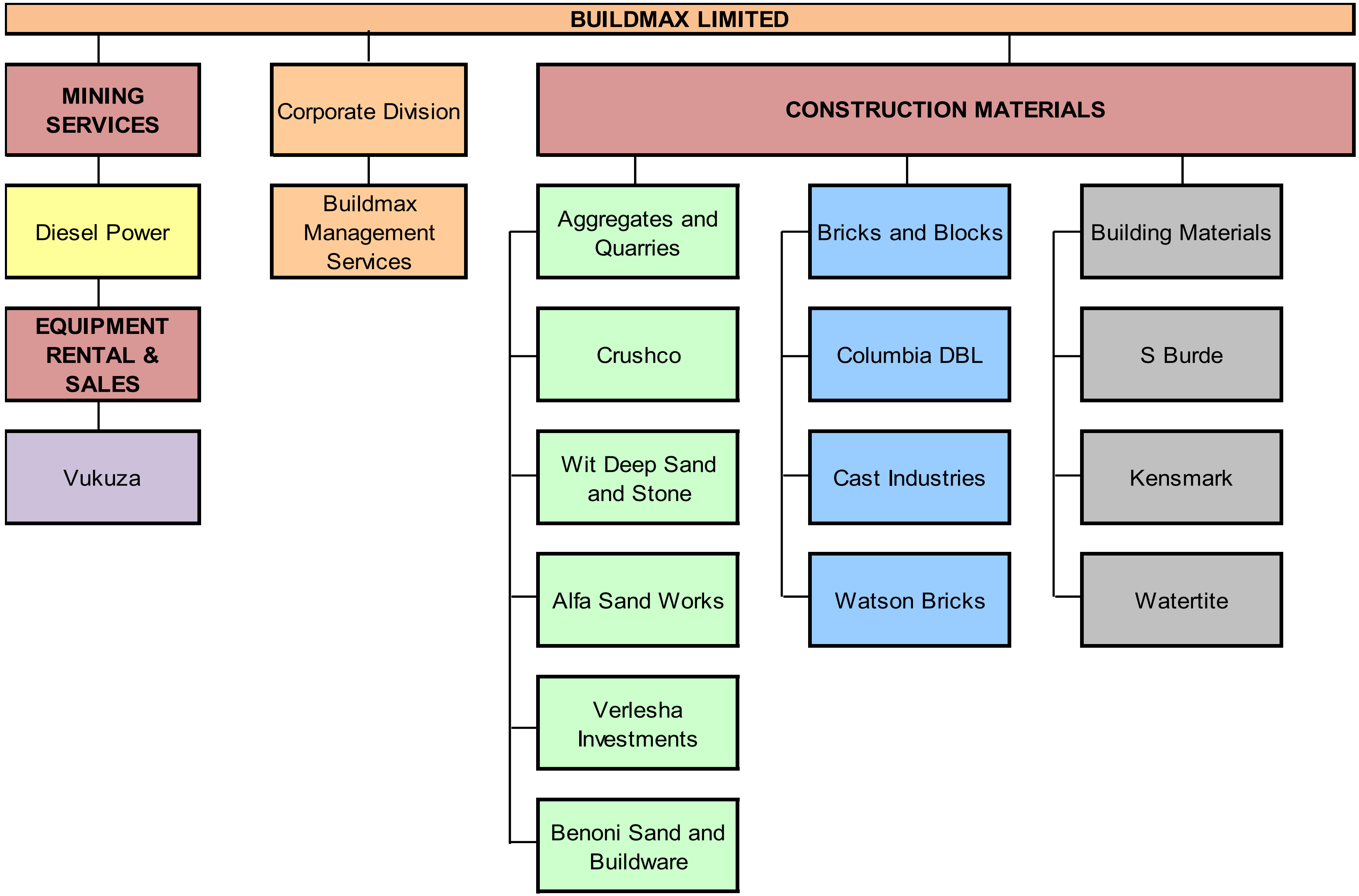
Results presentation – Six months ended 31 August 2010

Background

- Buildmax is a leading service provider of opencast mining, mining services and civils earthworks and a supplier of construction materials to the South African mining and construction industries
- Buildmax aims to entrench itself as a preferred supplier of services to the mining and construction industries across South Africa through organic and acquisitive growth. Buildmax is able to service these industries by way of its investment in mining and construction equipment as well as intellectual capital and the experience gained over more than 20 years
- Listed on the 'Construction & Materials' sector of the JSE, the group employs 2300 people and operates through three key business units:
  - **Mining Services:**
    - This business unit provides opencast mining services, civils earthworks, rehabilitation to the opencast mining sector
    - The group has integrated two recognised brands – Diesel Power and Vukuza, which are approved and registered contractors to many of the major South African mining and construction groups
  - **Equipment sales and rental:**
    - The business unit provides plant hire and plant sales to the opencast mining sector
  - **Construction Materials:**
    - The business unit manufactures and distributes a wide range of construction materials to the construction industry through three divisions namely Aggregates & Quarries, Bricks & Blocks and Building Materials

