



# Results Presentation

for the six months ended 31 August 2011

25 October 2011

Pushing the boundaries in the delivery of life-changing solutions



# Contents

Financial overview

The past six months

Financial and operational review per business unit

Strategy and prospects

Questions

Appendix: Group financial results

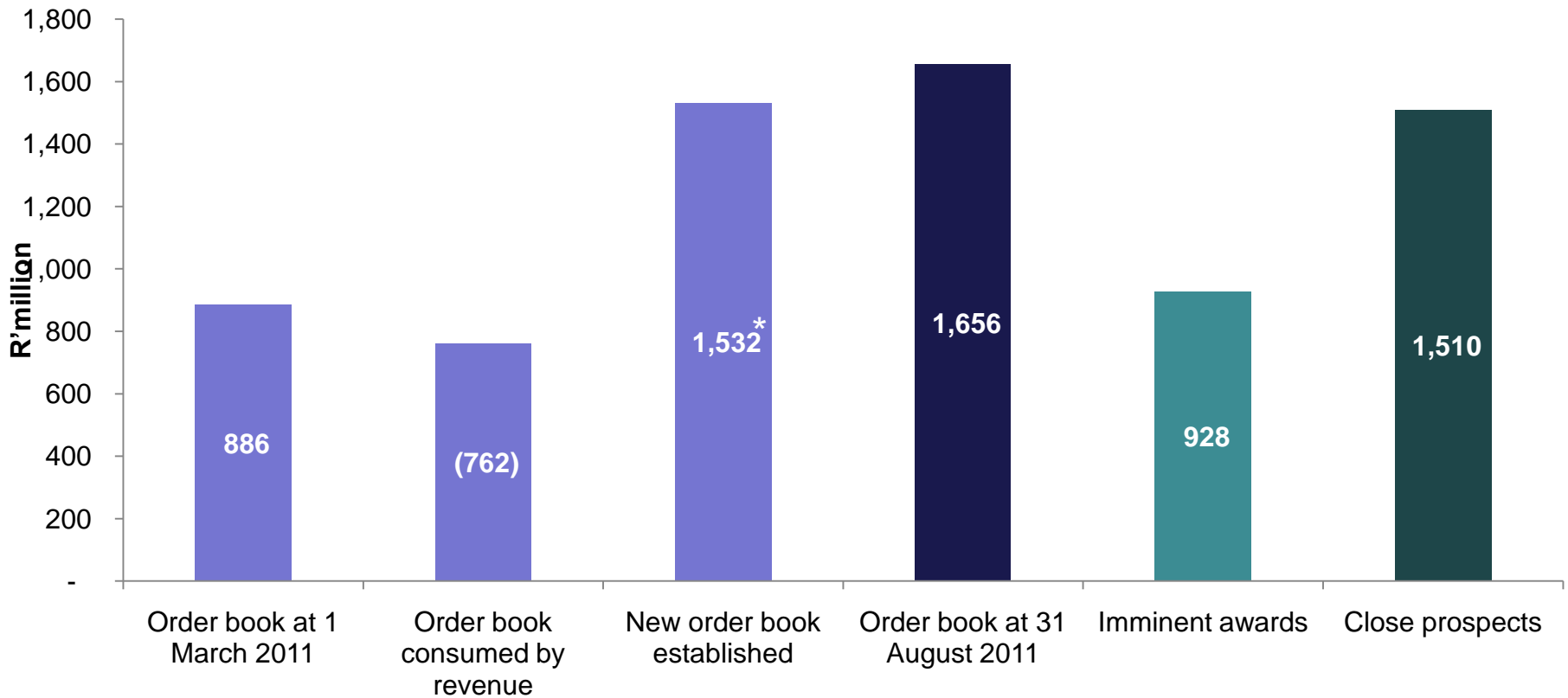
## Financial overview

Revenue	R762.1 million
EBITDA	R32.4 million
Headline earnings per share	3.1 cents
Fully diluted headline earnings per share	2.8 cents
Cash generated by operations before working capital	R32.1 million
NTAV per share	76.3 cents

