Annual Results Presentation
29 February 2012

Background

- Buildmax has entrenched itself as a leading service provider of opencast mining, civils & bulk earthworks services and a supplier of construction materials through its respective investments in quarries and associated distribution channels
- Buildmax is able to service these industries by way of its investment in mining and construction equipment as well as intellectual capital and its experience gained over 20 years
- The Buildmax Board made and management executed the strategic decision to dispose of its construction manufacturing businesses during the 12 months under review
- The Group employs 1 396 people and currently operates four key continuing business units:
  - **Mining Services:** This business unit, largely trading through its flagship brand, Diesel Power, provides opencast mining services, SHECQ management and rehabilitation service to the opencast mining sector
  - **Civils and Earthworks**: This operation is a highly regarded provider of civils and bulk earthworks to the mining sector and property developers
  - **Equipment sales and rental:** This unit provides external and internal plant hire and plant sales services on behalf of the Group
  - **Aggregates and Quarries:** These entities mine and distribute a wide range of sand and aggregates to the construction sector from its quarries which are strategically located on the East Rand

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Review of the 12 months ended 29 February 2012

- FY 2012 included further consolidation, strategic positioning and implementing the restructuring initiatives announced in previous years
- Maintaining competitiveness and delivering adequate returns to shareholders remains top priority
- Management continues to achieve the substantial on-going strategic initiatives which commenced during the previous financial years. These initiatives include:
  - **Strengthening the senior management team** through replacement and retention of senior managers in crucial positions;
  - **Re-evaluating our asset portfolio** in order to achieve strategic alignment and improve profitability and cash flow;
  - **Restructuring the Mining Services business unit** through appropriate right-sizing, on-going focus on renegotiating inadequate contract rates, active marketing, introducing a robust tendering methodology and implementing improvements in maintenance programmes and facilities;
  - **On a sustainable basis securing adequate bank funding** at market related rates on acceptable terms; and
  - **Strategic repositioning of the Group** by focussing on transforming the Group into a supply chain management company operating in largely the opencast mining sector of the economy

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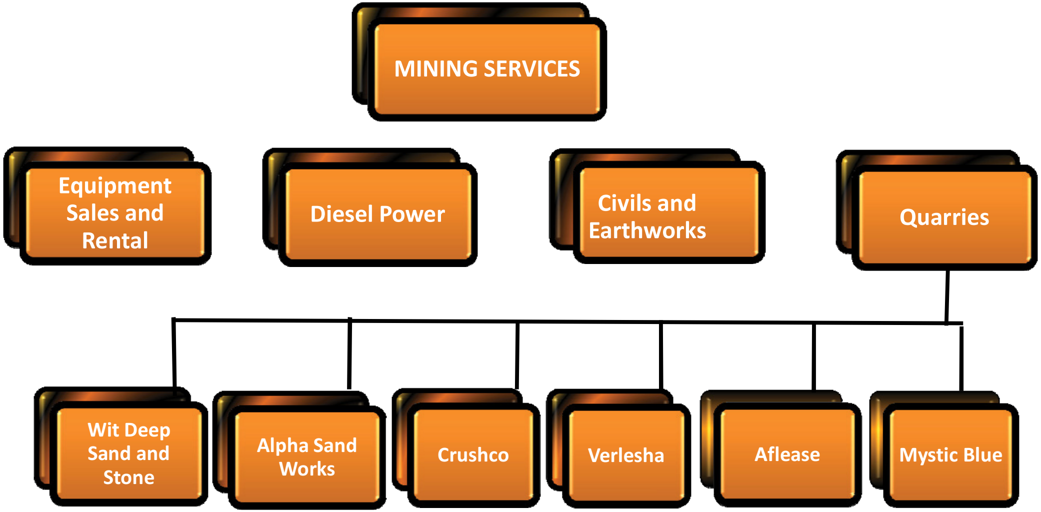
Group structure – continued operations



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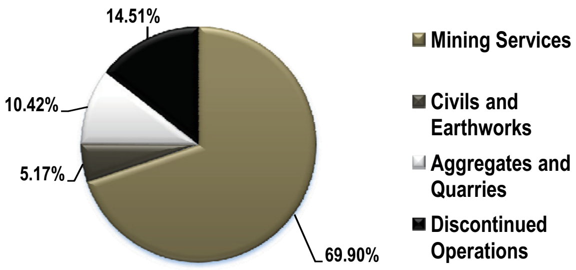
Segmental results – all business units

