

GROWTH THROUGH UNITY

HEPS UP 26,7% ■ NAV OF 394 CENTS PER SHARE ■ NET DEBT: EQUITY RATIO 10,6% ■ STRONG PERFORMANCE FROM AGGREGATES DIVISION

CONDENSED CONSOLIDATED INCOME STATEMENT

	Reviewed 2010 R'000	Audited 2009 R'000	Change %
Revenue	778 016	687 091	13,2
Cost of sales	(595 852)	(525 377)	
Gross profit	182 164	161 714	
Other income	3 253	5 054	
Operating expenses	(76 493)	(71 720)	
Operating profit	108 924	95 048	14,6
Investment revenue	6 807	4 521	
Finance costs	(12 959)	(13 223)	
Share of profit of associate	5	-	
Profit before taxation	102 777	86 346	19,0
Taxation	(29 864)	(28 249)	5,7
Profit attributable to shareholders	72 913	58 097	25,5
Attributable to:			
Owners of the parent	72 911	57 703	
Non-controlling interests	2	394	
	72 913	58 097	
Reconciliation of headline earnings:			
Profit attributable to owners of the parent	72 911	57 703	
Profit on disposal of property, plant and equipment	(2 052)	(3 682)	
Profit on disposal of subsidiaries	-	(1 372)	
Profit on disposal of financial instruments	(669)	-	
Negative goodwill included in other income	(532)	-	
Impairment of goodwill	-	110	
Total tax effects of adjustments	779	1 316	
	70 437	54 075	30,3
Shares in issue:			
Total shares in issue	143 262 412	133 762 412	
Treasury shares	(3 398 280)	(855 829)	
Net shares in issue	139 864 132	132 906 583	
Weighted average number of net shares in issue	137 236 345	133 480 115	
Diluted weighted average number of shares	138 290 134	133 480 115	
Earnings per ordinary share [cents]	53,1	43,2	22,9
Diluted earnings per ordinary share [cents]	52,7	43,2	22,0
Headline earnings per share "HEPS" [cents]	51,3	40,5	26,7
Diluted HEPS [cents]	50,9	40,5	25,7

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 2010 R'000	Audited 2009 R'000	Change %
Profit for the year	72 913	58 097	25,5
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	220	(280)	
Net change in fair value of available-for-sale financial assets transferred to profit and loss	(669)	-	
Income tax on other comprehensive income	177	33	
	(272)	(247)	
Total comprehensive income for the year	72 641	57 850	25,6
Attributable to:			
Owners of the parent	72 639	57 456	
Non-controlling interests	2	394	
	72 641	57 850	

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed 2010 R'000	Audited 2009 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	385 261	382 539
Intangible assets	14 479	15 139
Goodwill	101 332	101 332
Investment in associate	5	-
Other financial assets	67 012	3 728
Deferred tax	4 570	-
Retirement benefit asset	12 672	11 792
	585 331	514 530
Current assets		
Inventories	68 862	75 402
Current tax receivable	5 223	10 593
Trade and other receivables	130 956	132 367
Cash and cash equivalents	52 914	21 689
	257 955	240 051
Total assets	843 286	754 581
EQUITY AND LIABILITIES		
Equity		
Share capital	1 435	1 340
Share premium	352 150	325 170
Business combination adjustment	(105 788)	(105 788)
Treasury shares	(11 002)	(4 120)
Net issued share capital	236 795	216 602
Other reserves	1 835	2 260
Retained income	325 668	272 077
Attributable to equity holders of parent	564 298	490 939
Non-controlling interests	201	2 830
Total equity	564 499	493 769
Liabilities		
Non-current liabilities		
Borrowings long term	48 506	58 202
Deferred tax	16 467	53 713
Provisions	13 160	12 009
	123 133	123 924
Current liabilities		
Borrowings short term	43 364	42 919
Current tax payable	159	7 307
Trade and other payables	91 347	73 265
Bank overdraft	20 784	13 397
	155 654	136 888
Total liabilities	278 787	260 812
Total equity and liabilities	843 286	754 581
Net asset value per share [cents]	394	369
Net tangible asset value per share [cents]	313	282

