GROUP FIVE

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Audited results for the year ended 30 June 2005

Agenda

- Key messages
- Group reporting
- Financial highlights
- Financial review
- Business review
- BEE ownership transaction

Key messages

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Key messages

- Focus on triple bottom line reporting
- Fifth year of consecutive earnings growth
- Announcement of proposed BEE ownership transaction

Group reporting

Group reporting

- In line with current international trends, Group Five has aimed to provide fuller communication and a greater depth of reporting

- 2005 annual report has been significantly improved to encapsulate the three traditional spheres of sustainability namely

Economic concerns	Annual report now includes • Economic review • Sector review • Regulatory review
Social concerns	Annual report now includes • Tackling HIV/AIDS report • Transformation report • Human resources report
Environment concerns	Annual report now includes a focus on sustainability including • Safety, Health and Environment report •Quality assurance report

Financial highlights

Financial highlights

	CHANGE 2004 - 2005	2005 Audited	2004 Audited	2003 Audited
Revenue - R millions			52	4 100
Earnings per sh rand				1,45
Headline ear per share – ra				1,15
Dividends per sh – cents				37,0
Net cash generated/(utilised) – R millions	82,4%	**102,9**	56,4	(61)

- **5 Year Revenue Growth – 55.9%**
- **5 Year Operating Profit Growth – 146.7%**
- **5 Year EPS Growth – 168.1%**
- **5 Year Dividend Growth – 96.0%**

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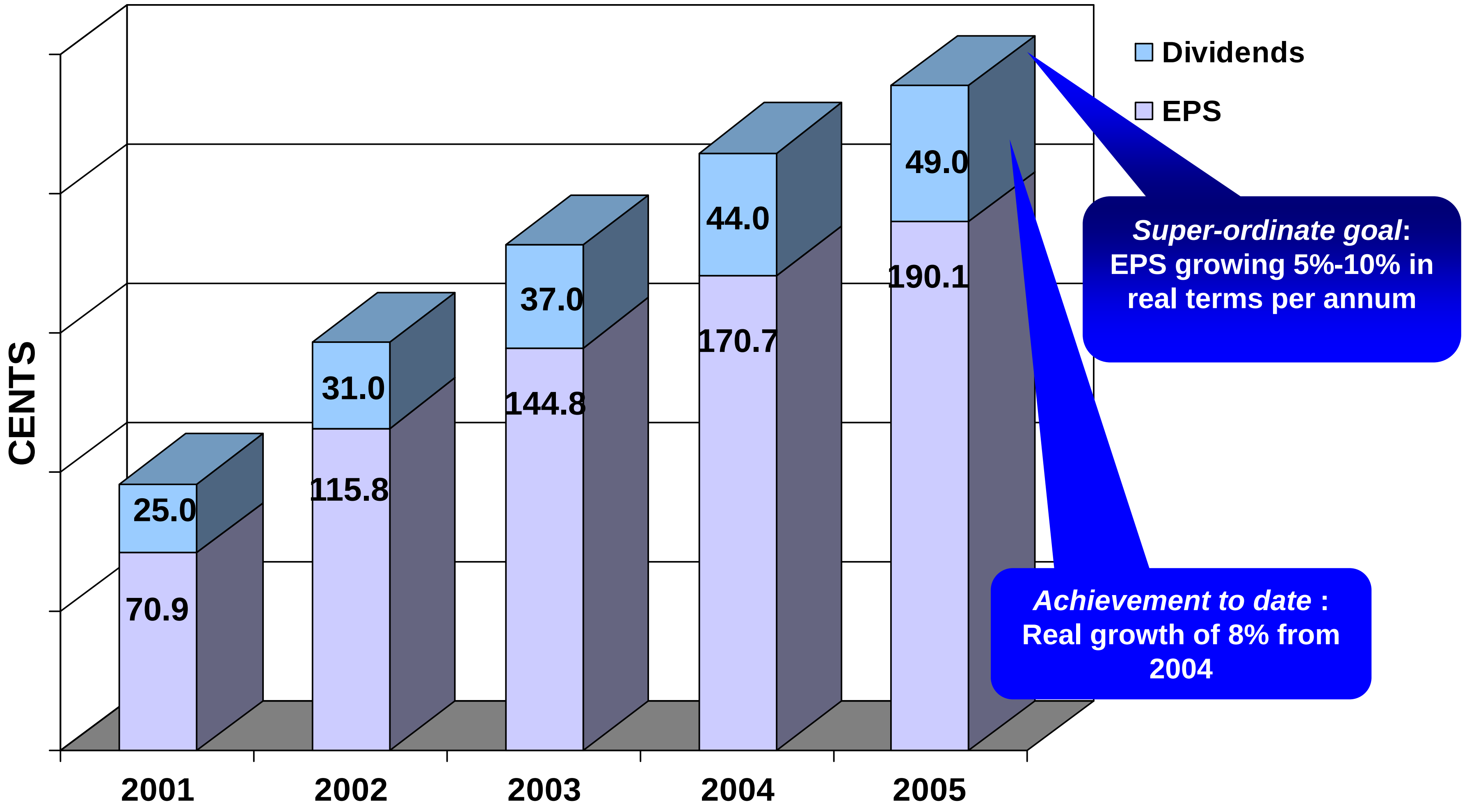
Financial review