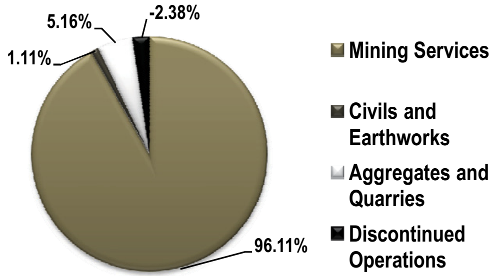
Year ended 29 February 2012

Revenue	R1 272 million
EBITDA	R272 million

Divisional Contribution to Revenue



Divisional contribution to EBITDA



Group reported an operating profit before amortisation of R90 million

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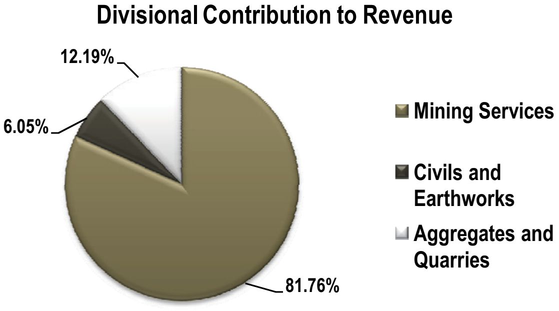
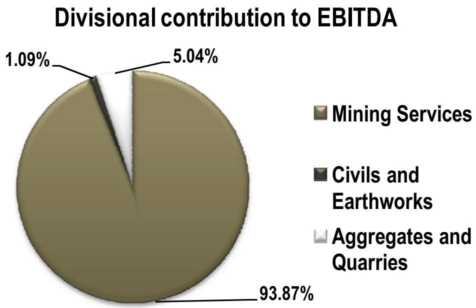
Segmental results – continued operations

Year ended 29 February 2012

Revenue	R1 088 million
EBITDA	R278 million





Continuing operations reported an operating profit before amortisation of R102 million

Continuing operations

Operational review

Opencast Coal Mining

- Diesel Power, the Group's flagship brand, largely assumes no geological risk
- In FY2012 the dependence on Exxaro and Xstrata reduced from 75% to 56% of total revenue
- Two new Anglo Coal short term contracts were secured at favorable rates
- The completion of the Group's stated strategic initiatives impacts positively on the bottom line:
  - EBITDA margins increased from below 10% during the previous financial year to above 25% in continuing operations;
  - The business unit reported an operating profit before amortisation and interest of R93 million compared to a operating loss of R57 million for the 2011 financial year; and
  - The results of the business unit were affected (both positively and negatively) by the resolution of complex legal and contractual disputes that arose during previous financial years
- Certain contract terms remain onerous - changes are required to reduce risk further and increase margins
- Improving procurement strategies and the on-going investment in technology will continue to enhance the business unit's bottom line

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Operational review (contd.)

Opencast Coal Mining

- The business unit continues to be impacted by the concurrent effects of;
  - pressure on the value and demand for certain second-hand equipment;
  - scarcity of bank finance for second-hand equipment;
  - extending the life of the fleet resulting in an increased investment in maintenance and related resources – however the investment in plant maintenance and proper site facilities had a positive impact on production and plant availability during the period
- Information systems and controls have been enhanced
- Improved tendering methodology and information
- Commodity, geographical concentration and the capital intensive business model necessitates the need to diversify into other sectors resulting in less capital intensive revenue streams

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Operational review

Civils and Earthworks

- Restructuring took place during the previous financial year
- Management aims to grow the income by tendering for niche projects that will deliver acceptable financial returns
- Several senior appointments were made to bolster the management team
- The positive impact of these restructuring initiatives assisted in improving its bottom line from a loss of R7,3 million during FY2011 to a profit of R3 million, although revenue reduced marginally to R65,6 million from R69,7 million
- A joint venture agreement was concluded with a reputable construction company that will contribute to the future growth of this division
- Several tenders were awarded to the joint venture during and after the period under review

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Operational review

Equipment Sales and Rental

- Identified as the preferred channel to dispose of the Group’s second-hand equipment and fleet
- The aim is to increase the second-hand brand equity of the Group
- Continuous growth in a controlled environment
- Achieved several successes in disposing of excess assets in a constrained second-hand market
- Funding of second-hand equipment remains a challenge
- Reporting into the Mining Services Business Unit

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Operational review (contd.)

