







UNAUDITED GROUP RESULTS  
for the six months ended 31 December 2014

Agenda

1	2	3	4
Section 1	Section 2	Section 3	Section 4
INTRODUCTION	FINANCIAL REVIEW	SEGMENTAL REVIEW AND PROSPECTS	GROUP PROSPECTS
			



## Financial summary

	H1 F2015 vs. H1 F2014	H1 F2015 unaudited	H1 F2014 unaudited	H2 F2014 unaudited
Revenue – Rm <i>from continuing operations*</i>	(12%)	6 890	7 831	7 509
Operating profit – Rm	(37%)	206	328	319
HEPS – Rand	(47%)	1,09	2,04	2,03
Fully diluted HEPS – Rand	(46%)	1,08	2,01	1,98
Fully diluted HEPS from continuing operations – Rand*	(47%)	1,07	2,02	1,98
EPS – Rand	(41%)	1,18	2,00	2,01
Fully diluted EPS – Rand	(40%)	1,17	1,96	1,98
Dividends per share – cents <i>Maintained policy of 4.0 x covered on adjusted EPS</i>	(33%)	30,0	45,0	55,0

*Headline earnings: H1 F2015 earnings adjusted for profit on fair value adjustment of an investment property*

\* excluding Construction Materials reflected as a discontinued operation

## Results in context

Disappointing  
six months

Signs of  
improvement  
towards end of  
reporting  
period

- Operating performance very disappointing
  - Engineering & Construction: weak operational performance at:
    - › Civil Engineering (operational difficulties as well as retrenchment costs)
    - › Energy (contract completion costs)
    - › Balance of segments: performed in line with expectations
  - Manufacturing: solid performance despite flat to declining markets
  - Investments and Concessions: delivered improved result on back of solid Intertoll Europe results
- Order book intake particularly slow but recovered well in December
  - award of Kpone IPP project
- Immediate intervention
  - Strengthened management and shed complexity within Engineering & Construction
  - Improving group efficiency and corporate office cost
- Group cash collection good

## CEO's first 70 days

Strategy  
confirmation

Structure  
review

Overhead  
efficiency

Single culture

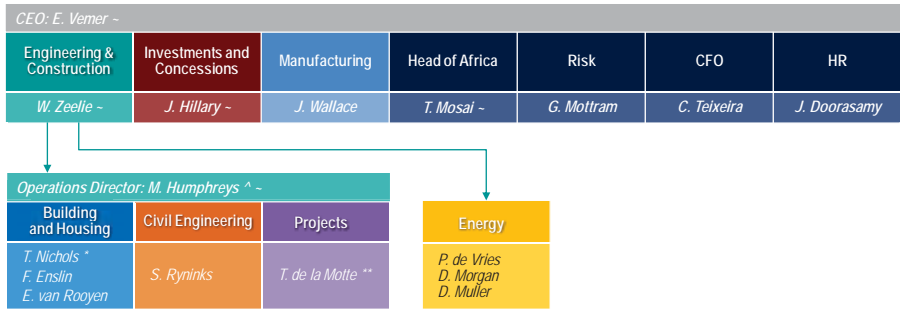
- Review and confirmation of group strategy with board
- Accelerated focus on pursuit of growth initiatives
  - Sector-led growth in rest of Africa
  - Geographic expansion
    - › Dedicated resources deployed for African expansion plan
    - › Targeted incremental expansion further east in Eastern Europe
  - Restructured contracting business to better deliver on multi-disciplinary / EPC capability
  - Grow annuity revenue basis
    - › Further directed investments in manufacturing, concessions and property assets
- New leadership appointments – EXCO and business units
- Action to improve group effectiveness and reduce cost
- Various initiatives to further align single culture behind united strategy

## Group exco and senior appointments update

### Board of directors

P. Mthethwa <i>Chairperson</i>	E. Vemer <i>CEO</i>	C. Teixeira <i>CFO</i>	S. Morris <i>Non-exec</i>	J. Job <i>Non-exec</i>	K. Mpinga <i>Non-exec, DRC</i>
	W. Louw <i>Non-exec</i>	B. Ngonyama <i>Non-exec</i>	M. Thompson <i>Non-exec</i>	V. Rague <i>Non-exec, Kenyan</i>	J. Chinyanta <i>Non-exec, Zambian</i>

### Exco



~ new appointment, since 1 Dec 2014, internal placement  
 ^ previously MD of Projects, a high performing BU  
 \* previously commercial director at Buildings, appointment effective 1 Feb 2015  
 \*\* previously contracts director at Projects, appointment effective 1 Feb 2015



## Income statement

Rm	H1 F2015 vs H1 F2014 %	H1 F2015 unaudited	H1 F2014 unaudited	H2 F2014 unaudited
Revenue <i>from continuing operations</i> *	(12%)	6 890	7 831	7 509
Operating profit and margin % ▪ <i>including fair value adjustments</i>	(37%)	206 3.0%	328 4.2%	319 4.2%
Profit before interest and taxation	(34%)	225	340	335
Finance cost – net	-	(4)	(2)	-
Profit before taxation	(35%)	221	338	335
Effective tax rate %	-	34%	34%	34%
Profit from continuing operations	(34%)	146	222	221
Loss from discontinued operations ▪ <i>operating losses from Construction Materials</i>	-	-	(3)	-
Net profit	(33%)	146	219	221

