

UNAUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2008

HIGHLIGHTS*

Revenue ↑ 38% EBITDA ↑ 91% PBT ↑ 69% HEPS ↑ 64%

• Cash generated from operations R209,2 million

• Post-period Brait buys 24%

* Comparison to pro forma historical results for the comparative period

ABRIDGED CONSOLIDATED BALANCE SHEET

	Unaudited at 31 August 2008 R'000	Unaudited and restated at 30 September 2007 R'000	Audited at 29 February 2008 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	1 234 251	12 904	12 288
Intangible assets	1 225 797	–	–
Prepayments	–	–	2 811
Deferred taxation	1 905	–	2 186
	2 461 953	12 904	17 285
Current assets			
Inventories	92 988	24 098	22 586
Trade and other receivables	330 109	16 595	18 921
Bank and cash	55 928	12 830	16 901
Taxation receivable	1 080	–	271
	480 105	53 523	58 679
	2 942 058	66 427	75 964
EQUITY AND LIABILITIES			
Share capital and premium	1 536 144	42 266	42 266
Retained earnings	107 470	8 242	11 560
Ordinary shareholders' interests	1 643 614	50 508	53 826
Outside shareholders' interests	1 106	–	–
Total shareholders' interests	1 644 720	50 508	53 826
Non-current liabilities			
Interest-bearing liabilities	530 302	–	–
Deferred taxation	116 847	440	421
	647 149	440	421
Current liabilities			
Trade and other payables	249 690	14 507	21 481
Current portion of interest-bearing liabilities	307 200	–	–
Vendor liabilities	51 764	–	–
Taxation payable	41 535	972	217
	650 189	15 479	21 717
	2 942 058	66 427	75 964
Shares in issue and to be issued at end of period ('000)	907 366	41 806	41 806
Net asset value per share (cents)	181,1	120,8	128,8

ABRIDGED CONSOLIDATED INCOME STATEMENT

	Unaudited six months ended 31 August 2008 R'000	Unaudited Pro-forma six months ended 31 August 2007 R'000	Unaudited and restated six months ended 30 September 2007 R'000	Audited eleven months ended 29 February 2008 R'000
Revenue	755 336	548 506	61 078	111 543
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	230 838 (55 273)	121 064 (32 591)	5 413 (1 154)	6 012 (1 894)
Profit before interest and taxation ("PBIT")	175 565	88 473	4 259	4 118
Interest received	5 834	8 294	516	1 110
Finance costs	(50 159)	(19 167)	(118)	(247)
Net profit before taxation ("PBT")	131 240 (35 145)	77 600 (22 544)	4 657 (1 145)	4 981 1 849
Taxation	(35 145)	(22 544)	(1 145)	1 849
Net profit after taxation	96 095	55 056	3 512	6 830
Attributable to:				
Equity holders of the parent	95 910	55 056	3 512	6 830
Outside shareholders' interest	185	–	–	–
	96 095	55 056	3 512	6 830
Supplementary information				
Basic earnings per share (cents)	12,6	7,2	8,4	16,3
Headline earnings per share (cents)	11,8	7,2	8,3	16,2
Shares in issue and to be issued ('000)				
– at end of the period	907 366	907 366	41 806	41 806
– weighted	763 106	763 106	41 806	41 806

SEGMENTAL ANALYSIS

Business Unit	Revenue				EBITDA				PBIT				PBT							
	Unaudited six months ended 31 August 2008 R'000		Unaudited Pro-forma six months ended 31 August 2007 R'000		Unaudited six months ended 31 August 2008 R'000		Unaudited Pro-forma six months ended 31 August 2007 R'000		Unaudited six months ended 31 August 2008 R'000		Unaudited Pro-forma six months ended 31 August 2007 R'000		Unaudited six months ended 31 August 2008 R'000		Unaudited Pro-forma six months ended 31 August 2007 R'000					
	% of total	Increase %	% of total	Increase %	% of total	Increase %	% of total	Increase %	% of total	Increase %	% of total	Increase %	% of total	Increase %	% of total	Increase %				
Mining Services	68	512 825	56	307 113	67	80	184 080	65	78 832	134	79	138 291	59	52 053	166	76	100 033	59	45 416	120
Construction Materials	32	242 511	44	241 393	–	20	46 758	35	42 232	11	21	37 274	41	36 420	2	24	31 207	41	32 184	(3)
Group	100	755 336	100	548 506	38	100	230 838	100	121 064	91	100	175 565	100	88 473	98	100	131 240	100	77 600	69

NOTES TO THE UNAUDITED GROUP INTERIM RESULTS

Basis of Preparation and Accounting Policies

The results for the six months ended 31 August 2008 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically IAS 34: *Interim Financial Reporting*, and comply with the requirements of the South African Companies Act, 1973 and the Listings Requirements of the JSE Limited. The accounting policies of the group are consistent with those applied for the period ended 29 February 2008. The interim results have not been audited or reviewed by the group's auditors.

