COMMENTARY

Introduction

The name Consolidated Infrastructure Group Limited ("CIG") was changed from Buildworks Group Limited ("Buildworks") when all conditions relating to the fulfilment of the acquisition warranties of Consolidated Power Projects ("Conco") were met and shareholder approval was obtained. The directors and shareholders felt that CIG better represented the core business of the group and is more closely aligned to the identity of its major subsidiary. The change of activities resulted in CIG migrating to the "Electrical" sector of the JSE Main Board on 20 September 2010.

Consolidated Infrastructure is pleased to report results for the year ended 31 August 2010, which includes the results of Conco for the full twelve months. 84% of all Consolidated Infrastructure's revenue and 85% of Consolidated Infrastructure's earnings before EBITDA are now directly attributable to the Power and Electrical sector.

Conco is a turnkey provider of high voltage electrical sub-stations, overhead cables, protection and automation systems and wind farms. Conco continued its planned investment in additional capacity and geographic expansion across the African continent. The markets in which Conco operates saw an increase in potential work. Growth was constrained by projects taking longer to be awarded and higher levels of competition.

Headline earnings per share is 10.52 cents and basic earnings per share is 7.99 cents, which is an increase of 47% and 52%, respectively, over the previous year. The increase in headline earnings per share is due to the fair value adjustment which arose on the restructuring of the debt of West End Claybrick ("West End") in our Building Materials Division.

Trading profits reflect a steady contribution from Conco. The Building Materials Division recorded lower trading profits.

Cash generated by operations remained strong at R194 million as working capital management improved across the group, and remains an area of critical focus in an environment of heightened debtor delinquencies.

Financial overview

Revenue grew by 65% to R1,2 billion (2009: R745 million). This is as a result of including Conco for the full twelve-month period. Trading margins are slightly down at 27.9% (2009: 28.3%). Although the upfront tender margins at Conco were weaker, only through improved efficiencies and supply chain initiatives at Conco, was CIG able to maintain its margins.

Our financial position is strong. Total debt, after settling the vendor liability and restructuring the debt in West End, decreased by R100 million to R103 million (2009: R203 million).

The group's debt-to-equity ratio declined to 12% which is a significant improvement on the 26% in the previous year. Interest cover as measured against EBITDA was 21 times (2009: 22 times). Net finance charges increased 51% to R7,2 million due the effect of higher average borrowings over the course of the year.

The year-end net cash position was R234 million (2009: R220 million). The increase in cash on hand is after retiring R100 million of debt.

Positive goodwill arose on the acquisition of West End. The continued deterioration in trading conditions in the Residential and Commercial Building sector resulted in an impairment of R24,5 million (2009: R13,5 million) being recognised in the current year.

The number of shares in issue increased by 200 million, when in June 2010 the final warranties were concluded and the additional shares were issued to the Conco vendors.

Divisional overview

Conco

The division had a steady year. Revenue was R1 billion. EBITDA was R130 million. At the end of the prior financial year we reported an outstanding orderbook of R1,2 billion. The outstanding order book represents approximately 8 to 14 months of work.

Only one in four people have access to electricity in sub-Saharan Africa and there is continued emphasis by all the African countries to expand both their ability to generate electricity and provide their citizens with access to electricity. These factors mean that Conco continues to experience an upward momentum in both the number and size of High Voltage sub-stations and overhead cable enquiries.

Conco has a 24-year track record of providing 900 turnkey High Voltage Sub-stations and Overhead Cable projects. During the year it has expanded the geographic footprint and it has now operated successfully in 14 Sub-Saharan African countries and this year commenced its first project in Uganda. Conco tendered on a record number and a record value of new projects. Disappointingly the time taken for projects to be awarded increased and the general increase in competitiveness resulted in revenue and earnings remaining flat for the year. Conco continued to recruit highly-skilled personnel to assist with project execution and increased key personnel by 21%. This investment in execution ability and capacity will allow Conco to benefit in the medium term.

Conco managed to grow its forward orderbook to R1,3 billion. This represents slightly more than one year's work. Embedded in the order book is a slightly lower margin. This is a function of our upfront pricing, geographic and project mix.

Building Materials

The division had a tough year. Although the division earned revenue of R202 million which represented an increase of 24% over the previous year, as a result of the roof-tile plant at West End being in operation for the full twelve-month period (2009: 4 months), EBITDA declined by 16% to R29 million.

West End made a loss for the year. Market conditions were weak and pricing and volumes were below expectations. Consolidated Infrastructure successfully managed to restructure the debt at West End and the business is now in a position to take advantage of any uptick in the residential building cycle.

Drift continued to experience a decline in the Residential and Commercial sectors. Actions taken to replace the volumes resulted in growth in products supplied for the building of roads. Volumes were up 15% and revenue increased by 17%. However, lower margins resulted from this sales mix. The net effect of the actions at Drift resulted in an EBITDA reduction of 5% from the previous year.