Group structure - operational

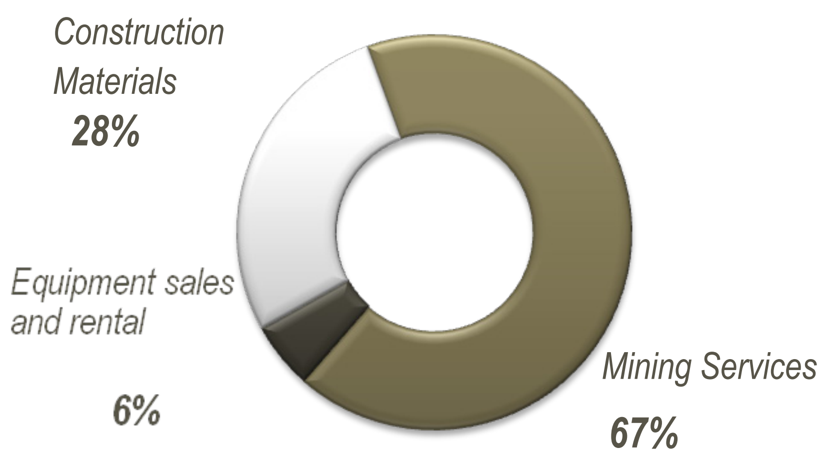


Segmental Results

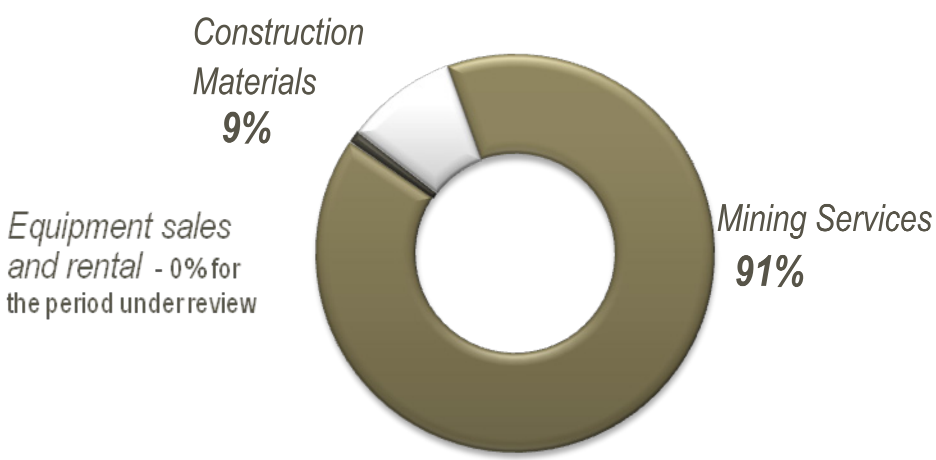
Six months to August 2010

Revenue	**R729 million**
EBITDA	**R62 million**

Divisional contribution to revenue:



Divisional contribution to EBITDA:



Group reported an operating loss before amortization of R49 million

Mining Services

Operational Review

Opencast Coal Mining

- Vukuza's loss making contracts terminated; winding down the operations
- Diesel Power assume no geological risk
- Exxaro, Xstrata now account for approximately 75% of revenue
- Finalised most of the price negotiations at favorable rate increases
- Business adversely affected by the concurrent effects of; inability to access asset based finance, extending the useful life of assets beyond the ideal replacement cycle, increasing the use of sub-contractors, high maintenance costs and low productivity due to plant downtime
- Changes to contracts needed to further reduce risks
- Investment in plant maintenance and proper site facilities will benefit future production
- Improved information systems and controls
- Improved tendering methodology and information
- Industry and geographical concentration and capital intensive business model necessitates the need to diversify into other sectors and less capital intensive revenue streams
- Civils / bulk earthworks division has been substantially restructured in first six months

Operational Review

Equipment sales and rental

- New business unit started during the review period
- Aim is to increase the second hand brand equity of the group
- Preferred channel to dispose of group's second hand equipment and fleet
- Reporting into the Mining Services SBU
- Currently renting Vukuza's mining equipment to a preferred customer on short term rental basis
- Minor successes in disposing of excess Mining Services assets
- Expanding new business unit in a controlled environment

Prospects

South Africa

- Coal remains one of the cheapest sources of energy in the world
- Increased international demand for coal will benefit the group's customers
- Eskom has curtailed it's medium term demand for coal but the continued roll-out of coal fired power stations coupled with international demand for thermal coal, from China and India, should ensure continued growth in this sector.
- Major constraints to growth in mining sector are scarcity of capital
- Key clients continue to increase investments and announce new projects
- Less capital intensive businesses in mining value chain being explored including – washing, stockpile management, screening, SHEQ and transport management

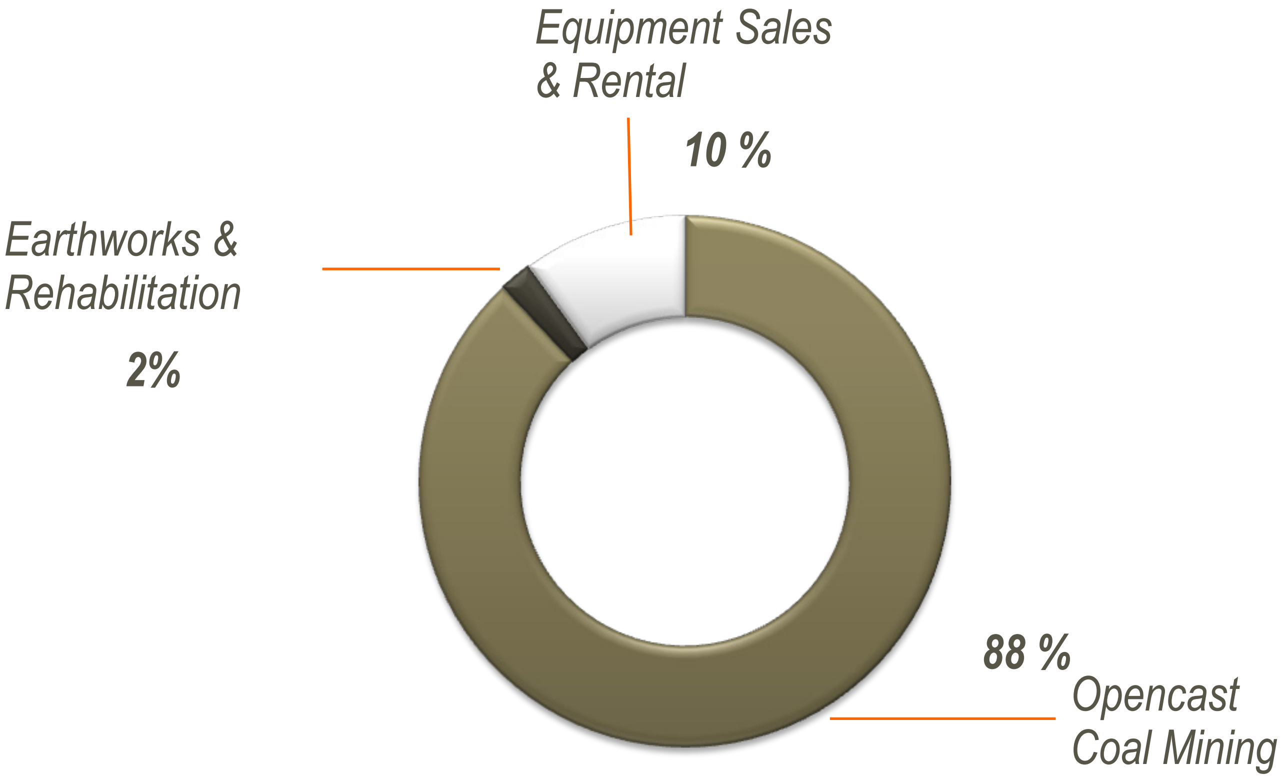
Redressing of South Africa's historic underinvestment in power generation offers growth opportunity

Prospects (contd.)

