> UNAUDITED INTERIM GROUP RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

GROUP FIVE

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CONDENSED INCOME STATEMENT

(R'000)	% change	UNAUDITED Six months ended 31 December 2008	UNAUDITED Six months ended 31 December 2007	AUDITED Year ended 30 June 2008
Revenue	33	**5 968 141**	4 495 273	8 899 578
Operating profit before fair value adjustments and associates	35	**376 660**	279 638	635 660
Fair value adjustments relating to investment in service concessions		**11 978**	6 327	111 464
Income from associates		**–**	–	140
Operating profit	36	**388 638**	285 965	747 264
Finance costs – net		**(31 148)**	(41 026)	(81 727)
Profit before taxation	46	**357 490**	244 939	665 537
Taxation		**(103 726)**	(67 929)	(208 041)
Profit after taxation from continuing operations	43	**253 764**	177 010	457 496
Loss for the year from discontinued operations		**(13 087)**	–	(28 207)
Profit for the year	36	**240 677**	177 010	429 289
Allocated as follows:				
Equity shareholders of Group Five Limited	40	**235 084**	168 273	418 507
Minority interest		**5 593**	8 737	10 782
	36	**240 677**	177 010	429 289
Determination of headline earnings:				
Attributable profit	40	**235 084**	168 273	418 507
Deduct after tax effect of				
– Profit on sale of property, plant and equipment and investment property		**–**	(6 745)	(7 328)
– Losses on disposal of discontinued operations		**13 087**	–	28 207
Headline earnings	54	**248 171**	161 528	439 386

CONDENSED BALANCE SHEET

(R'000)	UNAUDITED Six months ended 31 December 2008	UNAUDITED Six months ended 31 December 2007	AUDITED Year ended 30 June 2008
ASSETS			
Non-current assets			
Property, plant and equipment and investment property	**2 381 848**	2 095 759	2 256 584
Goodwill	**24 859**	–	24 859
Investments – service concessions	**164 327**	163 584	135 070
Other non-current assets	**262 997**	160 312	152 448
	2 834 031	2 419 655	2 568 961
Current assets			
Other current assets	**5 366 244**	4 492 145	4 709 212
Bank balances and cash	**2 067 573**	989 125	1 835 813
	7 433 817	5 481 270	6 545 025
Non-current assets classified as held for sale	**90 973**	163 967	135 760
Total assets	**10 358 821**	8 064 892	9 249 746
EQUITY AND LIABILITIES			
Capital and reserves			
Equity attributable to equity holders of the parent	**2 211 968**	1 760 458	2 006 664
Minority interest	**21 315**	16 221	16 517
	2 233 283	1 776 679	2 023 181
Non-current liabilities			
Interest bearing borrowings	**1 187 087**	998 472	1 023 737
Other non-current liabilities	**65 628**	111 210	149 212
	1 252 715	1 109 682	1 172 949
Current liabilities			
Other current liabilities	**6 851 598**	5 178 531	6 042 017
Bank overdrafts	**21 225**	–	11 599
	6 872 823	5 178 531	6 053 616
Total liabilities	**8 125 538**	6 288 213	7 226 565
Total equity and liabilities	**10 358 821**	8 064 892	9 249 746

CONDENSED CASH FLOW STATEMENT

(R'000)	UNAUDITED Six months ended 31 December 2008	UNAUDITED Six months ended 31 December 2007	AUDITED Year ended 30 June 2008
Cash flow from operating activities			
Cash from operations	**482 240**	359 958	798 985
Working capital changes	**237 420**	364 140	1 018 269
Cash generated from operations	**719 660**	724 098	1 817 254
Finance costs	**(31 148)**	(41 026)	(81 727)
Taxation and dividends paid	**(118 537)**	(106 306)	(275 787)
Net cash generated by operating activities	**569 975**	576 766	1 459 740
Property, plant and equipment and investment property (net)	**(89 841)**	(17 251)	(72 550)
Investments (net)	**(146 468)**	(188 775)	(65 828)
Net cash utilised in investing activities	**(236 309)**	(206 026)	(138 378)
Net cash utilised in financing activities	**(143 232)**	(10 348)	(125 881)
Net cash generated by discontinued operations	**31 700**	–	–
Net increase in cash and cash equivalents	**222 134**	360 392	1 195 481

