GROUP FIVE
structured ingenuity

Media morning

29 November 2011

Agenda for morning

Time	Presentation	Presenters
8:30	Opening, strategy overview, current topical issues in the industry and business update	Mike Upton, CEO
9:30	Question and answer session	All Exco
9:45	Key financial measures of construction companies	Cristina Teixeira, CFO
10:00	Question and answer session on financial measures	Cristina Teixeira, CFO
10:10	Tea break	
10:20	Investments and Concessions – key strategy and importance of this business in the group, PPP update	Eric Vemer, Executive Committee Member (Investment & Concessions)
10:45	Question and answer session	All Exco
11:00	Manufacturing and Construction Materials – update	John Wallace, , Executive Committee Member (Manufacturing and Construction Materials)
11:30	Question and answer session	All Exco
11:45	Lunch and informal discussion	All Exco

introduction

Group positioning and strategy

Group Five is a multi-disciplinary construction group. Its strategy is to secure growth and reduce earnings volatility by capturing multiple margin streams across the infrastructure value chain by:

Diversification:

1. **Product diversity** (What)

2. **Revenue timing diversity** (When)
3. **Geographic diversity** (Where)

1. Diversifying across the 7 sectors of Mining, Industrial, Power, Oil & Gas, Water, Real Estate &,Transport- to spread risk and to access stronger growth opportunities
   - Securing and executing larger and/or multi-disciplinary contracts
   - Optimising the contribution from our own supply companies
   - Building an Infrastructure Concessions and Property portfolio
2. Timing of revenue diversified across businesses from short to medium to long term
3. Expanding our geographic footprint to at least 40% of revenue outside South Africa – currently in 24 countries, with 34% of construction order book over-border

1. Product diversity (What)

Investments and Concessions
ERIC VEMER

- Infrastructure Concessions
- Property Developments

Construction

- Building & Housing
  PAUL LE SUEUR
- Civil Engineering
  ANDREW MCJANNET
- Engineering
  WILLIE ZEELIE
  Projects (SMEIP)
  Engineering + Construction

