audited group results

FOR THE YEAR ENDED 30 JUNE 2006

GROUP FIVE

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Incorporated in the Republic of South Africa Reg. no. 1969/000032/06 JSE code: GRF ISIN: ZAE 000027405

REVENUE (R000's)		**HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS** (cents)		**HEADLINE EARNINGS PER SHARE** (cents)		**DIVIDEND PER SHARE** (cents)		**NET CASH GENERATED** (R000's)	
Change	30.1%	Change	98.4%	Change	34.7%	Change	14.3%	Change	251.6%
2006	**5 864 721**	**2006**	**221.8**	**2006**	**193.2**	**2006**	**56**	**2006**	**391 035**
2005	4 508 285	2005	111.8	2005	143.4	2005	49	2005	111 216

CONDENSED INCOME STATEMENT

for the year ended 30 June 2006

(R'000)	AUDITED 2006	As restated 2005	Original 2005
Revenue	**5 864 721**	4 508 285	4 938 838
Operating profit	**240 799**	115 686	152 424
Fair value adjustment relating to investment properties	**26 538**	6 690	6 690
Fair value adjustment relating to investment in service concessions	**1 385**	35 702	35 702
Once-off expense relating to issue of shares in terms of BEE broad-based scheme	**(6 420)**	–	–
Share of profit of associates	**–**	1 640	2 904
Profit before finance costs and taxation	**262 302**	159 718	197 720
Finance costs	**(30 329)**	(25 922)	(31 399)
Profit before taxation	**231 973**	133 796	166 321
Taxation	**(62 754)**	(26 199)	(30 723)
Profit after taxation from continuing operations	**169 219**	107 597	135 598
(Loss)/profit for the year from discontinued operations	**(21 074)**	22 220	–
Profit for the year	**148 145**	129 817	135 598
Allocated as follows:			
Equity shareholders of Group Five Limited	**143 555**	127 919	133 700
Minority interest	**4 590**	1 898	1 898
	148 145	129 817	135 598
Determination of headline earnings:			
Attributable profit	**143 555**	127 919	133 700
Deduct after tax effect of			
– fair value increase in investment property	**(16 850)**	(5 088)	(5 088)
– profit on disposal of property, plant and equipment	**–**	(21 975)	(21 975)
– Losses on disposal of discontinued operations	**15 254**	–	–
Headline earnings	**141 959**	100 856	106 637

CONDENSED BALANCE SHEET (R'000)

for the year ended 30 June 2006

(R'000)	AUDITED 2006	As restated 2005	Original 2005
ASSETS			
Non-current assets			
Property, plant and equipment and investment property	**522 794**	509 649	616 940
Investments – service concessions	**59 701**	88 894	119 079
Other non-current assets	**210 139**	77 124	60 351
	792 634	675 667	796 370
Current assets			
Other current assets	**3 060 102**	1 599 464	1 735 045
Bank balances and cash	**712 999**	326 731	335 346
	3 773 101	1 926 195	2 070 391
Non-current assets classified as held for sale	**338 667**	249 442	–
Total assets	**4 904 402**	2 851 304	2 866 761
EQUITY AND LIABILITIES			
Capital and reserves			
Equity attributable to equity holders of the parent	**681 257**	596 912	644 955
Minority interest	**1 762**	4 306	4 306
	683 019	601 218	649 261
Non-current liabilities			
Interest bearing borrowings	**126 305**	109 374	132 144
Provision for post-employment obligations	**35 364**	39 260	40 442
	161 669	148 634	172 586
Current liabilities			
Other current liabilities	**3 767 580**	1 834 631	1 896 298
Bank overdrafts	**143 849**	148 616	148 616
	3 911 429	1 983 247	2 044 914
Liabilities directly associated with non-current assets classified as held for sale	**148 285**	118 205	–
Total liabilities	**4 221 383**	2 250 086	2 217 500
Total equity and liabilities	**4 904 402**	2 851 304	2 866 761