- Key performance indicators
- Segmental analysis
- Liquidity and cash resources
- IFRS update

Financial review -

Key performance indicators

Earnings & Dividends per share



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Key financial ratios at Group Five

	Year June 2005 Audited	Year June 2004 Audited	Year June 2003 Audited
- Dividend Cover	3,9	3,9	3,9
- Profit margin %	4,0	[illegible]	3,9
- [illegible] equity ratio %	6	[illegible]	12
- [illegible]	169	[illegible]	[illegible]
- [illegible]	6,3	5,3	5,6
- [illegible] (…00's)	467	[illegible]	300
- External bank guarantees available (R million)	1 028	[illegible]	50
- [illegible] interest %	20.7	[illegible]	[illegible]
- Secured [illegible] (R million)	4 000	[illegible]	[illegible]
- Revenue over border – %	31%	36%	33%

Super-ordinate goal: Retur… 25%

Super-ordinate goal: Operating margin ≥ 5%

Super-ordin… construction order b… (12 months and beyond) equ… to 1,5 times of annual construction revenue

Super-ordinate goal: Gearing never to exceed 33% of equity

…*goal*: …enue …South Africa

Achievement to date: Currently 20,7%

Achievement to date : Currently 4%

…chievement to … Currently 1,2

A…ment to date: C… 31%; with …

Achievement to date: Currently 6%

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Financial review -

Segmental analysis

Segmental analysis

	% Target	% June 2005 Audited	R million June 2005 Audited	R million June 2004 Audited	R million June 2003 Audited
REVENUE					
- Construction	70	77	3 808	3 182	3 204
- Manufacturing	18	16	793	719	631
- O&M	9	5	243	296	234
- Property Development Services	3	2	95	55	31
Total revenue	100	100	4 939	4 252	4 100
PBIT					
- Construction	50	37	73	47	91
- Manufacturing	30	32	63	65	34
- O&M	13	23	46	59	16
- Property Development Services	7	8	16	8	19
Total	[illegible]00	[illegible]	[illegible]98	179	160

***Super-ordinate goal*: 25% - 30% of revenues to be from annuity stream business**

***Achievement to date* : Currently 21%**

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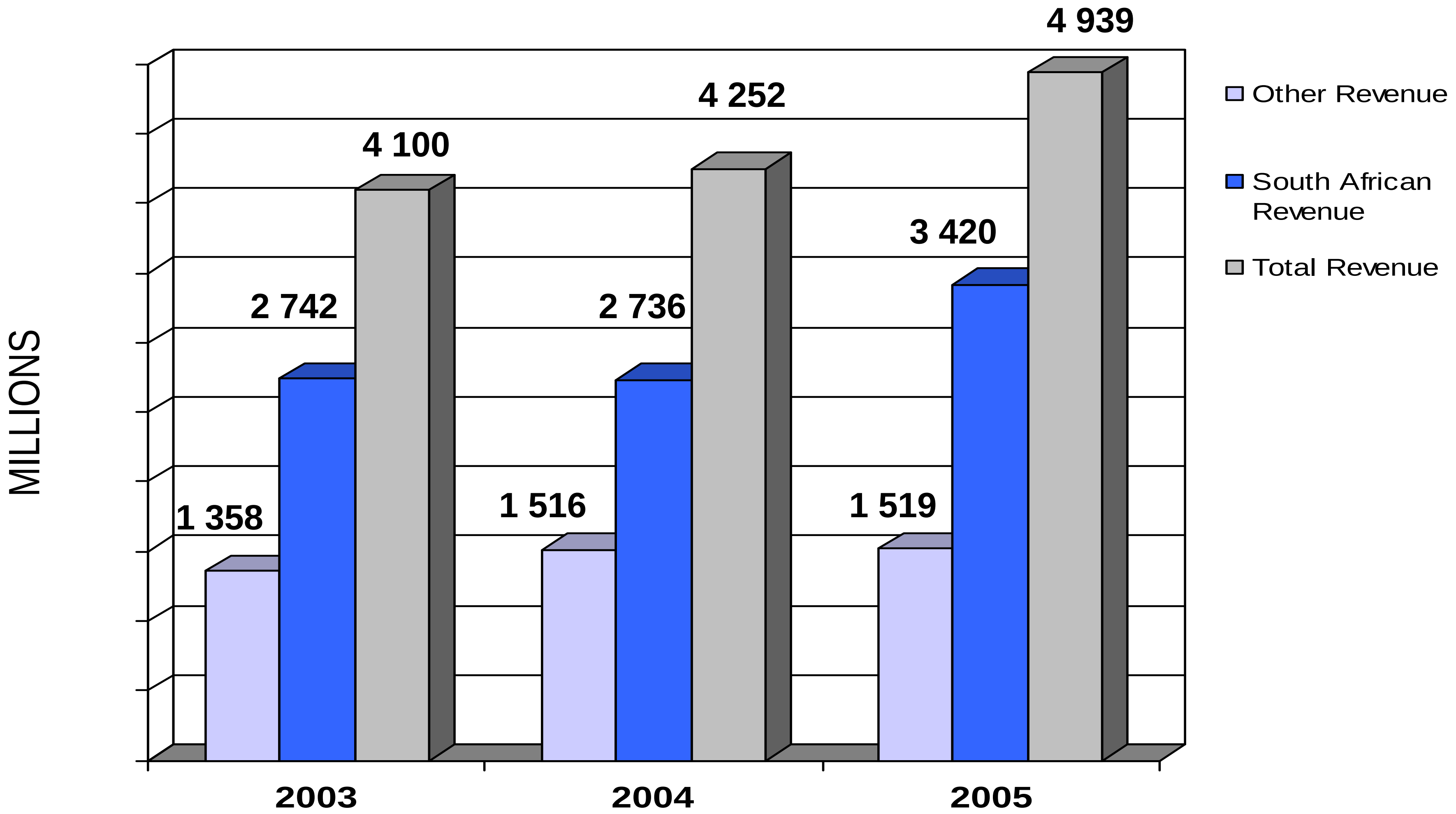
Operating margins