STATISTICS

	UNAUDITED Six months ended 31 December 2008	UNAUDITED Six months ended 31 December 2007	AUDITED Year ended 30 June 2008
Number of ordinary shares	**93 995 266**	92 664 457	93 740 418
Shares in issue	**119 834 071**	119 039 763	119 165 241
Less: Shares held by share trusts	**(25 838 805)**	(26 375 306)	(25 424 823)
Weighted average shares ('000s)	**94 411**	93 083	93 545
Fully diluted weighted average shares ('000s)	**107 954**	111 259	110 527
Earnings per share – R	**2,49**	1,81	4,47
Headline earnings per share – R	**2,63**	1,74	4,70
Fully diluted earnings per share – R	**2,18**	1,51	3,79
Fully diluted headline earnings per share – R	**2,30**	1,45	3,98
Dividend cover (based on earnings per share)	**4,3**	4,0	4,3
Dividend per share (cents)	**58,0**	45,0	105,0
Interim	**58,0**	45,0	45,0
Final	**–**	–	60,0
Net asset value per share – R	**23,53**	19,00	21,41
Net debt to equity ratio	**–**	22,4	–
Current ratio	**1**	1	1

CONDENSED STATEMENT OF CHANGES IN EQUITY

(R'000)	UNAUDITED Six months ended 31 December 2008	UNAUDITED Six months ended 31 December 2007	AUDITED Year ended 30 June 2008
Balance at 1 July	**2 023 181**	1 621 922	1 621 922
Translation differences arising from foreign operations	**9 653**	7 641	25 907
Share options expense	**16 927**	11 104	31 196
Attributable profit for the year	**240 677**	177 010	429 289
Distribution to minorities	**(795)**	(1 851)	(3 600)
Dividends paid	**(56 360)**	(39 147)	(81 533)
Balance at end of period	**2 233 283**	1 776 679	2 023 181

SEGMENTAL ANALYSIS

(R'000)	H1 2009 Margin %	% change	UNAUDITED Six months ended 31 December 2008	UNAUDITED Six months ended 31 December 2007	AUDITED Year ended 30 June 2008
REVENUE					
Investments and Concessions		–	**338 218**	337 860	581 685
Infrastructure Concessions		70	**271 262**	159 379	326 554
Property Developments		(62)	**66 956**	178 481	255 131
Manufacturing		17	**374 078**	320 092	554 656
Construction Materials		24	**413 725**	334 312	689 220
Construction		38	**4 842 120**	3 503 009	7 074 017
Building and Housing		(11)	**1 332 484**	1 502 828	2 848 795
Civil Engineering		48	**2 198 778**	1 486 677	2 964 184
Engineering Projects		155	**1 310 858**	513 504	1 261 038
Total revenue		33	**5 968 141**	4 495 273	8 899 578
OPERATING PROFIT					
Investments and Concessions	13.5	77	**45 803**	25 877	53 482
Infrastructure Concessions	16.6	274	**45 128**	12 054	30 735
Property Developments	1.0	(95)	**675**	13 823	22 747
Manufacturing	10.0	93	**37 407**	19 431	56 211
Construction Materials	9.1	(49)	**37 760**	73 602	141 946
Construction	5.3	59	**255 690**	160 728	384 021
Building and Housing	3.9	–	**51 714**	51 966	140 294
Civil Engineering	4.7	44	**102 504**	71 170	142 857
Engineering Projects	7.7	170	**101 472**	37 592	100 870
Total operating profit	6.3	35	**376 660**	279 638	635 660

CAPITAL EXPENDITURE

(R'000)	UNAUDITED Six months ended 31 December 2008	AUDITED Year ended 30 June 2008
• Capital expenditure for the period	**169 935**	449 341
• Capital expenditure committed or authorised at the period end	**84 238**	301 644
• Depreciation for the period	**99 968**	150 791

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ESTIMATES AND CONTINGENCIES

The group makes estimates and assumptions concerning the future, particularly with regard to construction contract profit taking, provisions, arbitrations and claims and various fair value accounting policies. The resulting accounting estimates and judgments can, by definition, only approximate the actual results. Estimates and judgments 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 R6 886 million as at 31 December 2008, compared to R6 428 million as at 30 June 2008.