CONDENSED CASH FLOW STATEMENT (R'000)

for the year ended 30 June 2006

(R'000)	AUDITED 2006	As restated 2005	Original 2005
Condensed cash flow statement (R'000)			
Cash flow from operating activities			
Cash from operations	**307 099**	140 528	217 509
Working capital changes	**294 164**	121 242	100 662
Cash generated from operations	**601 263**	261 770	318 171
Finance costs	**(30 329)**	(25 922)	(31 399)
Taxation and dividends paid	**(194 350)**	(97 354)	(103 065)
Net cash generated by operating activities	**376 584**	138 492	183 707
Property, plant and equipment and investment property (net)	**20 926**	(17 105)	(42 799)
Investments (net)	**26 799**	7 379	8 273
Net cash generated by/(utilised in) investing activities	**47 725**	(9 726)	(34 526)
Net cash generated from/(utilised in) financing activities	**67 407**	(37 907)	(46 289)
Net cash (utilised in)/generated by discontinued operations	**(100 681)**	20 357	–
Net increase in cash and cash equivalents	**391 035**	111 216	102 892

STATISTICS

for the year ended 30 June 2006

(R'000)	AUDITED 2006	As restated 2005	Original 2005
Number of ordinary shares	**73 918 218**	71 895 718	71 895 718
Shares in issue	**99 724 556**	73 573 023	73 573 023
Less: Shares held by share trusts	**(25 806 338)**	(1 677 305)	(1 677 305)
Weighted average shares ('000s)	**73 496**	70 329	70 329
Fully diluted weighted average shares ('000s)	**80 903**	73 005	73 005
Earnings per share (cents)	**195,3**	181,9	190,1
Fully diluted earnings per share (cents)	**177,4**	175,2	183,1
Headline earnings per share (cents)	**193,2**	143,4	151,6
Fully diluted headline earnings per share (cents)	**175,5**	138,1	146,1
Earnings per share from continuing operations (cents)	**224,0**	150,3	N/A
Headline earnings per share from continuing operations (cents)	**221,8**	111,8	N/A
Dividend cover (based on earnings per share)	**3,5**	3,7	3,9
Dividends per share (cents)	**56,0**	49,0	49,0
Interim	**20,0**	17,0	17,0
Final	**36,0**	32,0	32,0
Net asset value per share (cents)	**921,6**	830,2	897,1
Current ratio	**1**	1	1

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2006

(R'000)	AUDITED 2006	As restated 2005
Balance at 1 July – as previously reported	**601 218**	548 370
• Effect of adoption of IAS 16	**–**	(57 801)
• Effect of share options (IFRS 2)	**–**	496
Balance at 1 July – as restated	**551 726**	491 065
Translation differences arising from foreign operations	**(28 915)**	13 553
Share options issued and issue of shares in terms of BEE ownership transaction – net of costs	**8 339**	8 376
Attributable profit for the year	**148 145**	129 817
Purchase of minorities	**(7 134)**	(9 039)
Dividends paid	**(38 634)**	(32 554)
Balance at 30 June	**683 019**	601 218

SEGMENTAL ANALYSIS – PRIMARY

for the year ended 30 June 2006

(R'000)	AUDITED 2006	As restated 2005
REVENUE		
Infrastructural Developments	**316 217**	227 290
Property Development Services	**126 970**	94 773
Infrastructure Development Services	**189 247**	132 517
Manufacturing	**472 975**	446 308
Everite	**450 736**	431 776
Group Five Pipe	**22 239**	14 532
Construction	**5 075 529**	3 834 687
Building and Housing	**2 788 466**	2 268 610
Civil Engineering, Roads and Earthworks	**1 662 700**	1 051 679
Engineering Projects	**624 363**	514 398
Total revenue	**5 864 721**	4 508 285
OPERATING PROFIT		
Infrastructural Developments	**32 450**	17 378
Property Development Services	**25 244**	11 240
Infrastructure Development Services	**7 206**	6 138
Manufacturing	**60 651**	36 157
Everite	**57 109**	34 369
Group Five Pipe	**3 542**	1 788
Construction	**147 698**	62 153
Building and Housing	**81 467**	44 158
Civil Engineering, Roads and Earthworks	**51 650**	(9 712)
Engineering Projects	**14 581**	27 705
Total operating profit	**240 799**	115 686

CAPITAL EXPENDITURE AND DEPRECIATION (R'000)

for the year ended 30 June 2006

(R'000)	AUDITED 2006	As restated 2005
• Capital expenditure for the year	**265 993**	201 500
• Capital expenditure committed or authorised for the next year	**151 156**	130 992
• Depreciation for the year	**70 874**	56 235

ESTIMATES AND CONTINGENCIES

The Group makes estimates and assumptions concerning the future, particularly as regards construction contract profit taking, provisions, arbitrations and claims and various fair value accounting policies. The resulting accounting estimates can, by definition, only approximate the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Total financial institution guarantees given to third parties on behalf of subsidiary companies amounted to R1 977 million as at 30 June 2006 compared to R1 337 million at 30 June 2005. The directors do not believe any exposure to loss is likely.

