



PRESENTATION TO MEDIA

Financial update

25 November 2013



Financial performance

H1 F2014 Trading performance

- Revenue
 - Trading In line with order book forecast – some delay in housing roll out
- Margins
 - still under pressure; affected by
 - weak building & housing trading environment
 - slowdown in profit recognition on selected civil engineering contracts
 - early stage of completion on some contracts
 - margin guidance updated

Competition commission - status update

- The evidentiary and technical issues remain
- The group is not unwilling to settle provided the terms are reasonable
- Ongoing engagement and negotiation with the Commission
- Provision for Commission administrative fine
 - the fine quantum has not been disclosed due to the sensitivity of negotiations
 - the group is not aware of any additional information or change in circumstances or events which necessitates an increase to this provision
- We have received limited enquiries from clients and these relate to specific projects that have been mentioned in the public domain*
 - These enquiries have been addressed and responses have been provided

* referred to in the consent agreements concluded with other construction entities

Financial performance

Secured contracting order book at October 2013

	Total	Building & Housing	Civil Engineering	Projects	E+C
Total order book – Rm	14 665*	6 110	3 680	1 496	3 379
% Over-border	19%	1%	42%	43%	16%
• Public over-border	5%	-	22%	-	-
• Private over-border	14%	1%	20%	43%	16%
% Local	81%	99%	58%	57%	84%
• Public local	31%	42%	39%	20%	8%
• Private local	50%	56%	20%	37%	76%
1 year order book - Rm	10 569	4 182	3 124	952	2 311
1 year order book as % of F2013 revenue	113%	129%	97%	55%	198%
Total order book as % of F2013 revenue	157%	189%	114%	87%	289%

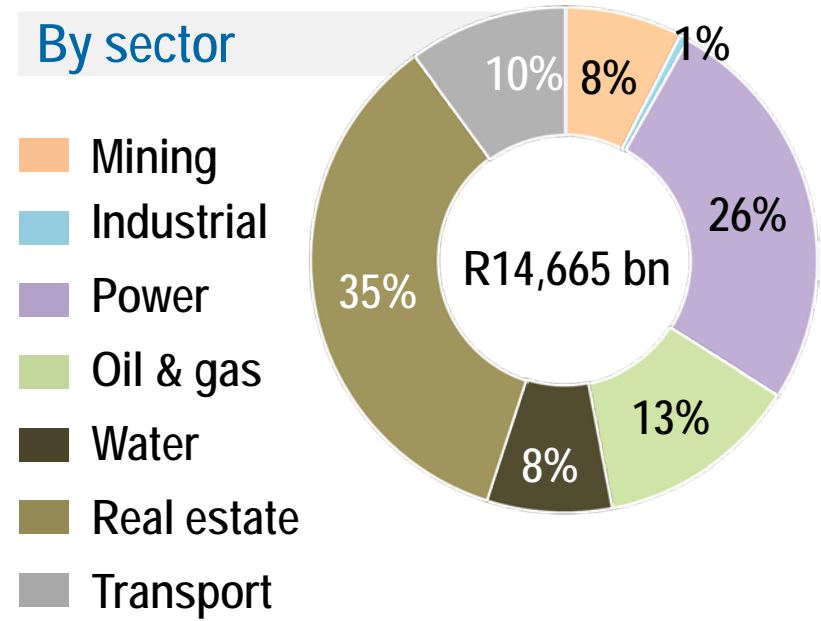
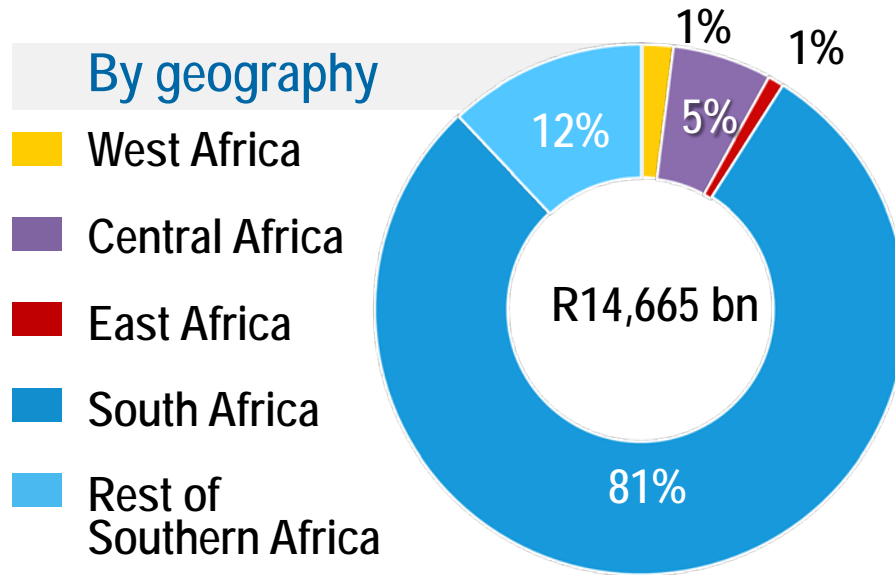
* Total R14,7bn order book