\* *excluding Construction Materials reflected as a discontinued operation*

## Underlying performance from continuing operations

	Target range (set at F2014 reporting date)	H1 F2015 Core margin achieved %*	
<b>Engineering &amp; Construction</b>			
Building and Housing	2 – 4%, short-term low end of range	2.0%	On target
Civil Engineering	3 – 5%, (~ below range 0 – 2%)	(2.7%)	Below target
Projects	5 – 8%	6.0%	On target
Energy	3 – 5%, short-term lower end of range; (~below range 0 – 2%)	1.1%	Below target **
Investments and Concessions	15 – 20%	23.0%	Above target
Manufacturing	6 – 8%	8.2%	Above target

\* *Core margin is total margin adjusted for non-core transactions of pension fund gains/deficits, but not adjusted for profit/loss on sale of assets*

~ *target as guided in Nov 2014*

\*\* *in line with guidance in Nov 2014*

## Legacy issues

- Competition Commission (“CompCom”)
  - Leniency obtained on all matters reported
  - Lack of evidence and factual discrepancies on 4 matters to be settled
  - Provision assessment of F2013 remains unchanged
  - Consensus not reached with CompCom
    - › group elected to assess its position on referral to the Tribunal
    - › thus CompCom’s referral to Tribunal on one of the outstanding matters was anticipated
  - Risk of civil claims exists; none received to date
  - Wider engagement between industry and government in progress
  
- Middle East – Net asset value R80m
  - Operations closed; costs no longer material
  - Further progress on final close-out of all matters
  - Payment flows honoured by clients
  - Debtors and contracts in progress to recover
  
- Construction Materials – Net asset value R27m
  - One remaining business held for sale, no earnings impact

## Cash flow

Rm	H1 F2015 unaudited	H1 F2014 unaudited	H2 F2014 unaudited
Operating cash	229	490	413
Working capital changes	89	(5)	(514)
Finance cost – (net)	(4)	(2)	-
Trade and other payables	(133)	652	(202)
Trade and other receivables	279	(447)	(150)
Contracts in progress	(73)	(200)	(133)
Inventories	16	(10)	(29)
<b>Total change</b>	<b>89</b>	<b>(5)</b>	<b>(514)</b>

### Working capital

- Trade payables a reflection of a reduction in excess billings
- Trade receivables a reflection of focus on client cash collections

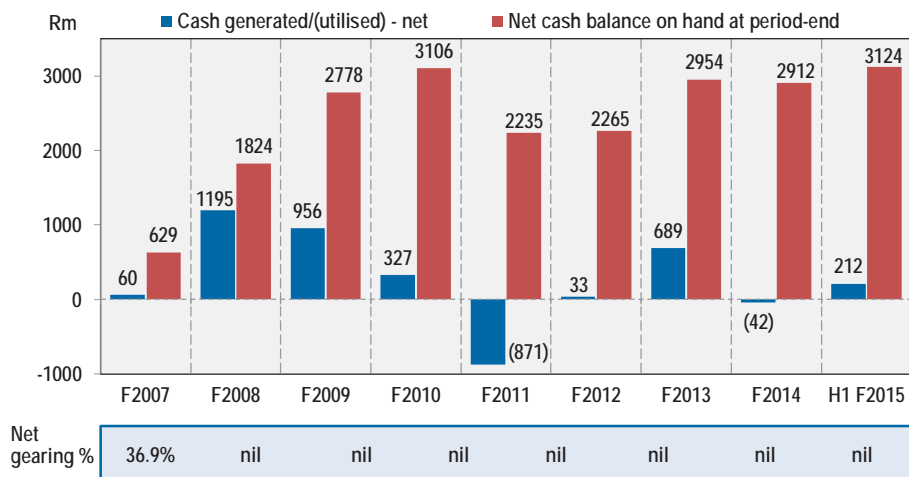
### Net finance costs

- In line with expectation

## Cash flow

Rm	H1 F2015 unaudited	H1 F2014 unaudited	H2 F2014 unaudited
Operating cash	229	490	413
Working capital changes	89	(5)	(514)
Cash generated from / (utilised in) operations	318	485	(101)
Finance cost – (net)	(4)	(2)	-
Cash effects of operating activities (disc. operations)	2	(3)	(8)
Tax and dividends paid	(182)	(96)	(124)
Net cash generated from / (utilised in) operating activities	134	384	(233)
Fixed assets and investment property – (net)	(15)	(94)	(66)
Investments and financing – (net)	46	(60)	(26)
Cash effects of investing and financing activities (disc. operations)	1	4	5
Effect of exchange rates on cash	48	53	(12)
Movement in cash	214	287	(332)
Cash and cash equivalents on hand – end of period	3 135	3 253	2 921
Cash and cash equivalents on hand – end of period from cont. operations	3 124	3 239	2 912

## Cash flow



- Cash on hand is healthy in current environment
- Excess cash will be applied to future equity investments, mainly in Investments and Concessions

## Capital expenditure

Cluster (Rm)	Original Budget F2015	Revised Budget F2015	Actual H1 F2015	Nature of H1 F2015 spend %		
				Expansion	Replacement	Contract specific
Engineering & Construction	194	138	36	37%	28%	35%
Investments and Concessions	15	15	6	57%	43%	-
Manufacturing	49	49	13	93%	7%	-
<b>Total</b>	<b>258</b>	<b>202</b>	<b>55</b>	<b>52%</b>	<b>25%</b>	<b>23%</b>

- Combination of replacement and contract-specific capex for secured Western and Southern African contracts and operations and maintenance contracts
- Spend relates mainly to rolling replacement of fleet in Intertoll business
- Spend relates to (i) capacity expansion; (ii) production line upgrades matched to market demands

