



Revenue ↑ 50%

Earnings ↑ 73%

TNAV ↑ 87%

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 29 February 2008

	Audited 2008 R	Reviewed Pro forma Group 2007 R
Revenue	368 495 647	245 636 212
Earnings before depreciation and interest	112 469 895	64 870 862
Depreciation	(15 277 816)	(10 300 336)
Earnings before interest and taxation	97 192 079	54 570 526
Net interest expense	(8 093 071)	(5 214 674)
Earnings before taxation	89 099 008	49 355 852
Taxation	(26 989 385)	(13 367 331)
Earnings for the year	62 109 623	35 988 521
Attributable to ordinary shareholders	62 109 623	35 988 521
- prior to listing	26 952 327	35 988 521
- subsequent to listing	35 157 296	-
Earnings per share (cents)		
- Basic	17,4	10,3
- Diluted	17,4	10,3
SUPPLEMENTARY INCOME STATEMENT INFORMATION		
- Weighted average number of shares in issue	357 069 672	350 000 000
Reconciliation of headline earnings:		
Earnings attributable to ordinary shareholders	62 109 623	35 988 521
Adjusted for (profit)/loss on disposal of plant and equipment (net of tax)	(2 085 163)	5 234 291
Headline earnings	60 024 460	41 222 812
Headline earnings per share (cents)		
- Basic	16,8	11,8

CONDENSED CONSOLIDATED BALANCE SHEET

at 29 February 2008

	Audited 2008 R	Reviewed Pro forma Group 2007 R
ASSETS		
Non-current assets	279 413 351	98 846 027
Property, plant and equipment	256 964 022	98 846 027
Goodwill	16 044 943	-
Deferred tax	6 404 386	-
Current assets	213 338 601	67 531 986
Inventory	13 780 994	3 622 071
Trade and other receivables	102 225 409	42 132 867
Other financial assets	4 094 575	18 000 169
Bank balances and cash	93 237 623	3 776 879
Total assets	492 751 952	166 378 013
EQUITY AND LIABILITIES		
Total equity	141 702 999	67 093 376
Share capital and share premium	228 598 287	216 098 287
Common control reserve	(122 052 584)	(149 004 911)
Retained earnings	35 157 296	-
Total liabilities	351 048 953	99 284 637
Non-current liabilities	120 629 129	20 502 058
Interest bearing borrowings	95 451 154	8 416 169
Deferred tax	25 177 975	12 085 889
Current liabilities	230 419 824	78 782 579
Bank overdraft	-	1 332 829
Interest bearing borrowings	69 091 814	36 454 582
Non-interest bearing borrowings	-	3 198 353
Trade and other payables	49 178 589	20 446 122
Vendor liability	71 356 287	-
Subcontractor liabilities	8 898 103	7 435 110
Provisions	18 311 476	610 855
Current tax liabilities	13 583 555	9 304 728
Total equity and liabilities	492 751 952	166 378 013
SUPPLEMENTARY BALANCE SHEET INFORMATION		
Total number of shares in issue	362 500 000	350 000 000
Net asset value per share (cents)	39,1	19,2
Capital expenditure		
- Spent	179 160 879	41 411 946
- Commitments - Authorised but unspent	43 875 000	-
Profit guarantees issued	19 893 681	4 872 671

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the year ended 29 February 2008

	Audited 2008 R	Reviewed Pro forma Group 2007 R
Cash flows from operating activities	81 084 478	58 462 547
Cash generated by operations	98 796 021	64 224 444
Net interest paid	(8 093 071)	(5 214 674)
Income taxes paid	(9 618 472)	(647 223)
Cash flows from investing activities	(119 752 778)	(41 859 477)
Purchase of property, plant and equipment	(179 160 879)	(41 411 946)
Proceeds on disposal of property, plant and equipment	47 936 675	15 850 607
Cash received from acquisition	8 694 907	-
Decrease/(increase) in loans granted	2 776 519	(16 298 138)
Cash flows from financing activities	129 461 873	(19 185 319)
Share issue	12 500 000	209
Decrease/(increase) in net loans from shareholders	7 930 722	(5 913 971)
Increase in borrowings related to instalment sale agreements and finance leases	191 389 610	45 042 971
Payments in terms of instalment sale agreements and finance leases	(82 362 459)	(58 314 528)
Net increase/(decrease) in cash and cash equivalents	90 793 573	(2 582 249)
Cash and cash equivalents at the beginning of the year	2 444 050	5 026 299
Cash and cash equivalents at the end of the year	93 237 623	2 444 050
<i>Cash and cash equivalents comprise:</i>		
Cash and cash equivalents	93 237 623	3 776 879
Bank overdraft	-	(1 332 829)
	93 237 623	2 444 050

