UNAUDITED INTERIM GROUP RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 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 (R'000)

Change	37,7%
2006	**4 004 824**
2005	2 909 321

HEADLINE EARNINGS PER SHARE before external BEE ownership expense (cents)

Change	74,4%
2006	**121,0**
2005	69,4

EARNINGS PER SHARE before external BEE ownership expense (cents)

Change	49,4%
2006	**121,0**
2005	81,0

DIVIDEND PER SHARE (cents)

Change	50,0%
2006	**30**
2005	20

CONDENSED INCOME STATEMENT

(R'000)	UNAUDITED Six months ended 31 December 2006	As restated 2005	As previously reported 2005	AUDITED Year ended 30 June As restated 2006	As previously reported 2006
Revenue	**4 004 824**	2 909 321	3 131 347	**5 864 721**	5 864 721
Operating profit	**137 548**	85 496	91 038	**240 799**	240 799
Fair value adjustment relating to investment properties	**–**	7 146	7 146	**26 538**	26 538
Fair value adjustment relating to investment in service concessions	**4 000**	2 100	2 100	**1 385**	1 385
Expense relating to issue of shares in terms of broad based employee scheme	**–**	(6 420)	(6 420)	**(6 420)**	(6 420)
Expense relating to issue of shares in terms of external BEE ownership scheme	**–**	(91 000)	–	**(91 000)**	–
Share of loss of associates	**–**	(1 301)	(1 301)	**–**	–
Profit/(loss) before finance costs and taxation	**141 548**	(3 979)	92 563	**171 302**	262 302
Finance costs	**(12 676)**	(14 350)	(17 807)	**(30 329)**	(30 329)
Profit/(loss) before taxation	**128 872**	(18 329)	74 756	**140 973**	231 973
Taxation	**(35 957)**	(12 211)	(14 951)	**(62 754)**	(62 754)
Profit/(loss) after taxation from continuing operations	**92 915**	(30 540)	59 805	**78 219**	169 219
Loss for the year from discontinued operations	**(1 129)**	(656)	–	**(21 074)**	(21 074)
Profit/(loss) for the year	**91 786**	(31 196)	59 805	**57 145**	148 145
Allocated as follows:					
Equity shareholders of Group Five Limited	**89 717**	(32 136)	58 865	**52 555**	143 555
Minority interest	**2 069**	940	940	**4 590**	4 590
	91 786	(31 196)	59 805	**57 145**	148 145
Determination of headline earnings					
Attributable profit/(loss)	**89 717**	(32 136)	58 865	**52 555**	143 555
Deduct after tax effect of					
– Fair value adjustment relating to investment properties	**–**	(8 412)	(8 412)	**(16 850)**	(16 850)
– Losses on disposal/abandonment of discontinued operations	**–**	–	–	**15 254**	15 254
Headline earnings/(loss)	**89 717**	(40 548)	50 453	**50 959**	141 959

CONDENSED BALANCE SHEET

(R'000)	UNAUDITED Six months ended 31 December 2006	As restated 2005	As previously reported 2005	AUDITED Year ended 30 June 2006
ASSETS				
Non-current assets				
Property, plant and equipment	**580 545**	530 476	600 599	**522 794**
Investment – service concessions	**63 701**	133 762	133 762	**59 701**
Other non-current assets	**256 722**	141 040	151 512	**210 139**
	900 968	805 278	885 873	**792 634**
Current assets				
Other current assets	**3 390 414**	1 585 350	1 859 680	**3 060 102**
Bank balances and cash	**722 607**	527 996	526 284	**712 999**
	4 113 021	2 113 346	2 385 964	**3 773 101**
Assets related to discontinued operations	**164 941**	355 574	–	**338 667**
Total assets	**5 178 930**	3 274 198	3 271 837	**4 904 402**
EQUITY AND LIABILITIES				
Capital and reserves				
Equity attributable to equity holders of the parent	**754 086**	599 017	599 017	**681 257**
Minority interest	**3 681**	5 168	5 168	**1 762**
	757 767	604 185	604 185	**683 019**
Non-current liabilities				
Interest bearing borrowings	**136 424**	108 041	135 302	**126 305**
Provision for employment obligations	**34 301**	42 431	42 431	**35 364**
	170 725	150 472	177 733	**161 669**
Current liabilities				
Other current liabilities	**4 012 327**	2 219 726	2 287 784	**3 767 580**
Bank overdrafts	**238 111**	202 135	202 135	**143 849**
	4 250 438	2 421 861	2 489 919	**3 911 429**
Liabilities related to discontinued operations	**–**	97 680	–	**148 285**
Total liabilities	**4 421 163**	2 670 013	2 667 652	**4 221 383**
Total equity and liabilities	**5 178 930**	3 274 198	3 271 837	**4 904 402**