During 2005, Group Five entered into an Enterprise Development Agreement (EDA) with iLima Projects (Proprietary) Limited ("iLima Projects"), a subsidiary of iLima Group (Proprietary) Limited ("iLima Group") (collectively "iLima"). iLima Group, through its 62% shareholding in iLima Consortium (Proprietary) Limited ("iLima Consortium"), became a participant in Group Five's black economic empowerment equity ownership transaction ("Group Five BEE transaction").

As outlined in the Group's trading update on 21 January 2009, iLima Projects has for some time experienced operational and funding difficulties. The group's exposure in terms of the enterprise development agreement, as at 31st December 2008, amounted to R172 million, which was a reduction from the exposure at 30 June 2008 of R201 million. iLima management are currently negotiating refinancing initiatives in respect of iLima's contractual obligations. In presenting the interim results for the six months ended 31 December 2008, the Group has considered its exposure to iLima on the assumption that iLima will successfully implement their refinancing arrangement.

DIVIDEND DECLARATION

The directors have declared an interim dividend number 62 of 58 cents per ordinary share (2007: 45 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, 16 April 2009
Shares to commence trading (ex-dividend)	Friday, 17 April 2009
Record date (date shareholders recorded in books)	Friday, 24 April 2009
Payment date	Tuesday, 28 April 2009
No share certificates may be dematerialised or rematerialised between	Friday, 17 April 2009, and Friday, 24 April 2009, both dates inclusive.

BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 31 December 2008 have been prepared in accordance with IAS 34, "Interim Financial Reporting" and in the manner required by the Companies Act of South Africa. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2008, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2008, as described in those financial statements.

COMMENTARY

OVERVIEW

The group delivered strong results in the period under review and is pleased to announce a 38% increase in earnings per share (EPS), a 44% increase in fully diluted EPS (FDEPS), a 51% increase in headline earnings per share (HEPS) and a 59% increase in fully diluted HEPS (FDHEPS).

Revenue increased by 33% from R4,5 billion to R6,0 billion and operating profit before fair value adjustments increased by 35% from R280 million to R377 million. This resulted in the group operating margin improving slightly from 6.2% to 6.3%. After fair value adjustments, the operating profit increased by 36% to R389 million (2007: R286 million).

Net finance costs decreased by 24% and interest cover for the period substantially improved from 7,0x to 12,5x. The group balance sheet is in good shape, with a nil net gearing ratio as at 31 December 2008. Cash and cash equivalents for the period increased by R222 million (2007: increase R360 million). As in the prior comparative period and full 2008 financial year, the increase in cash was achieved as a result of a focus on working capital management and increases in cash generated from operations.

The effective taxation rate of 29% is a function of reduced taxation on income from jurisdictions with taxation rates lower than the South African corporate tax rate offset by increased taxation charge as a result of STC on dividends. The interim dividend has been increased by 29% to 58 cents (2007: 45 cents) congruent with the current dividend cover policy of approximately 4 times covered.

BUSINESS COMBINATIONS

Following previous guidance provided, the group's Property Developments business invested R120 million on 1 November 2008 to acquire a 15% investment in the Waterfall Development Company (WDC). This follows two years of intense negotiations. WDC indirectly holds the development rights for approximately 1,4 million square meters of a new, mainly commercial development to be built between Johannesburg and Midrand (the Waterfall Farm), constituting some of the most valuable, zoned real estate in South Africa. This investment will result in opportunities for construction and materials supply to the development. The project development scope is targeted to roll out over the next 12 to 15 years, with an overall project value estimated at some R35 billion. It is expected to secure long term investment income for the group, as well as construction opportunities. The construction opportunities are expected to realise from as early as the second half of 2009.