Construction Materials
JOHN WALLACE

- Aggregates
- Readymix concrete
- Cement extenders
- Mobile crushing services

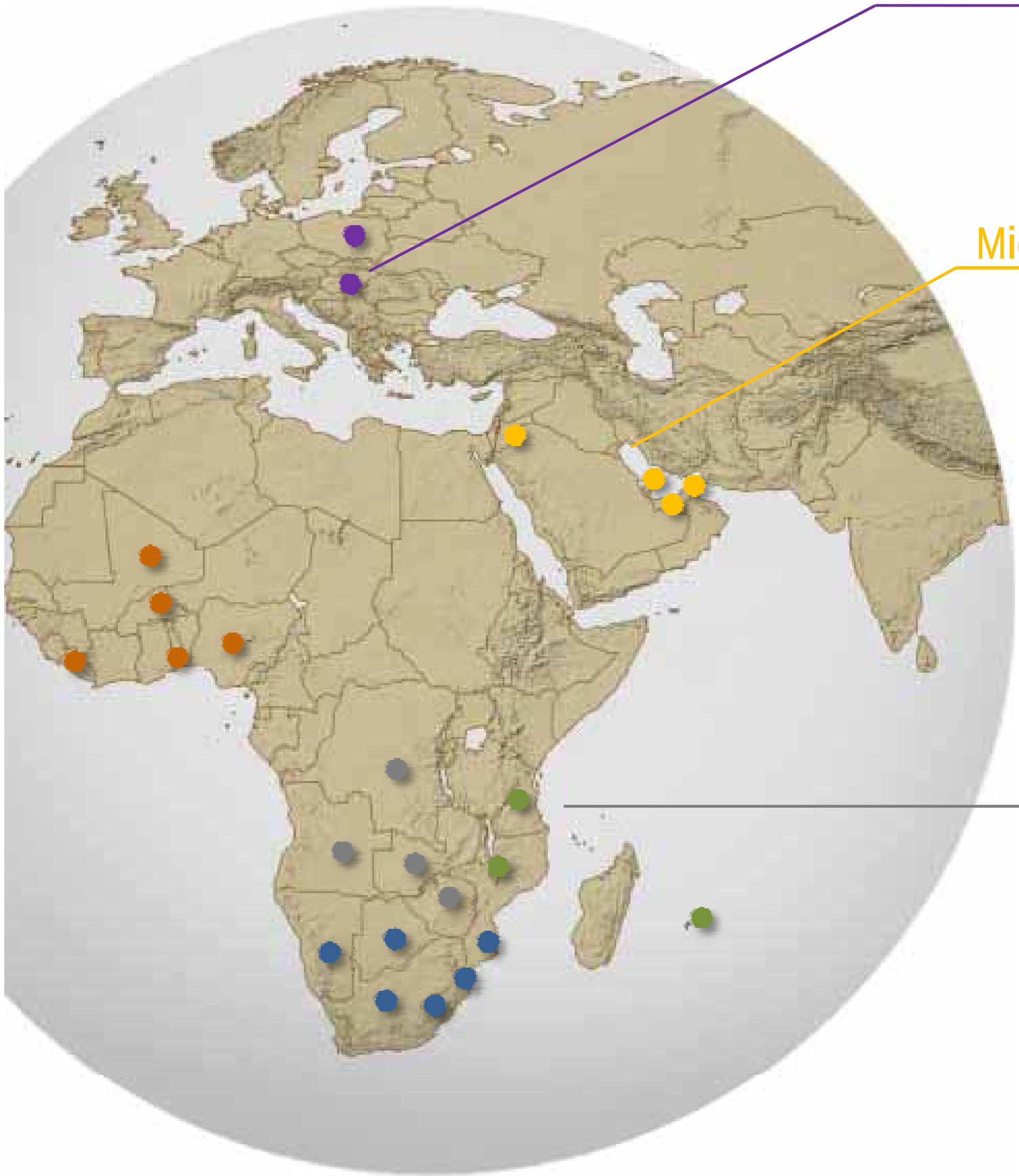
Manufacturing
JOHN WALLACE

- Fibre cement products
- Group Five Pipe
- Construction steel

2. Revenue-timing diversity (When)

Long Cycle	Medium / long	Short	Short

3. Geographic diversity: 24 countries (where)



Eastern Europe

Poland / Hungary

Infrastructure Concessions

	F2010	F2011
Turnover (R mn)	370	300
Employees	488	434

Middle East

Jordan / Abu Dhabi / Dubai / Qatar

Civil Engineering / Engineering

	F2010	F2011
Turnover (R mn)	768	405
Employees	1 010	404

Africa

West Africa - Mali / Burkina Faso / Ghana / Nigeria/Sierra leone

Southern Africa - Namibia / Botswana / South Africa / Lesotho / Swaziland / Mozambique / Zimbabawe

East Africa - Tanzania / Malawi / Mauritius

Central Africa - DRC / Angola / Zambia

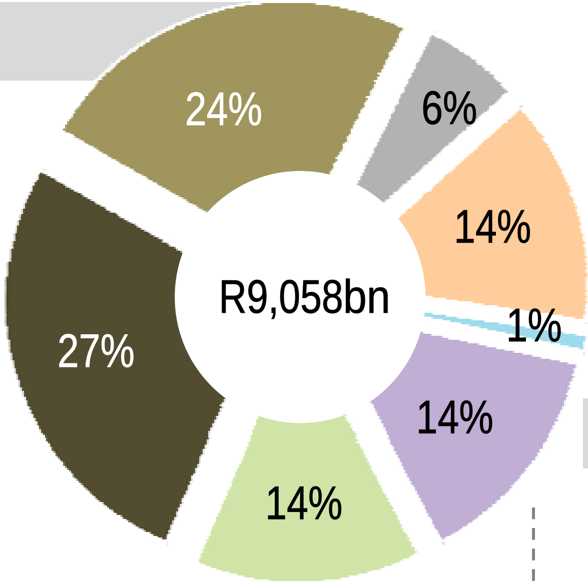
Engineering / Building and Housing / Civil Engineering / Manufacturing / Infrastructure Concessions / Property Development / Construction Materials

	F2010	F2011
Turnover (R mn)	10 200	8 502
Employees	10 999	11 159

Extract Annual Report F2011

Product and geographic diversity – secured construction order book red total Construction order book split