# The past six months

- Margin pressure in traditional domestic markets continues
- Roads market highly competitive – especially SANRAL
- Focus on cash management continues
- Cash impacted by ongoing payment delay re Free State Government
- Welcome return to profitability in the Piling business and overall positive contribution from Specialist Contractors
- Strategy execution on track
- Improved order book at R1.6 billion at 31 August 2011

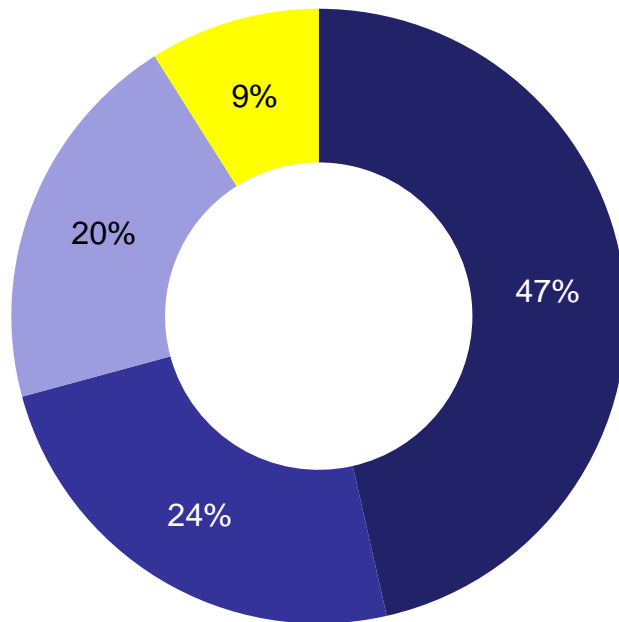
# The order book performance



\* Included is a R700 million mining contract for a 5-year period

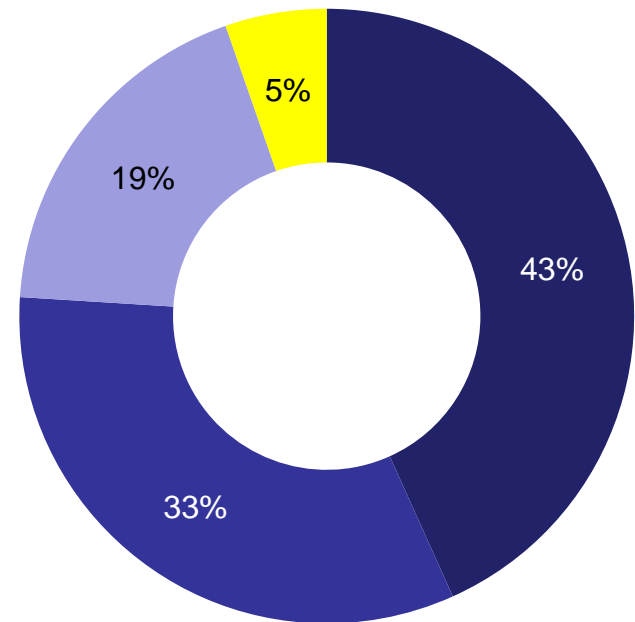
# Segmental performance

## Revenue August 2011



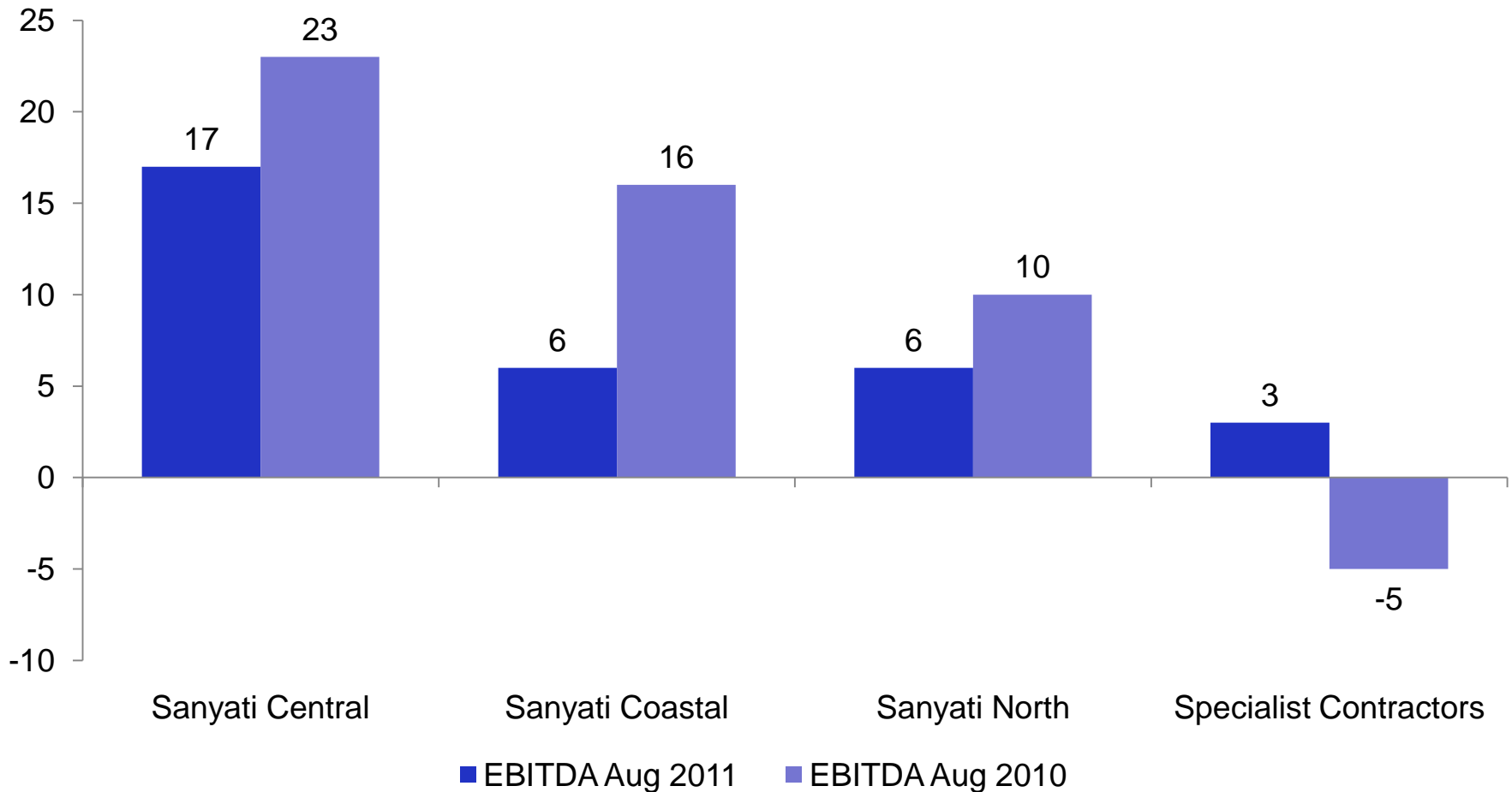
- Sanyati Central
- Sanyati Coastal
- Sanyati North
- Specialist Contractors

## Revenue August 2010



- Sanyati Central
- Sanyati Coastal
- Sanyati North
- Specialist Contractors

## Segmental performance *(continued)*



# Sanyati Central

	Change	Interim 31 Aug 2011 R'000	Interim 31 Aug 2010 R'000	Final 28 Feb 2011 R'000
Revenue	7.2%	399 348	372 505	801 244
EBITDA	(27.1%)	17 018	23 335	52 141
<i>EBITDA margin</i>		4.3%	6.3%	6.5%

- Top line result positive – margin deterioration disappointing
- Roads activity diluted outstanding result on flagship Transnet project
- Projects included:
  - Completion of the Sishen-Saldhana line for Transnet
  - Market penetration into Zambia and Zimbabwe with Liquid Telecom
  - Completion of SANRAL projects
  - Significant breakthrough re UMK Mining
  - Power distribution project for Eskom with Jyoti