In support of the material supply opportunities for this mega-project, as well as the Gauteng roads programme and the expanding infrastructure in the province, which includes roads, prisons, power developments, public buildings, pipelines and hospitals, the group expanded its Construction Materials portfolio and locations in the period under review by investing in a company holding exploitable sand reserves in the East Rand Market, BGM. Strategically, the bulk of the group's Construction Materials operations are in locations that will benefit from the current infrastructure developments, with BGM particularly well placed. Furthermore, the ownership of supply is an essential strategic advantage as it supports an integrated business from quarry to concrete delivery and allows control of a further element of the supply chain – a strong advantage in light of the current shortage of building sand in the sector.

The investment is reflected at a fair value of R75 million and was funded with an initial cash outflow of R22 million in the period under review, with R8 million cash to follow in H2 2009. The remainder of the funding is linked to the rate of tonnages of material extracted.

OPERATIONAL REVIEW

INTRODUCTION

On 27 November 2008, the group notified shareholders that its view on the prevailing market conditions at the time was that some markets could come under pressure in the short term, particularly in mining and in private sector building activity both in South Africa and the United Arab Emirates. This was, however, being mitigated by successfully increasing the group's order book in the prioritised areas of public sector infrastructure spend in South Africa, Eastern Europe and in the Middle East.

Subsequently, the impact of the global credit crisis has worsened and commodity markets have remained weak, placing additional pressure on some private sector industrial, real estate and mining projects and, most recently, on public sector projects in Dubai.

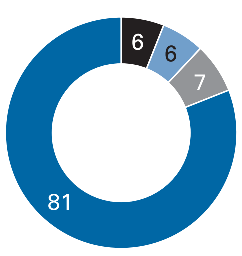
The South African government's recommitment to R787 billion of infrastructure investment over the next 3 years in the National Budget announced on 11 February, and its ability to fund this investment, continues to provide opportunities that benefit all of the group's businesses. Furthermore, this also mitigates a large portion of the decline in other markets, as evidenced by the group's recently secured infrastructure construction orders.

Against the background of challenging market conditions in a number of sectors, the group's performance for the period ended 31 December 2008 reflects an acceleration of revenue and improved operating profit. This was mainly due to the resilience of the group's diversified strategy in several geographies and its strong positioning in key growth markets such as selected resources, affordable housing, power, and public sector building, as well as civils spend, including transport and water.

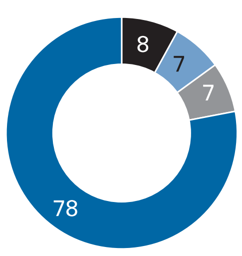
REVENUE (R'000)	PROFIT AFTER TAX FROM CONTINUING OPERATIONS (R'000)	CASH AND CASH EQUIVALENTS (R'000)	FULLY DILUTED HEADLINE EARNINGS PER SHARE (cents)
⇧ 32.8%	⇧ 43.4%	⇧ 222 134	⇧ 58.6%
December 2008	**December 2008**	**December 2008**	**December 2008**
5 968 141	253 764	2 046 348	230
December 2007	**December 2007**	**June 2008**	**December 2007**
4 495 273	177 010	1 824 214	145

Graphical representation of the contribution of each business segment to group revenue and group operating profit.

Revenue H1 2009 – % of group

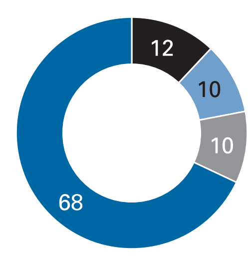


Revenue H1 2008 – % of group

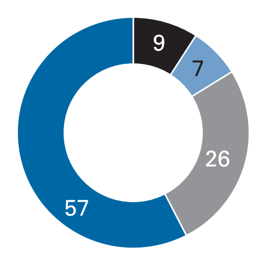


- Investments and Concessions
- Manufacturing
- Construction Material
- Construction

Operating profit H1 2009 – % of group



Operating profit H1 2008 – % of group



- Investments and Concessions
- Manufacturing
- Construction Material
- Construction

GROUP

The group's operating margin is reported net of the following non-core/operational transactions: profit on sale of assets, pension fund surpluses and deficits and impairment adjustments. The group's operating margin, both including and excluding such adjustments, is reflected below.