Prospects

The group's strategic positioning in the provision of infrastructure to the African Power Market, with the majority of the clients being South African or African utilities, provides a fairly robust buffer against the volatility of the market place. The imbalance of substantially higher demand levels for power generation and transmission against the current supply shortage will remain for decades but the constraints to growth remain a funding capacity for projects and shortage of skills to execute the projects.

Conco continues to add capacity to execute work and expand on its business development network across Africa. The regulatory approvals for our investment in Saudi Arabia have been received and our office in Al-Khobar on the East Coast of the Arabian Gulf has been opened. A dedicated Renewable Energy Division has been staffed with an initial focus on providing designs, budgets and costings for wind farm developers and international turbine manufacturers.

The Renewable Energy Division has a highly competent team and successful track record. The Renewable Energy Division will, if successful in the medium term, have a material impact on growth. There is still uncertainty over the timing and scale of renewable energy projects.

Conco has recently experienced a pickup in its order book and it currently stands at R1.3 billion.

The Building Materials Division should benefit from higher levels of business and consumer confidence and the lower interest rate environment. We do not anticipate an improvement in trading conditions for the year ahead. The division is currently operating a tightly controlled expense base and we are hopeful that expansion in sales and distribution capacities will increase our market share.

Purchase price allocation

The purchase price allocation for Conco is now complete and the following adjustments to the fair value of assets and liabilities were recognised retrospectively in terms of IFRS 3 (2004).

Amendments of fair value of assets and liabilities acquired:

	R'000
Increase in trade and other payables	**4 204**
Increase in goodwill	**4 204**

REVIEW OPINION

These consolidated annual financial results have been reviewed by PKF (JHB) Inc. Their unqualified review opinion is available for inspection at Consolidated Infrastructure's registered address.

DIVIDEND POLICY

The dividend policy will be reviewed periodically, taking into account prevailing circumstances and future cash requirements. At present, all earnings generated by the group will be utilised to fund future growth.

Accordingly, no dividend has been recommended for the year.

BASIS OF PREPARATION

These consolidated annual results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), Interim Financial Reporting (IAS 34), AC 500 series of interpretations, the JSE Listings Requirements and comply with the South African Companies Act (1973), as amended. The accounting policies applied are consistent with those applied in the prior year, except for the adoption of IFRS 8 – Operating Segments.

***Pro forma* statement of comprehensive income – 2009**

The *pro forma* statement of comprehensive income for 2009 ("the *pro forma* comparative statement of comprehensive income") was prepared on the basis that the acquisition of Conco had been effective 1 September 2008.

This *pro forma* comparative statement of comprehensive income has been prepared by management in an effort to provide a meaningful basis of comparison for users of the group's financial information and is the responsibility of the directors of Consolidated Infrastructure. By its nature, the *pro forma* comparative statement of comprehensive income may not fairly reflect the financial results of the group after the acquisition of Conco.

An unqualified reporting accountants' report was issued on the *pro forma* comparative statement of comprehensive income of the group for the year ended 31 August 2009.

APPRECIATION

The directors and management of Consolidated Infrastructure wish to thank all staff for their focused efforts and loyalty over these challenging times. We also thank our customers, business partners, advisors, suppliers and our shareholders for their ongoing support and faith in the group.

