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Annual Results Presentation
31 August 2011

Background

- Buildmax is a leading service provider of opencast mining, mining services, bulk 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 contract mining supply chain services to the mining industry
- 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
- The Buildmax Board took a strategic decision to dispose of the entities in the Construction Materials business unit
- The group employs 2304 people and current operates through three key business units:
  - **Mining Services:** This business unit, largely trading through its flagship brand, Diesel Power, provides opencast mining services, SHECQ management, bulk earthworks, plant hire and rehabilitation to the opencast mining sector
  - **Equipment sales and rental:** The business unit provides plant hire and plant sales services on behalf of the Group
  - **Construction Materials (disclosed as discontinued operations):** The unit manufactures and distributes a wide range of construction materials to the construction industry through three sub-divisions namely Aggregates & Quarries, Bricks & Blocks and Building Materials

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Review of the six months ended 31 August

- The six months under review was a period of further consolidation, strategic positioning and restructuring of activities
- Maintaining competitiveness and delivering adequate returns to shareholders remains top priority.
- Management has remained steadfast on achieving the substantial on-going strategic initiatives which commenced during the previous financial year. 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, the 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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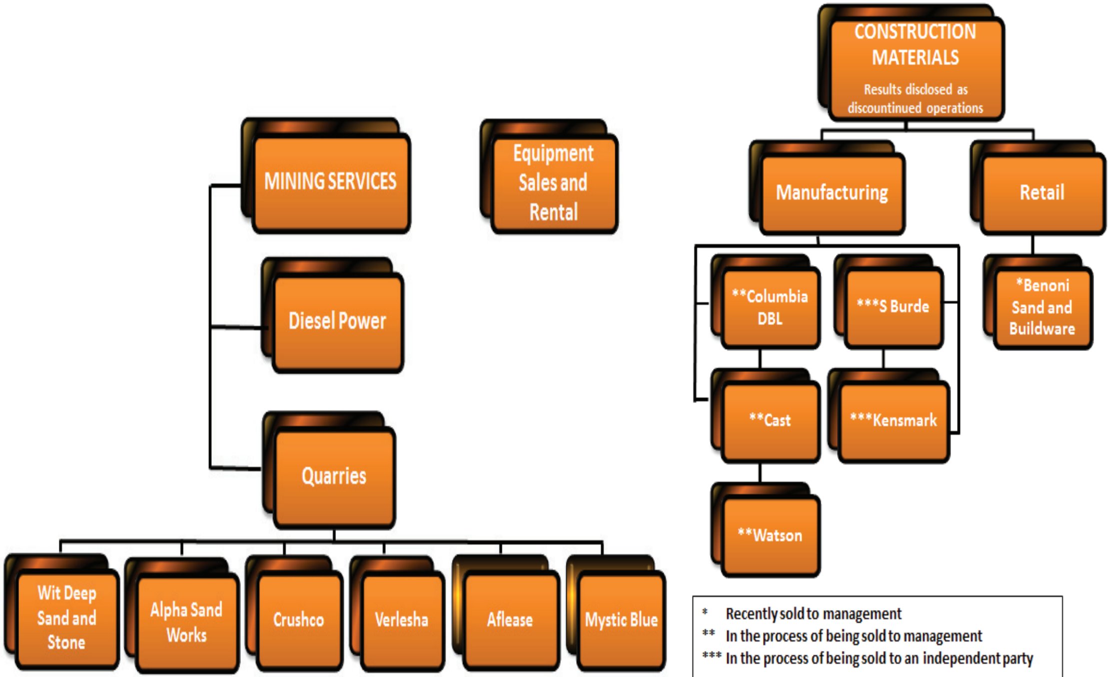
Group structure



* Recently sold to management
** In the process of being sold to management
*** In the process of being sold to an independent party

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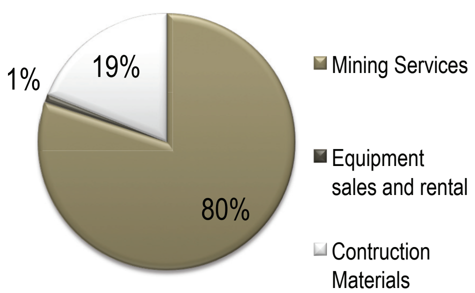
Segmental results

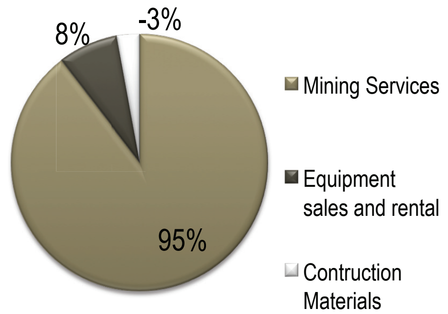
Six months to 31 August 2011

Revenue	R655 million
EBITDA	R109 million

Divisional contribution to revenue:



Divisional contribution to EBITDA:



Group reported an operating profit before amortisation of R19 million

Mining Services

Operational review

Opencast Coal Mining

- Vukuza's loss making contracts were terminated and the mining operations closed
- Diesel Power largely assumes no geological risk
- In FY2012 the dependence on Exxaro and Xstrata reduced from 75% to 58% of total revenue
- Two new Anglo Coal short term contracts were secured at favorable rates
- Strategic initiatives impacts positively on the bottom line:
  - EBITDA margins increase from below 5% during the previous six month period to 21.6%;
  - Business unit reported an operating profit of R24 million compared to a operating loss for FY 2011 and the six month period ended 31 August 2010; and
  - Business unit reported a PBT of R12 million for the period under review
- Ongoing price negotiations with customers
- Certain contract terms still onerous - changes to contracts required to further reduce risk and improve margins

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Operational review (contd.)