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Reviewed 2010 R'000	Audited 2009 R'000
Cash flows from operating activities		
Cash generated from operations	166 491	119 479
Interest income	6 802	4 495
Dividends received	5	26
Finance costs	(12 959)	(13 223)
Tax paid	(25 582)	(38 190)
Net cash from operating activities	134 757	72 587
Acquisition of property, plant and equipment	(38 086)	(122 269)
Proceeds on sale of property, plant and equipment	10 171	21 742
Purchase of financial asset	(35 989)	(29)
Acquisition of businesses	(14)	(7 803)
Proceeds on sale of businesses	-	4 002
Cash flows from investing activities	(63 918)	(104 357)
Proceeds and premium/(adjustment) on share issue	-	(946)
Purchase of treasury shares	(6 882)	(3 233)
Net movement in borrowings	(20 784)	34 788
Dividends paid	(19 335)	(28 113)
Net cash from financing activities	(47 001)	2 496
Total cash movement for the year	23 838	(29 274)
Cash at beginning of year	8 292	37 566
Total cash at the end of year	32 130	8 292

CONDENSED CONSOLIDATED CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Business combination adjustment	Other reserves	Retained income	Non-controlling interests	Total equity
Balance at 1 March 2008	1 340	326 116	(887)	(105 788)	935	242 485	701	464 902
Changes:								
Acquisition equity adjustments	-	-	-	-	(2)	2	1 735	1 735
Cancellation/adjustment on shares issued	-	(946)	-	-	-	-	-	(946)
Employee share option scheme: Value of services provided	-	-	-	-	1 574	-	-	1 574
Movement in treasury shares	-	-	(3 233)	-	-	-	-	(3 233)
Total comprehensive income for the year	-	-	-	-	(247)	57 703	394	57 850
Dividends paid	-	-	-	-	-	(28 113)	-	(28 113)
Balance at 28 February 2009	1 340	325 170	(4 120)	(105 788)	2 260	272 077	2 830	493 769
Changes:								
Acquisition equity adjustments	-	-	-	-	-	14	(2 631)	(2 617)
Issue of share capital	95	26 980	-	-	-	-	-	27 075
Employee share option scheme: Value of services provided	-	-	-	-	(153)	-	-	(153)
Movement in treasury shares	-	-	(6 882)	-	-	-	-	(6 882)
Total comprehensive income for the year	-	-	-	-	(272)	72 911	2	72 641
Dividends paid	-	-	-	-	-	(19 334)	-	(19 334)
Balance at 28 February 2010	1 435	352 150	(11 002)	(105 788)	1 835	325 668	201	564 499

CONDENSED CONSOLIDATED SEGMENT REPORT

	Split 2010 %	Reviewed 2010 R'000	Split 2009 %	Audited 2009 R'000
REVENUE				
External sales				
Aggregates	63	487 387	57	392 946
ReadyMix Concrete	24	188 295	28	194 370
Concrete Manufactured Products	13	102 334	15	99 775
	100	778 016	100	687 091
Intersegment sales				
Aggregates	83	35 889	85	46 725
ReadyMix Concrete	1	554	1	688
Concrete Manufactured Products	16	6 713	14	7 623
	100	43 156	100	55 036
Total revenue				
Aggregates	64	523 276	60	439 671
ReadyMix Concrete	23	188 849	26	195 058
Concrete Manufactured Products	13	109 047	14	107 398
	100	821 172	100	742 127
OPERATING PROFIT BEFORE TAX				
Aggregates	77	83 633	60	57 062
ReadyMix Concrete	11	11 736	18	17 098
Concrete Manufactured Products	11	12 347	21	20 402
Other	1	1 208	1	486
	100	108 924	100	95 048
Operating profit margins on external revenue (%)				
Aggregates		17,2%		14,5%
ReadyMix Concrete		6,2%		8,8%
Concrete Manufactured Products		12,1%		20,4%
		14,0%		13,8%
OTHER INFORMATION				
Assets				
Aggregates		473 695		464 478
ReadyMix Concrete		58 889		64 759
Concrete Manufactured Products		60 528		58 300
Other		250 174		167 044
		843 286		754 581
Liabilities				
Aggregates		145 809		129 013
ReadyMix Concrete		18 638		28 240
Concrete Manufactured Products		16 125		13 933
Other		98 215		89 626
		278 787		260 812

COMMENTARY

BASIS OF PREPARATION

The reviewed condensed provisional consolidated annual financial statements for the year have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS), the disclosure and presentation requirements of IAS 34: Interim Financial Reporting, the Listings Requirements of the JSE Limited and the manner required by the South African Companies Act. The accounting policies and method of measurement and recognition applied in preparation of these reviewed condensed provisional consolidated annual financial statements are consistent with those applied in the audited annual financial statements for the year ended 28 February 2009, except for the changes required by IAS 1: Presentation of Financial Statements and IFRS 8: Operating Segments, which have been adjusted accordingly, and Circular 3/2009: Headline Earnings for which no adjustment was necessary.