DIVIDEND DECLARATION

The directors have declared a final dividend number 55 of 36 cents per ordinary share (2005: 32 cents) payable to shareholders.

In order to comply with the requirements of STRATE the relevant details are:

Event	Date
Last day to trade (cum-dividend)	Thursday, 21 September 2006
Shares to commence trading (ex-dividend)	Friday, 22 September 2006
Record date (date shareholders recorded in books)	Friday, 29 September 2006
Payment date	Monday, 2 October 2006

No share certificates may be dematerialised or rematerialised between Friday, 22 September 2006 and Friday, 29 September 2006, both dates inclusive.

ACCOUNTING POLICIES

During the year the group re-evaluated the current and future ability of certain business units and their respective market segments to support the group's short- to medium-term financial targets. As a result, Group Five sold its 50% interest in WSSA and its 25% interest in Group Five Saudi Pipe, closed down and sold off its concession and operations and maintenance business in India and, subsequent to year-end, disposed of its 100% interest in Vaal Sanitaryware and its 40% interest in DPI Plastics.

In terms of International Financial Reporting Standards (IFRS) 5 "Non-current Assets Held for Sale and Discontinued Operations", the results of these operations have been disclosed as discontinued for both years presented.

With effect from 1 July 2005, the Group adopted IFRS using certain exemptions allowed under IFRS 1 "First-time Adoption of IFRS".

These results have been prepared in accordance with IFRS.

The reconcilliation of profit and loss as a result of the transition to IFRS is set out below:

(R'000)	Year ended 30 June 2005
Profit for the 2005 financial year as previously reported	135 598
Adjusted for:	
• Expensing of share options granted to employees over their vesting period (IFRS 2 "Share Based Payments"), for all options granted after 7 November 2002 that had not vested by 1 January 2005 (previously this cost was accounted for through equity)	(1 059)
• Change in depreciation as a result of adoption of IAS 16 "Property, Plant and Equipment" which now requires depreciation of items of property, plant and equipment by major component as well as an annual reassessment of residual values (in adopting this policy an exemption under IFRS 1 was used whereby fair value was used as deemed cost at 1 July 2004 for mobile plant and equipment).	4 901
• Effect of gains and losses arising on translation of foreign entities assets and liabilities being recognised in the statement of changes in equity as a foreign currency translation reserve. (In adopting this policy an exemption under IFRS 1 was used whereby cumulative translation gains at 30 June 2004 were set at zero).	(9 623)
Profit for the 2005 financial year as currently reported	129 817

On 29 September 2005, shareholders approved an issue of shares amounting to approximately 26.1% of the issued share capital, after such issue, in terms of a Black Economic Empowerment (BEE) ownership transaction. Shares issued to employees in terms of the BEE ownership transaction are accounted for in terms of IFRS 2.

The discount of R51 million arising on the issue of the shares to the external BEE ownership consortium has been accounted for through equity in terms of the Group's current accounting policies. However, IFRIC 8 "Scope of IFRS 2", issued in January 2006 and applicable for all financial years beginning on or after 1 May 2006, has concluded that these types of share issues fall within the scope of IFRS 2, and therefore the discount should be expensed immediately if there are no related performance conditions. This will be accounted for next year as a change in accounting policy. The R6,4 million arising on the issue of shares in terms of the broad-based scheme has been expensed immediately as they have been issued to employees and there are no vesting conditions.

These results have been audited by PricewaterhouseCoopers Inc., Chartered Accountants (SA), Registered Accountants and Auditors. Their unqualified audit opinion is available for inspection at the company's registered office.

EARNINGS PER SHARE FROM CONTINUING OPERATIONS (cents)

Change	49%
2006	**224.0**
2005	150.3

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COMMENTARY

Overview

The group is pleased to announce its sixth consecutive year of double-digit earnings growth and a third consecutive year of improved cash generation. Headline earnings per share increased by 34.7% from R1,43 to R1,93 and earnings per share increased by 7.1% from R1,82 to R1,95.