Opencast Coal Mining

- Business continues to be impacted by the concurrent effects of;
  - pressure on the value of 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
- 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 started to contribute to the bottom line

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Operational review (contd.)

Quarry operations (included in Mining Services)

- 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 future infrastructure spending
- Experiencing erratic product demand signals from the construction market
- Not able to pass on all operating cost increases to its customers – recent diesel price increases
- Still delivering above market related 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

Operational review

Equipment Sales and Rental

- 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 Business Unit
- Minor successes in disposing of excess Mining Services assets in a constrained market
- Funding of second-hand equipment remains challenging
- Expanding new business unit in a controlled environment

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Prospects

South Africa

- Coal remains one of the cheapest sources of energy in the world
- Increased 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 impacting 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 mining value chain being 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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Construction Materials

Operational review

General

- Buildmax Board took a strategic decision to dispose of the entities in this business unit
- Group's future focus will be on Open Cast Mining and Quarrying activities
- Update on the various disposal initiatives:
  - The group has concluded the disposal of its entire shareholding in BSB;
  - Negotiations to dispose of Columbia to a consortium led by the Columbia management team are in an advanced stage;
  - Relating to S Burde & Company including Kensmark Ltd (Burde), an independent third party has been awarded a thirty day exclusivity period to finalise a due diligence and submit a formal offer for the business to the Buildmax Board, and
  - The current management team of Cast and Watson (in conjunction with an independent third party) has expressed an interest in acquiring the issued shares of these entities.
- The results of these entities have been disclosed as discontinued operations at the end of August 2011

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Operational review (contd.)

- Demand for the Business Unit's bricks & blocks and rainwater products remained erratic and is under pressure
- Experienced negative growth in certain areas and are reliant on a recovery in the Construction sector
- Where possible management introduced further cost cutting initiatives
- The entities in this Business Unit were unable to pass on all operating cost increases to its customers
- Operating margins remained under pressure
- It remains difficult to predict the timing of any improvement/recovery in trading conditions in the Construction market

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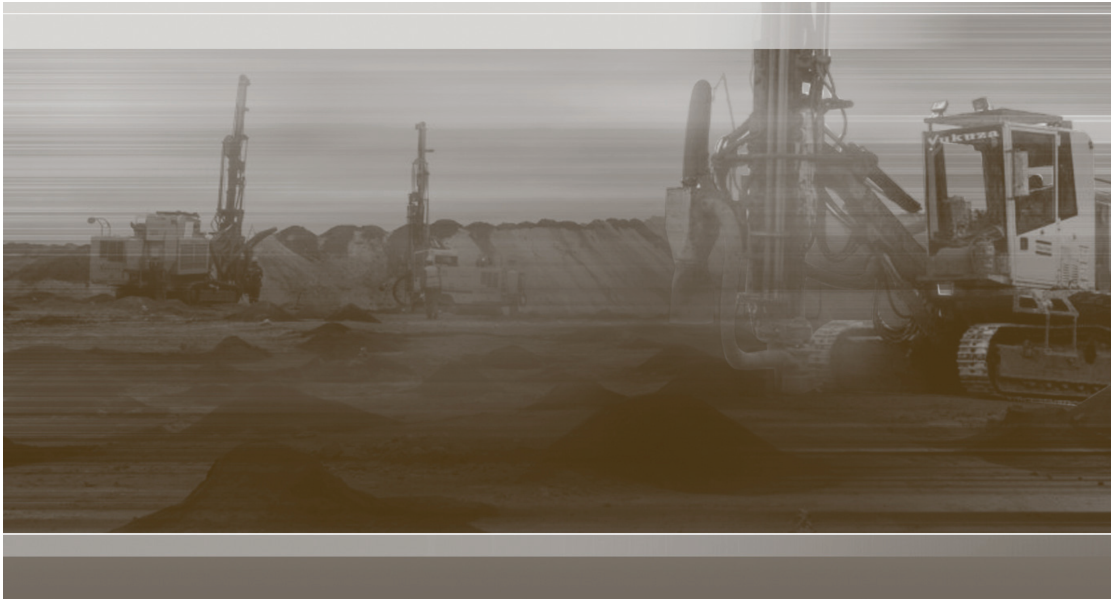
Annual results and commentary



High level commentary on results

- **Mining Services and Quarries**
  - Ongoing strategic initiatives delivers a positive impact on the Business Unit's bottom line
  - Introduced adequate short, medium and long term incentive schemes to retain senior employees (long term incentives to be approved by shareholders in January 2012)
  - 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 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 good progress to secure the mining rights on stone at Crushco

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High level commentary on results

- **Construction Materials (discontinued operations)**
  - Financial results of the entities in this Business Unit were disclosed as discontinued operations
  - The Group finalised the disposal of BSB and realised a loss on sale of this entity of R5 million
  - Management aims to finalise the sale of these entities before the end of FY2012