## Key financial ratios

	H1 F2015 Unaudited	H1 F2014 unaudited	F2014 Audited	Targets
Net gearing – debt to equity ratio %	-	-	-	maximum 33
Cash from operations before working capital changes (Rm)	229	490	903	cash generative
Cash from operations (Rm)	318	485	384	cash generative
Net increase /(decrease) in cash (Rm) – total	214	287	(45)	cash generative
Cash on hand at period end (Rm) – continuing operations	3 124	3 239	2 912	n/a
External guarantees unutilised (Rm)	5 880	7 903	8 739	Sufficient for tender
Total facility at year end (Rm)	13 178	11 579	12 382	
Return on shareholders equity – % – H1 annualised	8.6%	16.7%	16.8%	15% – 20% medium to long term
Return on shareholders equity – % – continuing operations – H1 annualised	8.7%	17.3%	17.3%	15% – 20% medium to long term





SEGMENTAL REVIEW AND PROSPECTS

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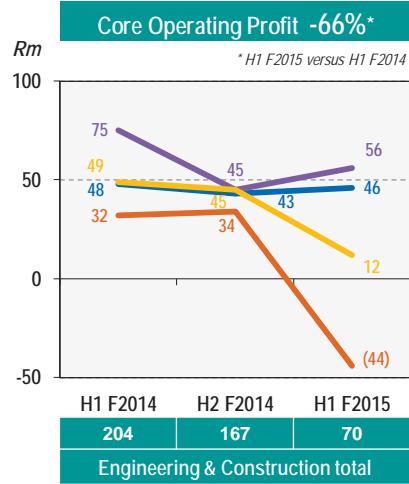
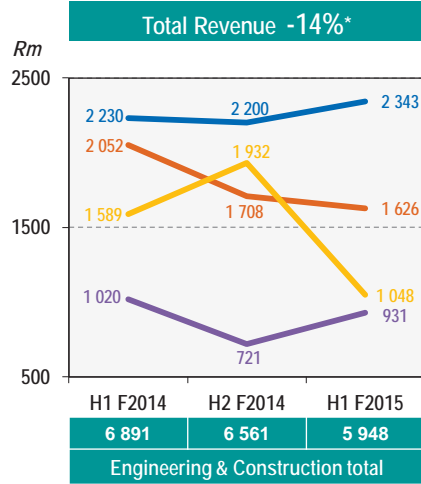


SEGMENTAL REVIEW AND PROSPECTS

03

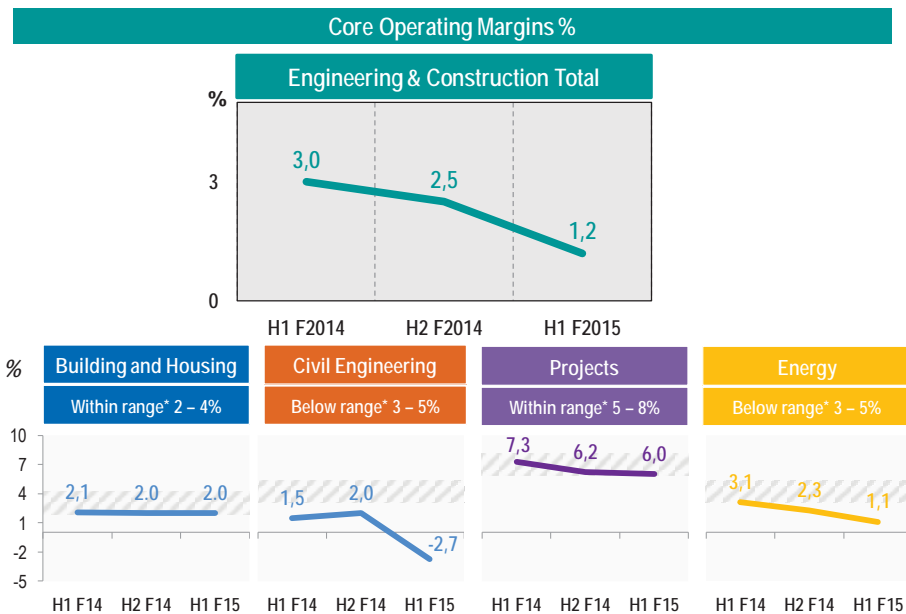
<b>Engineering &amp; Construction</b>	Investments and Concessions	Manufacturing
<i>Building and Housing</i>	<i>Transport</i>	<i>Fibre Cement</i>
<i>Civil Engineering</i>	<i>Real Estate</i>	<i>Steel</i>
<i>Projects</i>		
<i>Energy</i>		

# Engineering & Construction



of H1 F2015 group core operating profit

# Engineering & Construction



## Engineering & Construction

Period under review		
Building and Housing	Civil Engineering	Projects
<p><b>South Africa</b></p> <ul style="list-style-type: none"> <li>Good execution of order book</li> <li>Awards in mine housing, commercial, healthcare and transport</li> <li>Awarded building margin slightly improved; housing more competitive</li> <li>Coastal market weak</li> </ul> <p><b>Rest of Africa</b></p> <ul style="list-style-type: none"> <li>Capital Place, Ghana completed</li> </ul>	<p><b>South Africa and Rest of Africa</b></p> <ul style="list-style-type: none"> <li>Loss making DRC mining contract completed</li> <li>H1 margin impact                             <ul style="list-style-type: none"> <li>A contract incurred losses, monitored since Q1 F15, weakened in Q2 F15; completion in H2 F2015</li> <li>Restructuring costs; addresses market weakness and internal inefficiency</li> </ul> </li> <li>New awards in transport, mining and industrial sectors</li> <li>Good progress on commercially closing completed contracts</li> <li>Coastal market – awards in water sectors</li> </ul> <p><b>Middle East</b></p> <ul style="list-style-type: none"> <li>Close-out continues; payments received per plan</li> </ul>	<p><b>South Africa</b></p> <ul style="list-style-type: none"> <li>Continued performing well in mining (coal) and power</li> <li>Active in all SMEIP* disciplines</li> </ul> <p><b>Rest of Africa</b></p> <ul style="list-style-type: none"> <li>New mining work in Liberia progressing well</li> <li>DRC project yielding additional work on plant optimisations</li> <li>Commenced large Namibian uranium project</li> <li>Ghanian oil and gas fabrication project progressing well</li> <li>Track record has provided high hit-rate on contract awards</li> </ul>