Quarry operations

- Crushco is the largest river sand producer on the East Rand
- The product mix and quality improved to cater for future infrastructure spending
- Results were impacted by the:
  - lack of new infrastructure projects;
  - unpredictable demand from the construction market; and
  - inability to pass operating cost increases to its customers (i.e. diesel)
- A focus to reduce the distribution fleet to optimise operating activities of the transport division
- Continuous to deliver positive EBITDA and EBIT margins as a result of investment in new technology and streamlining operating activities
- Well positioned to take advantage of any increase in future demand

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Prospects

South Africa

- World markets remains volatile
- Coal remains one of the cheapest sources of energy in the world
- Continuous international demand (especially thermal coal) will benefit the Group's customers
- Eskom has reduced its medium term demand for coal but the continued roll-out of coal fired power stations will have a positive impact on future demand
- Political sentiments negatively impact growth in mining sector investment
- Certain key clients continue to increase investments and announce new projects
- Our clients propensity to continue to outsource will benefit the Group
- Less capital intensive businesses in the mining value chain continued to be explored including; washing, stockpile management, screening, SHECQ and transport management

Redressing of South Africa's historic underinvestment in power generation offers growth opportunity

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Prospects (contd.)

International

- Additional export capacity continues to come on stream at Richards Bay, Durban and Maputo
- Exports from Richards Bay are marginally higher than the corresponding period last year
- Transnet efficiencies, rolling stock and infrastructure continues to constrain the potential export of bulk commodities
- Transnet has announced strategic initiatives to increase the capacity of the current railroad infrastructure

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Discontinued operations

Operational review

General

- Buildmax Board took a strategic decision to dispose of the entities in the Construction Materials business unit
- The following entities were disclosed as discontinued operations and disposed off during the period:
  - Watertite (1 March 2011)
  - Benoni Sand and Buildware (31 August 2011)
  - Buildmax Industries including; S.Burde and Kensmark (30 November 2011)
  - Columbia DBL (30 November 2011)
  - Cast Industries (31 January 2012)
- Capped the operating losses from these businesses at R12 million and incurred a loss on disposal of R41,8 million
- The aggregate purchase consideration for the entities was R21,5 million, of which R4,5 million was received in cash and the balance of R17 million was structured as loan obligations payable over a maximum period of 48 months
- These loan obligations are secured primarily by a cession of shares sold

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Annual results and commentary

High level commentary on results

- **Mining Services, Civils & Earthworks and Quarries**
  - Strategic initiatives delivers a positive impact on the bottom line
  - Introduced adequate short, medium and long term incentive schemes to retain senior employees
  - Two new short term Anglo Coal contracts were secured, which reduced Diesel Power’s exposure to Exxaro and Xstrata
  - The past and present investment in maintenance programmes and facilities delivered positive results and resulted in an increase in plant availability
  - Major reduction in the use of rented plant and sub-contractors
  - Annual rate negotiations are ongoing
  - Assessing all areas of cost and improving internal controls
  - Improvements in the IT and management information systems
  - Plant rental and sales division operating effectively in a tough second-hand market
  - Expanded the product range at the Group’s Quarries
  - Made solid progress to secure the mining rights on stone at Crushco

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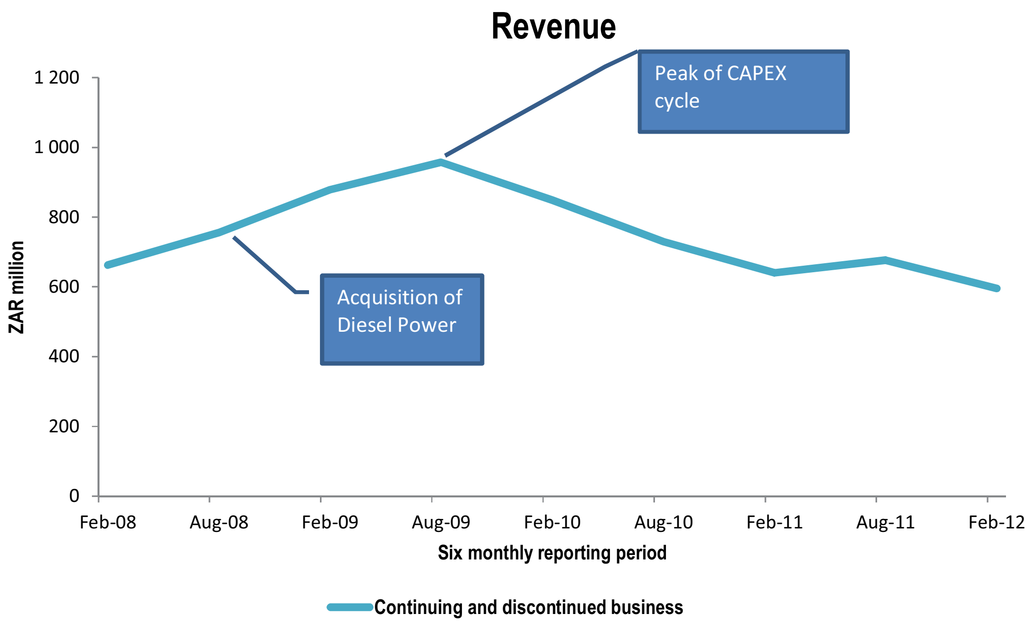
Revenue trend analysis – Group