International

- Additional export capacity continues to come on stream at Richards Bay, Durban and Maputo
- Exports from Richards Bay for the first ten months of 2010 are higher than the corresponding period last year
- Transnet has announced that it intends to increase the size of its rolling stock fleet which should alleviate some bottlenecks currently experienced by coal exporters

Forecast Revenue (by division) – February 2011



Construction Materials

Operational Review

Aggregates & Quarries

- Crushco is the largest river sand producer in Gauteng
- Dependence on group companies for distribution is decreasing
- Product mix and quality improved to cater for infrastructure spending

Bricks & Blocks

- Negative growth in Western Cape market
- Watson Concrete and Cast businesses to be combined on one site
- Cast's newly commissioned curb plant now producing at reliable levels but sourcing aggregates remains a challenge

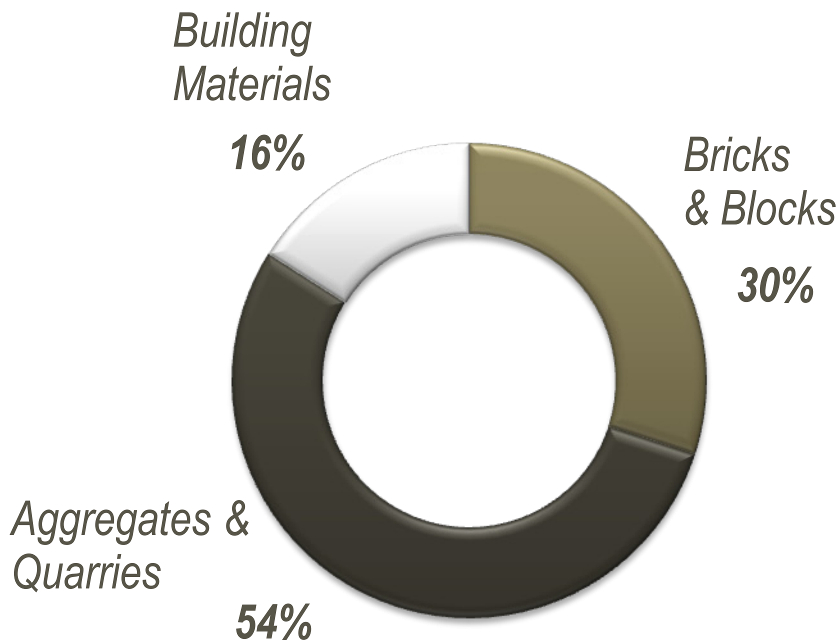
Rainwater goods

- Experiencing continued slow down in demand

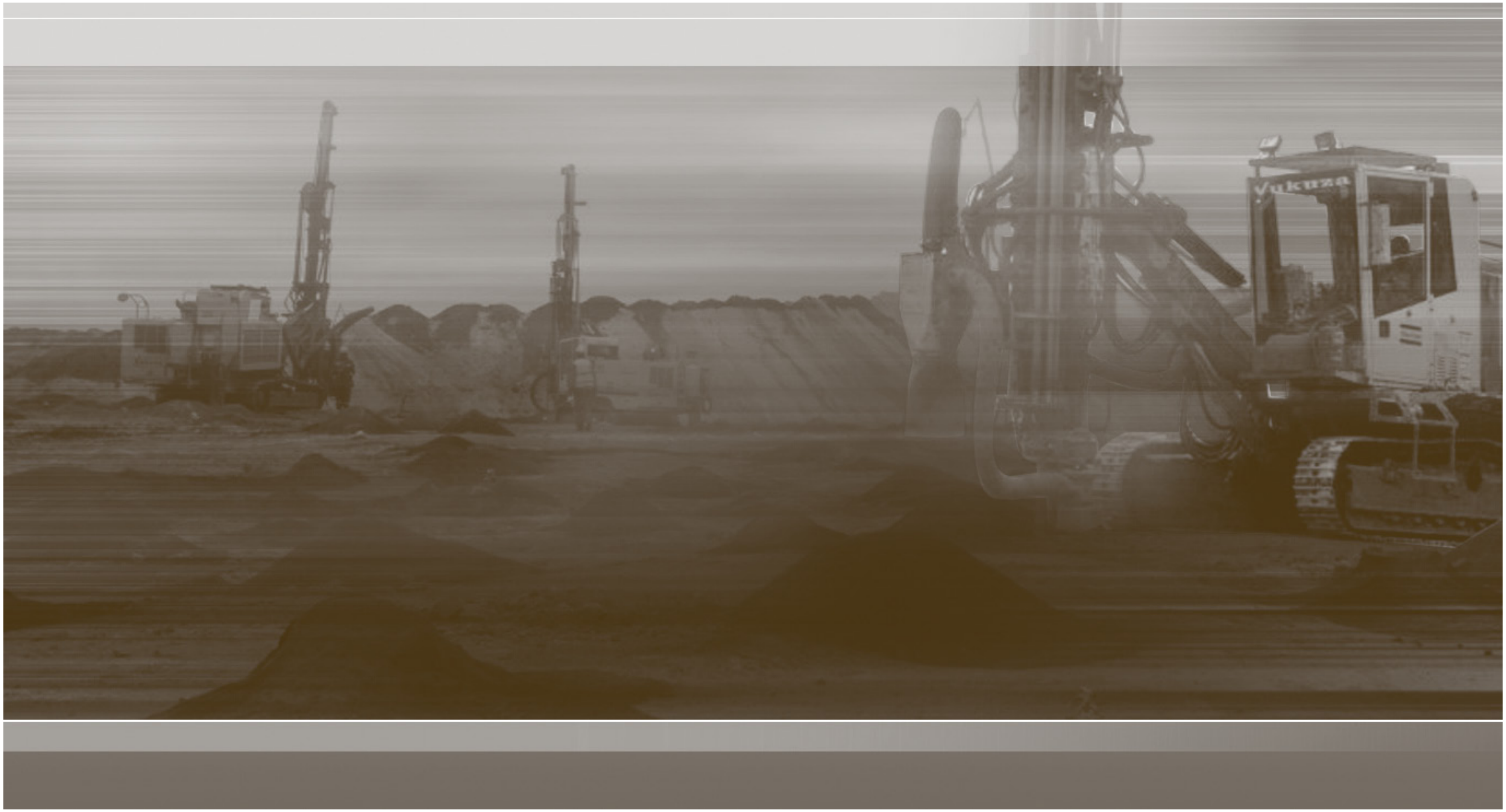
Prospects

- The outlook for the construction industry is reliant on spending by government and the private sector
- The dearth of credit continues to hamper private and public sector projects
- High levels of debt, excess stock and a lack of bank funding continue to impact negatively on the private sector
- Forecasting the timing of a recovery is extremely difficult
- Current trend in the Construction Materials SBU is not expected to reverse until, at the earliest the latter half of 2011 or early 2012
- The businesses are well positioned to benefit from improved trading conditions as and when they occur

Forecast Revenue (by division) – February 2011



Half year results and commentary



High level commentary on half year results

- **Mining Services**
  - Plant availability was problematic due to current age and maintenance related problems
  - General productivity below anticipated levels due to availability and worker productivity
  - Renting plant and making use of sub-contractors at punitive rates
  - Vukuza wind-down delivered anticipated results under the circumstances
  - Plant rental and sales division established, operating effectively in a tough 2nd hand market
  - Rate negotiations nearly completed
  - Made several senior appointments to fill vacant positions and bolster existing management team
  - Assessing all areas of cost and improving internal controls
  - Increased expenditure on maintenance infrastructure and repairs on equipment
  - Further impairment of R37.9 million on mining assets
  - Impairment of remaining goodwill and intangibles in Diesel Power of R123.9 million
  - Movement of plant between sites to optimize fleet mix