	Six months ended 31 December **2008**	Full year ended 30 June **2008**	Six months ended 31 December **2007**
Revenue – (R'000)	5 968 141	8 899 578	4 495 273
Reported Operating Margin%	6.3%	7.1%	6.2%
Core Operating Margin%*	7.1%	6.8%	6.0%

- *= core operating margin % is defined as reported operating margin % adjusted for the non-core transactions listed above.*
- *Note that reported operating margin % is defined as operating profit before fair value adjustments as a % of revenue.*

INVESTMENTS AND CONCESSIONS

(including Infrastructure Concessions and Property Developments)	Six months ended 31 December **2008**	Full year ended 30 June **2008**	Six months ended 31 December **2007**
Revenue	338 218	581 685	337 860
Reported Operating Margin%	13.5%	9.2%	7.7%
Core Operating Margin%*	14.3%	7.1%	4.8%

Revenue for Investments & Concessions remained largely unchanged period on period and operating profit increased from R26 million to R46 million. Reported operating margin increased from 7.7% to 13.5% and core operating margin increased from 4.8% to 14.3%.

INFRASTRUCTURE CONCESSIONS

The concessions business is a core component of the group strategy, as it provides long term operating revenues at good margins, capital value appreciation over the life of the investment and the opportunity to establish relationships with world-class partners.

The benefits of the group's strategy of securing longer term investments that also deliver annuity revenue are coming to the fore and continued to deliver solid results. Revenue grew 70% to R271 million (2007: R159 million) as a result of growth in Intertoll Europe. This growth was primarily driven by the roll out of new projects in Poland and Hungary. Improved economies of scale on the established operational infrastructure increased reported operating margin to 16.6% (2007: 7.6%) resulting in the more than trebling of operating profit to R45 million (2007: R12 million). Going forward, the Eastern European concessions are set to remain buoyant, with further new projects under development. These include toll roads and power opportunities.

PROPERTY DEVELOPMENTS

As stated in the prior reporting period, the group has been replacing its current portfolio of mostly residential developments in favour of development opportunities that are strategically located, commercial, industrial and mixed use developments that also benefit Construction, Manufacturing and Construction Materials, such as the Waterfall and Sandton CBD developments.

The group previously provided guidance that this strategy would secure long term benefits, although it would result in a short term decline in returns, currently exacerbated by a weak residential market.

Therefore, as expected, revenue reduced by 62% to R67 million (2007: R178 million) and reported operating profit reflected a near break-even result (2007:R14 million).

MANUFACTURING

	Six months ended 31 December **2008**	Full year ended 30 June **2008**	Six months ended 31 December **2007**
Revenue – (R'000)	374 078	554 656	320 092
Reported Operating Margin%	10.0%	10.1%	6.1%
Core Operating Margin%*	10.9%	9.9%	6.1%

Manufacturing delivered a good performance in tough market conditions. This segment comprises Everite, Group Five Pipe and Group Five Steel. Revenue increased by 17% from R320 million to R374 million. Reported operating profit increased by 93% from R19 million to R37 million, resulting in a substantial core operating margin recovery from 6.1% to 10.9%.

The results for the period were achieved through implementing lean production techniques, an efficient supply chain, quick stock turns and restructuring of routes to market. Penetration of new growth markets in terms of structural and reinforcing steel required for large projects, as well as emerging opportunities in the lower income housing market benefited all of manufacturing. In the period under review, future loading of the Group Five Pipe factory was positively impacted after winning water systems projects of R360 million, in the last few months.

Based on government's commitment, new project flows due to the work in the public infrastructure sector, should continue to provide a positive outlook for Manufacturing for some years to come.

