



BRIKOR LIMITED

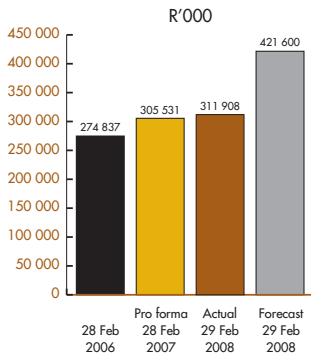
“all your bricks
under one roof”

Reviewed condensed
FINANCIAL RESULTS
for the year ended
29 February 2008

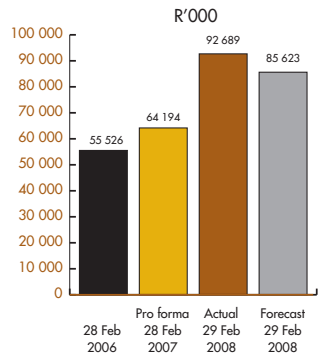
HIGHLIGHTS

Attributable profit **UP 74%** to **R73 million**
Headline earnings **UP 58%** to **R67 million**
Earnings per share **UP 51%** to **13,0 cents**
Headline earnings per share **UP 38%** to **11,9 cents**
Net tangible asset value per share **UP 52%** to **60,4 cents**
Maiden dividend declared of 1,5 cents

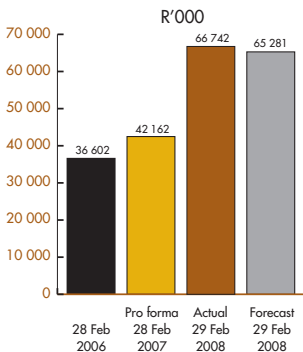
REVENUE



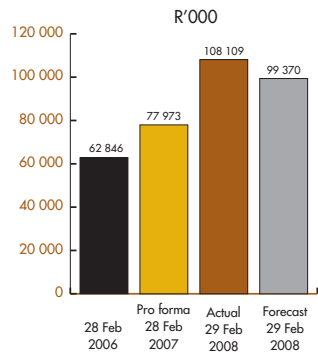
OPERATING PROFIT



HEADLINE EARNINGS



EBITDA



condensed Income Statements

for the year ended 29 February 2008

	%	Reviewed February 2008 R'000	Unaudited Pro forma ⁽²⁾ February 2007 R'000	Audited February 2007 R'000
	change			
Revenue	2	311 908	305 531	305 531
Cost of sales		(174 066)	(198 588)	(216 465)
Cost of sales depreciation		(13 719)	(12 500)	(6 639)
Gross profit	31	124 123	94 443	82 427
Other income ⁽³⁾		7 197	733	657
Administration expenses		(36 930)	(29 703)	(29 559)
Depreciation		(1 701)	(1 279)	(681)
Profit before interest and taxation	44	92 689	64 194	52 844
Investment revenue		13 005	–	2 178
Loss on disposal of non-current assets		–	(132)	318
Finance costs		(6 780)	(3 094)	(5 167)
Profit before taxation		98 914	60 968	50 173
Taxation		(25 869)	(18 900)	(14 806)
Profit attributable to ordinary shareholders	74	73 045	42 068	35 367
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	39	108 109	77 973	60 164
Reconciliation of headline earnings				
Profit attributable to ordinary shareholders		73 045	42 068	35 367
Adjusted for:				
IAS 16 loss/(profit) on disposal of property, plant and equipment		–	94	(318)
Grant received		(6 303)	–	–
Headline earnings attributable to ordinary shareholders	58	66 742	42 162	35 049
Weighted average shares in issue on which earnings are based ⁽¹⁾ ('000)		560 228	489 000	10
Treasury shares (issued to the Brikor Share Incentive Scheme) ('000)		9 017	–	–
Fully diluted weighted average shares in issue ('000)		569 245	489 000	10
Earnings per share (cents)		13,0	8,6	353 673 770
Headline earnings per share (cents)	38	11,9	8,7	350 489 590
Fully diluted earnings per share (cents)		12,8	8,6	353 673 770
Fully diluted headline earnings per share (cents)	34	11,7	8,7	350 489 590
Dividend per share (cents)		1,5	–	–

Notes:

⁽¹⁾ The pro forma weighted average number of shares in issue for 28 February 2007 is based on the sub-division and increase of the ordinary shares in issue into 489 000 000 ordinary shares as set out in Brikor's prospectus dated 27 July 2007 ("the prospectus").

