



Diversification underpins continued growth at Afrimat

- **Revenue up 5.1% to R2.0 billion**
- **HEPS up 24.4% to 135.6 cents**
- **Net debt: equity ratio 10.2%**
- **NAV per share of 656 cents**
- **Final dividend 37 cents per share**
- **Return on net operating assets 29.0%**

Johannesburg, 21 May 2015 - JSE-listed open pit mining company, Afrimat, increased revenue by 5,1% and operating profit by 21.9% for the year to February 2015 ("the year"), reflecting the successful continued execution of its diversification strategy. As in the prior year, the group benefitted from the strong performance of its newer industrial minerals operations as well as an uptick in its traditional aggregates business.

Revenue of R1 998.6 million is up 5.1% from R1 901.2 million the prior year, with the operating margin increasing to 13.7% from 12.0% in 2014. Operating profit grew to R280.0 million from R229.7 million at February 2014. Profit after tax was R200.3 million, an increase of 22.9% on the prior year.

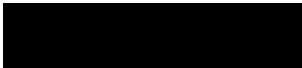
Headline earnings increased by 24.4%, translating into headline earnings per share of 135.6 cents compared to 109.0 cents in the previous year. This growth is attributable to focused operational improvements. Cash from operating activities amounted to R261.6 million, up 7.3% on 2014. Net asset value ("NAV") per share was up to R6.56, an increase of 13.3%.

Afrimat declared a final dividend of 37.0 cents per share bringing the total dividends for the year to 50.0 cents per share, 28.0% up on the 39 cents per share distributed in respect of 2014.

Afrimat CEO Andries van Heerden comments: "We are extremely satisfied with this performance. Our theme of 'growth through diversification' remains our mantra, and is clearly paying off after a concerted effort to entrench the strategy. Our focus on a strong cash conversion ratio and on being extremely prudent with our balance sheet has also continued with obvious success."

"Also pleasing is that the aggregate operation increased its contribution to earnings through a pleasing recovery in the markets it supplies and that we've made good progress with the turnaround of the Infrasons business. Contributing to these solid results was a strong performance from the Clinker and Glen Douglas operations, reduced raw material costs in the Concrete Based Products segment and a concerted focus on operational efficiencies throughout the group."

According to van Heerden, the year was further underpinned by increased Government spend on road maintenance and smaller service delivery projects, which Afrimat, due to its extensive geographic footprint, was able to benefit from.



The Mining and Aggregates segment made up 80.5% of the contribution from operations in the amount of R220.3 million, up from R195.2 million in 2014. This is attributable to a strong performance from the Clinker operations and Glen Douglas as well as a good recovery in the traditional business in the KwaZulu-Natal and the Western Cape regions.

The Concrete Based Products segment contributed 20.1% of the contribution from operations to the value of R55.1 million, compared to R30.4 million in the previous year. These increased profits emanate from cost-reduction initiatives and successful market penetration. During the 2014 financial year the segment was hit by strike action at the SA Blocks operation, which caused a reduction in profits.

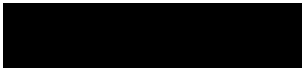
“The combination of the acquired industrial minerals assets and the original aggregates assets has created a uniquely resilient business. The diversification strategy has also enabled us to enter new profitable markets,” said van Heerden.

He further emphasised the role of the group’s good labour relations in its solid performance. “The establishment of the Afrimat BEE Trust, which together with existing BEE shareholders, amounts to 26.1% of our issued shares, demonstrates our commitment to good labour relations. We care for our employees and the environment in which they operate. The respect that permeates our organisation plays a large part in our success.”

Looking ahead, van Heerden believes that improved operational efficiencies and the development of value-added industrial minerals products are expected to sustain the growth rate for a considerable time into the future. “Entry into new markets, is expected to support volume growth while a visible recovery in the traditional markets bodes well for the immediate future of Afrimat. “

“We expect the current business climate to continue with moderate market growth. Our growth will remain driven by the successful execution of our proven strategy, implemented over the last five years,” concluded van Heerden.

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