	% Target margin(*)	% 2005 Audited	% 2004 Audited	% 2003 Audited
OPERATING MARGINS				
- Construction	3.5	1.9	1.5	2.8
- Manufacturing	10	7.9	9.0	5.4
- O&M	10	18.8	20.0	7.1
- Property Development Services	12	16.7	15.1	59.9
TOTAL	5.0	4.0	4.2	3.9

***12 to 18 month target**

Total revenue – geographical segments



Financial review –

Liquidity & cash resources

Cash flow *(R million)*

	Year to June 2005 Audited	Year to June 2004 Audited	Year to June 2003 Audited
Operating cash	218	200	217
Working capital changes	101	(21)	(89)
Cash from operations	**318**	**179**	**128**
Finance costs	(31)	(34)	(29)
Tax & dividends paid	(103)	(54)	(53)
Net cash from operating activities	**184**	**91**	**46**
Fixed assets – (net)	**(43)**	**(103)**	**(118)**
Investment & financing – (net)	**(38)**	**68**	**11**
Net increase /(decrease) in cash	**103**	**56**	**(61)**

***Super-ordinate goal*:**
Cash generated equal to or greater than net profit

***Achievement to date* : 77%**
of net profit for the year ended 30 June 05

Financial review –

IFRS update

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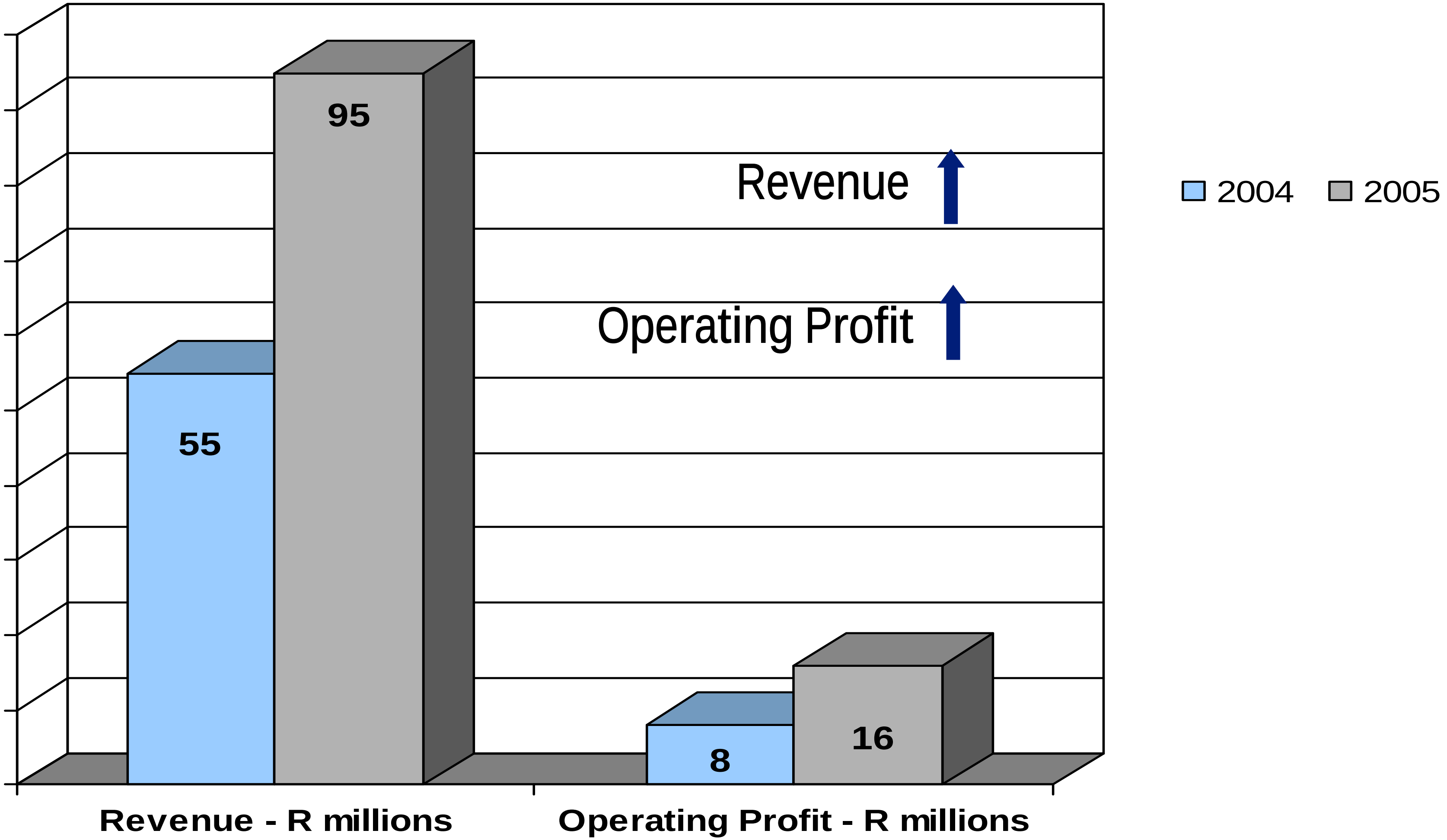
New accounting standards