IFRS 3

The business combinations were accounted for using provisional figures, an alternative allowed in terms of IFRS 3, as provided by the Buildco group and by Diesel Power. IFRS 3 allows a company to update these provisional figures within 12 months of the business combination date. The detailed assessment of the Buildco group and Diesel Power's assets, liabilities and contingent liabilities and hence the split and valuation of goodwill and intangibles is in the process of being completed by an independent third party and any required adjustment, will be made in due course and reflected in the year-end results.

Contingent Diesel Power Vendor Liability

In terms of the Diesel Power acquisition agreement and as set out in the RLP, an amount of up to R375 million could become due to the vendor of Diesel Power. This amount is contingent on Diesel Power achieving, for the year ending 31 August 2009, a profit after taxation target range as set out in the acquisition agreement and the RLP.

COMMENTARY

Executive Summary

The directors are pleased to present the first consolidated interim results for the recently-enlarged and reconstituted Buildmax for the six months to 31 August 2008 ("the interim period"). Following the acquisition of Diesel Power Open Cast Mining (Pty) Limited ("Diesel Power") and the Buildco group of companies ("Buildco") (collectively "the acquisitions"), as well as the conclusion of a successful capital raising, Buildmax has been repositioned as a leading supplier of open cast mining services and construction materials.

Effective 29 February 2008 Buildmax changed its year-end from March to February. The historical interim results to 30 September 2007 ("the prior period") and the audited results for the eleven months to 29 February 2008 comprise only the historical Building Materials division of Buildmax prior to the acquisitions. As the scope and scale of the group has changed significantly subsequent to the acquisitions, comparison with the prior period of Buildmax is not meaningful.

The acquisitions became effective on 2 April 2008 and are therefore consolidated in these interim results for five months, while the results of the historical operations of Buildmax have been included for the full six months. To assist in comparison to the prior period on a like-for-like basis, unaudited *pro forma* historical results have been presented ("pro forma historical results").

The results for the interim period show revenue 38% higher at R755,3 million (August 2007: R548,5 million), EBITDA up 91% to R230,8 million (August 2007: R121,1 million) and PBT increasing by 69% to R175,6 million (August 2007: R77,6 million) resulting in headline earnings per share ("HEPS") higher by 64% to 11,8 cents (August 2007: 7,2 cents) compared to the *pro forma* historical results.

As a result of the acquisitions and capital raising the number of shares in issue and to be issued has increased from 41,8 million to 907,4 million, with shareholders funds having increased to R1,6 billion. If the effective dates of the acquisitions had been at the beginning of the period, the acquisitions would have contributed revenue of R778 million and PBIT of R184 million.

Post the interim period Brait has acquired a strategic stake in Buildmax (see details below).

Operations

Mining Services

Eskom's demand for additional coal to replenish its depleted stockpiles and demand for thermal coal continue to provide growth opportunities for the group. During the interim period the level of general investment in coal mining in South Africa increased substantially. This included a number of new coal mines recently opened or in the process of being commissioned.

Due to the repositioning of the group subsequent to the acquisitions, the Mining Services business unit was not reported on historically. It is therefore reported on in these interim results for five months and compared to *pro forma* historical figures for the operations comprising the business unit. Revenue increased by 67% to R512,8 million from the *pro forma* revenue of R307,1 million; EBITDA by 134% to R184,1 million from R78,8 million and PBT by 120% to R100 million from R45,4 million. Both Diesel Power and Vukuzza Earth Works (previously a member of Buildco) performed exceptionally well. The business unit assumes no geological risk on any of its sites. Further, Mining Services has successfully introduced contractual amendments to recover from customers certain fluctuations in costs.

The strategy to broaden the customer base and increase the number of contracts has proved successful. The number of contract mining customers has increased to 12 (2007: 9) and contracts to 21 (2007: 15), which is further expected to increase to 26 by February 2009. The group's customers include all the major coal mining groups in South Africa.