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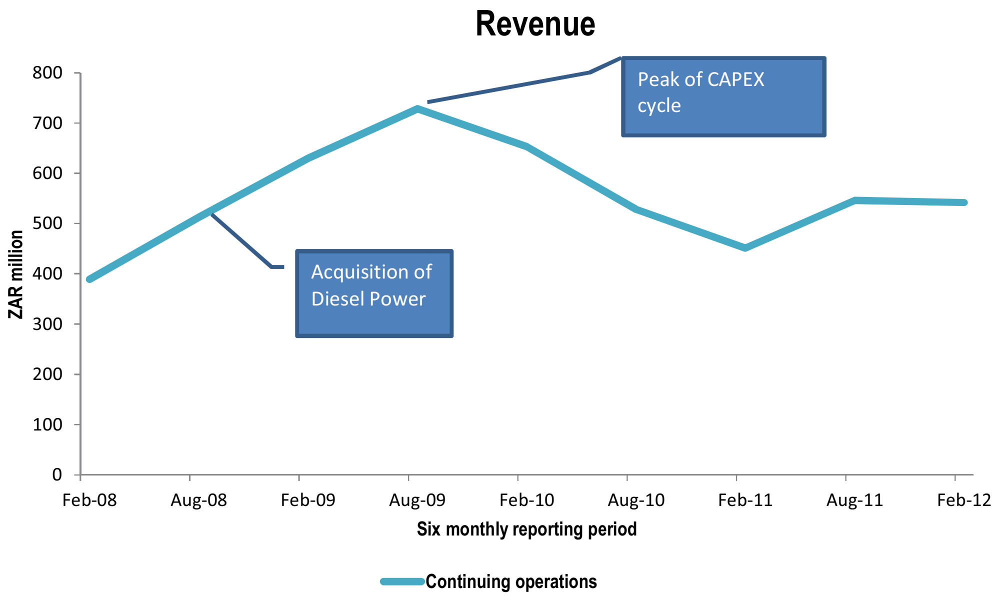
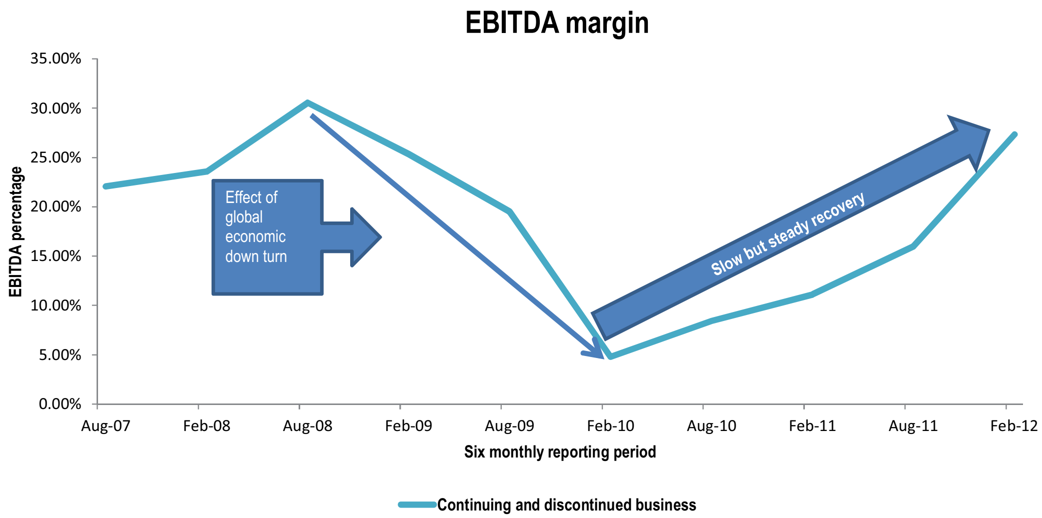
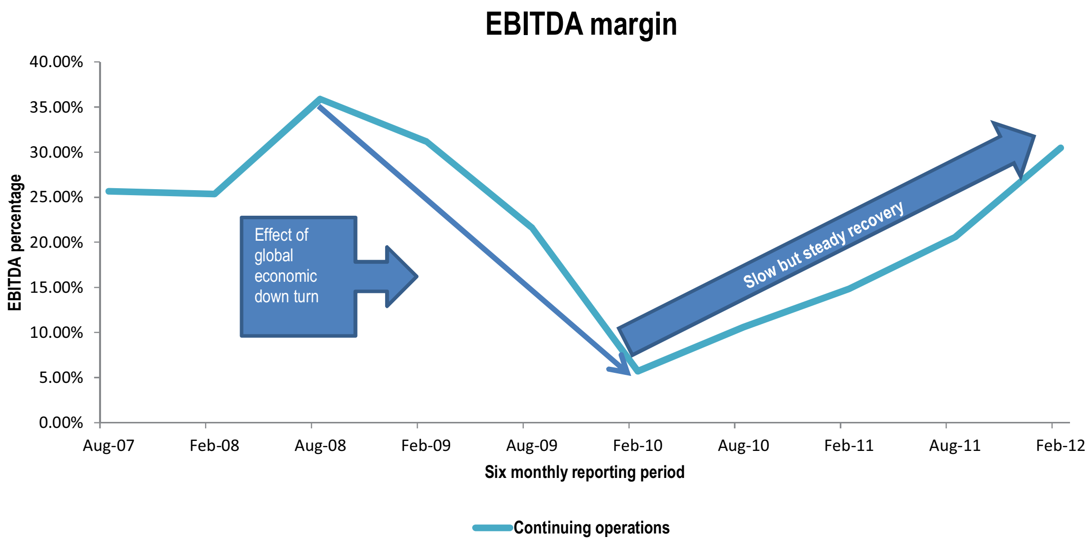
Revenue trend analysis – continuing operations