\* Structural, Mechanical, Electrical, Instrumentation and Piping

## Engineering & Construction

Period under review		
Energy		
Power	Oil and Gas	Nuclear
<p><b>South Africa</b></p> <ul style="list-style-type: none"> <li>4 REIPP* projects (2 solar and 2 wind) connected to Eskom grid in 2014                             <ul style="list-style-type: none"> <li>212MW and R2.7bn revenue**</li> </ul> </li> <li>Finalisation costs incurred on completion of REIPP* contract in Dec 2014                             <ul style="list-style-type: none"> <li>added pressure to H1 F2015 performance</li> </ul> </li> <li>High REIPP* tender load</li> </ul> <p><b>Rest of Africa</b></p> <ul style="list-style-type: none"> <li>Progressing Kuvaninga IPP gas contract in Mozambique</li> <li>Secured R4,6bn Kpone, Ghana OCGT project                             <ul style="list-style-type: none"> <li>H1 F2015 performance impacted by delay</li> </ul> </li> </ul>	<p><b>South Africa</b></p> <ul style="list-style-type: none"> <li>High turnover, margins lag currently pending commercial close out                             <ul style="list-style-type: none"> <li>substantial increase in scope of work</li> </ul> </li> <li>Strong demand for maintenance, turnaround and construction contracts</li> </ul> <p><b>Rest of Africa</b></p> <ul style="list-style-type: none"> <li>Developing market in East Africa                             <ul style="list-style-type: none"> <li>FEED^ studies and budgets</li> </ul> </li> </ul>	<p><b>South Africa</b></p> <ul style="list-style-type: none"> <li>PTR Tanks contract at Koeberg progressing</li> </ul>

\* Renewable Energy Independent Power Producer Programme

\*\* Group Five share of revenue

^ Front End Engineering and Design

## Building and Housing

Going forward	
Building	Housing
<p><b>South Africa</b></p> <ul style="list-style-type: none"> <li>Large, quality order book</li> <li>Refurbishment work and healthcare prospects</li> <li>Margins expected to gradually improve</li> <li>Sub-contractors and suppliers will remain stretched</li> <li>Coastal outlook still weak</li> </ul> <p><b>Rest of Africa</b></p> <ul style="list-style-type: none"> <li>Selected bidding in West Africa, SADC regions</li> <li>Focus on private developments</li> <li>Continue work with property developments business on a no. of opportunities – long lead times</li> </ul>	<p><b>South Africa</b></p> <ul style="list-style-type: none"> <li>Large order book</li> <li>Major low-cost / social housing projects still delayed                             <ul style="list-style-type: none"> <li>increased competition from larger contractors entering low-cost market</li> </ul> </li> <li>Housing solutions for mining industry in demand</li> </ul> <p><b>Rest of Africa</b></p> <ul style="list-style-type: none"> <li>Interest in mining housing remains                             <ul style="list-style-type: none"> <li>little traction in short term</li> </ul> </li> <li>Major oil and gas projects require construction villages – most at FEED<sup>^</sup> study stage</li> <li>Funding still difficult for clients</li> </ul>
<p>Segment target margin range remains 2 – 4%, short term just below range</p>	
<p>R5 375m order book</p>	
<p>100% SA</p>	<p>0% Over-border</p>

<sup>^</sup> Front End Engineering and Design

## Civil Engineering

Going forward	
<p><b>South Africa</b></p> <ul style="list-style-type: none"> <li>Tender market remains highly competitive; lack of large contract awards; broader group offering differentiates</li> <li>Activity mostly in roads, private power and some water; some signs of improvement in industrial and mining</li> <li>Business in process of being right-sized                             <ul style="list-style-type: none"> <li>further restructuring costs in H2 F2015</li> <li>benefit from F2016</li> </ul> </li> </ul>	
<p><b>Rest of Africa</b></p> <ul style="list-style-type: none"> <li>Target opportunities mostly in SADC, Central and West Africa</li> <li>Key sectors are power, transport and oil and gas</li> <li>Mining sector still slow</li> </ul>	<p><b>Middle East</b></p> <ul style="list-style-type: none"> <li>Focus on agreeing final accounts and collecting cash</li> </ul>
<p>Segment target margin range 3 – 5%, short term 0 to -2%</p>	
<p>R3 118m order book</p>	
<p>49% SA</p>	<p>51% over-border</p>

## Projects

### Going forward

#### South Africa

- Mining opportunities:
  - target opportunities in coal and mineral sands
  - gold and platinum remain weak
- Further construction opportunities in power
- SMEIP\* opportunities in support of oil and gas construction

#### Rest of Africa

- Mining activities slower
  - gold showing selected opportunity
- Power opportunities in conjunction with Energy segment
- Focus on new industrial and oil and gas targets
- Short term margin pressure from greater local and neighbouring country contribution in revenue mix