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High level commentary on half year results

- **Construction Materials**
  - Initiated several cost cutting and control initiatives that delivered positive results
  - Rationalized maintenance facilities in the Aggregates and Quarry division
  - Provision made for closing of Watson and relocation to Cast
  - Increased production efficiencies and introduced new product lines in the Quarries
  - Good progress was made in securing the mining rights on stone at Crushco
  - Continued tough trading conditions in Bricks and Blocks division
  - Reduction of fleet to improve utilization
  - Total impairments in goodwill and intangibles of R147.1 million

Half year results (Abridged consolidated statement of financial position)

	Reviewed 31 August 2010 R'000	Unaudited 31 August 2009 R'000	Audited 28 February 2010 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	**708 764**	1 368 545	901 997
Goodwill	**27 111**	810 578	190 848
Other intangible assets	**74 348**	213 238	174 801
Deferred taxation	**14 596**	4 316	20 087
	824 819	2 396 677	1 287 733
Current assets			
Inventories	**52 225**	94 113	72 049
Trade and other receivables	**170 646**	349 010	269 284
Taxation receivable	**5 573**	5 686	5 502
Bank and cash balances	**33 727**	219 652	136 447
	262 171	668 461	483 282
Assets classified as held for sale	**45 067**	-	-
Total assets	**1 132 057**	3 065 138	1 771 015

Half year results (Abridged consolidated statement of financial position- continued)

	Reviewed 31 August 2010 R'000	Unaudited 31 August 2009 R'000	Audited 28 February 2010 R'000
EQUITY AND LIABILITIES			
Share capital and premium	**1 732 382**	1 732 382	1 732 382
Cash flow hedging reserve	**(3 925)**	(5 543)	(4 340)
Accumulated loss	**(1 427 464)**	(58 240)	(1 098 898)
Ordinary shareholders' interests	**300 993**	1 668 599	629 144
Outside shareholders' interests	**(7 150)**	3 464	-
Total shareholders' interests	**293 843**	1 672 063	629 144
Non-current liabilities			
Interest-bearing liabilities	**204 110**	430 116	315 037
Derivative instruments	**1 326**	2 852	1 940
Vendor loan	**-**	38 482	-
Provisions	**3 956**	3 956	3 956
Deferred taxation	**39 064**	205 584	85 487
	248 456	680 990	406 420
Current liabilities			
Interest-bearing liabilities	**262 573**	338 722	307 522
Derivative instruments	**4 126**	4 846	4 088
Vendor loan payable	**43 500**	14 083	47 000
Trade and other payables	**240 559**	344 868	325 254
Provisions	**17 710**	-	19 571
Taxation payable	**2 745**	6 074	344
Bank overdrafts	**18 545**	3 492	31 672
	589 758	712 085	735 451
Total equity and liabilities	**1 132 057**	3 065 138	1 771 015
Net asset value per share (cents)	**28.2**	160.7	60.5
Net tangible asset value per share (cents)	**20.5**	68.0	30.0

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Half year results (Abridged consolidated statement of comprehensive income)

	Reviewed 6 months ended 31 August 2010 R'000	Unaudited 6 months ended 31 August 2009 R'000	Audited year ended 28 February 2010 R'000
CONTINUING OPERATIONS			
Revenue	**659 754**	632 678	1 240 906
Operating profit before depreciation and amortisation ("EBITDA")	**45 822**	143 432	215 063
Depreciation	**(85 980)**	(63 915)	(131 320)
Operating (loss) / profit before amortisation	**(40 158)**	79 517	83 743
Amortisation of intangible assets	**(8 344)**	(10 879)	(21 758)
(Loss) / profit before loss on disposal of business unit, impairments, interest and taxation	**(48 502)**	68 638	61 985
Loss on disposal of business	**-**	(2 225)	(2 467)
Impairment losses	**(272 422)**	-	(805 613)
(Loss) / profit before interest and taxation ("PBIT")	**(320 924)**	66 413	(746 095)
Interest received	**813**	6 798	10 449
Interest paid	**(14 240)**	(37 245)	(75 306)
(Loss) / profit before taxation ("PBT")	**(334 351)**	35 966	(810 952)
Taxation	**37 071**	(10 969)	62 803
(Loss) / profit for the period from continuing operations	**(297 280)**	24 997	(748 149)

Half year results (Abridged consolidated statement of comprehensive income – continued)

	Reviewed 6 months ended 31 August 2010 R'000	Unaudited 6 months ended 31 August 2009 R'000	Audited year ended 28 February 2010 R'000
DISCONTINUED OPERATIONS			
Revenue	**69 669**	324 640	564 678
Operating profit before depreciation and amortisation ("EBITDA")	**15 678**	43 451	12 477
Depreciation	**(25 207)**	(21 048)	(44 770)
Profit / (loss) before impairment losses, interest and taxation	**(9 529)**	22 403	(32 293)
Impairment losses	**(21 313)**	-	(263 553)
(Loss) / Profit before interest and taxation ("PBIT")	**(30 842)**	22 403	(295 846)
Interest received	**1 572**	2 906	4 981
Interest paid	**(9 166)**	(13 815)	(26 550)
(Loss) / profit before taxation ("PBT")	**(38 436)**	11 494	(317 415)
Taxation	**-**	(3 218)	54 715
(Loss) / profit for the period from discontinued operations	**(38 436)**	8 276	(262 700)
Total (loss) / profit for the period	**(335 716)**	33 273	(1 010 849)
Other comprehensive income / (loss) for the period			
Unrealised profit due to change in fair value of cash flow hedge	**576**	40	1 711
Taxation	**(161)**	(11)	(479)
Total comprehensive (loss) / profit for the period	**(335 301)**	33 302	(1 009 617)
(Loss) / profit for the period attributable to:			
Equity holders of Buildmax	**(328 566)**	33 413	(1 007 245)
Outside shareholders' interests	**(7 150)**	(140)	(3 604)
	(335 716)	33 273	(1 010 849)
Total comprehensive (loss) / profit for the year attributable to:			
Equity holders of Buildmax	**(328 151)**	33 442	(1 006 013)
Outside shareholders' interests	**(7 150)**	(140)	(3 604)
	(335 301)	33 302	(1 009 617)

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Half year results (Abridged consolidated statement of comprehensive income – Supplementary info.)