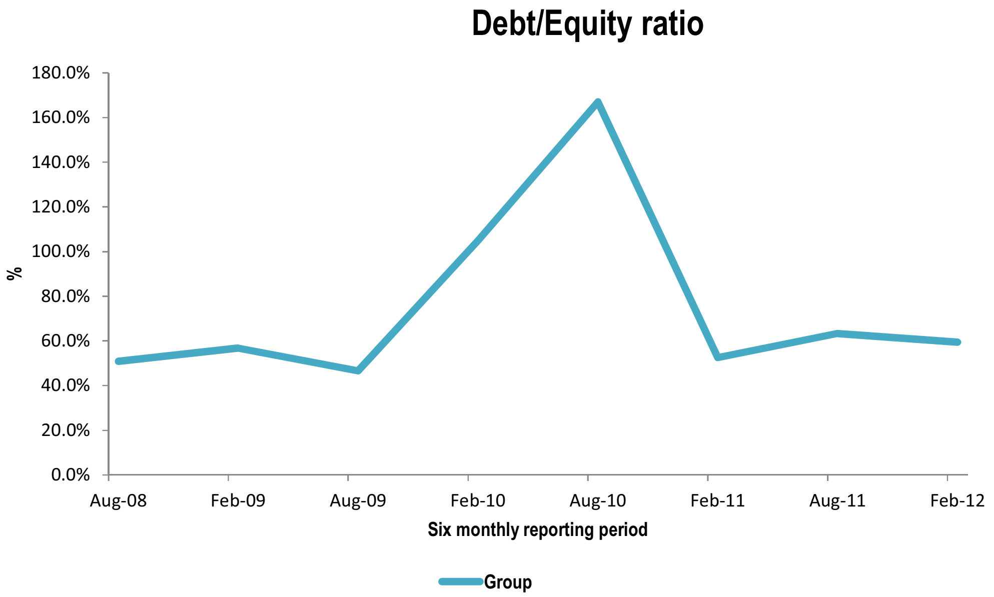
EBITDA margin trend analysis – Group



EBITDA margin trend analysis – continuing operations



Debt / Equity analysis



Audited annual results (Abridged consolidated statement of financial position)