CONDENSED CASH FLOW STATEMENT

(R'000)	UNAUDITED Six months ended 31 December 2006	As restated 2005	As previously reported 2005	AUDITED Year ended 30 June 2006
Cash flow from operating activities				
Cash from operations	**196 729**	108 676	117 763	**307 099**
Working capital changes	**(208 342)**	315 039	179 638	**294 164**
Cash (utilised in)/generated from operations	**(11 613)**	423 715	297 401	**601 263**
Finance costs	**(12 676)**	(14 350)	(17 807)	**(30 329)**
Taxation and dividends paid	**(64 841)**	(26 119)	(30 173)	**(194 350)**
Net cash (utilised in)/generated by operating activities	**(89 130)**	383 246	249 421	**376 584**
Property, plant and equipment and investment property (net)	**(61 381)**	(19 458)	(26 163)	**20 926**
Investments (net)	**(150)**	(14 645)	(14 645)	**26 799**
Net cash (utilised in)/generated by investing activities	**(61 531)**	(34 103)	(40 808)	**47 725**
Net cash generated by/(utilised in) financing activities	**40 566**	(74 503)	(71 194)	**67 407**
Net cash generated by/(utilised in) discontinued operations	**25 441**	(126 894)	–	**(100 681)**
Net (decrease)/increase in cash and cash equivalents	**(84 654)**	147 746	137 419	**391 035**

STATISTICS

	UNAUDITED Six months ended 31 December 2006	As restated 2005	As previously reported 2005	AUDITED Year ended 30 June As restated 2006	As previously reported 2006
Number of ordinary shares	**74 357 843**	73 891 218	73 891 218	**73 918 218**	73 918 218
Shares in issue	**99 724 556**	99 248 956	99 248 956	**99 724 556**	99 724 556
Less: Shares held by share trusts	**(25 366 713)**	(25 357 738)	(25 357 738)	**(25 806 338)**	(25 806 338)
Weighted average shares ('000s)	**74 131**	72 677	72 677	**73 496**	73 496
Fully diluted weighted average shares ('000s)	**89 418**	81 912	81 912	**80 903**	80 903
Earnings/(loss) per share – cents	**121,0**	(44,2)	81,0	**71,5**	195,3
Earnings per share before external BEE ownership expense – cents	**121,0**	81,0	81,0	**195,3**	195,3
Earnings/(loss) per share from continuing operations – cents	**122,5**	(43,3)	81,0	**100,2**	224,0
Headline earnings/(loss) per share – cents	**121,0**	(55,8)	69,4	**69,3**	193,2
Headline earnings per share before external BEE ownership expense – cents	**121,0**	69,4	69,4	**193,2**	193,2
Headline earnings/(loss) per share from continuing operations – cents	**122,5**	(54,9)	69,4	**98,0**	221,8
Fully diluted earnings/(loss) per share – cents	**100,3**	(39,2)	71,9	**65,0**	177,4
Fully diluted headline earnings/(loss) per share – cents	**100,3**	(49,5)	61,6	**63,0**	175,5
Dividend cover (based on earnings per share)	**4,0**	(2,2)	4,1	**1,3**	3,5
Dividends per share (cents)	**30**	20	20	**56,0**	56,0
Interim	**30**	20	20	**20,0**	20,0
Final	**–**	–	–	**36,0**	36,0
Net asset value per share (cents)	**1 014,1**	810,7	810,7	**921,6**	921,6
Current ratio	**1**	1	1	**1**	1