	Reviewed 6 months ended 31 August 2010	Unaudited 6 months ended 31 August 2009	Audited year ended 28 February 2010
Headline (loss) / earnings per share (cents)			
- Continuing and discontinued operations	**(7.0)**	3.7	(5.9)
- Continuing operations	**(5.2)**	2.6	(11.0)
Core headline (loss) / earnings per share (cents)			
- Continuing and discontinued operations	**(6.4)**	4.5	(4.4)
- Continuing operations	**(4.7)**	3.4	(9.5)
Basic (loss) / earnings per share (cents)			
- Continuing and discontinued operations	**(31.6)**	3.2	(96.8)
- Continuing operations	**(27.9)**	2.4	(71.5)
Shares in issue ('000)			
- at end of the period	**1 040 700**	1 040 700	1 040 700

Half year results (Abridged consolidated cash flow)

	Reviewed 6 months ended 31 August 2010 R'000	Unaudited 6 months ended 31 August 2009 R'000	Audited year ended 28 February 2010 R'000
Operating activities			
(Loss) / profit before taxation ("PBT")	**(372 787)**	47 460	(1 128 367)
Non-cash flow items and changes in w orking capital	**442 942**	152 830	1 426 597
Net interest paid	**21 021**	41 356	86 426
Cash generated from operations	**91 176**	241 646	384 656
Net interest paid in cash	**(21 021)**	(40 882)	(86 985)
Taxation paid	**(1 691)**	(19 201)	(29 388)
Cash flow s from operating activities	**68 464**	181 563	268 283
Investing activities			
Purchase of property, plant and equipment			
- Expanding operations	**(1 669)**	(117 745)	(151 215)
- Maintaining operations	**(17 521)**	(25 480)	(45 774)
Proceeds on disposal of property plant and equipment	**20 310**	10 219	15 201
Net cash outflow s from investing activities	**1 120**	(133 006)	(181 788)
Financing activities			
Interest-bearing liabilities raised	**11 986**	111 386	85 245
Interest-bearing liabilities repaid	**(171 163)**	(230 707)	(353 889)
Net cash outflow s from financing activities	**(159 177)**	(119 321)	(268 644)
Net decrease in cash and cash equivalents	**(89 593)**	(70 764)	(182 149)
Cash and cash equivalents at the beginning of the period	**104 775**	286 924	286 924
Cash and cash equivalents at the end of the period	**15 182**	216 160	104 775