Audited abridged consolidated statement of financial position

	29 February 2012 R'000	28 February 2011 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	**711 649**	613 915
Goodwill and other intangible assets	**92 596**	98 504
Environmental guarantee investment	**422**	-
Deferred taxation	**17 331**	12 124
	821 998	724 543
Current assets		
Inventories	**21 923**	44 832
Trade and other receivables	**162 991**	155 001
Taxation receivable	**5 087**	4 425
Bank and cash balances	**108 869**	127 029
	298 870	331 287
Assets classified as held for sale	**-**	53 543
Total assets	**1 120 868**	1 109 373

Audited annual results (Abridged consolidated statement of financial position- continued)

Audited abridged consolidated statement of financial position

	29 February 2012 R'000	28 February 2011 R'000
EQUITY AND LIABILITIES		
Share capital and premium	**2 023 206**	2 023 206
Cash flow hedging reserve	**(280)**	(2 453)
Accumulated loss	**(1 468 863)**	(1 463 301)
Attributable to equity holders of the company	**554 063**	557 452
Outside shareholders' interests	**(7 043)**	(7 328)
Total shareholders' interests	**547 020**	550 124
Non-current liabilities		
Interest-bearing liabilities	**147 943**	101 886
Derivative instruments	**-**	290
Provisions	**889**	4 751
Deferred taxation	**53 682**	28 948
	202 514	135 875
Current liabilities		
Interest-bearing liabilities	**176 499**	174 764
Derivative instruments	**389**	3 118
~~Vendor loan payable~~	-	-
Trade and other payables	**191 721**	190 580
Provisions	**2 300**	25 471
Taxation payable	**336**	883
Bank overdrafts	**89**	9 261
	371 334	404 077
Liabilities directly associated with assets classified as held for sale	**-**	19 297
Total equity and liabilities	**1 120 868**	1 109 373
Shares in issue	**3 444 716**	3 444 716
Net asset value per share (cents)	**16.1**	16.2
Net tangible asset value per share (cents)	**13.9**	13.9

Audited annual results (Abridged consolidated statement of comprehensive income)

Audited abridged consolidated statement of comprehensive income

	Continuing operations year ended 29 February 2012 R'000	**Discontinued operations year ended 29 February 2012 R'000**	**Total operations year ended 29 February 2012 R'000**	Continuing operations year ended 28 February 2011 R'000	Discontinued operations year ended 28 February 2011 R'000	Total operations year ended 28 February 2011 R'000
Revenue	**1 087 503**	**184 549**	**1 272 052**	1 028 433	340 781	1 369 214
Operating profit / (loss) before depreciation and amortisation ("EBITDA")	**278 340**	**(6 487)**	**271 853**	127 973	4 728	132 701
Depreciation	**(175 867)**	**(5 917)**	**(181 784)**	(171 233)	(35 462)	(206 695)
Operating profit / (loss) before amortisation	**102 473**	**(12 404)**	**90 069**	(43 260)	(30 734)	(73 994)
						-
Amortisation of intangible assets	**(5 908)**	**-**	**(5 908)**	(11 298)	-	(11 298)
Operating profit / (loss)	**96 565**	**(12 404)**	**84 161**	(54 558)	(30 734)	(85 292)
Loss on disposal of businesses	**-**	**(41 827)**	**(41 827)**	-	-	-
Impairment losses	**-**	**-**	**-**	(204 467)	(91 253)	(295 720)
Profit / (loss) before interest and taxation ("PBIT")	**96 565**	**(54 231)**	**42 334**	(259 025)	(121 987)	(381 012)
Net interest paid	**(25 449)**	**(2 085)**	**(27 534)**	(22 417)	(12 546)	(34 963)
Profit / (loss) before taxation ("PBT")	**71 116**	**(56 316)**	**14 800**	(281 442)	(134 533)	(415 975)
Taxation	**(19 913)**	**(164)**	**(20 077)**	45 629	(1 385)	44 244
Profit / (loss) for the year	**51 203**	**(56 480)**	**(5 277)**	(235 813)	(135 918)	(371 731)

Audited annual results (Abridged consolidated statement of comprehensive income - continued)

