

MAZOR'S PERFORMANCE SHOWS MARKED IMPROVEMENT

JSE construction materials supplier, Mazor Group (“Mazor”), posted much improved results for the six months to August 2012 (“the period”) reflecting the anticipated market turnaround. During the period Mazor took its stake to 100% in HBS Aluminium Systems (“HBS”), a leading provider to the construction industry of window-related materials and solutions, paying R33,7 million for the remaining 50% stake.

Group revenue grew 83% to R210,8 million from R115,4 million, driven by top line increases in all divisions. On a like-for-like basis with the same period last year (excluding adjustments relating to the HBS acquisition) operating profit increased to R4,7 million from R0,5 million.

CEO Ronnie Mazor says he is pleased with the group’s sustained improvement and key new contract wins across the board. “We successfully advanced our expansion and diversification strategy through the HBS acquisition and other new product lines brought on stream, extending our access to new markets and clients as reflected in our contract awards.”

Mazor Aluminium’s revenue rose by 288,3% to R85,2 million, largely as a result of effectively exploiting HBS’ client base and markets.

New contracts also scooped by *Mazor Steel* are expected to offset the negative impact on the division of project delays on former contracts as developers struggled to secure finance. Ronnie Mazor even notes that the group is optimistic of strengthening volumes and margins in the second half of the year.

The *Glass* division similarly continued its positive growth curve, with an ongoing increase in volumes keeping the operation on track to meet its targets for the full year. The group has undertaken a number of initiatives to support growth and position *Glass* to accommodate demand in light of new building legislation. Ronnie Mazor explains: “Glass is increasingly becoming a sought-after, high value product due to being an energy-efficient building material.” Premises were expanded and in Gauteng new premises were bought after the period-end, and new equipment was brought in to boost capacity.

He is confident that Mazor’s growth will sustain as macro-economic conditions continue to pick up. “Recovery in the residential, commercial and industrial construction markets is steadily progressing,” he says, adding that the economy in the Western Cape - the group’s traditional base - is also on the up.

“Going forward the group intends to capitalise on market gains by capturing more substantial market share and leveraging this to boost margins,” says Ronnie Mazor. He concludes that the group’s wide geographic spread, continually expanding product range and established capability firmly position Mazor to take advantage of improving markets.

Mazor’s share closed yesterday at R1,70.

Ends.

Issued by: Nicole Katz/Michèle Mackey
(011) 325 5944 / 082 497 9827

On behalf of: Mazor Group Limited
Ronnie Mazor, CEO
(021) 556 1555 / 082 324 7215

Share Code: MZR

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