INTRODUCTION

The directors are pleased to present the reviewed condensed provisional consolidated financial results for the year ended 28 February 2010 ("the year"), reflecting a significant improvement on the previous year in a successful turnaround, as anticipated. The group benefitted from a strong performance in its Aggregates operations mainly as a result of the strategy to intensify focus on infrastructure-related work, which yielded substantial new contracts.

As previously reported, Afrimat successfully concluded the acquisition of a 66% equity stake in Blue Platinum – a quarry strategically located close to Lanseria Airport – ("Blue Platinum acquisition") – see "Business Expansion and Acquisitions" below.

Afrimat also successfully initiated a BEE transaction that enabled it to become fully compliant with the Mining Charter requirement of 26% Black ownership, ahead of the 2014 deadline (see "BEE Transaction" below).

POST BALANCE SHEET EVENT

Further as previously announced, post year-end the group has acquired the entire issued share capital of Glen Douglas Dolomite (Pty) Limited ("Glen Douglas") from Exaro Resources Limited for R35 million subject to the fulfilment of certain suspensive conditions (refer to SENS announcement dated 4 May 2010).

This acquisition is the first step in Afrimat's expansion and diversification strategy into the industrial minerals sector. It is anticipated that this investment will realise positive growth for the group once Afrimat's operational model is implemented. This would unlock the vast potential of Glen Douglas over a realistic time horizon of three years.

FINANCIAL RESULTS

Revenue increased year-on-year by 13,2% to R778,0 million from R687,1 million. Headline earnings grew by 30,3% to R70,4 million, translating into 26,7% higher headline earnings per share of 51,3 cents (2009: 40,5 cents).

The Blue Platinum acquisition has been included in these results for eight months from the effective date of 1 July 2009.

Statement of financial position

Other financial assets increased during the year due to funding of the Afrimat BEE Trust for purposes of the BEE transaction (see "BEE Transaction" below).

OPERATIONAL REVIEW

"Aggregates" successfully countered the dramatic slowdown in private residential and commercial spend as well as intensified competition in the economically hard-hit Western Cape, to significantly outperform the previous year. Particularly Denver Quarry which supplies the Nelson Mandela metropole, the KwaZulu-Natal operations and Contracting Services performed well. Afrimat further secured infrastructure projects in the Gauteng, Limpopo and Mpumalanga regions.

Processing plants are all fully-commissioned and well-placed to supply government infrastructure projects to boost the division's revenue going forward.

"ReadyMix Concrete" was severely affected by a sharp decline in volumes in the Western Cape due to the generally poor economy in the region. The SAFCEC strike and other industrial action at the Ulundi operations in the first half of the year resulted in lower sales in KwaZulu-Natal. Operations returned to full production from mid-August 2009.

"Concrete Manufactured Products" was also impacted by the industrial action in KwaZulu-Natal and consequently suffered decreased volumes.

The anticipated recovery of residential and commercial property development starting in the latter part of 2010 should increase volumes of all the divisions.

NOTES

1. DIVIDENDS

1.1 Afrimat Limited dividends paid/declared in respect of the current year profits

	Reviewed 2010 R'000	Audited 2009 R'000
- Interim dividend paid	8 596	6 688
- Final dividend declared/paid	14 326	10 701
	22 922	17 389

1.2 Dividends cash flow

	Reviewed 2010 R'000	Audited 2009 R'000
- Current year interim dividend paid	8 596	6 688
- Previous year final dividend paid	10 701	21 402
- Dividends received on treasury shares	(262)	(31)
- Dividends paid by subsidiaries to non-controlling shareholders	300	54
	19 335	28 113

2. CAPITAL COMMITMENTS

	Reviewed 2010 R'000	Audited 2009 R'000
- Approved capital expenditure to be funded from surplus cash and bank financing	51 951	43 327
	38 642	37 613

3. DEPRECIATION

	Reviewed 2010 R'000	Audited 2009 R'000
- Opening balance	101 121	64 465
- New borrowings	30 509	89 898
- Acquired through acquisitions	11 533	1 868
- Repayments	(51	