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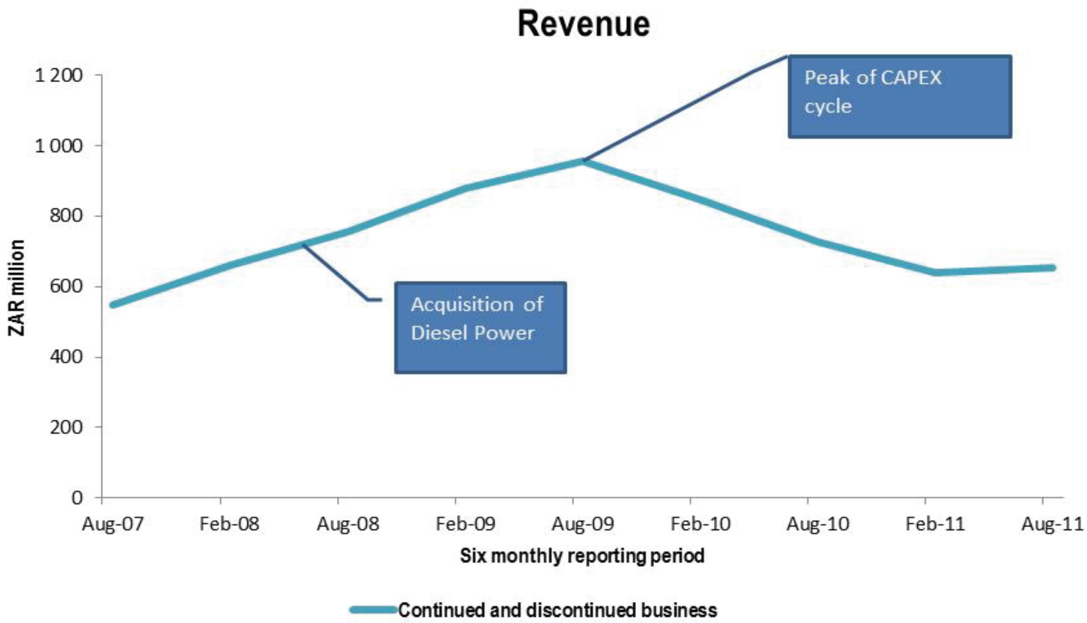
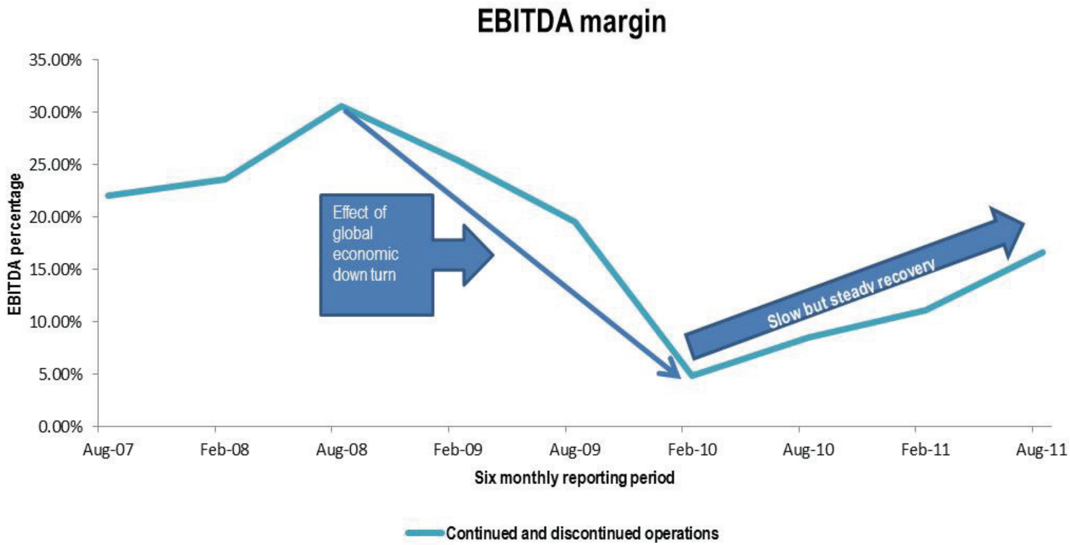
Revenue trend analysis



EBITDA margin trend analysis



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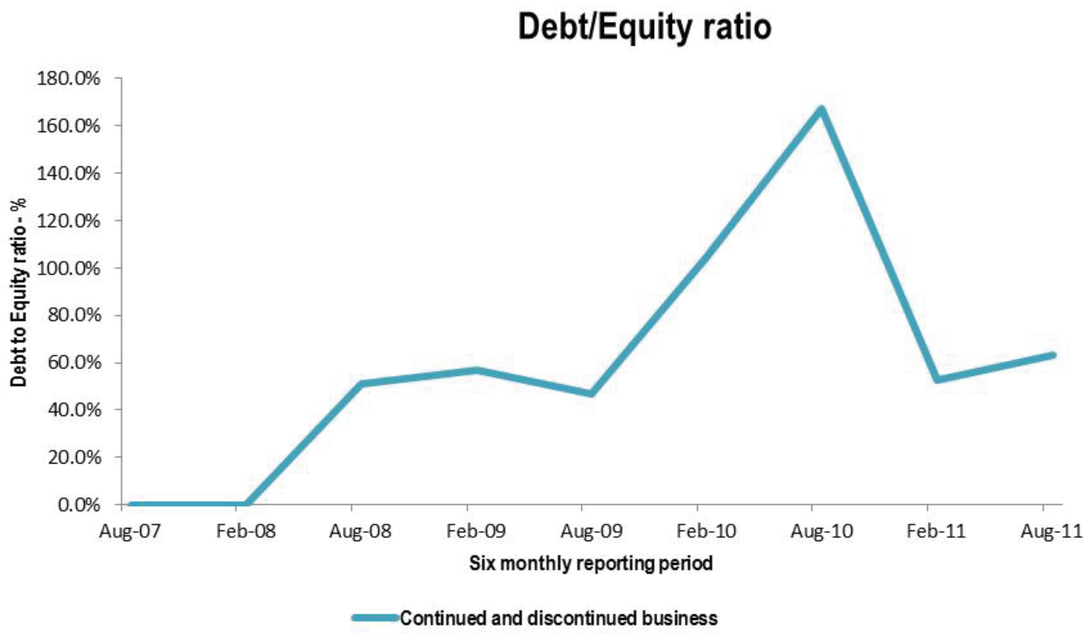
Debt / Equity analysis