During the year, the group re-evaluated the current and future ability of certain business units and their respective market segments to support the group's short- to medium-term financial targets. As a result, Group Five sold its 50% interest in WSSA for R2 million, its 25% interest in Group Five Saudi Pipe for $1 million, closed down and sold off its concession and operations and maintenance business in India and, subsequent to year-end, disposed of its 100% interest in Vaal Sanitaryware (Vaal) and its 40% interest in DPI Plastics (DPI) for R107 million.

As a result, in terms of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the results of these operations have been disclosed as discontinued for both years presented. The operational review that follows discusses the continuing operations only.

Revenue increased during the year by 30% from R4 508 million to R5 865 million and operating profit increased by 108.1% from R115,7 million to R240,8 million. This resulted in overall operating margin percentage improving by 1.5% from 2.6% to 4.1%. Other net income decreased from R44 million to R21,5 million, primarily due to the fair value adjustment of R35,7 million (2006: R1,4 million) incurred in the prior year in the group's interests in the Eastern Europe service concessions. The large F2005 fair value arose due to a revision of performance risk on the Polish and Hungarian concessions during that year.

Headline earnings per share from continuing operations increased by 98.4% from R1,12 to R2,22 and earnings per share from continuing operations increased by 46.4% from R1,53 to R2,24.

The improved overall operating performance resulted in profit before taxation generating cash of R231,9 million (2005: R133,8 million). This together with a continued focus on contract working capital management, offset partially by prior year tax payments in foreign territories, resulted in cash generated from operations of R376,6 million (2005: R138,5 million). Net cash generated from investing activities of R47,7 million (2005: R9,7 million utilised) arose mainly as a result of the sale of the JSE bare dominiums for R73,9 million. Net cash generated from financing activities of R67,4 million (2005: R37,9 million utilised) included short-term borrowings raised of R98,2 million to fund the increased working capital for property developments. A net R100,7 million (2005: R20,4 million generated) was utilised in discontinued operations, primarily to settle obligations in India. All of the above resulted in significant overall cash of R391 million (2005: R111,2 million) being generated for the year.

Finance costs were stable at R30,3 million (2005: R26 million) and reflect the strategy implemented two years ago to match long-term assets with long-term borrowings.

The effective tax rate of 27% (2005: 19.6%) approximates the statutory tax rate of 29%. The current tax charge reflects payments of prior year taxes in foreign territories which have been offset by the raising of full deferred tax assets on assessed tax losses incurred prior to 30 June 2005 and the lower tax charge enjoyed by income earned in over-border lower tax jurisdictions.

The final dividend of 36 cents per share (2005: 32 cents per share) brings the total dividends for the year to 56 cents per share (2005: 49 cents per share).

In line with the group's desire to further enhance its financial reporting and as a result of the focused reorganisation of the businesses, improved segmental disclosure has been provided.

Operational review

As outlined above, the group sold its stakes in Vaal, DPI, WSSA and its Saudi Arabian pipe business. Roads and Earthworks was downsized and incorporated into Civil Engineering. Infrastructural Developments was restructured through the integration of the activities of Intertoll and the group's large-scale concession contract development activities and also includes Property Development Services. The revised group structure is set out below:

Infrastructural Developments	PROPERTY DEVELOPMENT SERVICES
	INFRASTRUCTURE DEVELOPMENT SERVICES
Manufacturing	EVERITE
	GROUP FIVE PIPE
Construction	BUILDING AND HOUSING
	CIVIL ENGINEERING (INCLUDING ROADS AND EARTHWORKS)
	ENGINEERING PROJECTS

Infrastructural Developments

Infrastructural Developments houses the businesses of Property Development Services and Infrastructure Development Services. Higher returns are sought through risk-managed participation throughout a project lifecycle which consists of the following stages (varying from project to project): development, financing and refinancing, construction, operations and maintenance, rehabilitation and handover or sale.

It contributed 5.4% (2005: 5%) to group revenue.

Property Development Services (PDS)

Property Development Services, established two years ago, focuses on commercial, industrial, retail and specific residential property development opportunities in South Africa. This business, which is characterised by lengthy lead and deal conclusion times, had an extremely successful year, with growth in this new business starting to flow through. Operating profit increased by 124.6% from R11,2 million to R25,2 million. This was primarily as a result of the completion and transfer of a number of developments during the year, which commenced more than eighteen months ago. In addition, the business recorded fair value profits of R26,5 million (2005: R6,7 million) relating mainly to the sale of its interests in the Johannesburg Stock Exchange bare dominium properties for R73,9 million.