- Stable against June 2013 order book of R14,2bn

Values include only Group Five's portion of fully secured contracting construction work

Financial performance

Secured contracting order book at October 2013 – product and geographic diversity



Decrease in relative weighting in over-border book as a result of large SA REIPP* & real estate contracts awarded

Key sector penetration progressing well:

- Power up from 22% to 26%
- Mining down from 10% to 8%

* Renewable Energy Independent Power Producer Programme

Financial performance

Secured operations and maintenance order book at October 2013 – annuity income

Rm	Actual revenue			Order book		
	F2011	F2012	F2013	F2014 (Q2-Q4)	3-year to F2017	Total secured *
Transport O+M **	472	555	654	528	1 691	4 181
Industrial, Oil & Gas O+M **	114	126	59	32	26	58
Power O+M **	-	-	-	8	93	279
Total	586	681	713	567	1 810	4 518

* Total secured O+M** order book is conservative valuation to first review date of secured contracts only

** O+M = Operations & Maintenance Services

Financial performance

Multi-year target opportunity pipeline at October 2013

By sector (Rbn)	Total as at October 2013: R213bn							Pre-Tender & Tender [^]
	International split			Local split			Total	
	Total	Private	Public	Total	Private	Public		
Mining	26	26	-	20	20	-	46	41
Industrial	5	5	-	-	-	-	5	4
Power	19	19	-	14	14	-	33	30
Oil and gas	18	18	-	8	6	2	26	24
Water	2	1	1	13	-	13	15	9
Real estate - Building	3	2	1	6	4	2	9	2
Real estate - Housing	5	4	1	2	1	1	7	2
Transport	42	14	28	30	3	27	71	64
Total	120	89	31	94	48	46	213	
Pre-Tender & Tender [^]	109	79	30	67	37	30		176

R213bn potential pipeline up from R179bn at June 2013




- 56% = International opportunities
- 36% = Public sector focused

* These are the projects targeted by the group – not to be confused with the Contracting (Construction and E+C) order book

[^] Value within the multi-year opportunity pipeline in pre-tender and tender stage

Financial performance

Margin review

	Investments and Concessions	Engineering and Construction	Manufacturing
	 <p>Investments and Concessions</p>	 <p>Engineering and Construction Services</p>	 <p>Manufacturing</p>
Guidance at June 2013	15 – 20% range including fair value adjustments	3 – 5% range	6 – 8% range
Updated	Unchanged	3 – 5% , short term low end of range	Unchanged

Financial performance

Margin review

Construction

Building & Housing

Civil Engineering

Projects



Building
and Housing



Civil Engineering



Projects

Guidance at
June 2013

2 - 4%
short-term low end of
range

4 - 6% range
short-term could be low end
of range

5 - 8%
range

Updated

2 - 4%
short-term low end or
below range

4 - 6% range
short term will be low end of
range

Unchanged

Financial position

Balance sheet

- Balance sheet largely unchanged
- Net ungeared position maintained
- Capital expenditure monitored and contained

Cash flow and liquidity

- Local credit rating review – rating unchanged
 - National Long-term A - (Stable)
 - National Short-term A1- (Stable)
- Cash position largely in line with forecast
 - working capital unwind
 - focus on
 - continued working capital cycle management
 - client collection of past due but not impaired debtors
 - Middle East quarterly payments received according to payment schedule

For more information please contact:

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Appendix 1 - Secured contracting order book at June 2013