Audited abridged consolidated statement of comprehensive income

	Continuing operations year ended 29 February 2012 R'000	Discontinued operations year ended 29 February 2012 R'000	Total operations year ended 29 February 2012 R'000	Continuing operations year ended 28 February 2011 R'000	Discontinued operations year ended 28 February 2011 R'000	Total operations year ended 28 February 2011 R'000
Other comprehensive income for the year						
Recycled portion of cash flow reserve	2 905	-	2 905	4 220	-	4 220
Effective portion raised on cash flow hedge	113	-	113	(1 600)	-	(1 600)
Taxation	(845)	-	(845)	(733)	-	(733)
Total comprehensive profit/(loss) for the year	53 376	(56 480)	(3 104)	(233 926)	(135 918)	(369 844)
Profit / (loss) for the year attributable to:						
Equity holders of the company	50 918	(56 480)	(5 562)	(228 485)	(135 918)	(364 403)
Outside shareholders' interests	285	-	285	(7 328)	-	(7 328)
	51 203	(56 480)	(5 277)	(235 813)	(135 918)	(371 731)
Total comprehensive profit / (loss) for the year attributable to:						
Equity holders of the company	53 091	(56 480)	(3 389)	(226 598)	(135 918)	(362 516)
Outside shareholders' interests	285	-	285	(7 328)	-	(7 328)
	53 376	(56 480)	(3 104)	(233 926)	(135 918)	(369 844)

Audited annual results (Abridged consolidated statement of comprehensive income – Supplementary info.)

Audited supplementary information	**Continuing operations year ended 29 February 2012 R'000**	**Discontinued operations year ended 29 February 2012 R'000**	**Total operations year ended 29 February 2012 R'000**	Continuing operations year ended 28 February 2011 R'000	Discontinued operations year ended 28 February 2011 R'000	Total operations year ended 28 February 2011 R'000
Headline earnings / (loss) per share (cents)	**0.72**	**(0.43)**	**0.29**	(2.70)	(1.70)	(4.40)
Earnings / (loss) per share (cents)	**1.48**	**(1.64)**	**(0.16)**	(8.97)	(5.34)	(14.31)
Shares in issue ('000)			3 444 716			3 444 716
Weighted average shares in issue ('000)			3 444 716			2 546 426

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Audited annual results (Abridged consolidated cash flow)

Audited abridged consolidated statement of cash flows

	year ended 29 February 2012 R'000	year ended 28 February 2011 R'000
Operating activities		
Profit / (loss) before taxation ("PBT")	**14 800**	(415 975)
Working capital movement	**(3 092)**	29 547
Impairment of plant, equipment and intangible assets	**-**	295 720
Other non-cashflow items	**192 759**	183 781
Net interest paid	**27 534**	34 963
Cash generated from operations	**232 001**	128 036
Net interest paid in cash	**(27 257)**	(34 218)
Taxation paid	**(1 578)**	(3 312)
Net cash inflow from operating activities	**203 166**	90 506
Investing activities		
Purchase of property, plant and equipment		
- Expanding operations	**(334)**	(5 402)
- Maintaining operations	**(415 522)**	(84 548)
Environmental guarantee investment	**(600)**	-
Proceeds on disposal of subsidiaries	**736**	-
Proceeds on disposal of property plant and equipment	**167 903**	92 199
Net cash (outflow)/ inflow from investing activities	**(247 817)**	2 249
Financing activities		
Net proceeds from issue of shares	**-**	290 824
Vendor loans repaid	**-**	(43 500)
Interest-bearing liabilities raised	**301 233**	89 186
Interest-bearing liabilities repaid	**(265 570)**	(416 272)
Net cash inflows / (outflows) from financing activities	**35 663**	(79 762)
Net (decrease) / increase in cash and cash equivalents	**(8 988)**	12 993
Cash and cash equivalents at the beginning of the year	**117 768**	104 775
Cash and cash equivalents at the end of the year	**108 780**	117 768

Interest bearing debt

Interest bearing debt

- Interest bearing debt increased from R276,7 million at the end of FY2011 to R324,4 million due to the Group's increased investment in new plant and equipment
- The Group repaid R265,6 million of its debt and utilised R114,6 million of its own cash resources to acquire capital equipment and pay equity deposits for securing new finance facilities
- All banking covenants were successfully renegotiated
- New covenants, that are less restrictive, were agreed with the Group's bankers
- Secured new asset based finance facilities from IDC, Standard Bank, Nedbank, ABSA and Wesbank
- Future asset based facilities will not require equity deposits and the repayment terms will be structured over 3 years to match the production profile of the assets acquired i.e.:
  - Year one – 50%,
  - Year two – 30%,
  - Year three – 20%

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Capital expenditure

Capital expenditure

- Gross capital expenditure increased from R90 million during FY 2011 to R415,9 million
- New equipment was acquired to maintain operations
- This investment will assist the Group to increase its production capacity and productivity
- Management implemented procurement policies that focused on purchasing new equipment from a selected number of reputable OEM’s
- The Group generated R167,9 million through the sale of second-hand equipment and realised a profit on sale of R36,2 million
- Management will continue to replace assets on an annual basis and commit to growth capex only if new projects deliver the required financial returns