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Audited annual results (Abridged consolidated statement of financial position)

Abridged consolidated statement of financial position	Reviewed 31 August 2011 R'000	Reviewed 31 August 2010 R'000	Audited 28 February 2011 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	**690 459**	708 764	613 915
Goodwill	**27 111**	27 111	27 111
Other intangible assets	**68 439**	74 348	71 393
Deferred taxation	**12 340**	14 596	12 124
	798 349	824 819	724 543
Current assets			
Inventories	**15 056**	52 225	44 832
Trade and other receivables	**162 624**	170 646	155 001
Taxation receivable	**4 459**	5 573	4 425
Bank and cash balances	**50 764**	33 727	127 029
	232 903	262 171	331 287
Assets classified as held for sale	**90 815**	45 067	53 543
Total assets	**1 122 067**	1 132 057	1 109 373

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

Abridged consolidated statement of financial position	Reviewed 31 August 2011 R'000	Reviewed 31 August 2010 R'000	Audited 28 February 2011 R'000
EQUITY AND LIABILITIES			
Share capital and premium	**2 023 206**	1 732 382	2 023 206
Cash flow hedging reserve	**(1 152)**	(3 925)	(2 453)
Accumulated loss	**(1 471 563)**	(1 427 464)	(1 463 301)
Attributable to equity holders of the company	**550 491**	300 993	557 452
Outside shareholders' interests	**(7 323)**	(7 150)	(7 328)
Total shareholders' interests	**543 168**	293 843	550 124
Non-current liabilities			
Interest-bearing liabilities	**128 654**	204 110	101 886
Derivative instruments	**-**	1 326	290
Provisions	**4 751**	3 956	4 751
Deferred taxation	**30 938**	39 064	28 948
	164 343	248 456	135 875
Current liabilities			
Interest-bearing liabilities	**202 398**	262 573	174 764
Derivative instruments	**1 601**	4 126	3 118
Vendor loan payable	**-**	43 500	-
Trade and other payables	**129 673**	240 559	190 580
Provisions	**18 412**	17 710	25 471
Taxation payable	**2 313**	2 745	883
Bank overdrafts	**11 348**	18 545	9 261
	365 745	589 758	404 077
Liabilities directly associated with assets held for sale	**48 811**	-	19 297
Total equity and liabilities	**1 122 067**	1 132 057	1 109 373
Net asset value per share (cents)	**16.0**	28.9	16.2
Net tangible asset value per share (cents)	**13.8**	21.2	13.9
Net asset value per share (cents)*	**16.0**	8.7	16.2
Net tangible asset value per share (cents)*	**13.8**	6.4	13.9

** Based on shares in issue on 31 August 2011*

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Audited annual results (Abridged consolidated statement of comprehensive income)

Abridged consolidated statement of comprehensive income	**Reviewed 6 months ended 31 August 2011 R'000**	Reviewed 6 months ended 31 August 2010 R'000	Audited year ended 28 February 2011 R'000
Revenue	**655 150**	729 423	1 369 214
Operating profit before depreciation and amortisation ("EBITDA")	**109 149**	61 500	132 701
Depreciation	**(90 304)**	(111 187)	(206 695)
Operating profit / (loss) before amortisation	**18 845**	(49 687)	(73 994)
Amortisation of intangible assets	**(2 954)**	(8 344)	(11 298)
Operating profit / (loss)	**15 891**	(58 031)	(85 292)
Profit on disposal of business	**1 194**	-	-
Impairment losses	**(7 146)**	(293 735)	(295 720)
Profit / (loss) before interest and taxation ("PBIT")	**9 939**	(351 766)	(381 012)
Net interest paid	**(13 460)**	(21 021)	(34 963)
Loss before taxation ("LBT")	**(3 521)**	(372 787)	(415 975)
Taxation	**(4 736)**	37 071	44 244
Loss for the period	**(8 257)**	(335 716)	(371 731)
Other comprehensive income for the period			
Unrealised profit due to change in fair value of cash flow hedge	**1 807**	576	2 620
Taxation	**(506)**	(161)	(733)
Total comprehensive loss for the period	**(6 956)**	(335 301)	(369 844)
Loss for the period attributable to:			
Equity holders of the company	**(8 262)**	(328 566)	(364 403)
Outside shareholders' interests	**5**	(7 150)	(7 328)
	(8 257)	(335 716)	(371 731)

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

Continuing and discontinued operations

	Reviewed 6 months ended 31 August 2011		Reviewed 6 months ended 31 August 2010		Audited year ended 28 February 2011	
	Continuing operations R'000	**Discontinued operations R'000**	Continuing operations R'000	Discontinued operations R'000	Continuing operations R'000	Discontinued operations R'000
Revenue	**524 700**	**130 450**	533 861	195 562	1 047 082	322 132
Operating profit before depreciation and amortisation ("EBITDA")	**113 348**	**(4 199)**	53 279	8 221	125 266	7 435
Depreciation	**(86 191)**	**(4 113)**	(80 866)	(30 321)	(171 869)	(34 826)
Operating profit / (loss) before amortisation	**27 157**	**(8 312)**	(27 587)	(22 100)	(46 603)	(27 391)
Amortisation of intangible assets	**(2 954)**	**-**	(8 344)	-	(11 298)	-
Operating profit / (loss)	**24 203**	**(8 312)**	(35 931)	(22 100)	(57 901)	(27 391)
Profit on disposal of business	**-**	**1 194**	-	-	-	-
Impairment losses	**-**	**(7 146)**	(204 468)	(89 267)	(206 453)	(89 267)
Profit / (loss) before interest and taxation ("PBIT")	**24 203**	**(14 264)**	(240 399)	(111 367)	(264 354)	(116 658)
Net interest paid	**(12 137)**	**(1 323)**	(10 103)	(10 918)	(22 177)	(12 786)
Profit / (loss) before taxation ("LBT")	**12 066**	**(15 587)**	(250 502)	(122 285)	(286 531)	(129 444)
Taxation	**(4 572)**	**(164)**	35 974	1 097	45 801	(1 557)
Profit / (loss) for the period	**7 494**	**(15 751)**	(214 528)	(121 188)	(240 730)	(131 001)

