

## MAZOR MAIDEN ANNUAL RESULTS AHEAD OF FORECASTS

**In its maiden annual results since listing on AltX in November 2007, Mazor Group Limited has overshot pre-listing forecasts of turnover and operating profit by 9,5% and 24,5% respectively, powered by a buoyant Western Cape construction industry which drove continued demand for steel and aluminium products.**

Turnover of R177,1 million was up 24,6% over the previous year's R142,1 million, while operating profit increased 39,2% to R63,5 million. Supported by strict control of operating costs operating margins increased to 35,8% from 32%. Core headline earnings per share was 38,8% higher than the previous year, based on core headline earnings of R50,1 million calculated after eliminating a share-based payment relating to the group's BEE transaction (an accounting requirement) and other non-recurring charges.

On listing Mazor bolstered its empowerment credentials when the two founding shareholders sold 18 million shares, or 14,7% of the company, to black-owned Cloudberry Investments.

CEO Ronnie Mazor says that both divisions, Mazor Steel and Mazor Aluminium, delivered exceptional performances. "Investment in new automated plant has significantly boosted capacity and streamlined efficiencies, as well as paved the way for the group to expand our product range and optimise the sales mix." The year saw the group entrench its positioning in the Western Cape market with the completion of a number of major projects including the Convention Towers and V&A Link Mall. Mazor further initiated geographical expansion, moving into the Durban and Port Elizabeth growth markets. Ronnie Mazor says these regions have traditionally offered attractive margins and scope for development due to under-supply, with early indications of trade proving "very promising".

The R1,4 million acquisition of Independent Glass post year-end furthers Mazor's intention to penetrate new complementary product markets to boost top and bottom line growth. "Independent Glass gives Mazor access to an aligned product channel – glass – as we are the recognised specialist in the country in glass façade cladding." Independent Glass is a glass distributor based in the Western Cape and George and is positioned to enter the Gauteng market shortly. Ronnie Mazor says the business may expand into manufacturing under Mazor's guidance. "With an increasing use of aluminium and glass components both inside and on the exterior of buildings instead of the more expensive brick, we see this as a growth area for the group."

Looking ahead Ronnie Mazor says he is confident demand should escalate as the group's target markets of high-rise commercial buildings, leisure and retail developments continue to experience growth.

"We will continue concentrating on organic growth but will also consider further acquisitions that make sense from geographic and product expansion perspectives." He says that fairly large acquisitions to bolster the glass product offering are currently under consideration and concludes that in light of the energy crisis in South Africa, in

the future opportunities will be indentified in the developing market of energy-optimising construction.

Mazor's share closed yesterday at R3,25.

**Ends.**

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