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2008

	Share capital R	Share premium R	Common control reserve R	Retained earnings R	Total R
Balance at 28 February 2007	100	-	-	-	100
Share issues	-	-	-	-	-
23 May 2007 - 20 000 000 ¹	209	-	-	-	209
- 41 869 362 ²	-	-	-	-	-
Common control share issues					
28 May 2007 - 288 130 638 ³	1 441	216 096 537	-	-	216 097 978
Common control reserve	-	-	(149 004 911)	-	(149 004 911)
Reviewed pro forma Group at 1 July 2007	1 750	216 096 537	(149 004 911)	-	67 093 376
Share issues	-	-	-	-	-
6 August 2007 - 12 500 000 ²	63	12 499 937	-	-	12 500 000
Profit for the year	-	-	-	62 109 623	62 109 623
Transfer profit at acquisition date to reserve	-	-	26 952 327	(26 952 327)	-
Balance at 29 February 2008	1 813	228 596 474	(122 052 584)	35 157 296	141 702 999

¹ Issued to acquire common control subsidiaries

² Issued for cash

³ Share split of 200 000 to 1

OPERATIONAL SEGMENTAL REPORTING

for the year ended 29 February 2008

Services within each business segment

For management purposes, the Group is organised into four major operating divisions - earthworks, plant hire, geotechnical laboratory and readymix. These divisions are the basis on which the Group reports its primary segment information. The principal services and products of each of these divisions are as follows:

Earthworks - bulk earthworks and roads and civil engineering contractors.
Plant hire - plant hire and logistical services.
Geotechnical laboratory - geotechnical laboratory and surveying services.
Readymix - supplier of readymixed concrete and pumping services.

The Group acquired the Readymix business with effect from 29 February 2008 and the assets and liabilities of the business are included in segment assets and liabilities reported below.

Segment revenue and segment result

	Segment revenue		Segment result	
	Audited Year ended 29/02/2008 R	Reviewed Pro forma Group Year ended 28/02/2007 R	Audited Year ended 29/02/2008 R	Reviewed Pro forma Group Year ended 28/02/2007 R
Earthworks	382 870 298	266 044 881	36 461 216	28 882 851
Plant hire	116 265 364	82 164 457	51 574 575	18 895 588
Geotechnical laboratory	6 639 330	4 722 935	907 229	1 577 413
Readymix	-	-	-	-
	505 774 992	352 932 273	88 943 020	49 355 852
Corporate*	600 000	-	155 988	-
Eliminations	(137 879 345)	(107 296 061)	-	-
	368 495 647	245 636 212		
Earnings before taxation	89 099 008	49 355 852		
Taxation	(26 989 385)	(13 367 331)		
Earnings for the year	62 109 623	35 988 521		

OPERATIONAL SEGMENTAL REPORTING (continued)

for the year ended 29 February 2008

Segment assets and liabilities	Segment assets		Segment liabilities	
	Audited Year ended 29/02/2008 R	Reviewed Pro forma Group Year ended 28/02/2007 R	Audited Year ended 29/02/2008 R	Reviewed Pro forma Group Year ended 28/02/2007 R
Earthworks	138 872 136	65 145 816	85 384 300	37 492 167
Plant hire	289 574 959	110 305 712	215 879 999	72 137 549
Geotechnical laboratory	4 921 148	2 231 703	3 011 909	960 139
Readymix	100 103 491	-	100 103 491	-
	533 471 734	177 683 231	404 379 789	110 589 855
Corporate*	84 312 022	-	71 700 968	-
Eliminations	(125 031 804)	(11 305 218)	(125 031 804)	(11 305 218)
	492 751 952	166 378 013	351 048 953	99 284 637
Other segment information				
	Depreciation		Additions to non-current assets	
	Audited Year ended 29/02/2008 R	Reviewed Pro forma Group Year ended 28/02/2007 R	Audited Year ended 29/02/2008 R	Reviewed Pro forma Group Year ended 28/02/2007 R
Earthworks	725 952	114 851	1 832 549	350 590
Plant hire	14 252 871	10 045 505	176 172 352	40 839 580
Geotechnical laboratory	296 993	139 980	1 155 978	221 777
Readymix	-	-	39 234 758	-
	15 277 816	10 300 336	218 395 637	41 411 947

* Corporate includes the transactions of the holding company.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment after taking into account interest received and interest paid.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 29 February 2008

1. OVERVIEW

Protech was incorporated under the laws of the Republic of South Africa on 22 September 2000 as M&W Prinsloo Management Services (Pty) Limited and changed its name to Protech Khuthele Holdings (Pty) Limited on 16 July 2007.

