

Unaudited condensed consolidated interim financial results for the six months ended 31 August 2013

www.afrimat.co.za

Afrimat Limited ("Afrimat" or "the company" or "the group") | Incorporated in the Republic of South Africa | Registration number: 2006/022534/06 | Share code: AFT | ISIN code: ZAE000086302

Revenue

up 38,8%

NAV

of 538 cents per share

HEPS

up 40,9% to 49,3 cents

Interim dividend

11 cents per share

Net cash from operating activities

up 37,1%

Acquired

50,7% of Infrasors
1 March 2013

Net debt: equity ratio

19,0%

Very strong cash flow

COMMENTARY

BASIS OF PREPARATION

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement. The full announcement was released on SENS on 31 October 2013, and can be found on the company's website at www.afrimat.co.za. Copies of the full announcement may also be requested at the company's registered office, at no charge, during office hours. Any investment decision should be based on the full announcement released on SENS and published on the company's website.

Afrimat previously reported results across three segments. Going forward the group will report across two segments: **Mining & Aggregates** (comprising Industrial Minerals, Aggregates and Contracting Services) and **Concrete Based Products** (comprising Concrete Products and Readymix).

INTRODUCTION

The unaudited condensed consolidated interim financial results for the six months ended 31 August 2013 (the "period") reflect the group's success in achieving its strategic objective of "growth from diversification" and the benefits of prior year initiatives in this regard, as well as the successful acquisition of a controlling stake in Infrasors Holdings Limited ("Infrasors").

FINANCIAL RESULTS

Revenue for the period increased by 38,8% to R931,9 million. Headline earnings grew by 41,2%, translating into headline earnings per share of 49,3 cents (August 2012: 35,0 cents).

The results of Infrasors are included from 1 March 2013.

OPERATIONAL REVIEW

The **Mining & Aggregates** segment generated excellent profits due to improved market conditions and the inclusion of the results of Infrasors for the first time. Unusually high once-off mining costs

were incurred in the KwaZulu-Natal region to ensure long term compliance to Department of Mineral Resources requirements. Industrial minerals operations performed strongly with the turnaround of Infrasors progressing as planned and with positive results achieved.

All processing plants are fully operational and well placed to supply market demand, which should assist in sustaining revenue going forward. Afrimat's flexible service delivery model, supplemented by mobile equipment, positions the group to take advantage of opportunities as they arise.

The **Concrete Based Products** segment achieved a satisfactory increase in both sales volumes and prices. However, a strike at the Gauteng operation coupled with high cost increases resulted in lower profits for the period.

PROSPECTS

The group is well positioned to capitalise on its strategic investments in industrial minerals through the Glen Douglas Dolomite and Infrasors operations, as well as the Clinker Group.

Initiatives aimed at expanding volumes, reducing costs, improving efficiencies and developing the required skill levels of our employees will be a key focus in all operations. These moves, supported by ongoing product diversification in attractive growth sectors such as industrial minerals and open cast mining, should see volumes increase.

The recent improvement reflected in confidence indices relating to the construction industry as published by the Bureau for Economic Research, together with improved market conditions being experienced, bode well for the future.

On behalf of the board

MW von Wielligh
Chairman

AJ van Heerden
Chief Executive Officer

31 October 2013

FINANCIAL SUMMARY

	Unaudited six months ended 31 August 2013	Unaudited six months ended 31 August 2012	Change %	Audited year ended 28 February 2013
	R'000	R'000		R'000
Revenue	931 871	671 349	38,8	1 337 585
Contribution from operations	108 909	75 526	44,2	152 483
Operating profit	108 909	75 623	44,0	147 834
Profit attributable to shareholders	75 272	50 603	48,8	103 778
Earnings per ordinary share (cents)	49,1	35,2	39,5	72,1
Headline earnings per ordinary share (cents)	49,3	35,0	40,9	76,9
Dividends per share (cents)	11,0	8,0	37,5	28,0
Net cash from operating activities	119 080	86 860	37,1	169 764
Net asset value per share (cents)	538	501	7,4	530
Net debt: equity ratio (%)	19,0	5,3	-	4,7
SEGMENTAL INFORMATION				
External revenue				
Mining & Aggregates	650 061	439 942		846 388
Concrete Based Products	281 810	231 407		491 197
	931 871	671 349		1 337 585
Contribution from operations				
Mining & Aggregates	92 310	59 301		117 480
Concrete Based Products	13 434	16 575		37 291
Other	3 165	(350)		(2 288)
	108 909	75 526		152 483
Contribution from operations margins on external revenue (%)				
Mining & Aggregates	14,2	13,5		13,9
Concrete Based Products	4,8	7,2		7,6
	11,7	11,2		11,4

DIVIDEND DECLARATION

Notice is hereby given that a final gross dividend, No. 13 of 11,0 cents per share, in respect of the six months ended 31 August 2013, was declared on Wednesday, 30 October 2013.

There are 143 262 412 shares in issue at announcement date, of which 1 024 792 are held in treasury and the total dividend payable (excluding treasury shares) is R15 646 138 (2012: R11 452 654).

The board has confirmed by resolution that the solvency and liquidity test as contemplated by the Companies Act, No. 71 of 2008, (as amended), has been duly considered, applied and satisfied. This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. The South African dividend tax rate is 15% and no STC credit is available to be utilised by shareholders. The dividend payable to shareholders who are subject to dividend tax and shareholders who are exempt from dividend tax is 9,35 cents and 11 cents per share, respectively. The income tax number of the company is 9568738158.

Relevant dates to the interim dividend are as follows:

Last day to trade <i>cum</i> dividend	Friday, 29 November 2013
Commence trading <i>ex</i> dividend	Monday, 2 December 2013
Record date	Friday, 6 December 2013
Dividend payable	Monday, 9 December 2013

Share certificates may not be dematerialised or rematerialised between Monday, 2 December 2013 and Friday, 6 December 2013, both dates inclusive.

By order of the board

Company Secretary: **PGS de Wit**

30 October 2013

Directors: MW von Wielligh[^] (Chairman), AJ van Heerden (CEO), HP Verreyne (Financial Director), GJ Coffee, L Dotwana[^], F du Toit[^], PRE Tsukudu[^], HJE van Wyk[^]
[^] Non-executive director ^ Independent

Registered office: Tyger Valley Office Park No. 2, Corner Willie van Schoor Avenue and Old Oak Road, Tyger Valley, 7530 (PO Box 5278, Tyger Valley, 7536)

Sponsor: Bridge Capital Advisors (Pty) Limited, 27 Fricker Road, Illovo, 2196 (PO Box 651010, Benmore, 2010)

Auditors: Mazars, Mazars House, Rialto Road, Grand Moorings Precinct, Century City, 7441 (PO Box 134, Century City, 7446)

Transfer secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107)

Company Secretary: PGS de Wit, Tyger Valley Office Park No. 2, Corner Willie van Schoor Avenue and Old Oak Road, Tyger Valley, 7530 (PO Box 5278, Tyger Valley, 7536)