Capital expenditure

Unprecedented demand from the open cast coal mining industry has necessitated revision of the capital expenditure budget. Buildmax anticipated capital expenditure of approximately R360 million for the year ending February 2009 at the time of the reverse listing in April 2008, but has subsequently increased this forecast to between R600 million and R650 million. Capital expenditure in Mining Services for the first six months of the year was R397,9 million. The capital expenditure incurred and to be incurred has been secured at favourable prices and at exchange rates, prior to the recent devaluation of the Rand against major world currencies. Following the implementation of the Brait transaction (see details below), the group expects net debt to be between R800 million and R900 million at 28 February 2009.

As a result of the delay between acquiring equipment and deploying it into use, the full benefit of the additional capital expenditure will only be realised in the years ending February 2010 and beyond. Approximately 95% of the capital expenditure has been or will be applied to expand coal mining operations.

Equipment acquired is in use on existing and new contracts and notwithstanding the increased capital expenditure the group continues to hire-in additional equipment to meet current demand.

Buildmax's strong growth has resulted in a fleet with an average age of less than two years and formal preventative maintenance programmes ensure that the life of all equipment is extended. This results in longer usability of assets without a concomitant decrease in reliability. The level of replacement capex is therefore expected to be relatively low in the next three years. Furthermore, the high level of expensivity capex incurred during the current financial year is not expected to recur.

Cash flow

Buildmax has secured term funding from local financial institutions for the capital expenditure. The group's operations are highly cash generative with cash generated from operations (prior to debt servicing and capex) of R209,2 million, being 91% of EBITDA.

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited six months ended 31 August 2008 R'000	Unaudited and restated six months ended 30 September 2007 R'000	Audited eleven months ended 29 February 2008 R'000
Operating activities			
Net profit before taxation	131 240	4 657	4 981
Non-cash flow items and changes in working capital	35 847	(2 071)	1 316
Net interest paid/(received)	42 131	(398)	(863)
Cash generated from operations	209 218	2 188	5 434
Net interest (paid)/received	(42 131)	398	863
Taxation paid	(4 811)	(238)	(474)
Cash flows from operating activities	162 276	2 348	5 823
Investing activities			
Cash payments on acquisition of businesses, net of cash acquired	(337 773)	–	–
Settlement of acquired vendor liabilities in acquired businesses	(64 012)	–	–
Purchase of property, plant and equipment	(351 176)	(391)	(522)
Proceeds on disposal of property, plant and equipment	23 001	70	70
Cash flow from investing activities	(729 960)	(321)	(452)
Financing activities			
Net proceeds of shares issued	300 475	–	–
Net proceeds and payments of interest-bearing liabilities	175 658	(18)	709
Cash flows from financing activities	476 133	(18)	709
Net (decrease)/increase in cash and cash equivalents	(91 551)	2 009	6 080
Cash and cash equivalents at the beginning of the period	16 901	10 821	10 821
Cash acquired as part of business combinations	130 578	–	–
Cash and cash equivalents at the end of the period	55 928	12 830	16 901

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Total R'000	Share capital R'000	Share premium R'000	Retained earnings R'000	Outside shareholders R'000
Restated as at 31 March 2007 (*)	46 996	418	41 848	4 730	–
Net profit for the six months	3 512	–	–	3 512	–
Restated balance at 30 September 2007	50 508	418	41 848	8 242	–
Net profit for the five months	3 318	–	–	3 318	–
At 29 February 2008	53 826	418	41 848	11 560	–
Shares issued and to be issued	1 493 878	8 656	1 485 222	–	–
Outside shareholders' interests in subsidiaries acquired	921	–	–	–	921
Net profit for the six months	96 095	–	–	95 910	185
At 31 August 2008	1 644 720	9 074	1 527 070	107 470	1 106

* Restated as per annual financial statements of 29 February 2008

RECONCILIATION OF HEADLINE EARNINGS

	Unaudited six months ended 31 August 2008 R'000	Unaudited Pro-forma six months ended 31 August 2007 R'000	Unaudited and restated six months ended 30 September 2007 R'000	Audited eleven months ended 29 February 2008 R'000
Equity holders of the parent	95 910	55 056	3 512	6 830
Adjusted for:				
Profit on sale of property, plant and equipment	(6 606)	(115)	(70)	(63)
Tax effect of adjustments	985	33	20	18
Headline earnings attributable to ordinary shareholders	90 289	54 974	3 462	6 785

Order book

At 31 August 2008 the business unit's order book approximated R5 billion.

