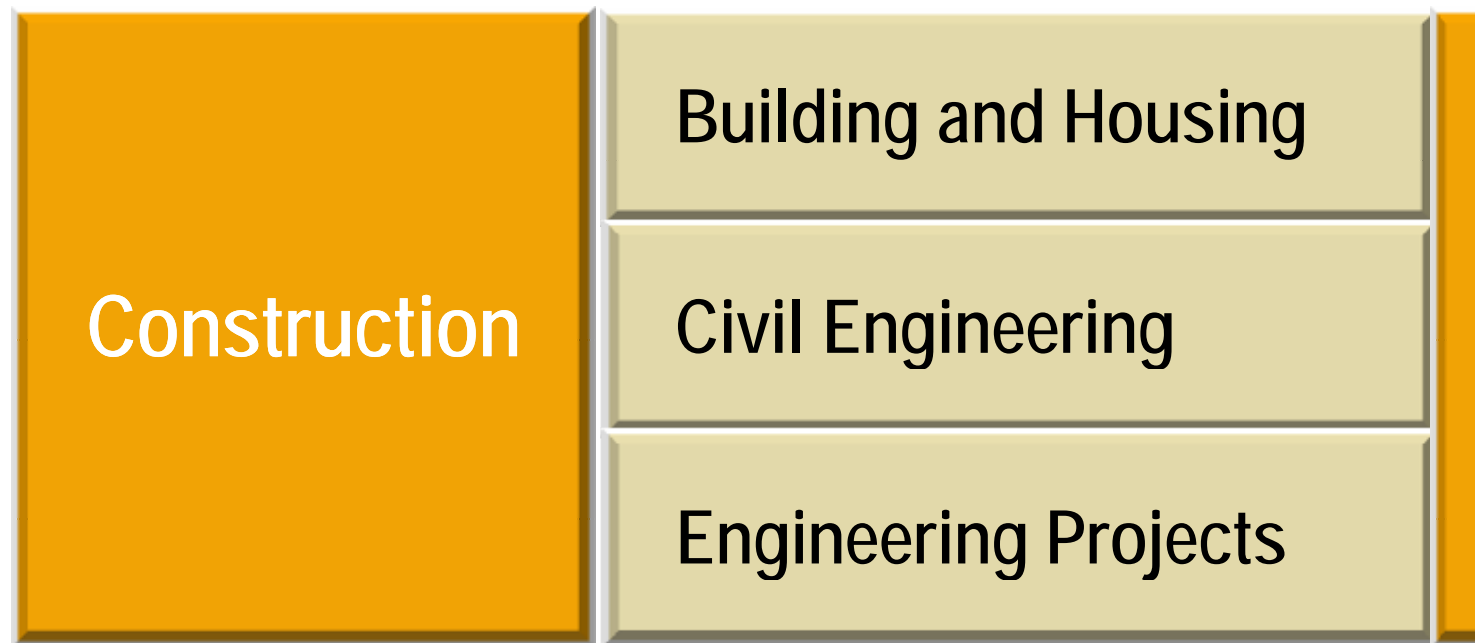




INVESTOR MANAGEMENT DAY – CONSTRUCTION

# Construction Segment Structure





**BUILDING AND HOUSING**

Building and Housing



National

KwaZulu-Natal

Western Cape

International

Components

Markets:

Housing

Building – Private Sector Market

Building – Public Sector Market



*Housing*

# Housing Strategy - Positioning

Flexible to adapt to changing market conditions

## *Mass Market vs Single Dwelling Opportunities*

### Market of operation

- Single dwelling unit opportunities not being sought
- Will be positioned in line with our operating strength in schemes of 100 to 5000 units

## *Turnkey Housing Projects*

### Strategy related to land availability agreements, where transfer price is only paid on conveyancing of complete property

### No speculative land purchases

### Supply a full service ranging from identifying appropriate land opportunities to delivery of dwelling units

- Project management of all processes, i.e. EIA zoning, town planning, etc. to put the appropriate rights in place
- Infrastructure servicing of the property
- Construction and delivery of top structures

### Higher margin business

# Housing Strategy - Positioning

## *Entry Level Focus*

- ❏ Not low cost RDP market
- ❏ Focusing on the range of R250K – R700K; majority of the market will be bonded
- ❏ Typical residential unit sizing 60 – 110m<sup>2</sup>

## *Mining and Infrastructure*

- ❏ Following the mining expansion, especially Platinum, and the residential requirements related thereto
- ❏ Residential township requirements related to large infrastructure projects, e.g. Mmamabula Power Station (a R1,2bn opportunity)





*Building –  
Private Sector Market*

# Building – Private Sector Market

## *Power Challenges*

- ⚡ Temporary power for construction operations can be overcome through generator back-up facilities
- ⚡ Biggest effect is on our power applications on new developments - effectively a 6-month moratorium in place
- ⚡ Possible opportunities for IPP (Independent Power Projects) and co-generation

## *Slow down in high rise residential*

- ⚡ Typically has been an investor market
- ⚡ Lack of rental tenants – second/holiday home market

# Building – Private Sector Markets

## *Commercial demand*

- ▣ Still commercial demand in prime areas
- ▣ High demand for commercial opportunity with highway visibility
- ▣ Sites with approved rights and power will dictate

## *Industrial opportunities*

- ▣ Still a strong demand for industrial sites with approved zoning
- ▣ Power comments as before applicable



*Building –  
Public Sector Market*

# ***BUILDING – Public Sector Market***

## *Infrastructure opportunities*




- Large specialised opportunities, e.g. power stations
- Public sector will continue to roll out as a consequence of the backlog
- Longer term contracts with longer term revenue streams

## *PPP/Concessions – Commercial*



- Public sector PPP commercial office buildings  
(e.g. Department of Education, a current contract being executed)
- Government preferred procurement route; more opportunities will become available
- Competition restricted – require design and construct skill  
– in-house capability available

# ***BUILDING – Public Sector Markets***

## *Prisons*

-  Roll out of PPP Prisons programme
-  Pre-qualification obtained in joint venture with WBHO
-  Five new prisons to be constructed (approximate value R1 bn each)

## *Health Sector*

-  Green Fields Hospital opportunities: 4-6 opportunities  
(Total value R3-4bn)
-  Existing hospital upgrade: 2-4 projects  
(Total value ± R2 bn)

# Some current and recently secured contracts

Previously reported	Value	G5 Stake	Duration	Start Date
Moses Mabhida Soccer Stadium	R2,0bn	35%	2,5 years	Jan 2007

Project on schedule: Currently the two southern legs of the arch are being assembled

Department of Education New HO	R367m	100%	2,0 years	Apr 2007
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Project on schedule to meet targeted completion date of March 2009:  
4 months ahead of contractual completion date

Pearls of Umhlanga	R218m	80%	26 months	Nov 07
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Project on programme

Inyoni Retirement Village	R103m	100%	17 months	Sep 07
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Phase 1 completed and 1<sup>st</sup> unit of phase 2 to be handed over in April 2008

UWC Life Sciences Building	R311m	100%	24 months	Sep 07
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Early stages – project on track

Recently secured	Value	G5 Stake	Duration	Start Date
The Palms KZN	R141m	100%	2 years	April 08

20 storey structure comprising 87 luxury apartments. Contract to commence in April 08