



Raubex Group Limited

**Annual Financial Results for the
Year Ended 28th February 2007**

23 May 2007



AGENDA

- **Corporate Video**
- **Introduction**
- **Group Financial Highlights**
- **Group Operational Highlights**
- **Financials**
- **Divisional Review**
- **Prospects**
- **Conclusion**
- **Q&A**



Introduction

“We are very pleased to announce our first set of annual results as a public company and looking ahead, we are very positive about our growth prospects both organically and acquisitively.”

Koos Raubenheimer, CEO



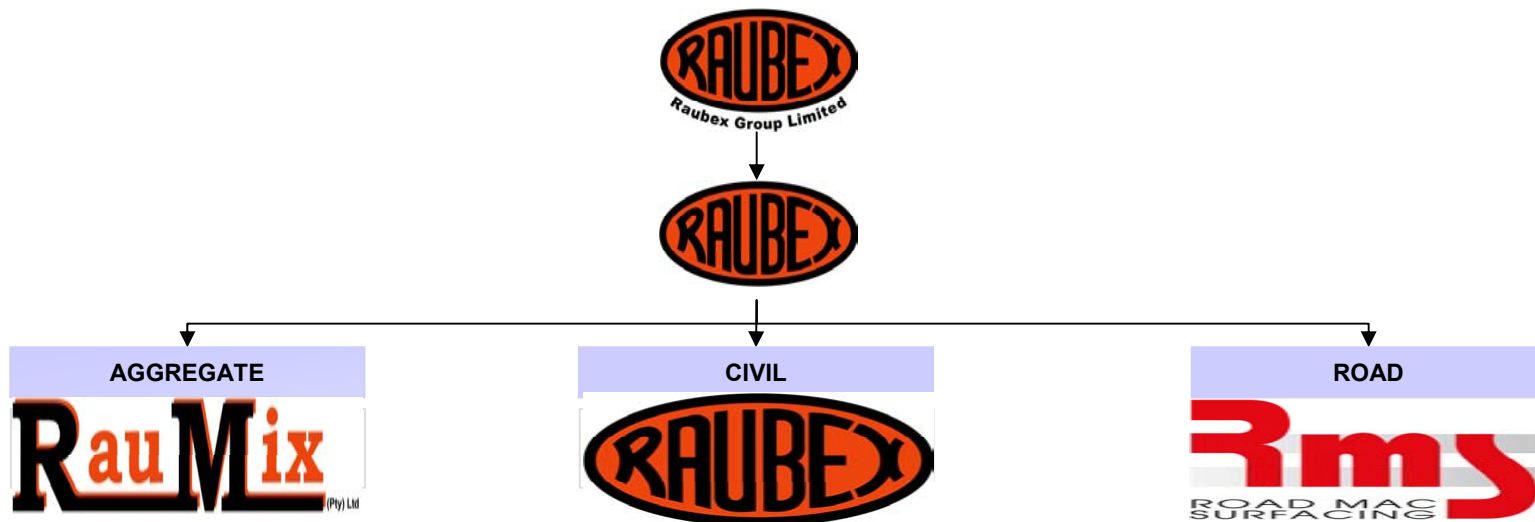
Industry Overview

- South Africa's road construction industry is buoyant
- Raubex is an infrastructure company
- Uninterrupted profit history
- Cautionary announced today
- Succession plan



Divisional Review

- Balanced portfolio across three lines of business and geographies
- Expectation is for increasing demand for all our services and products





Group Financial Highlights

- Successful listing on the JSE Limited 20th March 2007
- Results in line with pre-listing forecasts
- Revenues up 58.3% to R1190.9m [2006: R752.3m]
- HEPS up 132% to 83.3 cps [2006: 35.9 cps]
- Group operating margins of 16.33% [2006: 9.61%]
- Cash flow from operations up 123.6% to R198.8m [2006: R88.9m]
- Free cash flow at R208.4m [2006: R98.2m]
- Low gearing



Group Operational Highlights

- Raubex continued to improve operational efficiencies
- Operating margins improved in all three divisions
 - Roadmac** **19.7%**
 - Raubex Construction** **10.1%**
 - Raumix** **41.2%**
- Order book grown to R1.6bn
- Capacity expanded by effective recruitment and training



Income statement

INCOME STATEMENT	February 2006	February 2007	2007 Pro forma*
Revenue ('000)	752,290	1,190,860	1,600,920
% revenue growth	23.62%	58.30%	112.81%
EBIT ('000)	86,644	217,578	285,223
% growth	3.09%	151.12%	229.19%
Depreciation	23,171	25,508	50,343
Employee costs	98,448	155,572	230,936
Profit before tax ('000)	83,413	205,281	272,927
Profit after tax ('000)	64,401	138,858	188,991
Operating margin	9.61%	16.33%	17.11%
Operating margin growth %		69.93%	78.04%
Effective tax rate	22.80%	32.34%	30.75%
EPS^ (cents)	36.6	85.3	116.4
EPS growth %	13.66%	133.06%	218.03%
Headline EPS	35.9	83.3	115.2
Headline EPS growth %		132.03%	220.89%
ROCE	25.57%	48.39%	38.30%
Number of Employees	2 934	2 885	3542