Construction Materials

Public sector expenditure on infrastructure has emerged as one of the key drivers of growth in the construction sector, and notwithstanding current economic events looks set to continue in the medium term. However private sector investment, particularly in the residential component of the construction sector, has slowed significantly as a result of successive interest rate hikes and the slowdown in the economy. It is doubtful that this market will recover before the latter part of 2009.

In light of these trading conditions the Construction Materials business unit has delivered reasonable results. On a like-for-like basis revenue of R242,5 million increased marginally from the prior period. However, margins were pressured by the slowdown in private sector investment which intensified competition. In addition the business unit was adversely affected by the successive increases in fuel prices which it was unable to pass on to customers. Accordingly on a like-for-like basis (excluding a profit of R6,2 million on the sale of a property), EBITDA declined to R40,5 million from R42,2 million in the prior period and PBT to R25,5 million from R32,2 million. The recent reduction in the price of oil should provide some relief, but margins are expected to remain under pressure well into 2009.

In the Western Cape unusually high rainfall exacerbated the difficult trading conditions above. The Bricks & Blocks division was worst affected, recording a 13% decline in revenue which necessitated significant restructuring, arising from which retrenchments were an unfortunate but necessary consequence.

Where possible Buildmax has repositioned its businesses to target infrastructure projects through the supply of appropriate materials and activity levels remain satisfactory. The business unit has recently secured contracts to supply materials for the upgrade of the R21 between Johannesburg and Pretoria, for the Department of Foreign Affairs in Pretoria and for the Greenpoint Stadium in Cape Town.

Capital expenditure

Capital expenditure for the first six months of the year of R28,4 million was primarily deployed to position the 'Aggregates & Quarries' division to service infrastructure projects. This was financed by internal cash resources and term funding. No significant capital expenditure is forecast in this business unit in the medium term.

Black Economic Empowerment

The acquisition of Buildco and the capital raising undertaken in March 2008 introduced a significant black empowerment partner to the group. Post the subscription by Brait (see details below) the black shareholding in the group will be approximately 15% from less than 2% six months ago.

Skills Training and Development

Sourcing suitably qualified candidates with relevant industry experience at all levels in the group remains an ongoing challenge. To assist with skills development Buildmax currently operates a full time training facility in Mpumalanga aimed primarily at operators for the Mining Services business unit.

In Gauteng the group partners with an independent skills development organisation to provide unskilled individuals with the opportunity to gain recognised qualifications relevant to Buildmax's operations.

600 employees (420 from designated groups) took part in skills enhancement, training and development programmes during the interim period.

The group currently employs 3 201 people, up from 2 350 at August 2007.

Safety, Health, Environment & Quality (SHEQ)

Buildmax prides itself on providing a safe working environment for all employees and sub-contractors, with no fatalities or disabling injuries recorded during the interim period on sites under the control of Buildmax.

The group has initiated a number of projects to improve SHEQ standards. These include an increase in the number of SHEQ inspectors, adopting standard reporting protocols and setting performance targets.

Prospects

Mining Services

Eskom's request in January 2008 for an additional 45 million metric tons will increase demand for coal by 9% per annum over the next two years. Additional export capacity is coming on stream at Richards Bay, Durban and Maputo. It is not anticipated that a drop in the price of coal as a result of the international financial crisis will significantly affect local production. Despite concerns over emissions, coal is expected to remain the primary source of energy for the foreseeable future. Buildmax therefore anticipates strong revenue growth for its Mining Services business unit. Notwithstanding this projection of growth, the price of equipment and consumables as well as skills shortages remain major ongoing challenges.

A number of optimisation programmes are currently underway and the initial results are positive. A major focus is the rationalisation of support services and harnessing the group's critical mass to improve margins. To further advance these programmes Buildmax is actively looking for a site to consolidate the operations of Diesel Power and Vukuzza Earth Works.

Construction Materials

Despite the slowdown in private and residential expenditure and to the extent that it is geographically feasible, the group will continue to participate in public sector spend on infrastructure and has increased its product range to facilitate this.

CARRYING VALUE OF ASSETS AND LIABILITIES ACQUIRED IN TERMS OF BUSINESS COMBINATIONS:

	Total Unaudited at 2 April 2008 R'000	Diesel Power Unaudited at 2 April 2008 R'000	Buildco group Unaudited at 2 April 2008 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	928 635	560 514	368 121