# Sanyati Coastal

	Change	Interim 31 Aug 2011 R'000	Interim 31 Aug 2010 R'000	Final 28 Feb 2011 R'000
Revenue	(25.9%)	209 403	282 408	477 834
EBITDA	(60.6%)	6 298	15 995	21 773
<i>EBITDA margin</i>		3.0%	5.7%	4.6%

- Tough market – most challenging within South Africa
- Projects included:
  - N11 Bergville interchange project for SANRAL (33% of turnover)
  - Pipeline and sundry civil work for Richards Bay Minerals
  - Successful execution of fibre optic project for Plessey
  - Multiple small water projects underway

# Sanyati North

	Change	Interim 31 Aug 2011 R'000	Interim 31 Aug 2010 R'000	Final 28 Feb 2011 R'000
Revenue	8.3%	174 383	160 997	272 552
EBITDA	(35.1)%	6 455	9 946	14 405
<i>EBITDA margin</i>		3.7%	6.2%	5.3%

- Welcome improvement in top line result (Zambia R42 million)
- Zambian platform should reverse margin deterioration (order book R240 million)
- Projects included:
  - Concrete platform for stacker re-claimer at Medupi
  - Two roads contracts for the Limpopo Provincial Government
  - Completion of the Mooi Plaas road near Barberton, Mpumalanga
  - Number of mining infrastructure projects for Xstrata

## Specialist Contractors

	Change	Interim 31 Aug 2011 R'000	Interim 31 Aug 2010 R'000	Final 28 Feb 2011 R'000
<b>Revenue (incl intergroup)</b>	<b>68.8%</b>	<b>76 969</b>	<b>45 598</b>	<b>76 947</b>
Sanyati Conform	115.1%	24 401	11 345	21 441
Sanyati Piling & Geotechnical	61.6%	46 315	28 661	43 219
Sanyati Property	11.8%	6 253	5 592	12 287
<b>Operating profit /(loss)</b>	<b>152.5%</b>	<b>2 589</b>	<b>(4 936)</b>	<b>(14 323)</b>
Sanyati Conform	75.5%	(413)	(1 684)	(5 364)
Sanyati Piling & Geotechnical	238.0%	2 199	(1 593)	(7 422)
Sanyati Property	148.4%	803	(1 659)	(1 537)

- Encouraging turnaround in all three business
- Market penetration in Zimbabwe for Conform
- Property close-out strategy continues

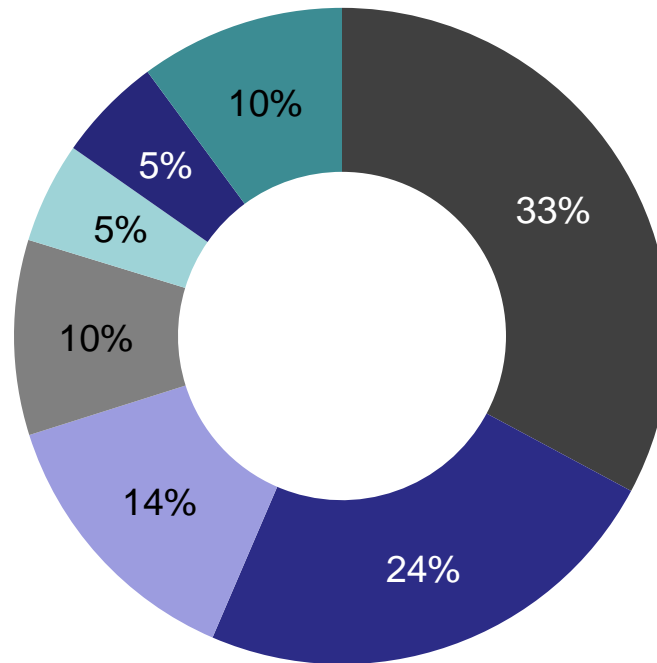
# Update on strategy execution

Our strategy remains as previously communicated:

- Geographical diversification
- Target markets
  - Rail
  - Mining
  - Telecommunications
  - Water