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

Supplementary information

	Reviewed 6 months ended 31 August 2011 R'000	Adjusted for rights issue 6 months ended 31 August 2010 cents	Reviewed Originally reported 6 months ended 31 August 2010 cents	Audited year ended 28 February 2011 cents
Headline earnings / (loss) per share (cents)				
Continuing and discontinued operations	-	(3.3)	(7.0)	(4.4)
- Continuing operations	**0.3**	(1.8)	(3.8)	(2.7)
- Discontinued operations	**(0.3)**	(1.5)	(3.2)	(1.7)
Basic loss per share (cents)				
Continuing and discontinued operations	**(0.3)**	(15.0)	(31.5)	(14.3)
- Continuing operations	**0.2**	(9.5)	(19.9)	(9.2)
- Discontinued operations	**(0.5)**	(5.5)	(11.6)	(5.1)
Shares in issue ('000)				
- at end of the period	**3 444 716**	**3 444 716**	1 040 700	3 444 716
- weighted	**3 444 716**	**2 183 655**	1 040 700	2 546 426

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Audited annual results (Abridged consolidated cash flow)

Abridged consolidated statement of cash flows

	Reviewed 6 months ended 31 August 2011 R'000	Reviewed 6 months ended 31 August 2010 R'000	Audited year ended 28 February 2011 R'000
Operating activities			
Loss before taxation	**(3 521)**	(372 787)	(415 975)
Working capital movement	**(53 090)**	31 906	29 547
Impairment of plant, equipment and intangible assets	-	293 735	295 720
Other non-cashflow items	**103 125**	117 301	183 781
Net interest paid	**13 460**	21 021	34 963
Cash generated from operations	**59 974**	91 176	128 036
Net interest paid in cash	**(13 460)**	(21 021)	(34 218)
Taxation paid	**(1 045)**	(1 691)	(3 312)
Cash generated from operating activities	**45 469**	68 464	90 506
Investing activities			
Purchase of property, plant and equipment			
- Expanding operations	**(557)**	(1 669)	(5 402)
- Maintaining operations	**(242 308)**	(17 521)	(84 548)
Proceeds on disposal of businesses	**2 749**	-	-
Proceeds on disposal of property plant and equipment	**64 905**	20 310	92 199
Net cash (utilised) / generated from investing activities	**(175 211)**	1 120	2 249
Financing activities			
Net proceeds on share issue	-	-	290 824
Interest-bearing liabilities raised	**178 212**	11 986	89 186
Interest-bearing liabilities repaid	**(126 822)**	(171 163)	(459 772)
Net cash flows generated / (utilised) from financing activities	**51 390**	(159 177)	(79 762)
Net (decrease) / increase in cash and cash equivalents	**(78 352)**	(89 593)	12 993
Cash and cash equivalents at the beginning of the period	**117 768**	104 775	104 775
Cash and cash equivalents at the end of the period	**39 416**	15 182	117 768

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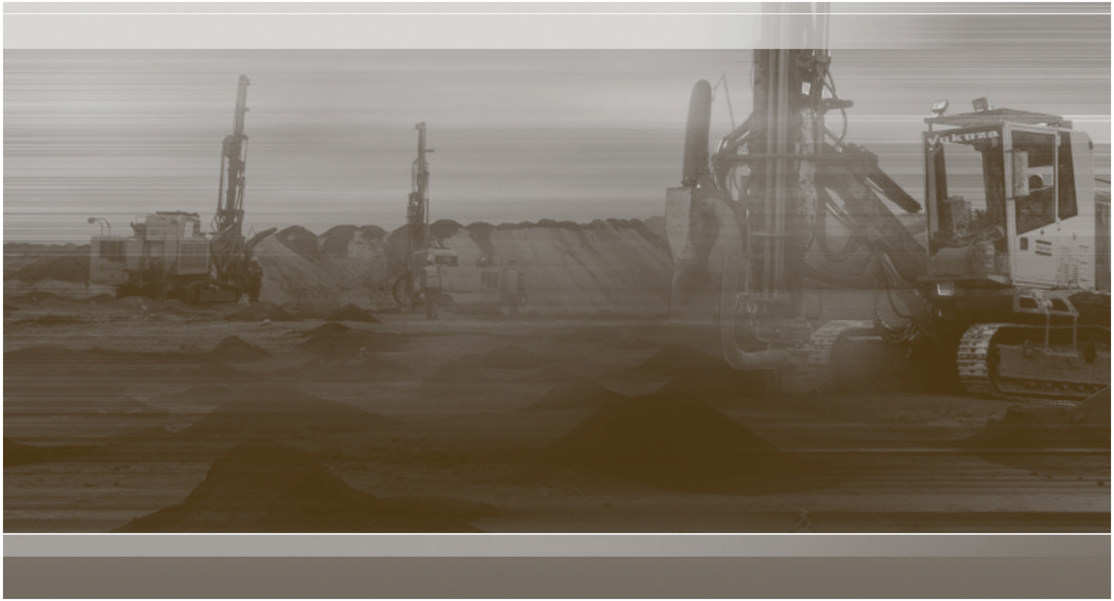
Interest bearing debt