\* Structural, Mechanical, Electrical, Instrumentation and Piping

Segment target margin range remains 5 – 8%

R2 834m order book	
12% SA	88% over-border

## Energy

### Going forward

#### South Africa and Rest of Africa

#### Power

- Multiple opportunities; long lead times; lumpy order book
- Continued demand for mining and industrial captive power
- REIPP<sup>^</sup> Windows 3 and 4
  - biomass, wind and solar technologies
  - Window 3 – at least one award likely in H2 F2015
- West and East Africa gas turbine IPP power bids continue
  - R4,6bn Kpone, Ghana contract awarded
    - › increases group order book and African footprint
    - › internally shared Kpone revenues impact Power margin
- Renewable power also expanding into Africa

#### Oil and Gas

- High SA workload off large order book
- SA transition fuel projects ahead
- Strategic alliances / technology partnerships for oil and gas offshore and onshore regional developments
  - early work on Mozambique LNG<sup>^^</sup> FEED~ studies

#### Nuclear

- Group remains well placed for mooted new build programme

Cluster target margin range remains 3 – 5%; short term below range

Secured O+M \* order book R253m\*\* conservative value

<sup>^</sup> Renewable Energy Independent Power Producer Programme

<sup>^^</sup> Liquid Natural Gas

\* O+M = Operations and Maintenance Services (refer O+M order book)

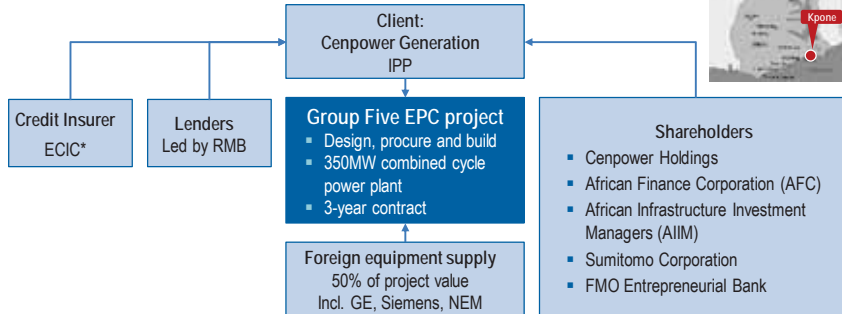
\*\* O+M specific to industrial, oil and gas and power, excludes I&C O+M of R4,4bn

– Front End Engineering and Design

R1 971m order book	
14% SA	86% over-border

## Kpone R4,6bn power project

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- Testament to progression from pure contractor to delivery across whole infrastructure lifecycle
- Group Five credentials:
  - successfully completed 9 EPC power contracts (R4 bn\*\*) over last 7 years
    - 40% of value in rest of Africa
    - Kpone same as successful Sasol combined cycle power plant (completed 2010)
      - same scope, technology, equipment suppliers and project director
  - successfully operated in Ghana for over 15 years
- Group Five team led by a strong, experienced SA project director and managers

\* Export Credit Insurance Corporation

\*\* Group Five share of contract value

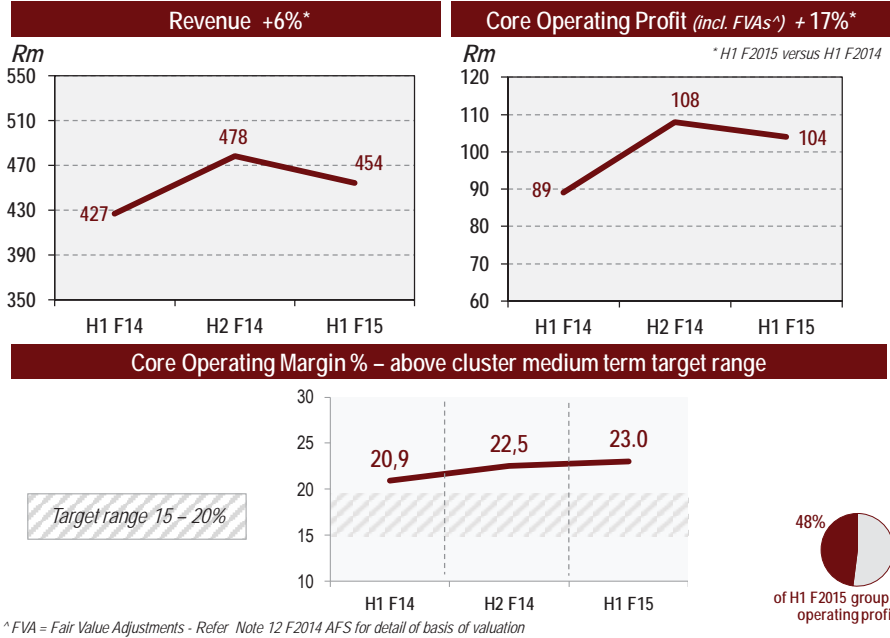


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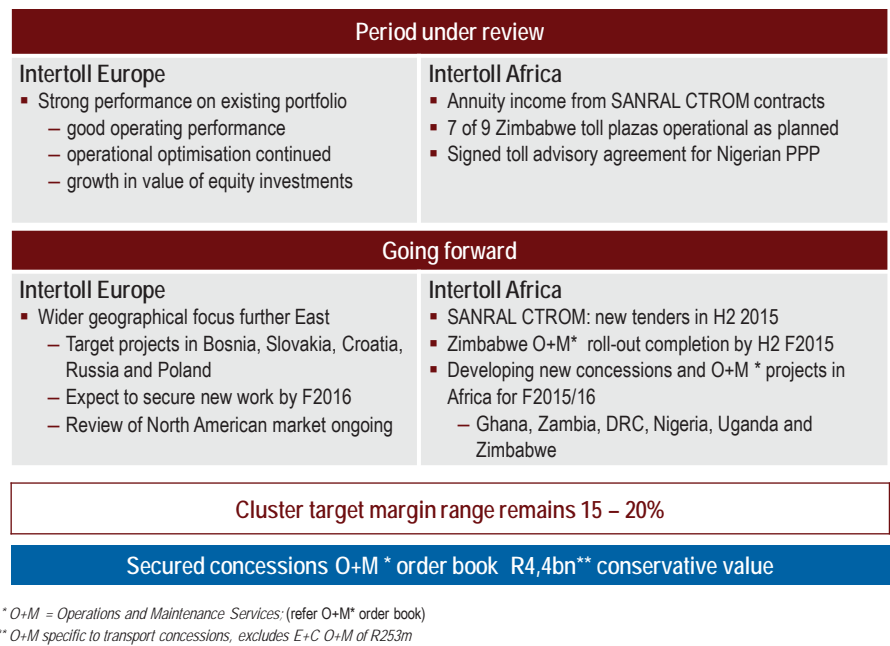