# Revenue per categories

August 2011



■ Roads ■ Rail ■ Mining ■ Cross border ■ Water ■ Telecomms ■ Other

# Geographical diversification

- Zambia platform in place
  - Three contracts being executed – approximate value R280 million
  - Good pipeline of opportunities with new Administration
- Uganda funding delays, but remain confident – JV with Raubex, Sanyati share R760 million
- Zimbabwe platform
  - Established Zimbabwe Sanyati with reputable local partners
  - Executing for Zimplats (part of Implats) and Liquid Telecom
  - Two major national roads projects in the pipeline
- Lesotho clinic project due for completion in December 2011

# Target markets

## Rail

- Excellent platform with Transnet Capital Projects following successful completion of high profile Sishen-Saldanha ore line upgrade
- Gauteng Nerve Centre for PRASA about to commence in JV with Siemens
- 5-year maintenance deal with Richards Bay Coal Terminal
- Promising partnership with Mehleketo (black-owned specialist entity in rail industry)
- Pipeline of opportunities within mines, Zambia and Zimbabwe

# Target markets *(continued)*

## Mining

- 5-year mining contract with UMK – R700 million
- Two new mining infrastructure clients in South Africa
- Good cross-border expansion prospects

## Telecommunications

- Strategic partnership with Liquid Telecoms (Zimbabwe, Zambia and RSA)
- Imminent award in Botswana
- Strong pipeline of opportunities in South Africa and cross-border

# Target markets *(continued)*

## Water

- Africa Pipe Industries performing in line with expectation
  - Value of secured work R290 million (Rand Water, Nelson Mandela Bay and TCTA)
  - Significant value of prospects driving establishment of second mill in Mokopane
- Good prospects in KwaZulu-Natal – R36 million-projects currently being executed
- Well positioned for anticipated platinum expansion plans by major players in Limpopo Province

# Thank you for your participation

[www.sanyati.co.za](http://www.sanyati.co.za)

For any further Investor Relations questions please contact:

