,2 million).

Tosas incurred capital expenditure of R6,6 million (2014: R3,5 million).

International

The Group's international operations ("Africa") reported stable results for the year supported by the Namibian operations where work on the upgrading of the road from Rosh Pinah to Oranjemund is under way as well as various material handling contracts across the country. Material handling operations were adversely affected in the second half of the year by a three-week strike at the Namdeb operations in Namibia, while flooding in Northern Mozambique affected contract crushing operations. In Zambia work commenced on two Link 8000 contracts with activities limited to site establishment, planning and minor works. Major construction works in Zambia are set to commence in the year ahead.

Internationally, revenue increased 47,0% to R639,0 million (2014: R434,5 million) and operating profit increased by 3,3% to R83,4 million (2014: R80,8 million).

Operating profit margins decreased to 13,1% (2014: 18,6%) due mainly to the Rosh Pinah to Oranjemund contract being at lower margin, more in line with the South African road construction market. The strike in Namibia and flooding in Mozambique put pressure on the materials division margins.

Prospects

The Group has grown its order book by 32,5% to R8,68 billion (2014: R6,55 billion) with 25,4% of the order book now representing contracts in Africa. With a healthy short-term order book secured, the Group will now focus on effective execution of current contracts and selective tendering for replacement work.

A number of earnings enhancing acquisitions were bedded down during the year and the Group will continue to look for acquisitions in the materials sector in the year ahead. In line with this strategy, the Group acquired the Belabela quarry in Gaborone, Botswana on 18 April 2015. This acquisition will give the Group a platform for expansion in the Botswana market.

Whilst mindful of the constant risks associated with industrial action in South Africa and the effect of commodity prices on the mining industry, the Group expects healthy operating conditions to continue in the materials sector.

Raubex's drive to diversify the Group's revenue streams over the past few years has resulted in the materials division now contributing over 50% of the Group's total earnings and the successful development of the infrastructure division. This, together with the higher margin work secured in Zambia, positions the Group well to navigate the challenging conditions in the South African construction market and deliver growth in the year ahead.

Dividend declaration

The directors have declared a gross final cash dividend from income reserves of 36 cents per share on 11 May 2015 for the year ended 28 February 2015. The salient dates for the payment of the dividend are as follows:

Last day to trade *cum* dividend	Friday, 29 May 2015
Commence trading *ex* dividend	Monday, 1 June 2015
Record date	Friday, 5 June 2015
Payment date	Monday, 8 June 2015

No share certificates may be dematerialised or rematerialised between Monday, 1 June 2015 and Friday, 5 June 2015, both dates inclusive.

In terms of Dividends Tax ("DT"), the following additional information is disclosed:
- The local DT rate is 15%.
- The number of ordinary shares in issue at the date of this declaration is 187 330 165.
- The dividend to utilise for determining the DT due is 36 cents per share.
- The DT amounts to 5,40 cents per share.
- The net local dividend amount is 30,60 cents per share for shareholders liable to pay the DT.
- Raubex Group Limited's income tax reference number is 9370/905/151.

In terms of the DT legislation, the DT amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Security Depository Participant (collectively "Regulated Intermediary") on behalf of shareholders. All shareholders should declare their status to their Regulated Intermediary, as they may qualify for a reduced DT rate or exemption.

On behalf of the Board:

JE Raubenheimer — *Chairman*
RJ Fourie — *Chief Executive Officer*
JF Gibson — *Financial Director*

11 May 2015

Group statement of changes in equity

	Share capital R'000	Share premium R'000	Other reserves R'000	Retained earnings R'000	Total attributable to owners of the parent company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 March 2013	1 845	2 179 613	(1 112 515)	1 850 616	2 919 559	39 031	2 958 590
Shares issued in terms of equity-settled share option scheme	14	–	(23 767)	23 767	14	–	14
Share option reserve	–	–	27 354	–	27 354	–	27 354
Acquisition of non-controlling interest	–	–	–	(1 971)	(1 971)	(6 214)	(8 185)
Total comprehensive income for the year	–	–	4 688	357 616	362 304	24 103	386 407
Dividends paid	–	–	–	(120 835)	(120 835)	(2 308)	(123 143)
Balance at 28 February 2014	1 859	2 179 613	(1 104 240)	2 109 193	3 186 425	54 612	3 241 037
Shares issued in terms of equity-settled share option scheme	14	–	(16 242)	16 242	14	–	14
Share option reserve	–	–	27 797	–	27 797	–	27 797
Put option written on non-controlling interest	–	–	(48 459)	–	(48 459)	–	(48 459)
Non-controlling interest arising on business combination	–	–	–	–	–	61 376	61 376
Acquisition of non-controlling interest	–	–	–	(12 099)	(12 099)	(195)	(12 294)
Total comprehensive income for the year	–	–	382	399 700	400 082	28 237	428 319
Dividends paid	–	–	–	(131 131)	(131 131)	(33 242)	(164 373)
Balance at 28 February 2015	1 873	2 179 613	(1 140 762)	2 381 905	3 422 629	110 788	3 533 417

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