Interest bearing debt

- Gross interest bearing debt increased from R276.7 million at the end of Fy2011 to R331.1 million due to its increased investment in new plant and equipment for the Mining Services Business Unit
- During the period under review the Group repaid R126.8 million of its debt and utilised R48.2 million of its own cash resources as equity deposits on new asset based finance facilities
- Banking covenants were successfully renegotiated
- New covenants agreed with the Group's bankers that are less restrictive
- Secured new asset based finance facilities with Standard Bank and Nedbank
- The new facilities will be used for capital expenditure in the Mining Services Business Unit
- All future asset based facilities will require equity deposits in the region of 15% to 20%

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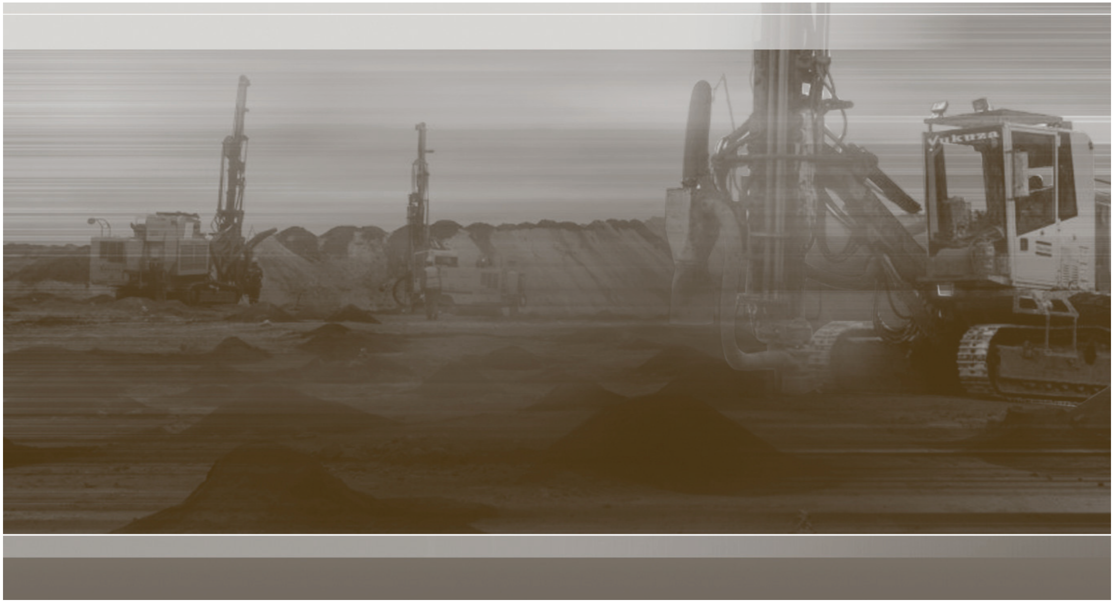
Capital Expenditure



Capital expenditure

- Gross capital expenditure increased from R90 million during FY 2011 to R241.2 million
- 99% of capital expenditure spent on new equipment for maintaining operations
- Taken a view to reduce excess fleet in Civils business and Quarry operations
- The group was able to generate R63.3 million through the sale of second hand equipment
- The IDC facility was used to purchase OEM equipment for Diesel Power during the period under review
- Management will only commit to growth capex if new projects deliver the required financial returns

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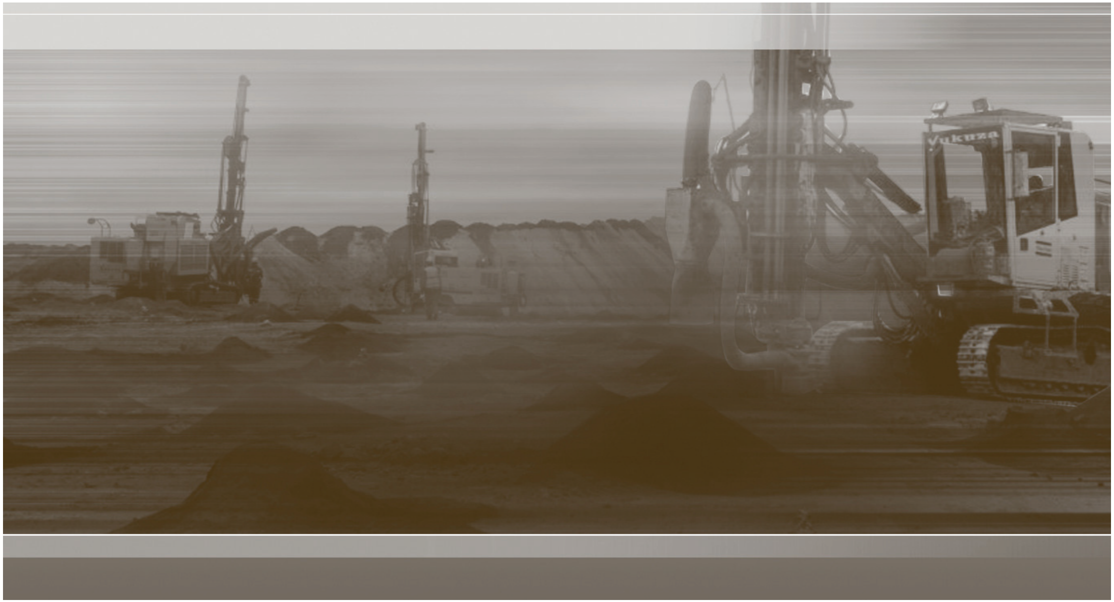
Corporate Strategy