- The IASB has been revising accounting standards since December 2003; known as IFRS
- To date 13 current standards were amended and 5 new standards issued
- SAICA has agreed to accept IFRS without amendment; effective years beginning on or after 1 January 2005
- Group Five will adopt with effect from 1 July 2005;
- Other than disclosure/presentation changes, most significant effects will be in two areas:
    - Foreign exchange accounting
    - Property, plant and equipment
    - Accounting for BEE ownership transaction
- Accounting for share options has a minimal effect on Group Five

Business review

Property Development Services



Property Development Services

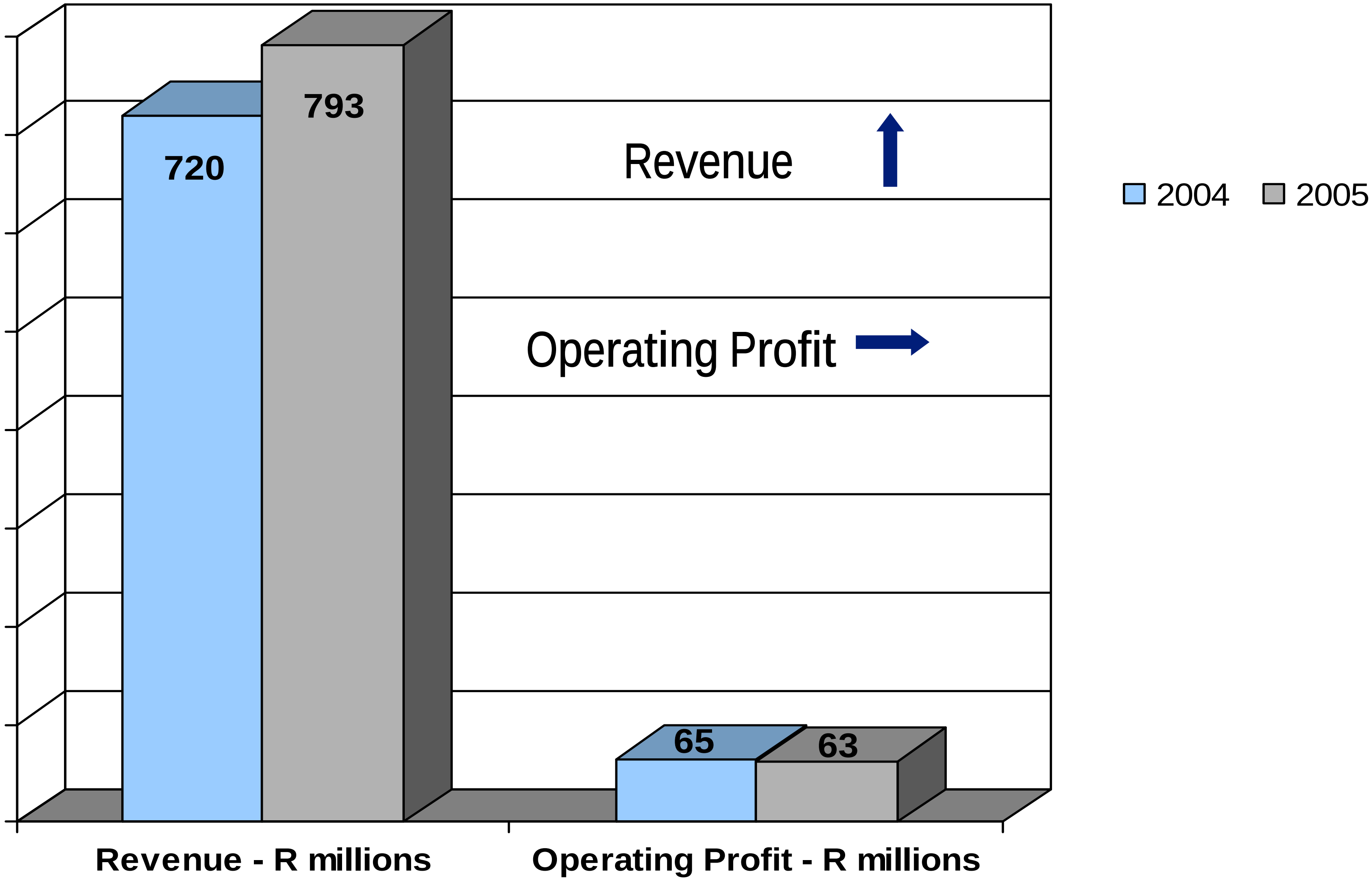
Performance

- Focus towards specific core commercial, industrial retail and residential projects
- Application of formalised risk approach to all projects throughout project lifecycle
- Over 50 projects currently being reviewed