⁽²⁾ Brikor was restructured with effect from 28 February 2007 in terms of the Restructure Agreements ("Restructure Agreements") as set out in the prospectus. In terms of the Restructure Agreements, Brikor acquired the businesses conducted by Parkin Mine Enterprises (Pty) Limited ("PME") and Brikor Vitro (Pty) Limited ("Brikor Vitro") including immovable properties and the immovable properties of Marievale Bamford (Pty) Limited and the property situated at Portion 27 of the farm Varkensfontein 169 and the historical pro forma financial information for 28 February 2007 is based on the restructure of the company.

⁽³⁾ Other income for the year ended 29 February 2008 of R6,3 million relates to a grant received from the Department of Trade and Industry.

condensed Cash Flow Statements

for the year ended 29 February 2008

	Reviewed February 2008 R'000	Audited February 2007 R'000
Cash flows from operating activities	25 923	51 406
Cash generated from operating activities	60 279	56 251
Investment revenue	11 533	2 178
Finance costs	(6 780)	(4 297)
Taxation paid	(39 109)	(2 726)
Cash flow from investing activities	(74 001)	(147 414)
Property, plant and equipment acquired	(74 456)	(205 009)
Proceeds on disposals of property, plant and equipment	661	23 302
Loans (granted)/repaid	(206)	34 293
Cash flow from financing activities	140 894	100 371
Share capital	62	–
Share premium	225 980	–
Deed of sale creditor paid	(99 023)	–
Borrowings raised	13 875	100 371
Net increase in cash and cash equivalents	92 816	4 363
Cash and cash equivalents at beginning of year	2 884	(1 479)
Cash and cash equivalents at end of year	95 700	2 884

condensed Balance Sheets

as at 29 February 2008

	%	Reviewed February 2008 R'000	Unaudited <i>Pro forma</i> ⁽²⁾ February 2007 R'000	Audited February 2007 R'000
	change			
ASSETS				
Non-current assets		327 276	263 539	263 539
Property, plant and equipment		299 833	241 458	241 458
Goodwill and intangible assets		27 237	22 081	22 081
Other financial assets		206	–	–
Current assets		198 691	52 852	52 814
Inventories		65 223	19 031	19 031
Trade and other receivables		37 768	30 899	30 899
Cash and cash equivalents		95 700	2 922	2 884
Total assets		525 967	316 391	316 353
EQUITY AND LIABILITIES				
Equity		412 038	216 015	112 951
Issued capital		62	49	–
Share premium		225 980	103 015	–
Retained earnings		185 996	112 951	112 951
Non-current liabilities		57 442	39 288	39 288
Mortgage bonds and instalment sale creditors		14 198	5 595	5 595
Deferred taxation		37 442	28 146	28 146
Environmental obligation		5 802	5 547	5 547
Current liabilities		56 487	61 088	164 114
Current portion of non-current liabilities		8 977	3 705	3 705
Other financial liabilities		4 002	–	103 026
Taxation		16 110	34 963	34 963
Trade and other payables		27 398	22 420	22 420
Total equity and liabilities		525 967	316 391	316 353
Number of shares in issue at year-end ('000)		637 095	489 000 ⁽¹⁾	10
Net asset value per share (cents) ⁽¹⁾	46	64,7	44,2	1 129 511 000
Net tangible asset value per share (cents) ⁽¹⁾	52	60,4	39,7	908 704 550

Notes:

⁽¹⁾ The *pro forma* weighted average number of shares in issue for 28 February 2007 is based on the sub-division and increase of the ordinary shares in issue into 489 000 000 ordinary shares in issue as set out in the prospectus as consideration for the financial liability amounting to R103 026 million.

⁽²⁾ In terms of the Restructure Agreements and the prospectus, 47 619 324 Brikor ordinary shares were issued to PME and Brikor Vitro upon the registration of transfer of certain immovable properties into the name of Brikor. These shares have been included in the number of shares issued at year-end.

⁽³⁾ The 15 900 000 ordinary shares issued to the Brikor Share Incentive Scheme have been treated as "treasury" shares.

condensed Statements of Changes in Equity

for the year ended 29 February 2008

	Share capital R'000	Share premium R'000	Retained earnings R'000	Total equity R'000
Balance at 1 March 2006	–	–	77 584	77 584
Share capital issued	–	–	–	–
Premium on share capital issued	–	–	–	–
Share-based payment reserve	–	–	–	–
Profit for the year	–	–	35 367	35 367
Balance at 28 February 2007	–	–	112 951	112 951
Share capital issued	64	–	–	64
Premium on share capital issued	–	251 095	–	251 095
Share issue expenses	–	(9 217)	–	(9 217)
Less: Treasury shares	(2)	(15 898)	–	(15 900)
Profit for the year	–	–	73 045	73 045
Balance at 29 February 2008	62	225 980	185 996	412 038