A shareholders' resolution was passed on 18 July 2007 to convert the company into a public company.

Protech acquired five subsidiaries in terms of a restructure process on a share-for-share basis from the original shareholders of those subsidiaries on 1 July 2007. Two of the five subsidiaries transferred their operations during the 2008 financial year to the other operating subsidiaries. The subsidiaries are:

- Protech Khuthele - bulk earthworks, roads and civil engineering contractors;
- Pela Plant - plant hire;
- Gauteng Road Testing Services, subsequently renamed South African Road Testing Services - geotechnical laboratory and surveying services;
- Protech Project Holdings (operations transferred to Protech Khuthele during 2008); and
- Umvundla Investments No. 2 (operations transferred to Pela Plant during 2008).

Acquisitions

- Protech Readymix - supplier of readymixed concrete and pumping services (with effect from 29 February 2008).

Protech Khuthele Holdings Limited listed on the JSE Limited on 7 August 2007.

These consolidated financial results are published to provide information to holders of Protech's listed shares.

For annual reporting purposes, Protech prepared the financial statements for the Group for the twelve months ended 29 February 2008. In line with the statement on merger accounting (also known as the pooling of interest), the after tax profits of the pro forma Group for the four months ended June 2007, prior to the listing, were transferred to the common control reserve as reported in the interim report at 31 August 2007. The comparatives are based on the actual numbers for the pro forma Group results for the year ended 28 February 2007.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This preliminary report complies with International Accounting Standard 34 - Interim Financial Reporting as well as with Schedule 4 of the South African Companies Act and the disclosure requirements of the JSE Limited's Listings Requirements. The preliminary report has been prepared using accounting policies that comply with International Financial Reporting Standards. The accounting policies are consistent with those applied in the financial statements for the year ended 28 February 2007, except for the adoption of IFRS 7 Financial Instruments: Disclosures. This is a disclosure standard which has no impact on recognition, measurement and presentation of financial instruments and consequently has no impact on profit or loss or equity for the year.

3. ACQUISITIONS

On 4 October 2007, Protech entered into agreements to acquire the businesses of Instant Concrete Products (Proprietary) Limited, Amadou Investments (Proprietary) Limited, Oudema Concrete (Proprietary) Limited, Rockcrete Readymix (Proprietary) Limited, Rockcrete Transport (Proprietary) Limited and property from Mille Investments 189 (Proprietary) Limited. These businesses will forthwith be operated as a single business within Protech Readymix (Proprietary) Limited, a newly formed wholly owned subsidiary.

The agreed effective date of the acquisitions was 1 July 2007 subject to certain conditions precedent being fulfilled. All conditions precedent were fulfilled on 29 February 2008 making this the effective date of control. Since revenue from acquisitions may only be recognised in the Group results from the date of effective control, no revenue or earnings pertaining to Protech Readymix were included in the reported results of the Protech Group for the year under review.

Impact of the acquisition on the results of the Group

Had the business combination been effected at 1 March 2007, the revenue of the Group from continuing operations would have been R536,1 million, and the net profit for the year would have been R89,5 million. The directors of the Group consider these 'pro forma' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro forma' revenue and profit of the Group had Protech Readymix (Pty) Limited been acquired at the beginning of the current reporting period, the directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

The assets and liabilities of Protech Readymix have, however, been included in the consolidated group financial statements as at 29 February 2008.

Acquisition purchase price	R
Net assets acquired	71 356 287
Non-current assets acquired	55 311 344
Current assets acquired	39 234 758
Deferred tax asset acquired on fair value adjustment of assets	38 419 404
Non-current liabilities acquired	6 404 386
Current liabilities acquired	10 641 067
	18 106 137
Goodwill arising on acquisition	16 044 943

Goodwill arising on acquisition

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire the Readymix businesses. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the Readymix business. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

At the date of finalisation of these condensed financial statements, the necessary market valuations and other calculations had not been finalised and the adjustments to deferred tax assets and goodwill noted above have therefore only been provisionally determined based on the directors' best estimate.

4. POST BALANCE SHEET EVENT

The full acquisition purchase price due to the vendors in respect of the Readymix acquisition was settled subsequent to the year end and was funded as follows:

Debt raised	R62 500 000
Cash	R8 856 287

Long term liabilities to the value of R10,6 million pertaining to instalment sale agreements were acquired through the Readymix acquisition. These liabilities were settled subsequent to year end through cash resources.

OPERATING REVIEW

for the year ended 29 February 2008

Introduction