By order of the board

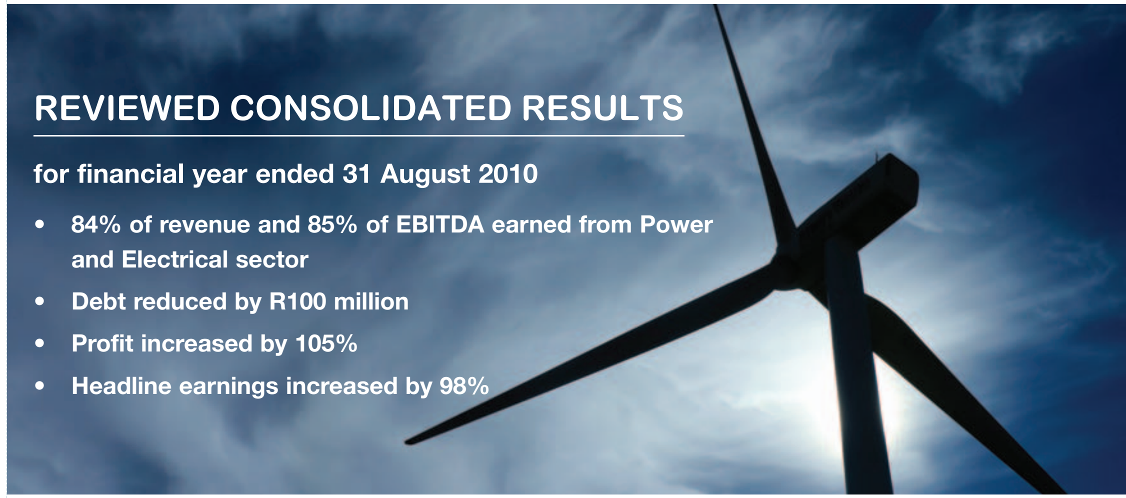
Herman Mashaba
Chairman

Raoul Gamsu
CEO

28 October 2010

Visit our website: *www.ciglimited.co.za*

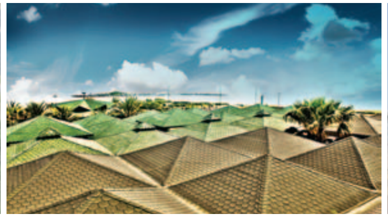
Consolidated Infrastructure Group Limited



REVIEWED CONSOLIDATED RESULTS

for financial year ended 31 August 2010

- **84% of revenue and 85% of EBITDA earned from Power and Electrical sector**
- **Debt reduced by R100 million**
- **Profit increased by 105%**
- **Headline earnings increased by 98%**



2010

(Formerly Buildworks Group Limited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Reviewed Year ended 31 August 2010 R'000	Audited Year ended 31 August 2009 R'000	*Pro forma** Reviewed Year ended 31 August 2009 R'000
Revenue	**1 229 748**	745 323	1 184 266
Cost of sales	**(886 241)**	(534 353)	(866 229)
Gross profit	**343 507**	210 970	318 037
Other income	**1 209**	1 974	5 747
Operating expenses	**(180 087)**	(102 739)	(160 280)
Foreign exchange loss	**(12 611)**	(6 353)	(4 907)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	**152 018**	103 852	158 597
Fair value adjustment	**21 786**		
Depreciation	**(32 452)**	(28 493)	(41 627)
Impairment of goodwill	**(24 578)**	(13 562)	(13 562)
Profit before interest and taxation	**116 774**	61 797	103 408
Interest received	**7 299**	7 420	7 927
Interest paid	**(14 529)**	(12 197)	(19 838)
Profit before taxation	**109 544**	57 020	91 497
Taxation	**(32 889)**	(19 599)	(30 140)
Profit for the year	**76 655**	37 421	61 357
Other comprehensive income:			
Exchange rate differences on translating foreign operations	**(3 379)**		
Total comprehensive income	**73 276**	37 421	61 357
Basic earnings per share (cents)	**7.99**	5.24	6.55
Diluted earnings per share (cents)	**6.75**	4.88	5.92
Fully diluted earnings per share (cents)	**6.75**	4.57	5.40
Reconciliation of headline earnings:			
Profit attributable to ordinary shareholders	**76 655**	37 421	61 357
Adjusted for:			
Profit on disposal of property, plant and equipment	**(205)**	(33)	(33)
Impairment of goodwill	**24 578**	13 562	13 562
Headline earnings attributable to ordinary shareholders	**101 028**	50 950	74 886
Weighted average number of shares in issue ('000)	**959 971**	714 067	936 409
Diluted weighted average number of shares in issue ('000)	**1 136 409**	766 396	1 036 409
Fully diluted weighted average number of shares in issue ('000)	**1 136 409**	818 724	1 136 409
Headline earnings per share (cents)	**10.52**	7.14	8.00
Diluted headline earnings per share (cents)	**8.89**	6.65	7.23
Fully diluted headline earnings per share (cents)	**8.89**	6.22	6.59

Non-executive directors
H S P Mashaba *(Chairman)*, F Boner, P Voutyritsas*, N Mintah**, A Geisser**

Executive directors
R D Gamsu, I M Klitzner, B Berelowitz
**Greek **American ***Ghanaian*

Independent non-executive directors
A D Dixon, P Baird**, A Darko***

Business postal address:
PO Box 651455, Benmore, Johannesburg, 2010

Business address:
A Sandown Valley Crescent, Sandown, Sandton

Sponsor: Java Capital (Proprietary) Limited

Company secretary: Sandra Saunders, BA LLB (WITS), DIP CORP GOV (RAU)

Transfer secretaries: Computershare Investor Services (Proprietary) Limited
Telephone: 011 722 743 Facsimile: 011 722 7431

Auditors: PKF (Jhb) Inc

Consolidated Infrastructure Group Limited
(Formerly Buildworks Group Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2007/004935/06)
Share code: CIL ISIN: ZAE000148201
("Consolidated Infrastructure" or "CIG" or "the group")

