

## The Infrastructure Specialist Group Has Stable First Year

“The Infrastructure Specialist Group (ISG), as a new entity, has delivered a stable yet optimistic performance in a tough economic environment in its first year” stated Chief Executive Officer, Albert Weber. “We have managed our revenue and improved our operational efficiencies in our three well branded entities, namely, Technicrete, Ocon Brick and Rocla. The biggest challenge faced by the group was introducing ISG as the new holding company for these iconic brands. I believe we have made positive inroads in this regard” said Weber.

The three businesses, which operate in markets where over capacity is the order of the day, still made a steady contribution to ISG’s financial results. Technicrete’s improved performance can be attributed to greater efficiencies at their factories and capacity expansion at their North West and Mpumalanga facilities. The high demand by the private sector for clay stock bricks enhanced Ocon Bricks already established market footprint whilst Rocla sought new opportunities through the manufacture of 128 unique concrete containers destined for the renewable energy sector in the Northern Cape. Internal restructuring and increased demand for pre-cast concrete from both government and the private sector also enabled Rocla to deliver satisfactory results during their first year of operation under the ISG banner.

“Our short term strategies were to manage costs; increase competitiveness and increase market share in a shrinking market and as a management team we are satisfied with the outcome but we will not rest on our laurels, there is more to focus on going forward. The South African Governments spend on infrastructure has not reached levels anticipated, but we are confident that infrastructure spend will increase in order for the government to fulfill promises of service delivery to the South African population” said Weber.

“Long term, we believe the key to our success will be the expansion of the footprints of our three brands through organic growth and/or acquisitions with a strong focus on establishing the industries’ requirements and delivering to market and client demand. In addition, we are looking to further penetrate the Africa market” Weber said.

Both Technicrete and Rocla products carry the SBS mark and adhere to ISO 9001:2008 Quality Management Systems. Rocla’s eleven manufacturing facilities covering South Africa, Namibia and Botswana coupled with Technicrete’s nine factories in South Africa enable these two brands to meet the requirements of the construction, building and mining sectors.

“As a new business we had to ensure we had a sustainable cash flow in order to carry our operations forward. We had to learn to stand on our own two feet, our employees and customers needed to know that ISG had sound and strong investors and an experienced management team – our first year of operation was tough, but we came through it relatively well by aligning strategic business plans and operational efficiencies to our three iconic brands. The future is not without its challenges, but we have the products, technology, technical support, and most of all the people to continue on this positive growth path” concluded Weber.