CONSTRUCTION MATERIALS

	Six months ended 31 December **2008**	Full year ended 30 June **2008**	Six months ended 31 December **2007**
Revenue – (R'000)	413 725	689 220	334 312
Reported Operating Margin%	9.1%	20.6%	22.0%
Core Operating Margin%*	10.0%	20.3%	22.0%

Revenue increased by 24% from R334 million to R414 million, whilst reported operating profit, in line with the difficult private sector conditions experienced within the sector, decreased by 49% to R38 million from R74 million.

As expected, trading conditions in the Gauteng private building market continued to necessitate tight pricing, although the group has been able to mitigate some volume decline through feeding its own construction projects. Furthermore, the group's good quarry locations, close to the major Gauteng projects mentioned above, buffered the potential impact on earnings. The business will continue to trade in a difficult market through F2009, although the second half performance, as well as the financial year 2010 and beyond, are expected to improve as additional demand from public works in roads, power and transport projects come on line.

Expanding contract mining services continue to grow in importance in the business and in this regard, the group was able to add to its contract crushing mining services portfolio by securing a new contract in the last quarter in the uranium mining sector in Namibia.

CONSTRUCTION

Construction comprises the business segments of Building and Housing, Civil Engineering and Engineering Projects.

	Six months ended 31 December **2008**	Full year ended 30 June **2008**	Six months ended 31 December **2007**
Revenue – (R'000)	4 842 120	7 074 017	3 503 009
Reported Operating Margin%	5.3%	5.4%	4.6%
Core Operating Margin%*	6.0%	5.2%	4.6%

The Construction reported operating margin improved from 4.6% to 5.3%, indicating consistent progress towards the group's stated objective of maintaining a margin in excess of 5% in Construction. The core operating margin increased from 4.6% to 6.0%. Construction revenue increased by 38% from R3,5 billion to R4,8 billion and reported operating profit increased by 59% from R161 million to R256 million. Over-border work contributed 45% (2007: 37%) to Construction revenue as a result of substantially increased contract revenue delivery in Engineering Projects and Civil Engineering. As expected, the over-border portion of revenue will decrease from the 2nd half of F2009 in the short term due to the reduction of work in Dubai. This is further discussed below.

BUILDING AND HOUSING

	Six months ended 31 December **2008**	Full year ended 30 June **2008**	Six months ended 31 December **2007**
Revenue – (R'000)	1 332 484	2 848 795	1 502 828
Reported Operating Margin%	3.9%	4.9%	3.5%
Core Operating Margin%*	4.8%	4.6%	3.5%

In spite of the private building sector remaining extremely weak, Building and Housing managed to mitigate the impact through the contribution from large public sector projects, as well as focusing on improved execution and supply chain savings. Revenue decreased by 11% from R1,5 billion (89% local work) to R1,3 billion (96% local work) and reported operating profit remained constant at R52 million, resulting in a improvement in the reported operating margin to 3.9% (2007: 3.5%). The core operating margin improved from 3.5% to 4.8%.

For at least the next 2 to 3 years, the public sector investment programme, related to civil and building infrastructure in housing projects, water, transport and concessions for prisons, government buildings, hospitals and the initial 7 year plus power station programme, offers future work to partially mitigate the private sector downturn. The private sector cycle is expected to recover within these timeframes.

CIVIL ENGINEERING

	Six months ended 31 December **2008**	Full year ended 30 June **2008**	Six months ended 31 December **2007**
Revenue – (R'000)	2 198 778	2 964 184	1 486 677
Reported Operating Margin%	4.7%	4.8%	4.8%
Core Operating Margin%*	5.2%	4.6%	4.8%

Civil Engineering revenue increased by 48% from R1,5 billion (44% local work) to R2,2 billion (56% local work). Reported operating profit increased nearly one and half times from R71 million to R103 million, resulting in an overall reported operating margin percentage of 4.7%. Although this was slightly down from the 4.8% margin achieved in H1 2008, the core operating margin increased from 4.8% to 5.2%.

As outlined in the group's trading update on 21 January 2009, the Middle East has been directly impacted by the credit crisis and reduced oil prices. The impact has been particularly pronounced in Dubai where the government recently reviewed its infrastructure capital project programme and announced that a number of contracts have been suspended or terminated.