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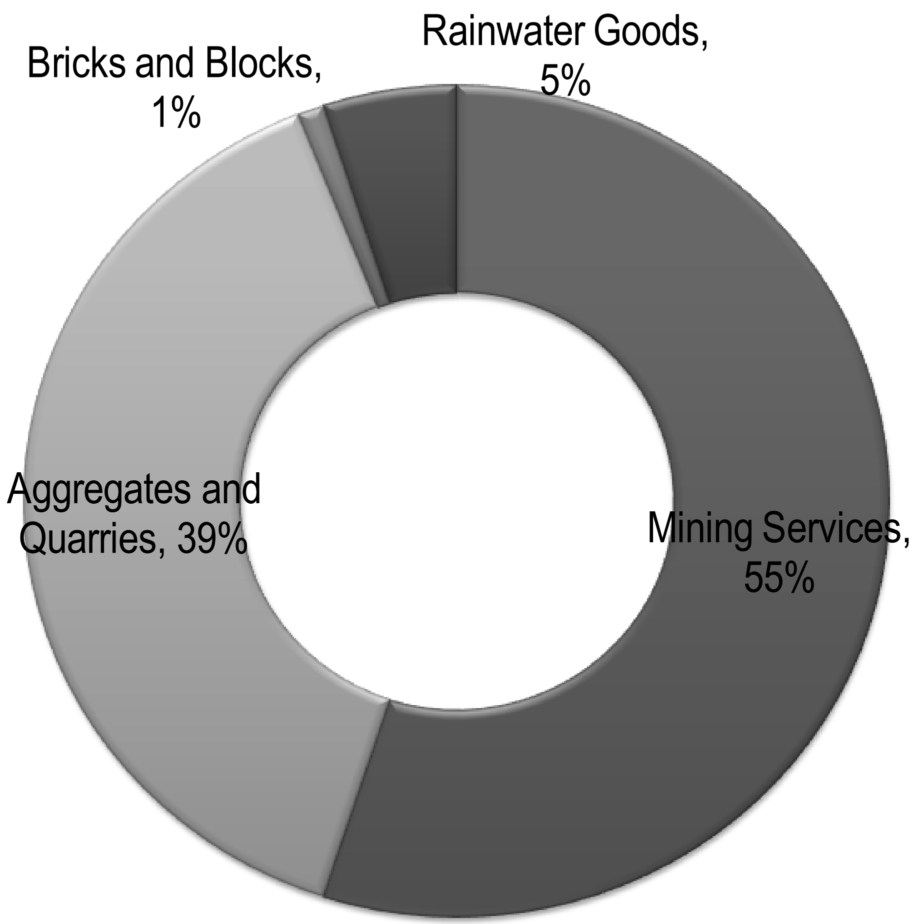
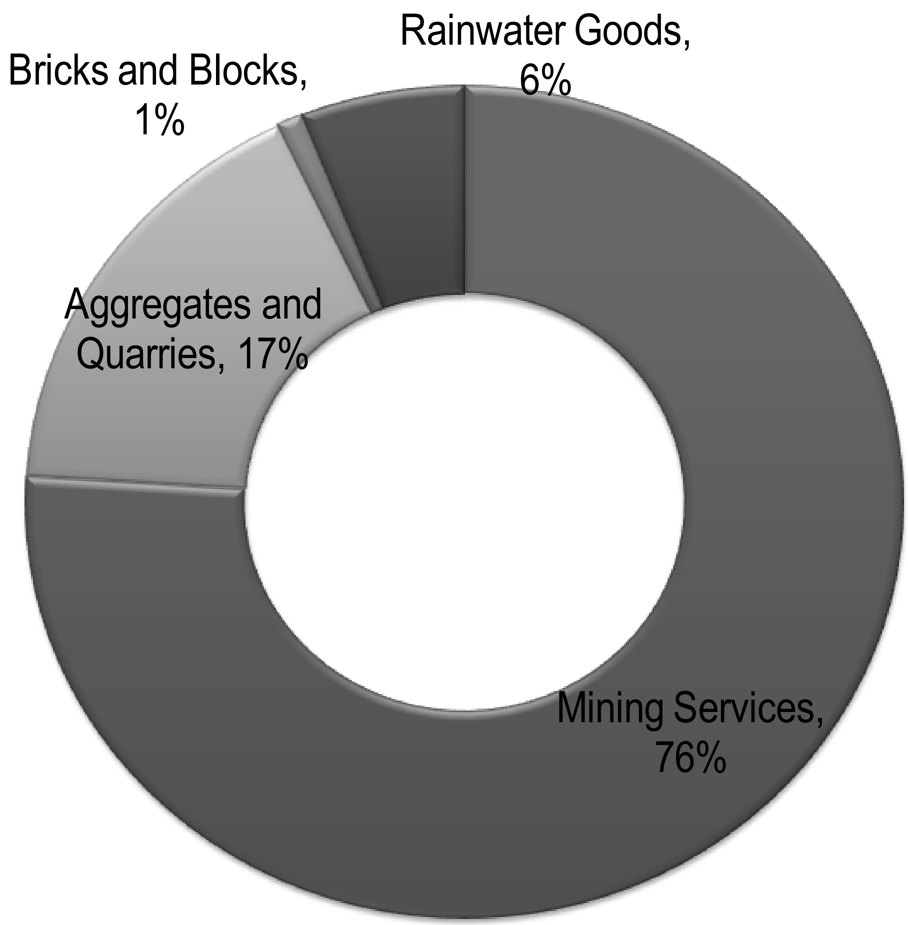
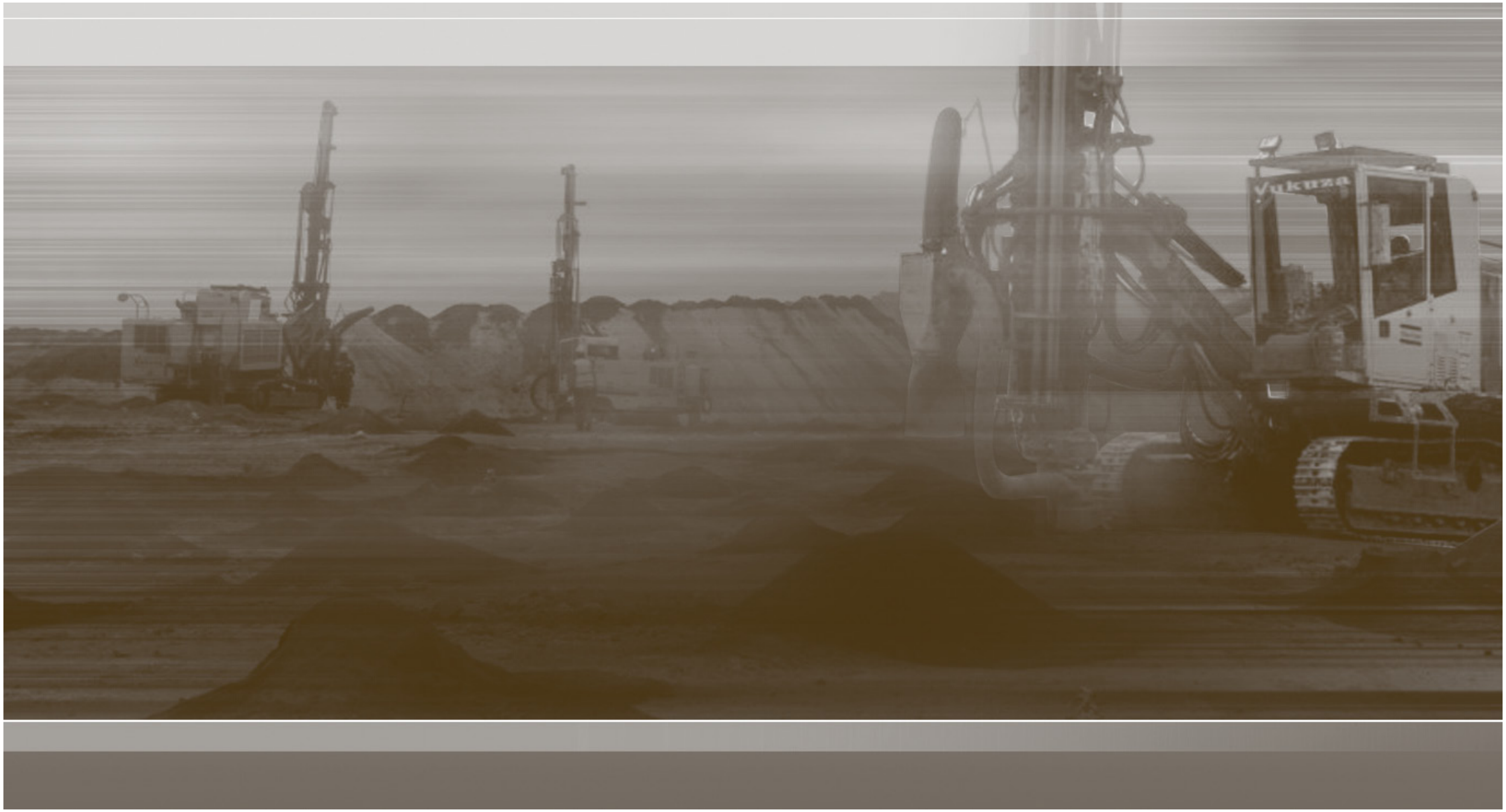
Net Asset Value analysis: 28.2 cents per share



Tangible Net Asset Value analysis: 20.5 cents per share



Capital Expenditure



Capital Expenditure

- Capital expenditure reduced 87% to R19 million
- 84% of Capital expenditure spend on maintaining operations
- Limited capital expenditure planned for the balance of FY 2011 due to funding constraints
- Taken a view to reduce excess fleet in Mining Services and Construction Materials
- The plant rental and 2nd hand plant sales division was launched
- Buildmax will continue to hire-in equipment at punitive rates to cope with demand

Corporate Strategy

Buildmax in the Open Cast Mining Value Chain

Exploration / Prospecting	*Mining*	*Beneficiation*	*Logistics*	*Sales Marketing*

Mining Services				
	Diesel Power Vukuza			

Construction Materials				
Crushco **Verlesha** **Mystic Blue***	**Crushco** **Alfa** **Verlesha**	**Crushco** **Alfa** **Verlesha** **Aflease**	**Crushco** **Alfa** **BSB** **Wit Deep**	**Crushco** **Alfa** **BSB** **Wit Deep**