Buildmax in the Open Cast Mining value chain

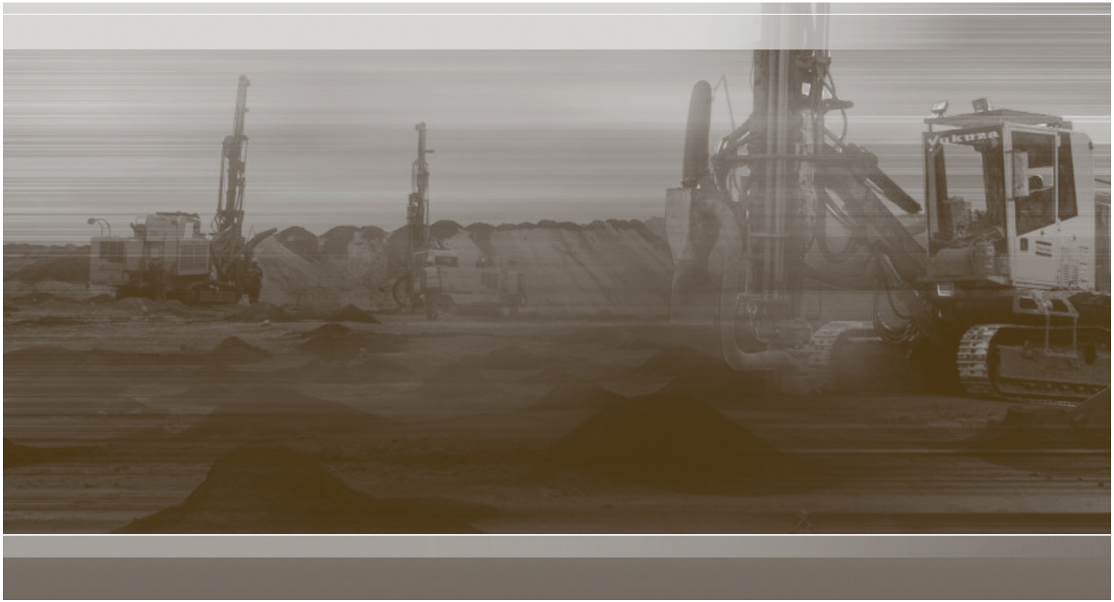
Exploration / Prospecting	*Mining*	*Beneficiation*	*Logistics*	*Sales Marketing*

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**

71% of revenue is derived from opencast mining

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 business units
- Lost time injury frequency rate in Mining Services was 0.2 which equates to 4 minor incidents for the period under review; **an excellent achievement**
- Buildmax SHECQ Management System was successfully implemented, maintained and 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 is fully committed to 'Efficient Zero Harm Production'

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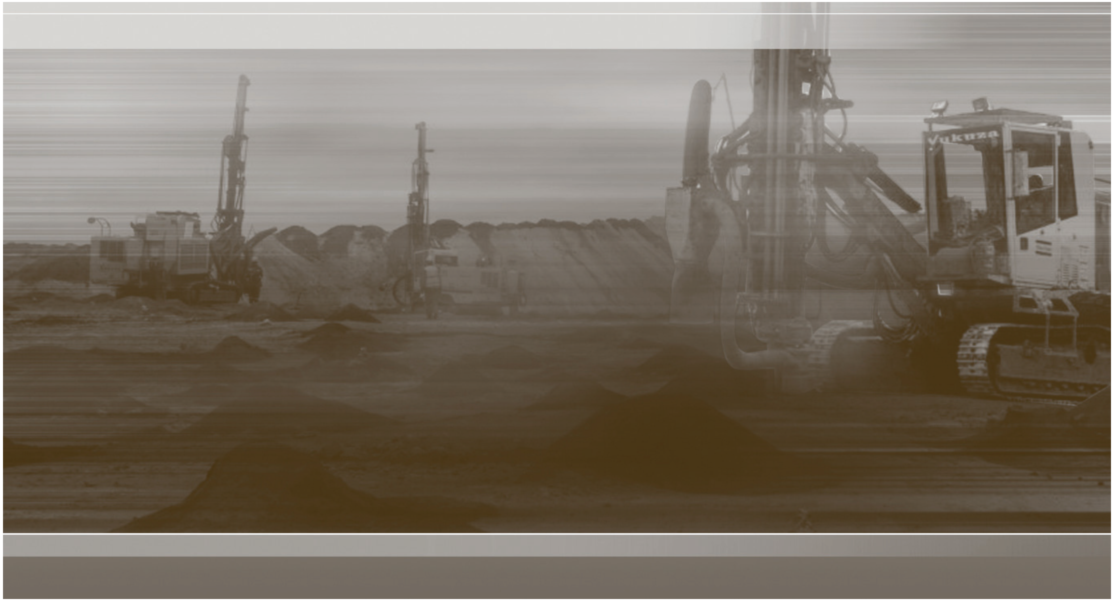
Turnaround strategy and Ongoing Actions



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 proper qualified candidates in the future
- Implemented 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
- Decision taken by the Buildmax Board to focus on Open Cast Mining and Quarry operations and to dispose of its investment in BSB, Columbia, Cast & Watson and SBurde & Kensmark
- Securing in addition to the IDC asset based finance facility two additional facilities with Nedbank and Standard Bank

Turnaround strategy (contd.)