CONDENSED STATEMENT OF CHANGES IN EQUITY

(R'000)	UNAUDITED Six months ended 31 December 2006	As restated 2005	As previously reported 2005	AUDITED Year ended 30 June As restated 2006	As previously reported 2006
Balance at 1 July	**683 019**	579 098	579 098	**601 218**	601 218
Translation differences arising from foreign operations	**17 548**	(10 851)	(10 851)	**(28 915)**	(28 915)
Share options issued and issue of shares in terms of BEE ownership transactions – net of costs	**(7 445)**	90 756	(245)	**99 339**	8 339
Attributable profit for the year	**91 786**	(31 196)	59 805	**57 145**	148 145
Purchase of minorities	**(150)**	(79)	(79)	**(7 134)**	(7 134)
Dividends paid	**(26 991)**	(23 543)	(23 543)	**(38 634)**	(38 634)
Balance at end of period	**757 767**	604 185	604 185	**683 019**	683 019

SEGMENTAL ANALYSIS – PRIMARY

(R'000)	UNAUDITED Six months ended 31 December 2006	As restated 2005	AUDITED Year ended 30 June 2006
Revenue			
Infrastructural Developments	**227 961**	140 173	**316 217**
Property Development Services	**130 461**	45 866	**126 970**
Infrastructure Development Services	**97 500**	94 307	**189 247**
Manufacturing	**261 019**	242 356	**472 975**
Everite	**232 001**	234 083	**450 736**
Group Five Pipe	**29 018**	8 273	**22 239**
Construction	**3 515 844**	2 526 792	**5 075 529**
Building and Housing	**1 868 676**	1 524 918	**2 788 466**
Civil Engineering	**1 271 391**	717 601	**1 662 700**
Engineering Projects	**375 777**	284 273	**624 363**
Total revenue	**4 004 824**	2 909 321	**5 864 721**
Operating profit			
Infrastructural Developments	**6 103**	8 754	**32 450**
Property Development Services	**5 663**	6 854	**25 244**
Infrastructure Development Services	**440**	1 900	**7 206**
Manufacturing	**38 067**	30 616	**60 651**
Everite	**31 265**	29 537	**57 109**
Group Five Pipe	**6 802**	1 079	**3 542**
Construction	**93 378**	46 126	**147 698**
Building and Housing	**46 807**	32 201	**81 467**
Civil Engineering	**29 629**	10 372	**51 650**
Engineering Projects	**16 942**	3 553	**14 581**
Total operating profit	**137 548**	85 496	**240 799**

CAPITAL EXPENDITURE

(R'000)	UNAUDITED Six months ended 31 December 2006	AUDITED Year ended 30 June 2006
• Capital expenditure for the period	**100 515**	265 993
• Capital expenditure committed or authorised at the period end	**93 242**	151 156
• Depreciation for the period	**41 776**	70 874

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 962 million as at 31 December 2006, compared to R1 977 million as at 30 June 2006.

DIVIDEND DECLARATION

The directors have declared an interim dividend number 58 of 30 cents per ordinary share (2005: 20 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, 19 April 2007
Shares to commence trading (ex-dividend)	Friday, 20 April 2007
Record date (date shareholders recorded in books)	Thursday, 26 April 2007
Payment date	Monday, 30 April 2007

No share certificates may be dematerialised or rematerialised between Friday, 20 April 2007 and Thursday, 26 April 2007, both dates inclusive.

ACCOUNTING POLICIES

These consolidated condensed interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and Schedule 4 of the South African Companies Act. The accounting policies are consistent with those used in the annual financial statements for the year ended 30 June 2006 and for the prior comparative interim period other than as set out below.

During the six months ended 30 June 2006, 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, its 25% interest in Group Five Saudi Pipe, closed down and sold off its concession and operations and maintenance business in India and 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 and the losses on disposal and abandonment of these operations have thus been disclosed as discontinued for all periods presented.