65% of Revenue is derived from opencast mining

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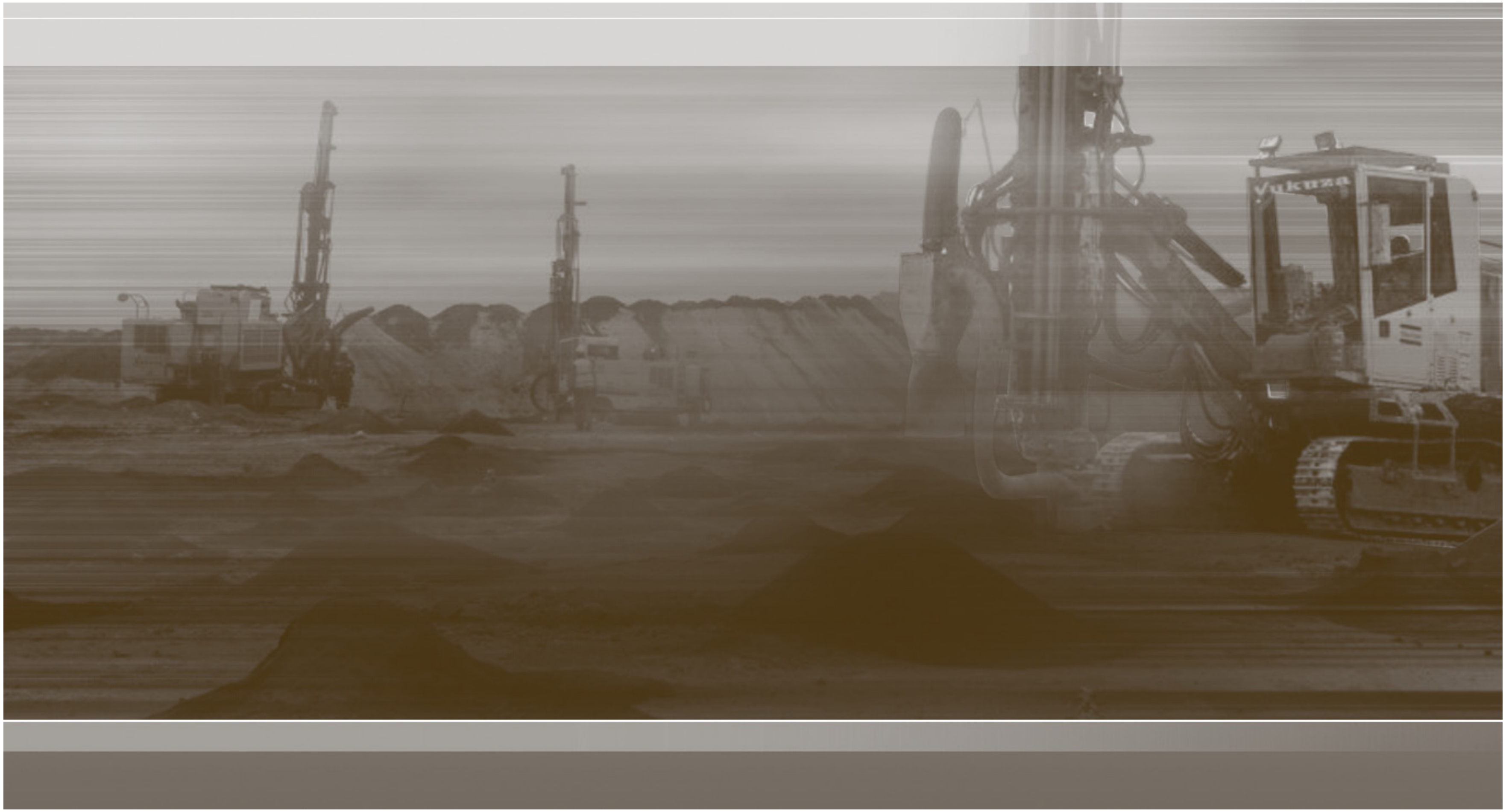
Turnaround strategy and Ongoing Actions



Turnaround strategy

- Strengthening the executive management team through various senior appointments in crucial parts of the business
- Increase the Group's focus on all aspects of human resources in order to retain its employees and attract proper qualified candidates in future
- Implementing cost cutting and control initiatives in all businesses
- Disposing of excess plant and equipment in order to settle debt and provide working capital to the group
- Complete the controlled wind-down of Vukuza's mining operations and rationalizing the Diesel Power Civil division
- Bedding down the new plant rental and sales division
- Finalise rate negotiations with existing customers in Mining Services
- Introduce new product lines and optimizing current production facilities in Construction Materials
- Securing the mining rights to stone at our Crushco quarry
- Successfully completing the Rights Offer of R300 million
- Improve communication with all stakeholders

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Ongoing actions to weather the storm

Funding
- Banks confirmed current reducing facilities
- Renegotiating borrowing covenants
- Rights Offer proceeds to settle portion of debt
- Sell excess mining and construction equipment
- Reduce debt levels

Working Capital
- Focus on debtors and cash management
- CGIC cover
- Portion of Rights Offer to provide much needed working capital

Overheads
- 3 year deal with Union
- Forced reduction in staff from 3 300 to 2 300 people
- Market related salary increases
- Consolidation of administration centers
- Restructure facilities to extract synergies
- Curtail discretionary costs

CAPEX
- Limited CAPEX for balance of FY2011
- No new projects
- Critically evaluating all current mining contracts
- Utilizing services of sub-contractors

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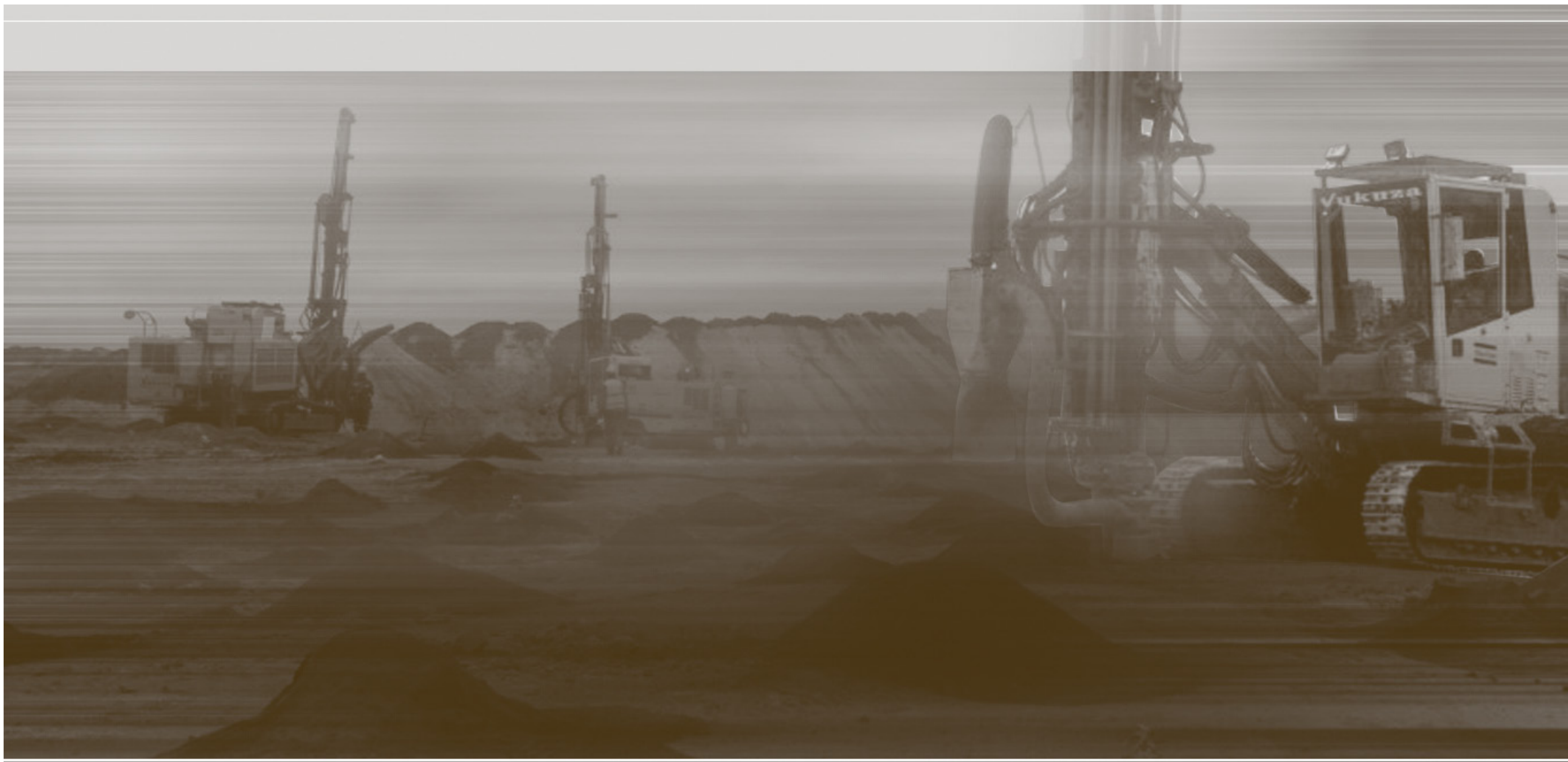
Rights Offer