Malcolm Lobban (CEO): 082 900 6569

Aléta Jovner (CFO): 082 807 9696

Marlize Keyter (Keyter Rech Investor Solutions): 011-447-5204

# Group structure



## Civils Divisions

**Sanyati Central**

**Sanyati Coastal**

**Sanyati North**

## Specialist Contractors

**Sanyati Conform**

**Sanyati Piling & Geotechnical**

**Sanyati Property**

## Corporate Services

**Strategy**

**Group Finance & Treasury**

**Environment, Safety and IT**

# Group financial performance

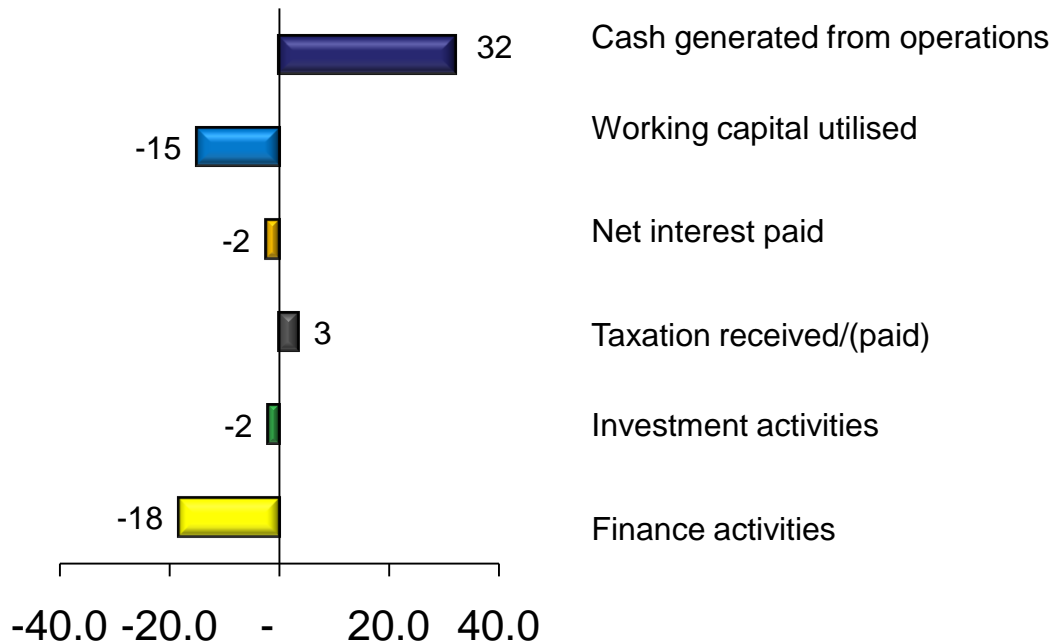
Abridged statement of comprehensive income	Change	Interim 31 Aug 2011 R'000	Interim 31 Aug 2010 R'000	Final 28 Feb 2011 R'000
Revenue	(10.9%)	762 117	855 335	1 533 062
Gross profit	(14.3%)	83 010	96 911	177 565
EBITDA	(27.0%)	32 360	44 340	73 996
Operating profit before goodwill impairment	(43.4%)	19 926	35 227	53 755
Goodwill impairment		-	-	(154 755)
Income from associate		1 119	-	-
Profit/(loss) before interest and tax	(40.3%)	21 045	35 227	(101 000)
Net interest paid	(52.5%)	(2 337)	(4 921)	(5 759)
Profit/(loss) before tax	(38.3%)	18 708	30 306	(106 759)
Taxation	(38.3%)	(5 238)	(8 486)	(13 659)
Profit/(loss) from continuing operations	(38.3%)	13 470	21 820	(120 418)
Profit/(loss) from discontinued operations		-	461	-
Total comprehensive income/(loss)	(39.5%)	13 470	22 281	(120 418)

## Group financial position

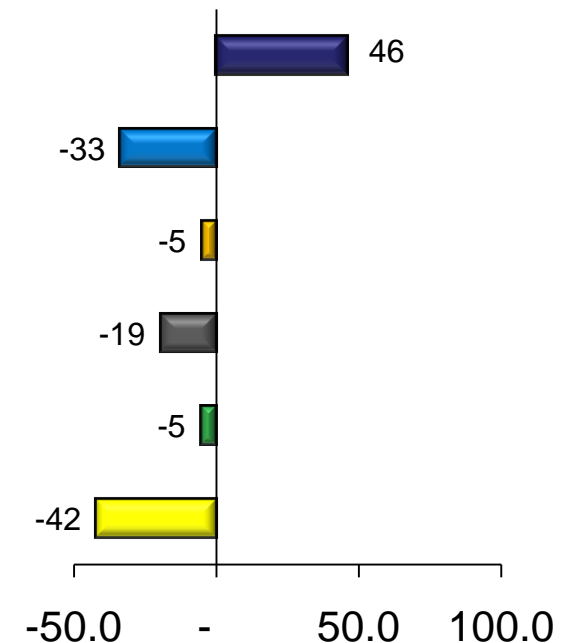
Abridged statement of financial position	Change	Interim 31 Aug 2011 R'000	Final 28 Feb 2011 R'000
Shareholders' equity	2.2%	662 351	648 047
Non-current liabilities	0.6%	104 658	104 037
Current liabilities	35.3%	458 411	338 786
Liabilities held for sale	(22.9%)	3 710	4 812
<b>Total equity and liabilities</b>	12.2%	<b>1 229 130</b>	<b>1 095 682</b>
Non-current assets	(0.1%)	565 496	565 948
Current assets	26.0%	655 111	519 771
Non-current assets held for sale	(14.5%)	8 523	9 963
<b>Total assets</b>	12.2%	<b>1 229 130</b>	<b>1 095 682</b>

# Cash movements

31 August 2011  
R'million



31 August 2010  
R'million



<b>(1,933)</b>
<b>(50 342)</b>
<b>(52 275)</b>

Net decrease in cash

(Overdraft)/cash beginning of the period

**(Overdraft)/cash at end of the period**

<b>(58 924)</b>
<b>64 458</b>
<b>5 534</b>