- Improved communication with all stakeholders
- Increased focus on mining related supply chain activities
- Mining Services operating performance has shown continuous improvement over 24 months
- Plant availability improving
- Improved maintenance and better pricing
- Staff turnover reduction
- Debt reduction
- Generation of free cash flow remains challenging due to the on-going requirement for capital expenditure and equity deposits for asset based funding
- Credibility with banks and prospects in the lending environment improving

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Ongoing actions and opportunities

Funding and CAPEX

- Banks confirmed current reducing facilities
- Renegotiated less onerous borrowing covenants
- Continuously selling excess plant and equipment to settle debt and pay for deposits
- Secured in addition to the IDC facility two new banking facilities
- Critical ongoing evaluation of all current mining contracts

Working Capital

- Focus on stock, debtors and cash management
- CGIC cover
- Generation of free cash flow remains challenging

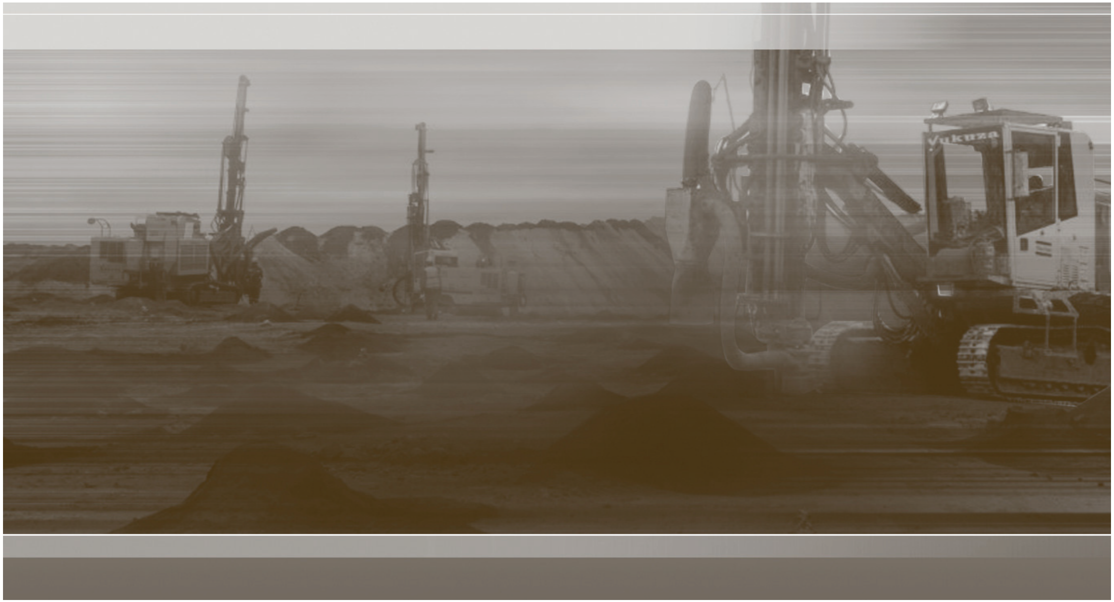
Overheads

- 3 year deal with Union
- Reduction in staff from 2 405 to 2 304
- Market related salary increases
- Consolidation of administration centers
- Restructure facilities to extract synergies
- Curtail discretionary costs
- Consolidation of improved maintenance facilities
- Improved centralised procurement

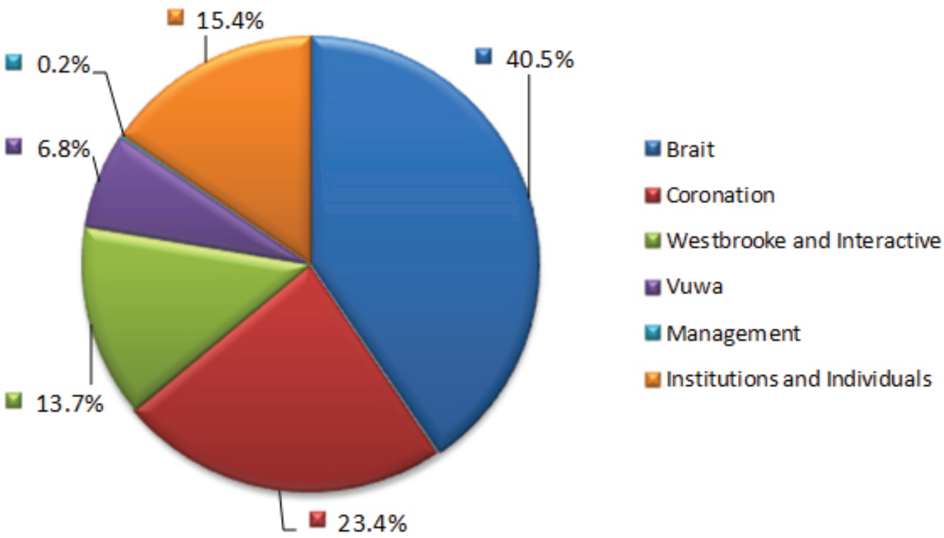
Income

- Ongoing negotiations with customers
- Active and improved tendering
- Steady improvement in productivity and margins
- Better contract management

Shareholder register



Buildmax's shareholding at 31 August 2011



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Black Economic Empowerment

- Vuwa Investments Group shareholding reduced from 15% to 6.8% subsequent to the rights issue completed during the previous financial year
- Retail BEE investors also significantly diluted due to rights issue
- Level 6 contributor and targeting level 4 in four years

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materials-equipment-services

Notes