Salient features of Rights Offer

- Java Capital and Macquarie appointed as advisors
- Board appointed an independent sub-committee to determine quantum and pricing
- Proceeds to reduce debt, fund working capital and potentially to provide equity as a deposit towards capital expenditure in partnership with asset based funders for short and medium term capital expenditure
- The quantum increased from R150 million to R300 million and was approved by the Board on 7 July 2010
- Brait and Coronation made a partial offer to all minorities to acquire 53.5% of their current shares at 25 cents per share
- The partial offer was finalized on 27th September 2010
- The Rights Offer Circular and Revised Listing Particulars was approved by the JSE and registered with CIPRO on 8th October 2010
- These circulars was posted to all shareholders on the 25th October
- The Rights offer was successfully completed on the 15th November 2010
- 98% of available rights were taken up
- A small underwriting commitment of R4.7 million remained to be taken up by Brait and Coronation

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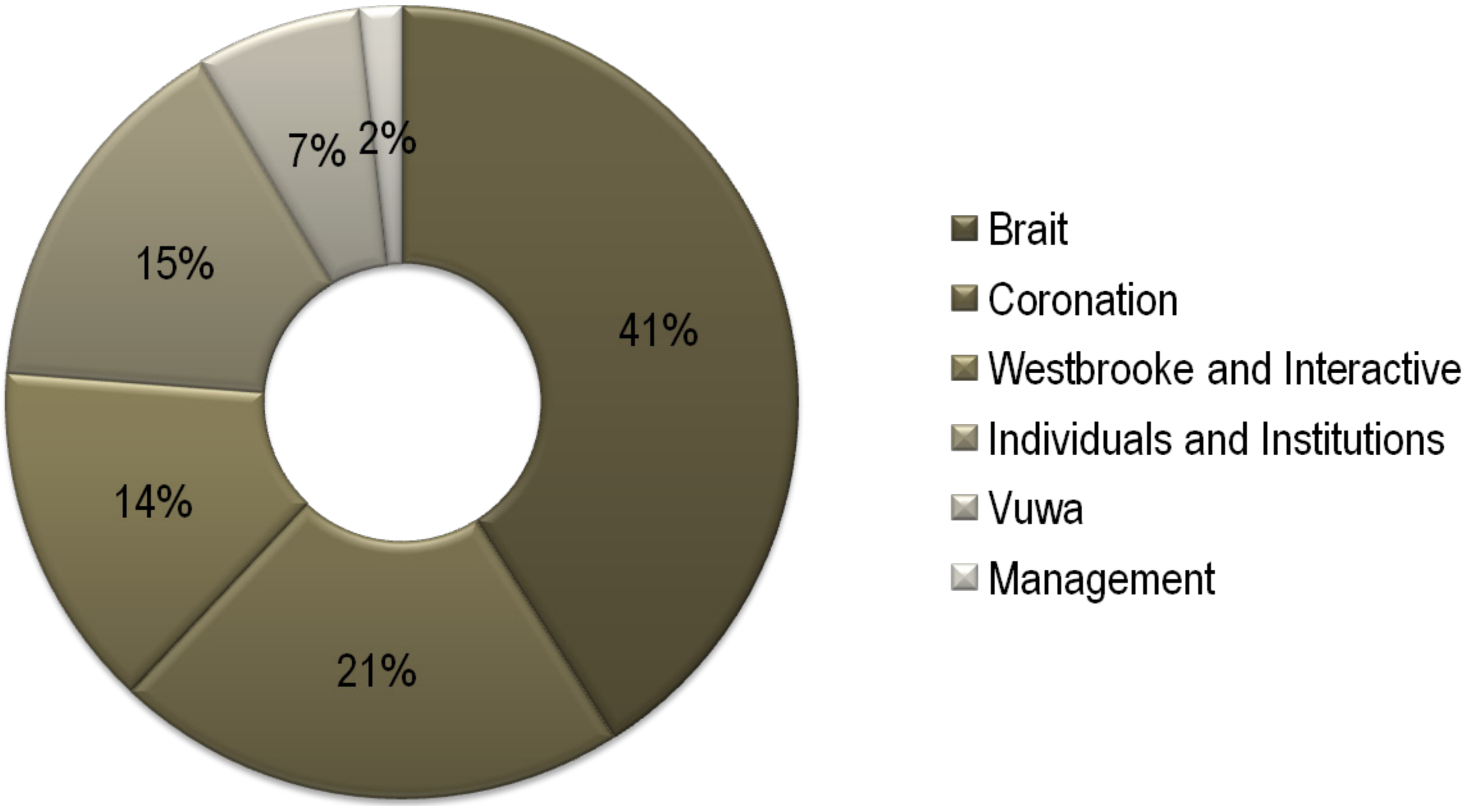
Shareholding after rights issue



Black Economic Empowerment

- Vuwa Investments Group held 15% of Buildmax prior to rights issue
- Retail BEE investors held 2% of Buildmax prior to right issue
- Level 6 contributor and targeting level 4 in 4 years
- Dilution in BEE shareholding down to 7%, due to the rights offer, is a serious concern for management