As outlined in the group's trading update, its order book has been impacted by the suspension and the cancellation of up to R4 billion worth of contracts in Dubai. Although the cancellation of contracts had no impact on the results for the period under review, the impact will affect 2nd half F2009 and 2010 in the form of lost revenue and future operating profit. However, this will be cushioned by the remedial actions already taken, including suspension and termination action catered for in the original contracts, as well as the restructuring of overheads to better align to the revised size of the business. Furthermore, the contractor has recovery rights with respect to cancelled and suspended contracts and the group therefore expects to be fully compensated for its costs incurred, with a reasonable margin.

Over the last three weeks, around 3 700 people from a workforce of about 5 000 have been repatriated and reassigned from Dubai. The business is therefore now correctly sized to complete the running contracts in Abu Dhabi, Jordan and Dubai profitably and to continue to bid, win and execute new work in these and other territories. Tendering activity in the South African public works market remains strong, including power, water, transport and PPPs. Much of the post 2010 infrastructure work captured in the government's capital programme in all these sectors has still to be bid and awarded. The group is therefore confident that, despite the Dubai cancellations, Civil Engineering will achieve another year of strong growth for the full year to June 2009. It also has good visibility into 2010 and 2011.

ENGINEERING PROJECTS

	Six months ended 31 December **2008**	Full year ended 30 June **2008**	Six months ended 31 December **2007**
Revenue – (R'000)	1 310 858	1 261 038	513 504
Reported Operating Margin%	7.7%	8.0%	7.3%
Core Operating Margin%*	8.7%	7.7%	7.3%

Engineering Projects' revenue increased by two and a half times from R514 million (38% local work) to R1,3 billion (12% local work) and reported operating profit increased nearly three times from R38 million to R101 million. This resulted in the reported operating margin increasing from 7.3% to 7.7% and the core operating margin increasing from 7.3% to 8.7%. The strong results are due to the implementation of a clear strategy of focusing on growing multi-disciplinary specialist contract delivery capability into selected high value, high growth markets such as resources, energy, heavy industrial and innovative power solutions.

Engineering Projects has solid experience in the expanding power, energy, industrial and mining sectors on the African continent and in the Middle East region and is well placed to participate in the many opportunities arising in these sectors in all the geographies and markets in which the group participates. Whilst the demand from the copper cobalt and platinum mining sectors has contracted, there are still a significant number of projects to be secured in the gold, uranium, iron and coal sectors. This will continue to drive a high rate of growth for the full year and position the business positively for the large amount of work for execution from 2010 onwards.

PROSPECTS

Going forward, the group continues to be strategically well positioned in active market sectors such as those detailed above. This, together with the continued public infrastructure spend, will buffer the group to a large extent against the turmoil in global economies and markets and the Middle East developments.

Further strong contributions are expected from Manufacturing and Investments and Concessions earnings for the year to 30 June 2009, although Construction Materials is likely to remain under pressure. The group has substantially replaced the orders cancelled in Dubai with South African public works, resulting in a secured Construction order book of R13,0 billion as at 16th February 2009 with further awards imminent. The group is therefore well placed to achieve another year of solid earnings growth to June 2009. Further earnings growth over the next 2-3 years and beyond is achievable, although the volatility of the current global economic markets and the potential impacts thereof remain difficult to forecast.

BOARD CHANGES

During the period under review, the following changes were made to the board of directors as non-executive directors:

Ms LE Bakoro and Dr JL Job were both appointed on 1 November 2008.

ACKNOWLEDGMENTS

The group wishes to recognise the hard work and commitment of its employees, without whom these results would not have been achieved.

On behalf of the board

MP Buthelezi
Chairperson

MR Upton
Chief Executive Officer

12 February 2009

Board of Directors: MP Buthelezi* (Chairperson), MR Upton (CEO), CMF Teixeira (CFO), L Chalker*†, KK Mpinga*•, SG Morris*, MSV Gantsho*, WV Mavimbela*, JL Job*, LE Bakoro (*)
**(Non-executive director) †(British) •(DRC)*

Transfer Secretaries: Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg 2001

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