IFRIC 8 – "Scope of IFRS 2", issued in January 2006 and effective for all years beginning on or after 1 May 2006 concluded that the discounts arising on the issue of shares to external BEE shareholders in terms of a BEE ownership transaction should be expensed if there are no performance related conditions. As a result, the R91 million discount arising on the group's external BEE ownership transaction, which was concluded on 29 September 2005, has been accounted for as of that date. All prior periods' reported results have been restated accordingly.

COMMENTARY

OVERVIEW

The group delivered strong results in the period under review and is pleased to announce a 74,4% increase in headline earnings per share and a 49,4% increase in earnings per share from R0,81 to R1,21. The prior period figures are stated before accounting for the cost of the external BEE ownership transaction.

Revenue increased by 37,7% from R2,9 billion to R4 billion and operating profit increased by 60,9% from R85,5 million to R137,5 million. This resulted in the overall operating margin percentage improving from 2,9% to 3,4%, primarily due to an improved operating performance from the group's largest contributor, Construction, where the overall operating margin percentage improved from 1,8% to 2,7%.

Finance costs improved from R14,4 million to R12,7 million due to a lower average net debt position during the period. Although cash of R84,7 million was utilised in the period compared to the R147,8 million generated in the prior comparative period, the group's cash position is expected to improve significantly in the next few months.

The effective tax rate of 27,9% approximates the South African statutory tax rate due to the effects of a lower than expected contribution from Dubai, which has a lower effective tax rate.

The interim dividend has been increased by 50% to 30 cents (2005: 20 cents), congruent with the current policy of approximately four times cover.

OPERATIONAL REVIEW

The group delivered a robust performance with the majority of the group's businesses improving performances and its core business of Construction posting especially strong results.

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. Both businesses are characterised by lengthy lead and deal conclusion times (two to four years), with returns enhanced by the utilisation of intellectual capacity and the Group Five brand. During the period under review, Infrastructural Developments contributed 5,7% (2005: 4,8%) to group revenue.

Property Development Services (PDS)

The slight decrease in operating profit compared to the prior year was expected due to the number of projects to be concluded in the second half of the current financial year. The full year's operating profit performance is therefore expected to match that of the previous financial year. Strong demand has been seen in the non-residential sector of the market and residential sector demand still remains high in the under R1 million housing bracket. Group Five is well positioned in both these market sectors.

Infrastructure Development Services (IDS)

Revenue of R97,5 million (2005: R94,3 million) improved in line with budget. As expected, the toll road operations' operating margin percentage improved to 5,3% (2005: 4,6%), although overall operating profit of the entire business decreased by approximately R1,5 million, primarily due to the continued policy of writing off development costs on targeted large infrastructure projects.

A great deal of time and effort in the period was spent on becoming the preferred bidder for the new King Shaka Airport in KwaZulu Natal, continuing to develop medium-term independent power projects (IPPs), as well as pursuing various government building PPP opportunities in Southern Africa.

IDS' participation on these fronts is also extremely valuable in securing profitable business for the Construction business units.


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Manufacturing

Manufacturing contributed 6,5% (2005: 8,3%) to group revenue. Revenue increased by 7,7% from R242,4 million to R261 million. Operating profit increased by 24,3% from R30,6 million to R38,1 million, resulting in operating margin percentages increasing from 12,6% to 14,6%.

Everite continues to operate at full capacity and the project to secure a 25% increase in capacity is expected to be completed and commissioned by 30 June 2007. Ongoing factory improvements, together with minimal price increases, led to the operating margin percentage improving from 12,6% to 13,5%. Strong demand continues in Everite's markets, particularly in the low cost and affordable residential building market, supported by strong refurbishment demand in the mid to upper end of the residential market.

Group Five Pipe's growth in both revenue and operating profit reflects the effects of the VRESAP pipeline project for which supply of product began in the second half of F2006.

Construction

The group's largest contributor at 87,8% of revenue (2005: 86,7%) continued its strong growth and remains well positioned for future growth in this sector, both locally and internationally.

Construction revenue increased by 39,1% from R2 527 million to R3 516 million, operating profit by 102,4% to R93,3 million (2005: R46,1 million) and overall operating margin percentage improved from 1,8% to 2,7%. Over-border work contributed 52% (2005: 41,2%) to construction revenue, above the group's stated target of 33% due to the amount of opportunities currently experienced in Civil Engineering and Engineering Projects.