Engineering & Construction	Investments and Concessions	Manufacturing
Building and Housing	Transport	Fibre Cement
Civil Engineering	Real Estate	Steel
Projects		
Energy		

## Investments and Concessions



## Transport



## Real Estate

### Period under review

Progress on repositioning of portfolio: now A grade developments

Kalahari mall	retail	Upington	Performing well
Capital Place	mixed use	Ghana	Construction completed *
St Aidan's	residential	JHB	Phase 1 completed and sold *
The Angle on Oxford	mixed use	JHB	Market testing in progress
Kleinbron	industrial	Cape Town	Bulk infrastructure underway *

### Going forward

Expansionary African footprint:

Capital Place – tenant focused	Ghana
New projects in pipeline	Ghana, South Africa
Advanced targeted projects	Uganda, Ghana, Kenya and Nigeria

Cluster target margin range remains 15 – 20%

\* Represents movement during H1 F2015

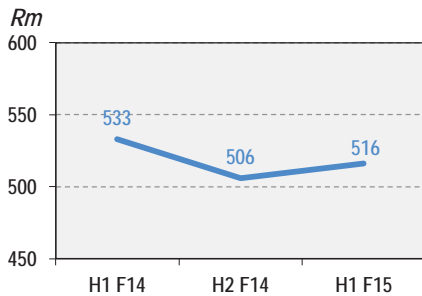


Engineering & Construction	Investments and Concessions	Manufacturing
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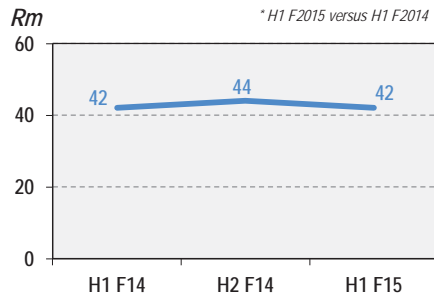


## Manufacturing

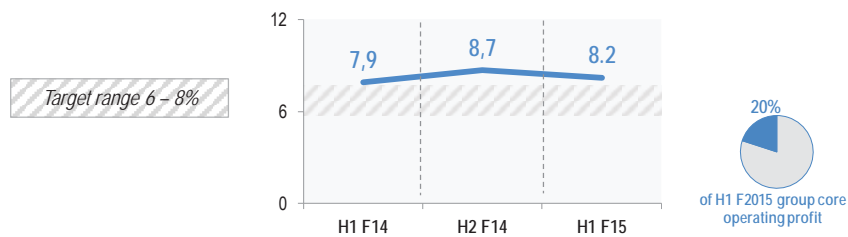
Revenue – 3%\*



Core Operating Profit + 1%\*



Core Operating Margin % – above cluster medium term target range



## Manufacturing

Period under review

### Everite and ABT

- Slight decline in domestic volumes
- ABT modular housing revenue improving
  - delivery matched with client funding availability

### BRI

- Good revenue growth – margins remain tight
- Steel strike well managed; good mitigation plans

### Steel Pipe

- Revenue and earnings down; impact of steel strike and deferred bulk water projects

Going forward

### Everite and ABT

- Traditional market demand remains flat, offset by:
  - focus on export markets
  - added traded complementary products
- Focus on power outage mitigation strategies
  - rolling blackouts could strongly impact F2015 result
- ABT poised for growth
  - New technology being evaluated

### BRI

- Focus on lowest cost in tight margin environment
- Concern is the limited SA civil engineering activity

### Steel Pipe

- Emphasis on work procurement
  - large water projects are planned in 2015
  - awards could be influenced by timing of fund availability

Cluster target margin range remains 6 – 8%



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Order Books

### Order book: Secured operations and maintenance\* – annuity income

Rm	Actual revenue				Order book		
	F2012	F2013	F2014	H1 F2015	H2 F2015	3-year to F2018	Total secured **
Transport	555	654	834	434	473	2 043	4 415
Industrial, Oil and Gas	126	59	224	59	46	-	46
Power	-	-	-	6	19	123	207
<b>Total</b>	<b>681</b>	<b>713</b>	<b>1 058</b>	<b>499</b>	<b>538</b>	<b>2 166</b>	<b>4 668</b>

\*\* Total R4,7bn order book

- R4,6bn - June 2014
- R4,8bn - Dec 2013
- R4,8bn - June 2013
- R4,6bn - Dec 2012

\* Total secured order book is:

- valuation to first review date of secured contracts only
- valued using real cash flows (excluding escalation clauses)