The business is growing from strength to strength and is currently developing 20 projects.

Infrastructure Development Services (IDS)

IDS was reorganised during the second half of 2005 to concentrate on the development of large-scale infrastructure contracts, typically those with a construction value significantly above R1 billion and which are often characterised by PPP concessions, together with toll road operations and maintenance contracts. The business currently operates and maintains five toll roads in South Africa and two in Hungary and holds interests in two road service concessions in Eastern Europe.

Revenue, which consists primarily of fees for operations and maintenance of toll roads, increased by 42.8% from R132,5 million to R189,2 million. This was primarily due to the translation effects of a weaker Rand on the operations and maintenance revenue from Hungary, together with development fees of R30 million (2005: Rnil) earned on certain projects in the current year. Operating profit increased by 17.4% from R6,1 million to R7,2 million, primarily due to increased contribution from the unfolding operations and maintenance contracts in Hungary.

Operating margins decreased, however, from 4.6% to 3.8% due to the write-off of specific project development costs for projects which are no longer being pursued. In addition, a fair value adjustment of R1,4 million (2005: R35,7 million) was recorded relating to the investment in the Eastern Europe service concessions. The full positive effects of the higher-margin Hungarian operations and maintenance contracts are expected to continue to improve the performance of the business going forward over the medium-term.

A number of key medium-term power IPP contracts in South Africa and the rest of Africa are being pursued, together with certain toll road concession opportunities in South Africa and government building PPP opportunities on the African continent.

Manufacturing

Manufacturing contributed 8.1% (2005: 9.9%) to group revenue. Revenue increased by 6% from R446,3 million to R473 million. Operating profit surged by 67.7% from R36,2 million to R60,7 million, leading to an improvement in overall operating margin percentage of 4.7% from 8.1% to 12.8%, primarily due to the strong performance from Everite.

The Everite factory continues to operate at full capacity, encouraged by a strong residential building market. The business has managed the import threat, which resulted in small price increases, and has improved margins through continuous improvement initiatives in the factory and taking more control over its total supply chain. Revenue increased by 4.4%from R431,8 million to R450,7 million. Operating profit increased by 66.2% from R34,4 million to R57,1 million resulting in operating margin percentage increasing by 4.7% from 8% to 12.7%.

Everite has committed to invest in an expanded capacity programme over the next eighteen months of approximately R50 million to take advantage of, amongst others, the ever-increasing low cost housing initiatives. This expenditure will eventually result in an increased capacity of 25%. The continued increasing demand in low cost housing and increasing capacity in the factory should lead to continued strong growth in F2007.

Group Five Pipe, in which the group has a 50% interest, manufactures large diameter steel spiralled pipes. It is a very focused business that is dependent on large-scale contracts to ensure its fixed costs are recovered. In the period under review, the group secured a supply contract for the VRESAP pipeline, in which the group's Civil Engineering business is also a contracting party.

Construction

The group's largest contributor at 86.5% of revenue (2005: 85.1%) continued its strong growth and remains well positioned for further growth in this sector.

Construction revenue increased by 32.4% to R5 076 million (2005: R3 835 million), operating profit by 138% to R147,7 million (2005: R62,2 million) and overall operating margin percentage improved by 1.4% from 1.5% to 2.9%. Over-border work contributed 43.7% (2005: 41%) to construction revenue.

Building and Housing revenue increased by 22.9% from R2 269 million to R2 788 million, with operating profit almost doubling to R81,5 million from R44,2 million, resulting in an overall profit margin percentage of 2.9% (2005: 1.9%). This was primarily due to strong performances on the group's East African contracts, which will be completed in the next six months. This more than offset the negative write-offs in Angola due to possible irregular activities, as reported on in the SENS announcement on 8 June 2006. All known losses relating to Angola have been fully accounted for at 30 June 2006. Prospects for F2007 are positive, with a secured one-year order book already in the region of R2,5 billion.

