

PRESS RELEASE
RACEC GROUP LIMITED
RACEC DELIVERS ON PROMISES AGAINST TOUGH MARKET BACKDROP

Embargo: 11 December 2008

Release: Cape Town

RACEC Group Limited, the AltX listed rail and electrification infrastructure solution company, continued to show strong growth during the year ended 30 September 2008, as the rate of infrastructure investment in its target markets persisted. Its results released today reflected revenue growth of 78% to R388.9 million (2007: R218.1 million) and operating profit increased by 67% to R26,6 million (2007: R15,9 million). Headline and diluted headline earnings per share up 29% and 84% to 16.0 cents (2007: 12.4 cents) and 16.0 cents (2007: 8.7 cents) respectively.

“We maintained our long term track record of organic growth during the period, while our AltX listing also facilitated strategic acquisitions which contributed to increased profits,” explains Charles Harrod, Chief Executive Officer, RACEC Limited. “Two strategic acquisitions concluded during the financial year also provided diversification benefits within our core activities. Greenbro CC, which manufactures generators and electrical equipment extended our product offering, while Northern Electric, a commercial and industrial contracting company, widened our customer base.”

The net asset value per share increased by 152% to 56.0 cents (2007: 22.2 cents) as RACEC’s balance sheet continues to strengthen.

RACEC Rail delivered a 61% increase in revenue to R171.8 million (2007: R106.7 million) and continued to benefit from historic investments to position it as the only specialist in the country with complete turnkey rail track capability, without outsourcing. The division’s focus on long term annuity contracts contributed to its strong performance while it was also involved in a number of rail construction and upgrade projects, both in South Africa and in Sub Saharan Africa. Cross border opportunities have been identified to dampen the impact of any contract delays or a slowdown due to the global market uncertainty.

RACEC Electrification reported revenue of R217.1 million (2007: R111.4 million), reflecting growth of 95%. Organic revenue growth of 39% was achieved despite ongoing delays in project awards, particularly in the public sector. Greenbro and Northern Electric contributed additional revenue of R62.4 million during the period.

With regard to these acquisitions, Harrod commented that: “while they have been integrated into our Group structure, both businesses maintained their well established brands. With the acquisition of these two businesses, we brought on board additional skills which has enabled RACEC to overcome some of the skill shortage plaguing the entire construction industry.”

“We are confident that, in spite of the financial uncertainty, RACEC is in a strong position to deliver on the commitments we made when we listed on the AltX in October 2007. The pipeline of opportunities remains promising. We have invested significant time and resources to ensure resilient operating structures and sufficient capacity to support our growth targets. We are ideally positioned to take advantage of opportunities in the infrastructure environment, throughout South Africa as well as the rest of the African continent,” concludes Harrod.

RACEC declared a final dividend of 3.0 cents per share.

- ENDS -

Issued on behalf of RACEC Group by:

Stéphanie Leclercq

Tielle Communications

Tel: 083 307 7587

email: stephaniel@tielle.co.za

For further information contact:

Charles Harrod

Chief Executive Officer

RACEC Group

Tel: 021 531 7540 / 083 655 4410

email: charles.harrod@racec.co.za