By sector

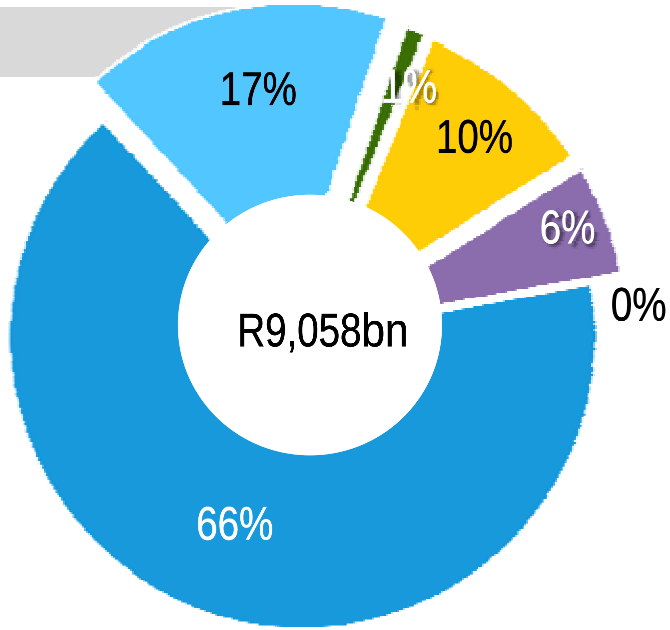


- Mining
- Industrial
- Oil and gas
- Power
- Real estate
- Transport
- Water and environment

Group increasingly focused on 7 sectors

By geography

- South Africa
- Rest of Southern Africa
- Middle East
- West Africa
- Central Africa
- East Africa



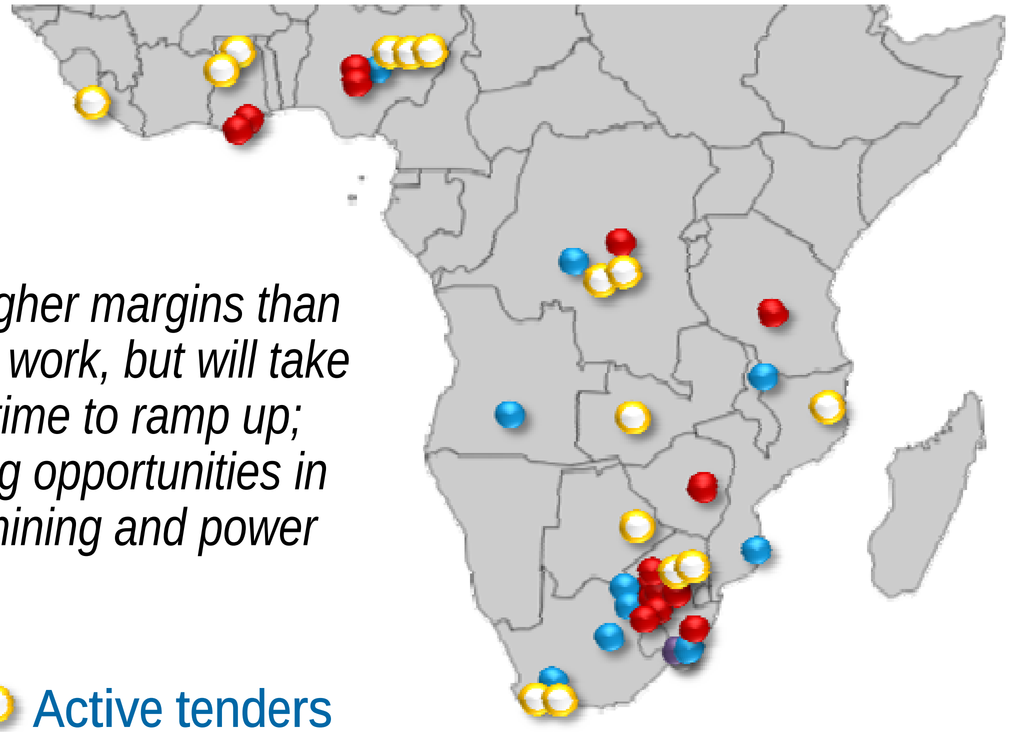
Order book moved from

24% Aug '10 30% Aug '11 34% Oct '11

3. Geographic diversity - position in Africa

Completed projects (last 3 years)

DRC	- Tenke Fungurume	Mining
Nigeria	- IBOM	Power
SA	- Sasol OCGT	Power
	- Berg River dam	Water
	- Brandvlei prison	Real estate
	- Netcare Hospital	PPP
	- Moses Mabhida	Real estate
	- GFIP & King Shaka	Transport
Mozambique	- Matola cement plant	Industrial
Angola	- Cimangola mill	Industrial
Malawi	- Kyalakera uranium	Mining