Segmental Reporting

for the year ended 29 February 2008

	Clay products R'000	Concrete products R'000	Ancillary products and services R'000	Consolidated R'000
2008				
Revenue	168 139	58 232	85 537	311 908
Gross profit before depreciation	66 919	19 251	51 672	137 842
2007				
Revenue	162 461	63 998	79 072	305 531
Gross profit before depreciation	64 169	24 582	18 192	106 943

COMMENTARY

OVERVIEW

The directors of Brikor present the reviewed annual financial statements for the year ended 29 February 2008 ("2008 year"). The company again showed excellent growth despite the fact that trading conditions were more challenging in the second part of the year due to high rainfalls, unscheduled load shedding by Eskom in January and the rising interest rate environment.

Brikor has various clay brick, clay pipes, roof tiles and paver manufacturing plants, in and around the Gauteng area. These manufacturing plants are situated at Nigel, Olifantsfontein, Vereeniging and Bronkhorstspuit with production capacities in excess of 270 million clay bricks per annum, 18 million roof tiles per annum and 5 400 tons of clay pipes per annum. The new roof tile and paver plants were commissioned at Olifantsfontein in February 2008 and will increase capacities of roof tiles to 40 million and pavers to 30 million per annum.

The focus areas during the 2008 year were cost management, efficiency gains and yield improvements. This directly resulted in bricks being produced at lower costs, which had a significant impact on the gross profit and EBITDA margins achieved by Brikor.

When Brikor listed in August 2007, 26% of its private placement was to Black Economic Empowerment ("BEE") investors, making Brikor the leading BEE clay brick, pavers and roof tiles manufacturer and supplier to the construction industry.

To increase its geographical footprint and to participate in the envisaged infrastructural spend, Brikor has successfully concluded its acquisition of the Zululand Quarries Group for a purchase consideration of R102 million in April 2008, when the acquisition became unconditional. In addition Brikor has entered into an agreement to acquire Donkerhoek Quartzite (Pty) Limited, for a purchase consideration of R70 million and a further payment to a maximum of R70 million, if certain profit warranties are achieved. Both acquisitions are described in further detail under the headings "prospects" and "subsequent events".

FINANCIAL RESULTS

Group revenue increased by 2% to R311,9 million (2007: R305,5 million). Gross profit increased by 31% to R124,1 million (2007: R94,4 million). EBITDA increased significantly, by 39%, to R108 million (2007: R77,9 million). EBITDA margins improved to 35% (2007: 26%) for the full financial year.

The investment revenue for the 2008 year amounted to R13,0 million as a result of the funds received in respect of the private placement of R140 million in August 2007. These funds have been utilised subsequent to the 2008 year-end to pay for the Zululand Quarries Group acquisition as detailed below, capital projects and to increase the company's inventory levels.

Profit attributable to ordinary shareholders increased by 74% to R73,0 million (2007: R42,1 million). Fully diluted headline earnings per share increased by 34% to 11,7 cents (2007: 8,7 cents).

SEGMENTAL REPORTING

The clay division has again performed very well due to higher productivity, better yields achieved and effective cost controls.

The concrete division has performed well and, although the gross profit margins are slightly down from the previous year, it is expected to exceed expectations due to managerial changes in this division. The commissioning of the plants will increase production capacity and the challenge for the concrete division will be to align the products produced by the division to market demand, thereby increasing market share in the specific sectors which they service. The company's performance was further improved by providing ancillary products and services such as waste recycling, coal and transport.

BASIS OF PREPARATION OF THE REVIEWED RESULTS

Statement of compliance

The condensed financial statements comprise a consolidated balance sheet at 29 February 2008, a consolidated income statement, consolidated statement of changes in equity and summarised consolidated cash flow statement for the year ended 29 February 2008. The condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34, JSE Listings Requirements and South African Companies Act, 1973.

The accounting policies applied for the year are consistent with those of the prior year with the exception of the adoption of IFRS 7.

Basis of measurement

The condensed financial statements have been prepared on the historical cost basis, except for certain financial instruments measured at fair value.

REVIEWED RESULTS

The auditors, RSM Betty & Dickson (Tshwane), have reviewed these results and their unmodified review opinion is available for inspection at the company's registered office.

PROSPECTS

Even though there has been a significant downturn in the residential building market, Brikor is confident that it will realise its growth prospects for the short to medium term. The concrete division has moved its focus to the affordable housing markets to increase its exposure to that side of the market which is still growing. The clay division is aggressively focusing its marketing on the commercial and infrastructural markets and will maintain and improve its current volumes by servicing the lower end of the housing market. Brikor will follow an aggressive growth strategy to realise economies of scale and lower cost efficiencies in 2009.

