

RAUBEX GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2006/023666/06)

JSE Share code: RBX

ISIN: ZAE000093183

("Raubex" or "the Company")

FURTHER TRADING STATEMENT IN RESPECT OF THE SIX-MONTH PERIOD ENDED 31 AUGUST 2018

Further to the trading statement released on 18 June 2018 in which shareholders were advised that Raubex expects its earnings per share and headline earnings per share for the six-month period ended 31 August 2018 to be at least 20% lower than the earnings per share and headline earnings per share from the previous corresponding period, the Company is now in a position to provide specific guidance on its trading range in terms of paragraph 3.4(b)(iii)(2) of the JSE Limited Listings Requirements.

Shareholders are accordingly advised that Raubex expects its earnings per share and headline earnings per share for the six-month period ended 31 August 2018 to be between 70% and 80% lower than the earnings per share and headline earnings per share from the previous corresponding period. This translates to earnings per share of between 26,8 cents and 40,2 cents (H1 2018: 134,0 cents) and headline earnings per share of between 26,2 cents and 39,3 cents (H1 2018: 131,1 cents).

The decrease in earnings is as a result of continued weak conditions in the South African construction industry, particularly in the road construction sector. Lower spend from the South African National Roads Agency SOC Limited ("SANRAL") and delayed contract awards from Provincial government during the period have had a negative impact on Raubex subsidiaries, both in the road construction operations and in the road rehabilitation and maintenance operations. The subsidiaries which supply asphalt and bitumen both to internal Raubex contracts and to the external road maintenance market have been particularly hard hit. As a result of the current market conditions, the Company has assessed its operations that are exposed to the South African road construction sector and embarked on rightsizing initiatives during the period in order to reduce capacity in line with the current low level of demand being experienced.

The infrastructure division, which specialises in disciplines outside of the road construction sector, has however experienced favourable conditions during the period and has continued to expand its affordable housing and commercial building operations. This division has also secured work in the renewable energy sector related to the Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP"). Due to the timing of financial close on these projects, construction works will only commence in the second half of the current financial year. The prospects for this division are very encouraging with further work in the REIPPPP expected to be secured during the roll out of further phases of this programme, supported by growth in the affordable housing and commercial building sector and the maturing of the recently established Raubex Renovo, which operates in the niche market of renovating commercial buildings, including shopping malls and hotels.

The materials division, which diversifies the Company from the construction industry, comprises of three main disciplines including i) commercial quarries ii) contract crushing and iii) materials handling and processing services for the mining industry. This division contributed 54,5 % of the Company's total operating profit for the year ended 28 February 2018 and has continued to experience stable conditions in the mining services and commercial quarry operations for the six months ended 31 August 2018.

Looking ahead, the Company's diversified operations, strong balance sheet and right sizing initiatives in the road construction operations positions it well to manage the challenging conditions in the South African road construction sector. While the Company looks forward to a resumption of contract awards and a return to more normalised levels of budget spend by SANRAL, a number of large project opportunities are in advanced stages of negotiation in both southern and east African jurisdictions, which if successful, will supplement the current order book and secure medium term growth.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors. The release of the interim results for the period ended 31 August 2018 is anticipated to be published on or about 29 October 2018.

Centurion
12 September 2018

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