## Secured contracting order book

	Total	Building and Housing	Civil Engineering	Projects	Energy
<b>Total order book – Rm</b>	<b>13 298 *</b>	<b>5 375</b>	<b>3 118</b>	<b>2 834</b>	<b>1 971</b>
<b>% Over-border</b>	<b>43%</b>	<b>-%</b>	<b>51%</b>	<b>88%</b>	<b>86%</b>
▪ Public over-border	1%	-	3%	-	-
▪ Private over-border	42%	-	48%	88%	86%
<b>% Local</b>	<b>57%</b>	<b>100%</b>	<b>49%</b>	<b>12%</b>	<b>14%</b>
▪ Public local	28%	42%	39%	2%	5%
▪ Private local	29%	58%	10%	10%	9%

Order book replenished in line with stated group strategy

- African projects
- in target sectors
- using multi-disciplinary skills

\* Total R13,3bn order book

- R12,5bn – June 2014
- R14,0bn – Dec 2013
- R14,2bn – June 2013
- R13,5bn – Dec 2012

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

## Secured contracting order book

	Total	Building and Housing	Civil Engineering	Projects	Energy
<b>Total order book – Rm</b>	<b>13 298 *</b>	<b>5 375</b>	<b>3 118</b>	<b>2 834</b>	<b>1 971</b>
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▪ Public local	28%	42%	39%	2%	5%
▪ Private local	29%	58%	10%	10%	9%
1 year order book from 1 Jan 15 Rm	9 871	4 601	1 999	1 991	1 280
1 year order book as % of F2014 revenue	75%	104%	53%	114%	37%
<b>Total order book as % of F2014 revenue</b>	<b>101%</b>	<b>121%</b>	<b>83%</b>	<b>163%</b>	<b>60%</b>

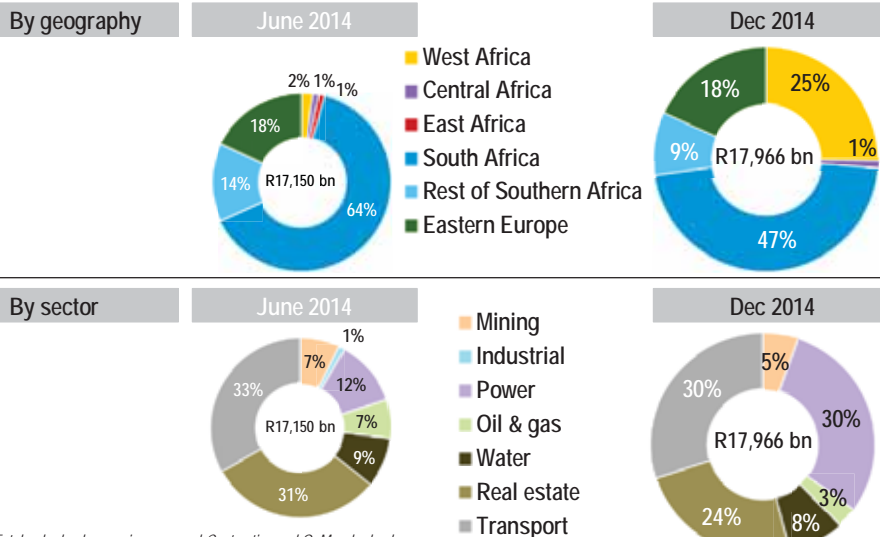
- Order book enhanced with award of Kpone power contract which has received Notice to Proceed
- This order is allocated to the Civil Engineering, Projects and Energy\*\* segments, responsible for the execution of the contract

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

\*\* Previously called Engineering & Construction

## Secured total\* order book

Order book replenished in line with stated group strategy of rest of Africa focus, in target sectors and using multi-disciplinary skills



\* Total order book comprises secured Contracting and O+M order books  
Refer Appendix 1 for graphical representation of Contracting order book

## Multi-year target opportunity pipeline\*

By sector (Rbn)	Total as at 31 December 2014: R200bn							June 2014 Total	Pre-Tender and Tender <sup>^</sup>
	International split			Local split			Total		
	Total	Private	Public	Total	Private	Public			
Mining	17	15	2	19	19	-	36	50	14
Industrial	2	2	-	3	3	-	5	4	5
Power	12	8	4	22	11	11	34	39	22
Oil and Gas	19	19	-	6	6	-	25	26	12
Water	12	4	8	4	-	4	16	10	1
Building	-	-	-	11	7	4	11	9	4
Housing	1	1	-	2	-	2	3	6	1
Transport	38	18	20	32	14	18	70	58	27
<b>Total</b>	<b>101</b>	<b>67</b>	<b>34</b>	<b>99</b>	<b>60</b>	<b>39</b>	<b>200</b>	<b>202</b>	<b>86</b>
Pre-Tender and Tender <sup>^</sup>	52	36	16	34	26	8	86		

- 51% = International opportunities
- 20% = SA public sector

- Outlook in favour of key growth sectors of power, oil and gas and transport

95% of group awards during the period came from the pipeline presented in June 2013

\* These are the projects targeted by the group – not to be confused with the Engineering & Construction contracting order book

<sup>^</sup> Value within the multi-year opportunity pipeline in pre-tender and tender stage