Focus and challenges for the year ahead

- Moving from reactive to proactive approach by aggressively pursuing opportunities through extensive market research
- Expanding in South Africa beyond Gauteng
- Implementing formalised customer relationship management programme
- Identifying and evaluating additional longer term property investment annuity income opportunities

Manufacturing



Manufacturing

Performance – *Everite Building Products*

- Performance pleasing given the threat of imports
- Factory regularly operated at full capacity
- Focused development of value added products
- Volume growth of 13% and growth price of 7% with strong performance in Cape, KwaZulu Natal and Eastern Cape regions

Performance – ***Vaal Sanitaryware***

- Performed well in tough trading conditions. Overall profit margin decreased due to import and competitor strength
- Yield/recovery problems experienced during first quarter of 2005 calendar year due to delayed commissioning of robotic technology
- Problems rectified and yield percentages currently approaching benchmarked levels

Manufacturing

Performance – *DPI Plastics (40% owned by Group Five)*

- Tough year due to significant decline in civils projects in South Africa
- Revenue and margins also affected by explosion at Sasol's Secunda plant from Nov 04 to Jan 05, (subsequent higher cost of raw materials)
- Production problems in South African factories due to labour unrest
- Currently receiving hands-on executive focus

DPI PLASTICS (Pty) Ltd

Performance – *Group Five Pipe*

- Group Five Pipe South Africa, in which the group has a 50% interest, recommissioned its Meyerton factory to supply spiral weld steel pipes
- Achieved small operating profit

GROUP FIVE PIPE

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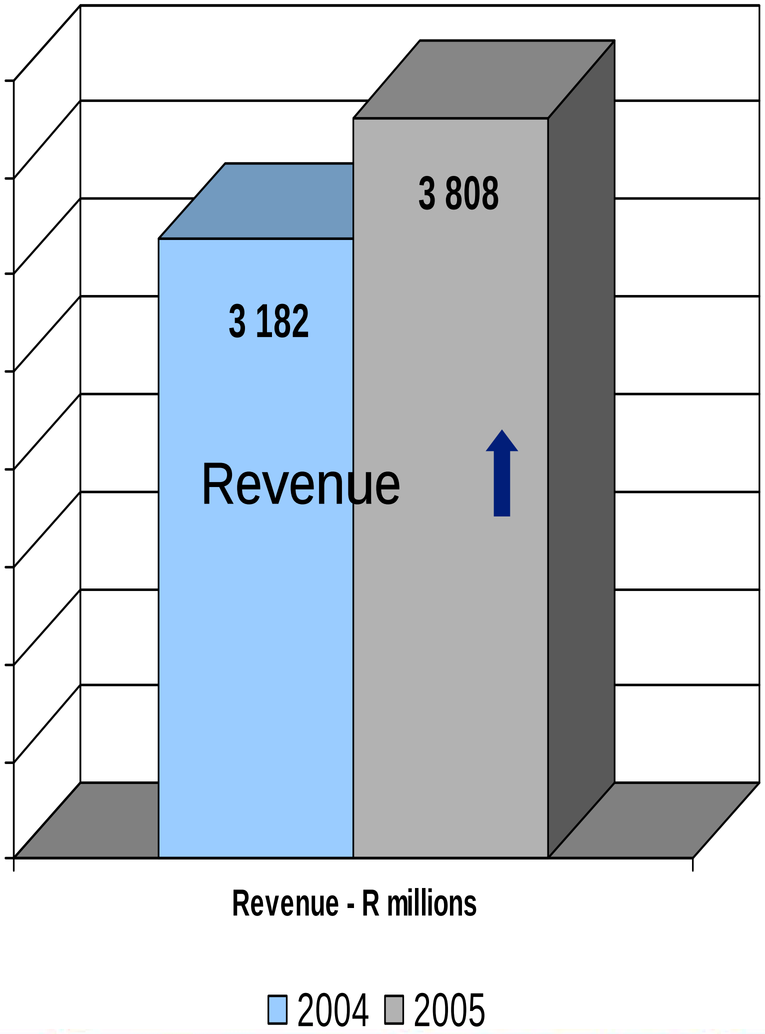
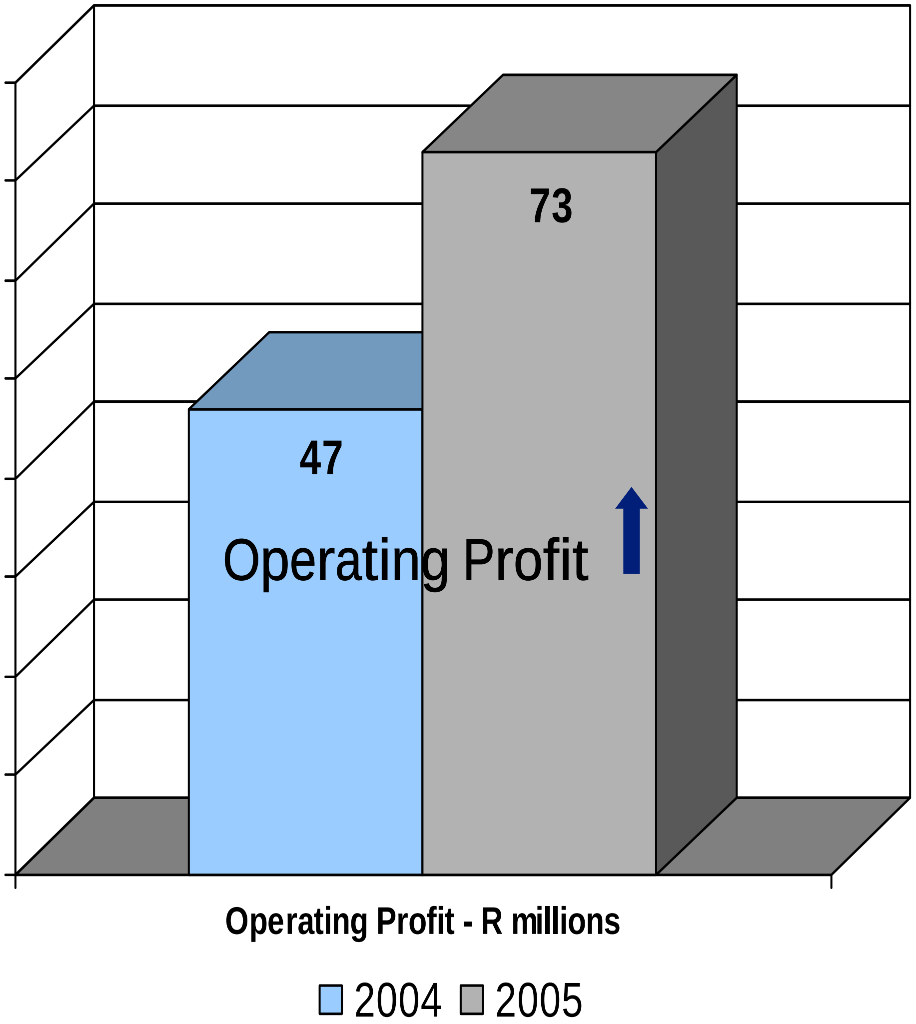
Manufacturing