Building and Housing revenue increased by 22,5% from R1,5 billion (71,4% local) to R1,9 billion (61,7% local), while operating profit increased by 45,4% from R32,2 million to R46,8 million, resulting in an overall operating margin percentage of 2,5% (2005: 2,1%). This is less than the overall operating margin percentage of 2,9% achieved for the full year to June 2006 as Building and Housing's high margin East African contracts were substantially completed towards the end of F2006. Margins remain tight in the local market, particularly in the residential sector, and management is currently considering transferring skills from Building and Housing to Civil Engineering where higher margin work is coming through. The secured order book for F2007 is R3 billion (72% local) and the one year secured order book to 31 December 2007 is R1,7 billion (92% local) which will facilitate moving the future unutilised capacity to areas of expected higher margin.

Civil Engineering revenue increased by 77,2% from R718 million (36% local) to R1,3 billion (38% local). Operating profit increased nearly threefold from R10,4 million to R29,6 million, primarily due to the improved market environment locally and in Africa. This resulted in an overall operating margin percentage increase from 1,4% to 2,3%. The total Civil Engineering order book for F2007 is R2,8 billion (29,8% local) and the order book to 31 December 2007 is also at R2,8 billion (21,4% local). The planned move of skills from Building and Housing, described above, will allow Civil Engineering to capitalise on the ever-improving environment in South Africa and Dubai.

Engineering Projects had an extremely encouraging six months, with revenue increasing by 32,2% from R284,3 million (49,8% local) to R375,8 million (13,2% local) and operating profits increasing almost fivefold from R3,6 million to R16,9 million. This resulted in the overall operating margin percentage increasing from 1,2% to 4,5%, as the business shrugged off the effects of two poor performing contracts that were completed in F2006. The operating margin percentages are returning to their expected levels and a number of exciting mining and power contracts are being pursued in Africa. The secured order book for F2007 is at R676 million (26% local) and the one year order book to 31 December 2007 at R476 million (58% local).

Business Restructure

As outlined in the 2006 Annual Report, during the six months ended 30 June 2006, 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. The group also started identifying additional annuity revenue streams in the infrastructure value chain.

This resulted in the sale of the group's interests in the Saudi pipe business, the water and sanitation business, and the Vaal Sanitaryware and DPI Plastics businesses, which were finally concluded at the end of September 2006. The group also exited its toll road operations and maintenance and concession business in India, for which a claim is being pursued against the Indian highway authorities.

This business refocus also resulted in the group announcing the R750 million acquisition of Quarry Cats, a sand and stone supply, contract crushing and readymix supply business located primarily in Gauteng and for which all conditions precedent are expected to be fulfilled by the end of February 2007. The Quarry Cats acquisition will be margin-enhancing, but is not expected to have a meaningful impact on margins until the first half of F2008.

The group is currently investigating a number of further opportunities and has launched a R1 billion domestic medium-term funding note programme on the Bond Exchange of South Africa to fund these potential acquisitions, as well as to eliminate expensive short-term debt and manage working capital, as the focus of Construction shifts from Building and Housing to Civil Engineering. The first tranche of the bond issuance is expected to take place at the end of February 2007.

PROSPECTS

Group Five is well positioned to take advantage of the upswing in infrastructure spend in its identified target markets locally, in Africa and in Dubai. The total secured construction order book for F2007 is at a record R6,5 billion (49% local) and the secured one year order book to 31 December 2007 at R5 billion (49% local). These order books exclude the effects of the group's preferred bidder status on the King Shaka Airport and new 2010 Durban soccer stadium.

With the pending acquisition of Quarry Cats and the imminent raising of bonds, the group is gearing itself for significant future growth.

On behalf of the board

D Paizes
Chairman

MH Lomas
Chief Executive Officer

15 February 2007

Board of Directors: D Paizes* (Chairman), M Lomas† (Chief Executive Officer), P O'Flaherty, L Chalker*†, K Mpinga*•, S Morris*, MR Upton, MSV Gantsho*, WV Mavimbela*
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