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Reviewed as at 31 August 2010 R'000	Audited as at 31 August 2009 R'000
ASSETS		
Non-current assets	**788 083**	818 849
Property, plant and equipment	**277 971**	277 966
Goodwill	**462 220**	486 799
Intangible assets	**38 792**	51 055
Deferred tax	**7 522**	2 022
Financial assets	**1 578**	1 007
Current assets	**672 786**	725 748
Inventories	**34 388**	43 175
Trade and other receivables	**59 952**	58 064
Amounts due from contract customers	**328 683**	395 168
Taxation receivable	**6 568**	2 451
Cash and cash equivalents	**243 195**	226 890
Total assets	**1 460 869**	1 544 597
EQUITY AND LIABILITIES		
Equity	**835 917**	762 873
Issued capital	**11**	9
Share premium	**676 153**	536 387
Shares to be issued		140 000
Foreign currency translation reserve	**(3 379)**	
Accumulated profits	**163 132**	86 477
Non-current liabilities	**84 556**	153 413
Other financial liabilities	**37 734**	38 941
Environmental obligation	**8 283**	8 084
Instalment sale agreements	**7 047**	78 970
Deferred tax	**31 492**	27 418
Current liabilities	**540 396**	628 311
Other financial liabilities	**53 698**	60 878
Trade and other payables	**170 137**	191 296
Amounts received in advance	**45 954**	49 693
Amounts due to contract customers	**241 719**	242 909
Bank overdraft	**9 335**	6 920
Instalment sale agreements	**5 160**	24 329
Taxation payable	**14 393**	52 286
Total equity and liabilities	**1 460 869**	1 544 597
Number of shares in issue ('000)	**1 136 409**	936 409
Net asset value per share (cents)	**73.56**	81.47
Net tangible asset value per share (cents)	**29.47**	24.03

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Reviewed Year ended 31 August 2010 R'000	Audited Year ended 31 August 2009 R'000
Cash generated by operations	**193 773**	191 910
Net finance costs	**(7 230)**	(4 777)
Taxation paid	**(76 324)**	(31 380)
Cash flows from operating activities	**110 219**	155 753
Cash flows from investing activities	**(20 475)**	(236 222)
Cash flows from financing activities	**(75 854)**	258 165
Net increase in cash and cash equivalents	**13 890**	177 696
Cash and cash equivalents at beginning of year	**219 970**	42 274
Cash and cash equivalents at end of year	**233 860**	219 970

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Reviewed Year ended 31 August 2010 R'000	Audited Year ended 31 August 2009 R'000
Balance at beginning of year	**762 873**	266 363
Issue of share capital and share issue expenses	**(232)**	319 089
Shares to be issued		140 000
Total comprehensive income for the year	**73 276**	37 421
Balance at end of year	**835 917**	762 873

SEGMENTAL ANALYSIS

	Reviewed 31 August 2010 R'000	Audited 31 August 2009 R'000	*Pro forma* Reviewed 31 August 2009 R'000	Reviewed 31 August 2010 % of total	Audited 31 August 2009 % of total	*Pro forma* Reviewed 31 August 2009 % of total
Revenue						
Heavy building materials	**202 312**	162 513	162 513	**16**	22	14
West End Claybrick	**86 881**	63 323	63 323	**7**	8	5
Drift Supersand	**115 431**	99 190	99 190	**9**	14	9
Power	**1 027 436**	582 810	1 021 753	**84**	78	86
Corporate	**–**			**–**	–	–
Total	**1 229 748**	745 323	1 184 266	**100**	100	100

	Reviewed 31 August 2010 R'000	Audited 31 August 2009 R'000	*Pro forma* 31 August 2009 R'000	Reviewed 31 August 2010 % of total	Audited 31 August 2009 % of total	*Pro forma* 31 August 2009 % of total
EBITDA						
Heavy building materials	**28 840**	34 516	34 516	**19**	33	22
West End Claybrick	**(1 966)**	2 163	2 163	**(1)**	2	1
Drift Supersand	**30 806**	32 353	32 353	**20**	31	21
Power	**129 716**	73 724	128 469	**85**	71	81
Corporate	**(6 538)**	(4 388)	(4 388)	**(4)**	(4)	(3)
Total	**152 018**	103 852	158 597	**100**	100	100

Reconciliation of profit before tax:	
EBITDA per segment analysis	**152 018**
Fair value adjustment	**21 786**
Depreciation	**(32 452)**
Impairment of goodwill	**(24 578)**
Net interest paid	**(7 230)**
Profit before tax	**109 544**

	Reviewed 31 August 2010 R'000	Audited 31 August 2009 R'000
Net asset value		
Heavy building materials	**82 492**	107 439
West End Claybrick	**42 807**	80 140
Drift Supersand	**39 685**	27 299
Power	**224 649**	146 391
Corporate	**528 776**	509 043
Total	**835 917**	762 873