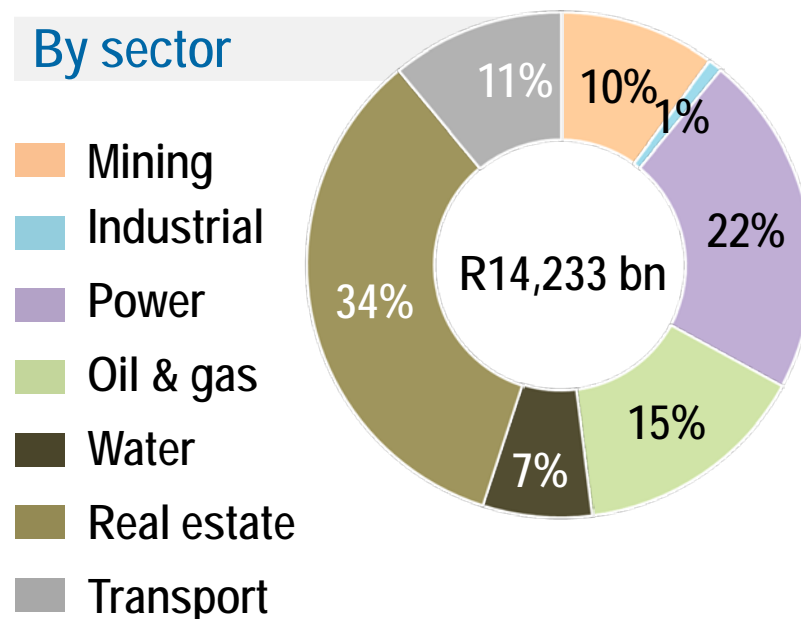
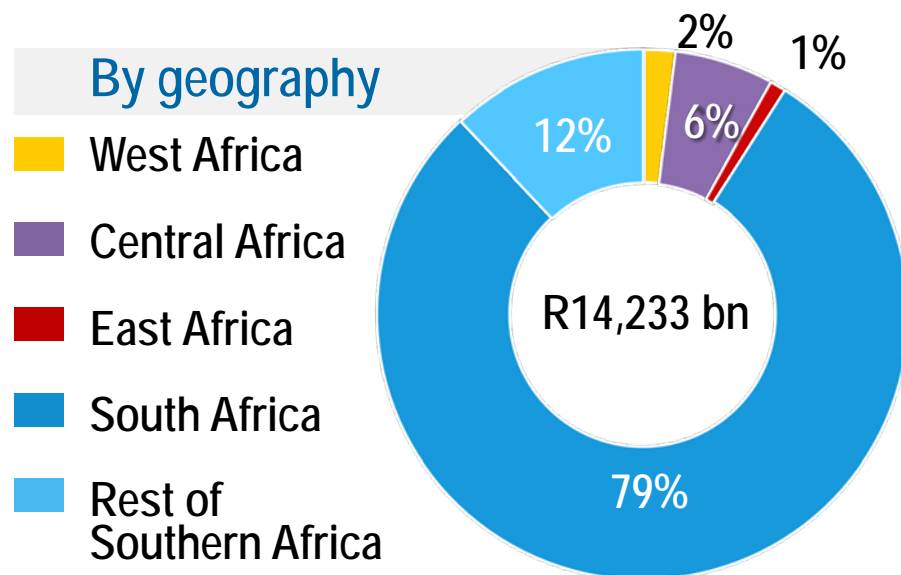
	Total	Building & Housing	Civil Engineering	Projects	E+C
Total order book – Rm	14 233 *	5 611	3 547	1 192	3 883
% Over-border	21%	2%	44%	63%	15%
• Public over-border	7%	-	27%	-	-
• Private over-border	14%	2%	17%	63%	15%
% Local	79%	98%	56%	37%	85%
• Public local	31%	44%	45%	29%	-
• Private local	48%	54%	11%	8%	85%
1 year order book - Rm	11 057	4 369	3 124	1 062	2 502
1 year order book as % of F2013 revenue	119%	135%	97%	62%	225%
Total order book as % of F2013 revenue	153%	173%	110%	69%	350%

*** Total R14,2bn order book**

- +26% from R11,3bn at June 2012
- +5% from R13,5bn at Dec 2012

Values include only Group Five's portion of fully secured construction work, order book independently assured

Appendix 2 - Product and geographic diversity-secured order book at June 2013



Decrease in relative weighting in over-border book as a result of large SA REIPP* & real estate contracts awarded in the period

Key sector penetration progressing well:

- Oil & Gas up from 8% to 15%
- Power up from 20% to 22%
- Mining down from 20% to 10%

* Renewable Energy Independent Power Producer Programme

Appendix 3 - Secured operations & maintenance order book at June 2013 – annuity income

Rm	Actual revenue			Order book		
	F2011	F2012	F2013	F2014	3-year to F2017	Total secured *
Transport O+M **	472	555	654	751	1 698	4 411
Industrial, Oil & Gas O+M **	114	126	59	56	44	101
Power O+M **	-	-	-	8	99	279
Total	586	681	713	815	1 841	4 791

During the period the power annuity-type revenue stream was added

* Total secured O+M** order book is conservative valuation to first review date of secured contracts only

** O+M = Operations & Maintenance Services

Appendix 4 - Multi-year target opportunity pipeline at June 2013

By sector (Rbn)	Total as at 30 June 2013: R179bn							Pre-Tender & Tender [^]
	International split			Local split			Total	
	Total	Private	Public	Total	Private	Public		
Mining	25	25	-	18	18	-	43	30
Industrial	4	4	-	-	-	-	4	2
Power	12	12	-	24	20	4	36	30
Oil and gas	1	1	-	4	3	1	5	3
Water	8	-	8	9	-	9	17	3
Real estate - Building	5	4	1	13	10	3	18	8
Real estate - Housing	3	2	1	1	-	1	4	1
Transport	30	8	22	22	3	19	52	25
Total	88	56	32	91	54	37	179	
Pre-Tender & Tender [^]	54	43	11	48	37	11		102

R179bn potential pipeline up from R124bn at Dec 2012

- 49% = International opportunities
- 39% = Public sector focused

64% of group awards during the period came from the pipeline presented in Jun 2012

* These are the projects targeted by the group – not to be confused with the Contracting (Construction and E+C) order book

[^] Value within the multi-year opportunity pipeline in pre-tender and tender stage