



INVESTOR MANAGEMENT DAY – CONSTRUCTION MATERIALS

Business Mix and Overall strategy

Short and Long Term Outlook

Market Factors

Positioning ourselves for success

Business mix and overall strategy

Businesses concerned with mining, crushing, milling, aggregates, powders & readymix concrete

-  All production processes easily adaptable for residential, or commercial, or infrastructure demand cycles**
-  Services, assets and know-how transferable between construction and mining sectors**
-  To position as a significant player in the basic construction materials market for concrete in all its forms (initially in Gauteng)**
-  To utilise our know-how and capacity in quarrying and crushing to expand as a niche contractor to the mining industry**

Short and long term outlook

-  Gauteng construction materials: market currently swinging from real estate building to roads and other infrastructure**
-  Ekurhuleni sales still very strong in concrete stone products and readymix concrete volumes holding well throughout our market**
-  Gauteng roads may strain industry's capacity when in full swing (2009), more than compensating for current slower sales to the building sector**
-  Sky hard rock quarry under commissioning – will grow revenues from Sky Sands' site**
-  Mining services rock steady and additional opportunities are being priced currently**
-  Strong medium term outlook should see growth in our mining services segment**

Market factors

- ⚡ Electricity availability for developments – strong effect on the short term residential building market but in the medium term affordable housing projects will continue**
- ⚡ Recent exchange rate pressures have escalated costs of capital equipment and fuel (mitigated by staying on top of our fleet age and optimising unit production costs and utilising our own workshops to effect fixed plant improvements)**
- ⚡ Mining services opportunities in Northern Cape, Namibia, and SA platinum sector**
- ⚡ Gauteng Roads Programme gathering rapid momentum – works commence Jul/Aug 2008**
- ⚡ Decline in residential building activity could see a reduction in the number of smaller readymix concrete players**

Positioning ourselves for success

-  Afrimix going up the quality/technology curve to focus on structural concrete work – further investments in hi-capacity batching facilities**
-  Bernoberg, our cement extenders business, streamlining operations and logistics to meet higher targets**
-  Quarry Cats accelerating overburden removal and plant improvements at Gauteng quarries to position for major Gauteng Roads opportunity**
-  Ekurhuleni mine development into Dolerite and now approved for road surfacing stone – new segment with higher average selling prices**
-  Quarry Cats focusing on increasing capacity for additional mining, crushing & screening contracts within the SA mining sector**