Focus and challenges for the year ahead

- Employ import and technology strategies to increase sales volume capacity to satisfy market demand within Everite Building Products
- Develop new value added products in Everite Building Products
- Invest in further technology to improve factory yields in Vaal Sanitaryware and expand product range
- Reinvigorate and formalise a customer relationship management programme within Vaal Sanitaryware
- Improve factory efficiency and productivity at DPI Plastics
- Implement tighter control measures in the joint venture operations within DPI Plastics

Construction





Construction

Performance – Buildings/Housing

- Revenue increased by 18%
- Profit margin decreased following the completion of an exceptional Angola housing project in the prior year as cautioned at the interim stage
- The strengthening of the Rand affected the overall margins achieved due to less contribution from higher margin over-border contracts

Performance – Civil Engineering

- Overall operating loss was incurred in local and African operations due to a significant downturn in government infrastructural spend and local mining spend resulting in overhead under-recoveries
- Two local business units merged as a result
- Office set up in Dubai and over R1 billion order book secured

Construction

Performance – Roads and Earthworks

- Turnaround successfully completed
- Break-even achieved at the operating profit line compared to operating loss in the prior year despite competitive market conditions

Performance – Engineering Projects

- Engineering projects had an outstanding year
- Focus on over-border mining opportunities together with projects in the heavy industrial, power, oil and gas sectors has proved successful and will be continued

Construction

Focus and challenges for the year ahead

Building/Housing focus:

- Recruiting and retaining skilled people
- Improving profit margins in Buildings/Housing through
  - Efficient mobilisation and contract completion
  - Selective tendering and pursuing over-border work

Civil Engineering focus:

- Ensure work is delivered in Dubai on time and profitably (new market)
- Identify and secure higher margin work where higher level of technical skills are required

Roads focus:

- Securing additional profitable work in Southern Africa but limiting order book to approximately R440 million
- Formalising a focused customer relationship management programme to assist in securing additional work

Engineering Projects focus:

- Pursue additional partnering/alliancing relationships with key customers
- Pursue EPC solutions strategy

Construction – operating regions

Middle East and Northern Africa

(R168,3 million revenue:2005)
(R755,3 million secured order book:2006)

