



## Sanyati boosts interim profit 83%, doubles revenue

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Civil engineering and construction firm Sanyati Holdings, which recently moved to the main board of the JSE, boosted interim profit by 83% to R41,8-million, the company reported on Tuesday.

Headline earnings a share rose by 50,8% to 13,18c in the six-month period that ended August 31.

The black-empowered Sanyati more than doubled revenue to R809-million, on the back of strategic acquisitions and geographical expansion, and reported that it was "well on track" to achieve forecast revenue of R1,8-billion for the 2008/9 financial year.

The company has an order book of R2,1-billion.

CEO **Rick Jackson** attributed the performance to a successful expansion strategy.

The previous year's acquisitions of Ruthcon Civil Contractors, GEM Earthworks and the Meyker group were fully consolidated in Sanyati's results for the first time in the interim period. The acquisitions covered Gauteng, Mpumalanga, the Northern and Eastern Cape and the Free State.

"Our geographical footprint now spans all nine provinces in South Africa increasing our exposure to government-led infrastructure development," he said in a statement. The group also operates in Zambia.

Jackson said he was confident about growth opportunities in the industry going forward. "Despite the global financial crisis local committed infrastructure spend should drive ongoing growth in the civils and construction industry."

He pointed out that, while municipal spend had slowed, Eskom and the South African National Roads Agency Limited (Sanral) were on track with their spend commitments.

Sanyati is a 15% partner in the consortium that won a R1,9-billion Sanral contract for the upgrade of the Gauteng freeways. It also secured a R200-million contract for the upgrade of the road between Brandfort and Vetriver.

He was unfazed by the impact on Sanyati of the rand's recent devaluation as the only ex-South Africa contract, in Zambia, was rand-denominated. However, Jackson cautioned that Sanyati would watch carefully its capital expenditure on plant purchase and renewal in light of the rand's weak performance at present.

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