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Corporate strategy

Buildmax in the Open Cast Mining value chain

Exploration / Prospecting	*Mining*	*Beneficiation*	*Logistics*	*Sales Marketing*
Mining Services				
	Diesel Power			
Construction Materials				
Crushco Verlesha Mystic Blue	Crushco Alfa Verlesha	Crushco Alfa Verlesha Aflease	Crushco Alfa Wit Deep	Crushco Alfa Wit Deep

More than 70%of the Group's revenue is derived from opencast mining activities

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Safety, Health, Environment, Community and Quality **('SHECQ')**

SHECQ

- Group remains fully committed to achieve fatality free operations
- Continuously focuses on improving SHECQ standards to ensure efficient zero harm production in all the business units
- Lost time injury frequency rate in Mining Services was 0,15 which equates to 9 minor incidents for the period under review - an excellent achievement
- Buildmax SHECQ Management System was successfully implemented, maintained and will be monitored for continuous improvement
- Buildmax SHECQ Management System was certified by SABS to confirm compliance (without any exclusions) with two standards:
  - ISO 9001 : 2008 (Quality Management)
  - OHSAS 18001 : 2007 (Occupational Health and Safety)
- Buildmax continues to be fully committed to “Efficient Zero Harm Production”

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Turnaround strategy and Ongoing Actions

Turnaround strategy

- Strengthened the executive management team through various senior appointments in crucial positions
- Increased the Group's focus on all aspects of human resources in order to retain its employees and attract talent to the Group
- Focus on service levels and customer and supplier relationships
- Implemented ongoing cost cutting and control initiatives in all businesses
- Disposal of idle plant and equipment
- Completed the wind-down of Vukuza's mining operations and rationalised the Diesel Power civils division
- Ongoing annual rate negotiations with existing customers in Mining Services
- Introduced new product lines and optimising production facilities in the Group's Quarries
- Securing the mining rights for stone at our Crushco quarry
- Securing, in addition to the IDC asset based finance facility, additional facilities with Standard Bank, Nedbank ABSA and Wesbank
- Negotiating less onerous covenants with our bankers and approving the Group's request not to pay equity deposits in future finance agreements
- Ongoing support from shareholders

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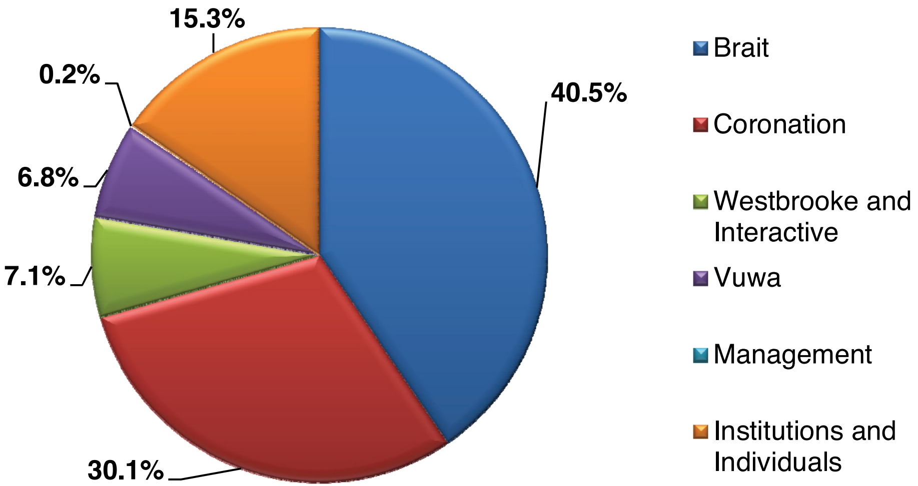
Turnaround strategy (contd.)

- Improved communication with all stakeholders
- Increased focus on mining related supply chain activities
- Plant availability improving with a continued focus on improving utilisation
- Improved long term and short term maintenance
- Debt reduction
- Focus on cash generation
- Focus on relationships with banks

Shareholder register

Buildmax's shareholding at 29 February 2012



Black Economic Empowerment

- Vuwa Investments Group shareholding reduced from 17% in March 2008 to 6.8% subsequent to an issue of shares in 2009 and a rights issue completed during the 2011 financial year
- Independent consultants appointed to assist the Group to strengthen its BEE status
- Transformation Committee has formulated a 4 year plan that aims to improve the Group's rating

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