West Africa

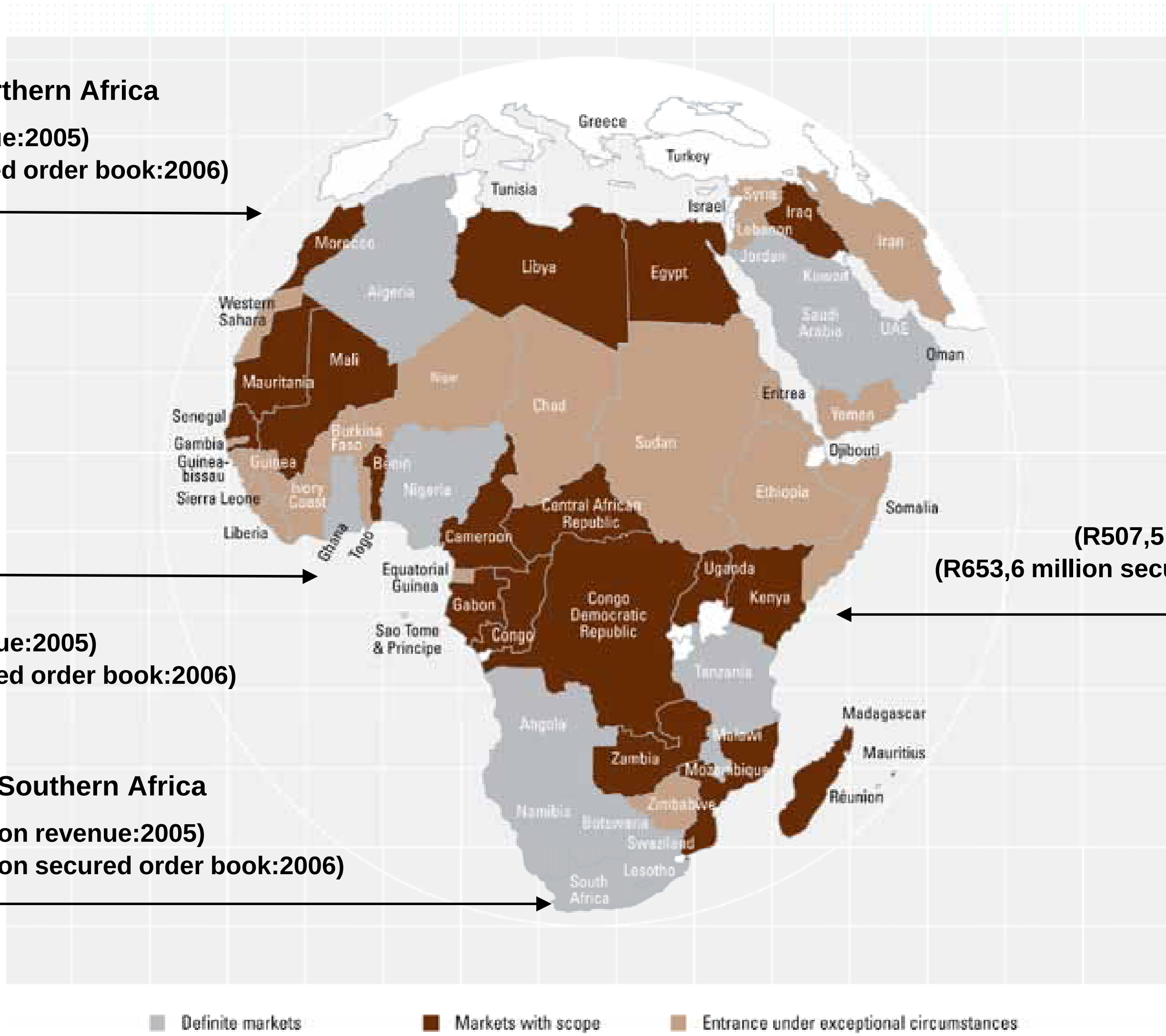
(R385,3 million revenue:2005)
(R474,1 million secured order book:2006)

Central and Southern Africa

(R2 747,1million revenue:2005)
(R2 117,0million secured order book:2006)

East Africa

(R507,5 million revenue:2005)
(R653,6 million secured order book:2006)