# 04 GROUP PROSPECTS

- Order books
- **Group outlook**

## Group outlook

South Africa	<ul style="list-style-type: none"> <li>➤ Market remains subdued, with pockets of activity in some sectors                             <ul style="list-style-type: none"> <li>➤ real estate, power, water</li> </ul> </li> <li>➤ Large government infrastructure expansion plan not yet coming through                             <ul style="list-style-type: none"> <li>➤ total announced SA capex projects in 2014 (half of 2013*), lowest since 2010</li> </ul> </li> <li>➤ Competition matter needs to be finally resolved so industry and clients can progress</li> </ul>
Eastern Europe	<ul style="list-style-type: none"> <li>➤ Current markets and projects present incremental growth opportunities</li> <li>➤ Good portfolio of new concession projects expected to deliver results in 1 – 3 years</li> </ul>
Africa	<ul style="list-style-type: none"> <li>➤ Award of Kpone in Ghana next milestone in our African journey</li> <li>➤ Well placed to secure further work in region and continent in medium term</li> <li>➤ Growing pipeline of quality concession prospects, particularly transport</li> <li>➤ Targeting incremental growth of our manufactured product markets in Southern Africa</li> <li>➤ 51% of pipeline ex-SA, robust in power, oil and gas, transport</li> <li>➤ 43% of Engineering &amp; Construction contracting order book in rest of Africa                             <ul style="list-style-type: none"> <li>– 51% of Civil Engineering</li> <li>– 88% of Projects</li> <li>– 86% of Energy</li> </ul> </li> </ul>

\* Source – Nedbank Economic Research

## Group outlook

### Order books

- Total reported order book R18,0bn
  - Contracting R13,3bn
  - Operations and Maintenance R4,7bn

### Group margin

- Margin pressure to continue for F2015
  - Slow local market order intake continues
  - Ongoing higher percentage contribution from Building and Housing – good returns
  - Restructuring costs in Civil Engineering
  - Energy revenue below expectations; Kpone project split between segments

### Cash and balance sheet

- Retained cash on hand of R3,1bn, improved from 30 June 2014
- Strong balance sheet – net ungeared

### Returns

- Total ROE at 8.6% \* (F2014: 16.8%)
- ROE from continuing operations at 8.7%\* (F2014: 17.3%)

### Earnings

- Continued pressure on F2015 result – expect improving performance from F2016

\* Annualised



QUESTIONS  
& ANSWERS

## Forward looking statements

This presentation which sets out the interim results for Group Five Limited for the period ended 31 December 2014 contains 'forward-looking statements', which have not been reviewed or reported on by the Group's auditors, with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives. In particular, such forward looking statements include statements relating to, amongst others, the Group's future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy, and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group's businesses by governments in the countries in which it operates; expectations regarding the operating environment and market conditions.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'will', 'anticipates', 'aims', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans' or 'targets'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or its industry to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements.

Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. Undue reliance should not be placed on such statements and opinions because by nature, they are subjective to known and unknown risk and uncertainties and can be affected by other factors that could cause actual results and Group plans and objectives to differ materially from those expressed or implied in the forward looking statements. Neither the Group nor any of its respective affiliates, advisors or representatives shall have any liability whatsoever (based on negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation and do not undertake to publicly update or revise any of its opinions or forward looking statements whether to reflect new information or future events or circumstances otherwise.

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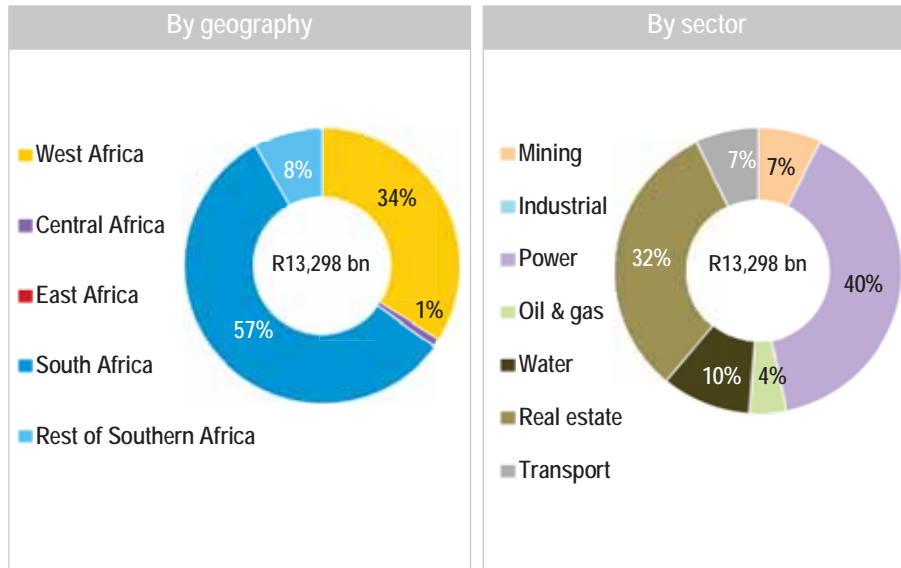
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## Secured contracting order book



## Infrastructure Concessions pipeline

		Project	Country	± Rm*	Status
Concessions		N1-N2 Toll Road	SA	10,000	Preferred bidder – Court process continues
		National route upgrade Phase II	Zimbabwe	1,500	In principle funding approved; target close H2 F2015
		Uganda – Kampala Jinja Expressway	Uganda	10,000	Bid expected H2 2015
PPPs	Infra-structure	Various infrastructure	S+E**Africa	>3,500	Progressing submissions in support of funding
		Power projects	Bulgaria	>1,000	Securing equity partner – increased interest post Euro zone crisis
	Serviced Buildings	City of Tshwane HQ	SA	1,200	Preferred bidder; target close H2 F2015; early works started
		Public buildings	S+E**Africa	>2,000	Feasibility studies underway
Real Estate dev's		Kleinbron – industrial & residential	SA	500	Internal infrastructure start H1 F2015
		Ghana – Retail mall	Ghana	2,500	Negotiating anchor tenants
		Pegasus Retail Development	Kenya	300	Feasibility
		<b>TOTAL</b>		<b>&gt;33bn</b>	

\* Total project value, Group Five and other consortium members

\*\* Southern and East Africa