The Civil Engineering and Roads and Earthworks businesses locally and in Africa were merged during the year to improve efficiencies and lower the overhead base of the business. The combined Civil Engineering and Roads and Earthworks business, together with the Civil Engineering business in Dubai, increased revenue by 58.1% from R1 052 million to R1 662 million and turned around the operating loss of R9,7 million in F2005 to an operating profit of R51,7 million at an operating profit margin percentage of 3.1%. Civil project tender activity locally and in Africa, as well as Dubai, continues to increase. Dubai achieved its best performance since it was established two years ago.

A problem roads contract in Malawi was terminated during the year with all known losses being accounted for in prior years. The tail end of the long-term Roads loss-making contracts are complete and focused, higher-margin contracts are being pursued in South Africa.

A secured one year order book of R1,8 billion already exists at year-end in Civil Engineering, which should result in further growth in profitability during F2007.

As reported at the interim period, Engineering Projects had a disappointing year due to the negative effect of two poor performing contracts, one of which is in Cabinda, Angola, and the other in South Africa. All known losses have been provided for at year-end. One loss-making contract is complete, with the other expected to be completed in March 2007. The irregular activities in Angola, noted previously, also hampered performance on the Angola contract in Cabinda, due to the knock-on work permit and import investigations. These issues have all been addressed.

Engineering Projects' revenue increased by 21.4% from R514 million to R624 million, with operating profit decreasing by 47.4% from R27,7 million to R14,6 million. This resulted in an overall operating profit margin percentage decrease of 3.1% from 5.4% to 2.3%. The business is generally a high-margin construction business due to the specialised nature of its work and with a one year secured order book of R400 million at 30 June 2006 at higher margins, is in a much stronger position going forward. It also has capacity of approximately R250 million to take advantage of further high-margin mining, oil and gas and power contracts.

Discontinued operations

The loss from discontinued operations of R21,1 million (2005: profit of R22,2 million) includes an operating loss after tax from the discontinued operations of R6,3 million (2005: R22,2 million profit), together with losses of R15,3 million (2005: Rnil) incurred on the disposal of WSSA and Group Five Saudi Pipe.

The profit on sale of DPI and Vaal to DAWN Limited of approximately R20 million, based on a total selling price of R107 million, is not reflected in the current year as Competition Commission approval is awaited. Vaal's acquisition has already been approved, with DPI expected in September 2006.

The termination of the operations and maintenance business in India and the sale of the related toll road concession resulted in a break-even of this operation in the year (2005: R1,8 million profit after tax). A claim exists against the Indian highway authorities, which is being pursued and for which the group believes a strong case exists. The claim is expected to take a number of years to resolve.

Prospects

Infrastructural Developments

Prospects in PDS remain positive, particularly in the commercial and industrial markets and in the low- to middle-income residential housing bracket. This business will be expanded in the next year through strategic partnerships with developers with whom the group has worked with for a number of years. The philosophy of a smaller slice of a bigger cake will be pursued during F2007.

Improvement in IDS' results is expected going forward due to the growing contribution of the higher-margin toll road contracts in Hungary, which continue to unfold.

Manufacturing

With continually increasing capacity in F2007 in Everite, continual cost cutting and efficiency drives in the factory, the ever increasing low cost housing demand and specific initiatives in controlling more of its supply chain, this business is expected to continue its strong performance for F2007.

Group Five Pipe's prospects for F2007 are also good due to securing the supply contract for the VRESAP pipeline.

Construction

With the secured F2007 order book at ever-improving margins, prospects for Building and Housing remain solid.

The consolidation of Civil Mining and Industrial during July 2005 and Roads and Earthworks during January 2006 into Civil Engineering and the resultant focus on efficiency improvements and cost reduction – together with an increased contribution from Dubai – should ensure that this business performs well in F2007.

The strong F2007 order book for Engineering Projects, together with the resolution of poor performing contracts, should ensure favourable prospects for F2007.

Summary

The construction secured one-year order book is R4,7 billion, of which 42% is over-border at higher margins. A remaining capacity of R1,3 billion exists.

As outlined above, the local civil and building markets continue to improve. This, together with over-border opportunities, particularly in Dubai, and expected further growth at Everite and a continued strong performance from Property Development Services, should lead to good earnings growth for F2007.

On behalf of the board

D Paizes
Chairman

MH Lomas
Chief Executive Officer

7 August 2006

Directors: D Paizes *(Chairman)*, MH Lomas *(CEO) (British)*, Baroness L Chalker *(British)*, MR Maruma, WV Mavimbela, SG Morris, KK Mpinga *(DR Congo)*, PS O'Flaherty