Balance sheet

Balance Sheet	February 2006 (‘000)	February 2007 (‘000)
Non-current assets	250 786	326 197
Fixed assets	221 460	290 398
Goodwill	3 552	16 534
Other	25 774	19 265
Current assets	302 617	420 923
Inventory	11 548	17 629
Receivables	196 305	258 686
Cash	61 078	83 267
Other	8 442	17 077
Total assets	553 403	747 119
Equity	225 107	307 288
Non-current liabilities	113 787	142 378
Current liabilities	214 509	297 454
Trade and other payables	176 369	246 007
other	38 139	51 447
Total equity and liabilities	553 403	747 119



Cash Flow

EBITDA	2007	2006
	('000)	('000)
Operating profit (before interest & tax)	194,505	72,278
Depreciation	25,508	23,171
Associate income	6,259	9,090
	226,272	104,539
Working capital move *	-17,843	-6,305
Free Cash Flow	208,429	98,234

- Cash generation
- Dividend policy



Pre-listing vs Actual pro-formas

(000)	New Pro forma	Prelisting Pro forma
Revenue	1,600,920	1,696,920
OPERATING MARGIN	17.11%	16.5%
Profit after tax	188,991	185,994

EPS	116.4	114.7
------------	--------------	--------------

➤ Aligned forecasts



Recent acquisitions

Name of company	Nature of business	Salient financial information	Effective date
Milling Techniks (Pty) Ltd	Specialised road and civil engineering	Deal value : R25 million	1 September 2006
National Asphalt (Pty) Ltd	Manufacture and laying of premix asphalt	Deal value : R27 million	1 March 2007
SPH Kundalila (Pty) Ltd	Specialist quarry and aggregate operations	Deal value : R162 million	1 March 2007

- Value enhancing acquisitions being integrated



Divisional Segment Report

Revenue and Operating Profit per Division

	2007 R	2006 R
Revenue		
Roadmac	685,149,524	367,093,054
Raubex Construction	477,929,726	350,533,951
Raumix	27,780,895	34,662,994
Consolidated	1,190,860,145	752,289,999
Operating Profit		
Roadmac	134,731,529	67,580,521
Raubex Construction	48,334,333	(5,481,256)
Raumix	11,438,651	10,178,607
Consolidated	194,504,513	72,277,872
Operating Margin		
Roadmac	19.7%	18.4%
Raubex Construction	10.1%	(1.6%)
Raumix	41.2%	29.4%
Consolidated	16.3%	9.6%



ROADMAC



is a specialist manufacturer and layer of asphalt, chip and spray, surface dressing, enrichments and slurry seals

	2007 R	2006 R
Revenue	685,149,524	367,093,054
Operating Profit	134,731,529	67,580,521
Operating Margin	19.7%	18.4%

- Revenues increased 79% to R685.1m [2006: R367.1m]
- Operating profit doubled to R134.7m [2006: R67.6m]
- Government infrastructure spend evident
- National Asphalt acquired effective 1st March 2007



RAUBEX CONSTRUCTION



is a road and civil infrastructure construction company focused on new road construction (green fields) and heavy road rehabilitation

	2007 R	2006 R
Revenue	477,929,726	350,533,951
Operating Profit	48,334,333	(5,481,256)
Operating Margin	10.1%	(1.6%)

- Revenues increased 36% to R477.9m [2006: R350.5m]
- Operating profit of R48.3m [2006: operating loss of R5.5m]
- Government expenditure begins to materialise



RAUMIX



Produces and supplies crushed aggregate to the construction industry and services the building industry including infrastructure projects

	2007	2006
	R	R
Revenue	27,780,895	34,662,994
Operating Profit	11,438,651	10,178,607
Operating Margin	41.2%	29.4%

- **Revenues declined 20% to R27.8m [2006: R34.7m] The decline is partly due to internal revenue, eliminated upon consolidation**
- **Focus on operational efficiencies drove increase in operating margin**
- **SPH Kundalila acquired, effective 1st March 2007**



Prospects

- Road construction demand expected to increase over medium term (SAICE report 2006 rated South African roads D –)
- Road upgrade allocations increasing - R8bn in 2007 [2006: R1.8bn]
- 2010 World Cup – well positioned for infrastructure programmes
- Acquisitions bedded down and value enhancing
- Further selective acquisition opportunities
- Solid growth expected
- Projects in the pipeline



Conclusion

- Strong set of annual results
- Increased profitability over 3 years
- Uninterrupted profit history over 30 years
- Stable cash flows with significant growth
- The ability to fund value enhancing acquisitions
- Management continuity ensured with lock-ins
- Succession plan in place
- Large surfacing fleet of equipment maintained and optimised
- ULM - African patent for ultra thin asphalt surfacing
- CIDB rating of 9



Q & A

Questions & Answers