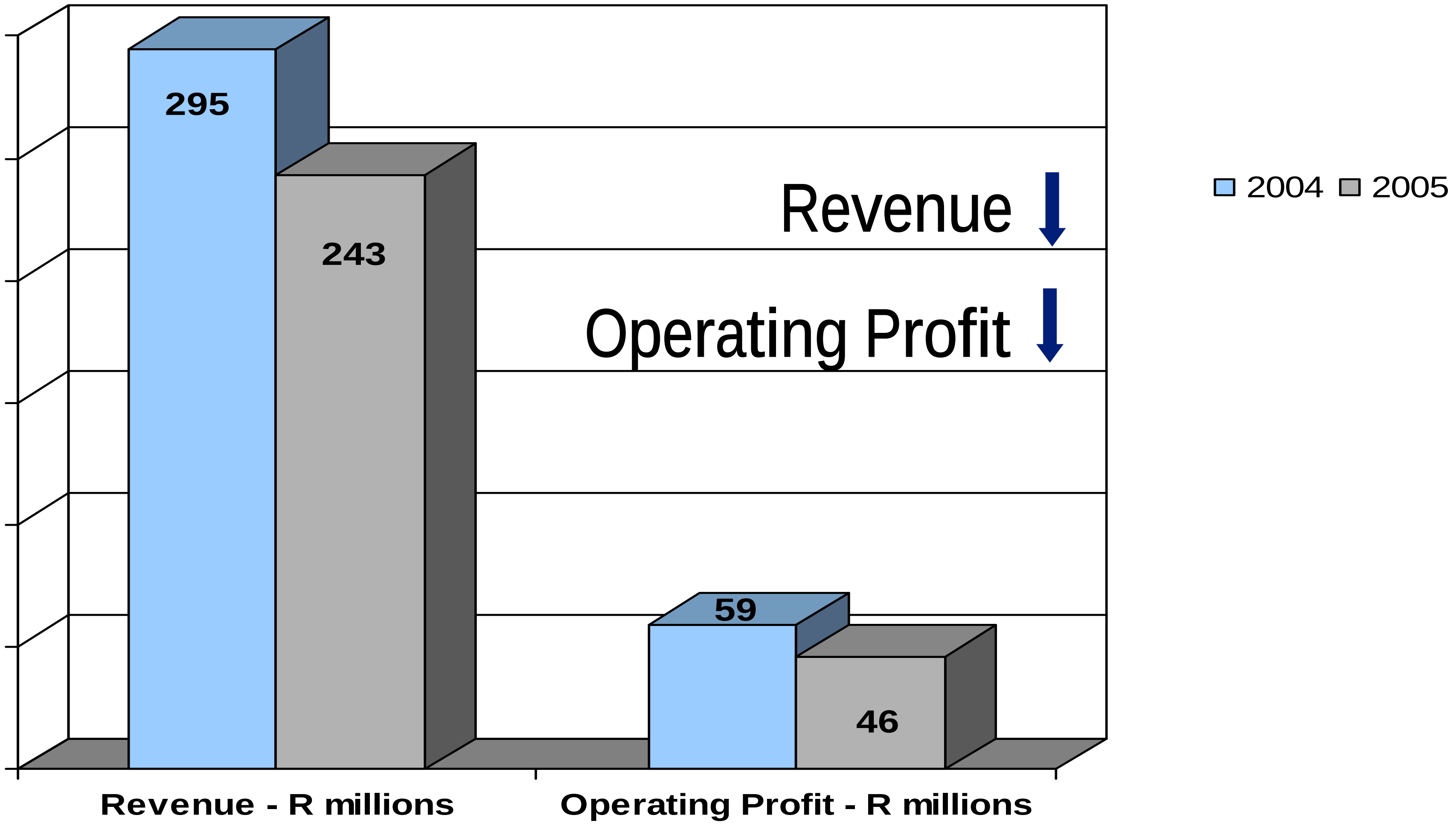
Construction – order book

	12 months to June 2006
Budgeted construction turnover (Rm)	**4 606**
Secured construction revenue as at 30/06/05 (Rm)	**4 000**
% Secured of budget	**87**
% Order book international	**53**
% Order book local	**47**

Construction – order book cont:

	Total	Building	Roads	Civil Engineering	Engineering Projects
12 months to June 2005 (Rm)	**3 808**	2 269	353	698	488
12 months to June 2006 (Rm)	**4 000**	2 391	270	1 089	250
Estimated capacity as at 31 July 2005 (Rm)	**5 450**	3 000	450	1 350	650

Operations and Maintenance



Operations and maintenance

Performance – Operations and maintenance

- Intertoll’s operating profit was adversely affected by the ongoing contractual dispute on three Indian operations and maintenance toll road contracts – resolution thereon is expected by late 2005

Performance – Infrastructural developments

- Polish concession agreement signed
- A total fair value adjustment of R35,7 million (2004: R48,5 million) arose in the current year relating to the investment in the Polish (R3,2 million) and Hungarian (R32,5million) toll road concessions

Performance – WSSA

- Had a good year, improving operating profit

Operations and maintenance

Focus and challenges ahead

- Focused attention with partners and client with regards to resolution of operations and maintenance contractual dispute
- Concentration and restructuring around the two core geographic areas of South Africa and Europe working in the PPP environment

BEE ownership transaction

Group Five BEE ownership process and structure

- Embarked on BEE ownership process in May 2004
- Identified more than 20 consortiums from which detailed information was requested
- Four partners selected for presentations
- Two selected to form a consortium, namely iLima and Mvelaphanda
- In addition, staff allocated an ownership percentage

Group Five BEE ownership process and structure

- Fundamental selection criteria for partners were:
  - Construction/infrastructural development must be a part of their core focus
  - Preferably proven business persons with networking ability
  - Organisations must be stable, have a good track record and good future potential
  - Ability to add value must be present
  - Chemistry must be compatible with Group Five
  - Must have goal to transform the whole of Group Five
  - Must be South African

Structure and mechanisms

* Listed company, majority broad based black owned

* Infrastructure focus particularly in Africa – NEPAD initiatives

* Consists of 100% black owned construction/ infrastructure

•Black women and youth group

•New entrant

iLima +-50%

Mvelaphanda +-50%

The Consortium +-21%

Broad-based staff trust

•All staff below a certain grade

•Approximately 4600 – 85% pdi; 13% women

•Once off allocation

Black management trust

* Current and future black managers above a certain grade

* Funded via loan

* Vesting over 4 years

Group Five

•7 - 10 year lock in period

•Voting and dividend rights secured upfront

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Key features

- Economic and voting rights secured upfront
- Fulfills ownership criteria of Codes of Best Practice and draft Construction Charter
- Economic cost to shareholders of approximately 5.5%, ie a cost of approximately R70 million – incurred primarily once-off
- Created through fresh issue of shares; therefore no potential Capital Gains Tax issues for current shareholders
- Circular to be released in week of 22 August 2005
- Shareholder voting on 29 September 2005

Questions