Brikor has, during the 2008 year, improved capacities and is able to produce high quality affordable products. Brikor has historically utilised a downturn in the economy to its benefit by expanding and improving manufacturing capacities to take advantage when the economy improves, in order to have the capacity and ability to service the market.

The Zululand Quarries Group acquisition is in line with Brikor's growth strategy, as well as its geographical expansion plan, to have a national footprint and is Brikor's first entry into the coastal regions. The product range offered by the Zululand Quarries Group falls within the diversification strategy of Brikor and also strengthens the current Brikor product offering. The location offers Brikor a strategic entrance and opportunity to offer clay bricks to the KwaZulu-Natal market.

The Donkerhoek Quartzite (Pty) Limited and Leopont 365 Properties (Pty) Limited transaction (collectively "Donkerhoek") is in line with Brikor's growth and vertical integration strategy, as well as its geographical expansion plan. The transaction will expand Brikor's product and service offering in the market, diversify revenue streams and add critical mass to Brikor. The products offered by Donkerhoek will increase Brikor's participation in infrastructural projects. Brikor also intends to take part in the supply of silica-based stone into the iron and steel industry, to produce road stone and ready mix. The Donkerhoek quarry is strategically located in Pretoria East and is a quartzite quarry producing sand and stone.

Both acquisitions are in a growth phase and are expected to grow significantly in the first year. This growth will support Brikor's growth strategy even in a market where a downturn in the residential market is being experienced.

SHARE CAPITAL

Prior to the date of listing on AltX, an offer was made to the company's employees to acquire shares in the company through the Brikor Share Incentive Trust. The 15 900 000 shares issued have been treated as "treasury" shares in the share capital of the company and deducted from equity.

In terms of the Restructure Agreements and the prospectus, 47 619 324 ordinary Brikor shares were issued to PME and Brikor Vitro upon the registration of transfer of certain immovable properties into the name of Brikor. A correction was made on 29 February 2008 to the number of shares issued in terms of the Restructure Agreements which were decreased by 14 805 147 Brikor ordinary shares issued to PME.

SUBSEQUENT EVENTS

Shareholders are referred to the announcements dated 18 February 2008 and 4 April 2008 advising that Brikor had successfully acquired the Zululand Quarries Group for a total purchase consideration of R102 million.

Shareholders are further referred to the announcement dated 20 May 2008 and are advised that Brikor has, subject to certain conditions precedent, acquired all the shares and claims in Donkerhoek for a purchase consideration of R70 million from GJ Niemand ("the vendor"). An additional amount which shall not exceed R70 million will also be paid to the vendor if Donkerhoek's profit after tax is more than R5 million for the period from 1 June 2008 to 30 November 2008, then the amount above R5 million will be multiplied by 7,08 (multiplied by two to annualise the profit). The Donkerhoek purchase consideration will be settled from borrowings.

DIVIDEND POLICY

Having regard to the profits attained for the year ended 29 February 2008, the board has reconsidered the company's dividend policy and has resolved to declare the company's maiden dividend to shareholders of 1,5 cents per share for the year ended 29 February 2008. The salient dates applicable to the dividend are set out below:

Last day to trade "CUM" dividend	Friday, 15 August 2008
Trading commences "EX" dividend on	Monday, 18 August 2008
Record date	Friday, 22 August 2008
Payment on	Monday, 25 August 2008

Share certificates may not be dematerialised or rematerialised between Monday, 18 August 2008 and Friday, 22 August 2008, both days inclusive.

STATEMENT ON GOING CONCERN

The condensed financial statements have been prepared on the going-concern basis since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

By order of the Board

G v N Parkin
Chief Executive Officer

H Botha
Chief Financial Officer

Nigel
29 May 2008

CORPORATE INFORMATION

Non-executive directors: EG Dube; MM Patel*

Executive directors: G v N Parkin (Chairman and CEO); H Botha (CFO); A Cronje*; KE Mathebula, G Parkin (Jnr)

*appointed 28 May 2008

Registration number: 1998/013247/06

JSE code: BIK

ISIN: ZAE 000101945

Registered address: 1 Marievale Road, Vorsterskroon, Nigel

Postal address: PO Box 884, Nigel 1490

Company secretary: Hanleu Botha

Telephone: (011) 739 9000 • **Facsimile:** (011) 739 9021

Transfer secretaries: Computershare Investor Services (Pty) Limited

Designated Adviser: Vunani Corporate Finance

These results and an overview of Brikor are available at www.brikor.co.za.