Higher margins than SA work, but will take time to ramp up; big opportunities in mining and power

Current projects

SA	- Transnet NMPP Project	Oil & gas
	- Kusile Civils	Power
	- Beatrix Mine	Power
	- Sasol Alrode tanks	Industrial
	- Sasol HRSG	Power
	- Spring Grove dam	Water
	- Khayelitsha hospital	Real estate
Nigeria	- ABA power station	Power
	- Asaba development	Real estate
Zimbabwe	- Road network upgrade	Transport
Ghana	- Ayanfuri gold	Mining
	- Commercial offices	Real estate
Tanzania	- North Mara Gold	Mining
DRC	- Kinsevere cobalt	Mining

Active tenders

Nigeria	- Captive power	Power
	- Various commercial	Real estate
SA	- N1/N2 Winelands	Transport
	- Government offices	Real estate, PPPs
	- Koeberg re-power	Power
Mozambique	- IPP project	Power
Ghana	- Various commercial	Real estate
	- IPP project	Power
Sierra Leone	- Iron ore project	Mining
DRC	- Various projects	Mining
Zambia	- Various projects	Mining, transport
Botswana	- Large dam	water

3. Geographic diversity - position in Middle East

Completed projects (last 3 yrs)

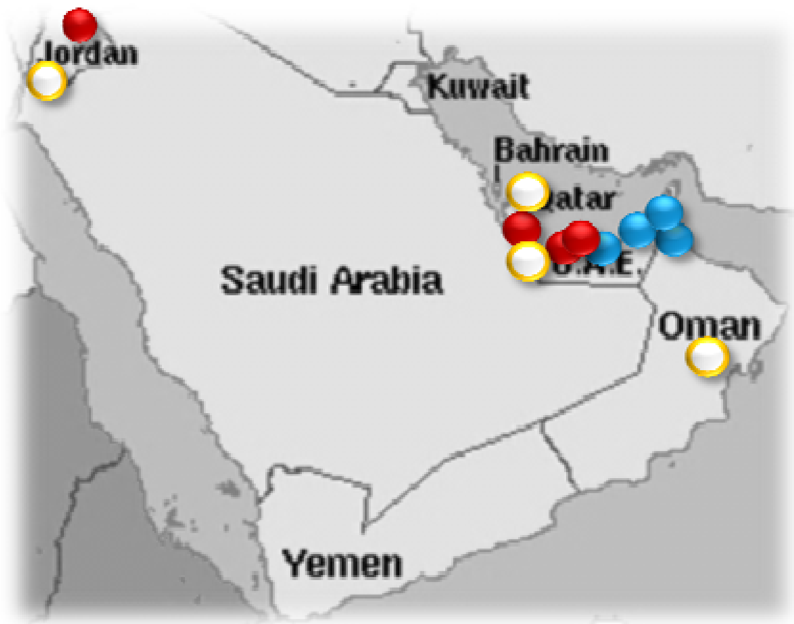
Dubai	– Duty free warehouse	Transport
Dubai	– Parallel ring roads	Transport
Dubai	– Airport cargo terminal	Transport
Abu Dhabi	– Aluminium smelter	Industrial

Current projects

Jordan	– Disi Pipeline	Water
Qatar	– Doha airport metro station	Transport
Abu Dhabi	– Vehicle showroom	Real estate
Abu Dhabi	– EMAL expansion	Industrial

Active tenders

Jordan	– Aqaba port infrastructure	Industrial
Oman	– Hotel complex	Real estate
Qatar	– Road/rail infrastructure	Transport
Abu Dhabi	– Aluminium smelter Phase2	Industrial



- *Investment cost incurred warranted by longer term returns*
- *Margins competitive in the short term*
- *Focus on sectors with higher margin potential: electricity, water, gas and transport infrastructure*

3. Geographic diversity - position in Central & Eastern Europe

Completed projects (last 3 yrs)

Investments:

Poland	– Phase 1 of A.1 motorway – 15%
Hungary	– Phase 3 of M6 expressway – 10%
Poland	– Phase 2 of A.1 motorway – 15% (80% complete)

Current contracts

Concession owner:

Poland	– Phase 1 of A.1 Motorway
Hungary	– Phase 3 of M6 Motorway
Poland	– Phase 2 of A.1 Motorway

Motorway operator:

Hungary	– Phase 1, 2 & 3 of M5 Motorway (158km)
Hungary	– Phase 1 of M6 Motorway (60km)
Hungary	– Phase 3 of M6 Expressway (80km)
Poland	– Phase 1 of A.1 Motorway (90km)
Poland	– Phase 2 of A.1 Motorway (52Km)

Active new target developments

Poland	– Manual tolling
Bulgaria	– Gas fired IPP
Czech Republic	– Motorway concession

- *Equity opportunities in transport concessions have slowed*
- *Short term focus on O&M concessions & power*

construction update

Construction update

Building & Housing

Building

- Gauteng private sector exceptionally competitive – not buying order book at negative margins
- KwaZulu-Natal more buoyant than the Cape
- Preferred bidder on two of the PPP project opportunities available *(Munitoria and Department of Land Reform in Tshwane)*
- Re-entered Central & Western Africa
- Three current projects are being well executed in Zambia
- Target market is private sector with bankable payment guarantees; not public sector

Housing

- Strong increase in turnover
- Order book predominantly mining and BNG (Breaking New Ground)
- Current work includes mass housing in Zambia

Construction update

Civil Engineering

SA

- Awards remain low, with many projects being delayed
- Timeframes on secured work extended
- Very competitive bidding environment putting pressure on margins
- Power sector slow, apart from Eskom projects & alternative energy bids due
- Still working on the expanded multi-billion Transnet NMPP project

Africa

- Have bid on a number of mining projects; expect to remain busy
- Transport should increase with concessions gaining traction
- Water sector expected to pick up

MENA

- Have bid for projects in Qatar, Jordan and Saudi Arabia.
- Large volumes in infrastructure expected in Saudi Arabia and Qatar leading up to 2022 World Cup – will be competitive
- Legacy project close-out still in progress

Construction update

Engineering - Projects (Mechanical and electrical plant construction)

- Predominantly private sector markets with strong mining focus
- Increased mining construction throughout Africa - good order intake in F2012
- 16 projects under tender, but not yet awarded
- Tender activity mainly in mining sector – work flow for all Group Five businesses
- Permanent establishments in Ghana, Burkina Faso and the DRC and Tanzania underway

Construction update

Engineering - Engineering & Construction (E&C)

Power sector

SA

- Renewable energy projects bid into REFIT programme in November/March
- Invested in ensuring compliance with nuclear requirements as the SA government re-launches the nuclear programme

Africa

- Cautious return of private funding resurrecting projects - driven by availability of coal and gas

Oil & gas sector

SA

- Investment phase; ageing refineries doing maintenance and turnarounds

Africa

- Good growth in East and West Africa; cautiously expanding offering in East Africa

Water sector

- Growing market for water system solutions across Africa

topical issues

Group Five's view on current topical issues

- Market conditions and state of government spend
- International competition, including Chinese contractors
- Competition Commission update

Market conditions & state of government spend

	Public sector	Private sector
Overview	• SA: SOEs active: general government not spending much • PPP awards delayed • **Over-border:** Growing pipeline	• SA: Low activity levels and very competitive • **Over-border:** Large contribution to group – mainly mining
Power	• SA: – Eskom active - Kusile in progress – We bid R4 billion of wind and solar projects under REFIT 1 – Nuclear expected F2013 – Group Five solar plant at COP17	• SA: Industrial & mining power awards received; more projects under development • Thermal IPPs still in development • **Over-border:** Bidding projects across Africa , taking time to develop
Oil & gas	• Weaker for new projects • Uncertainty around Petro SA new build	SA & over-border: • Backlog of plant shutdowns & upgrades • Bidding into East Africa O+G market
Water & environment	• SA: Some activity, but timing of awards uncertain	

Market conditions & state of government spend

	Public sector	Private sector
Real estate	• SA: - PPPs delayed, in disarray - Affordable housing picking up	• SA: – Bidding activity increasing slightly, but pricing still unattractive • Over-border: – Expanding commercial retail & housing construction
Transport *(Public sector only)*	• SA: - SANRAL active but pricing very competitive – Tolling of highways under threat – grave consequences for infrastructure – Transnet rail & port extensions planned, but timing uncertain • Over-border: Focus on southern African road network, concessions	
Industrial *(Private sector only)*	• SA: Limited prospects in short term • Over-border: limited prospects in short term	
Mining *(Most active sector; Private only)*	• >360 projects in Africa with a construction value of around R100bn • SA: Coal and iron ore active • Over-border: Group has good % of accessible African mining market; West African gold, cobalt & iron ore activity attractive	

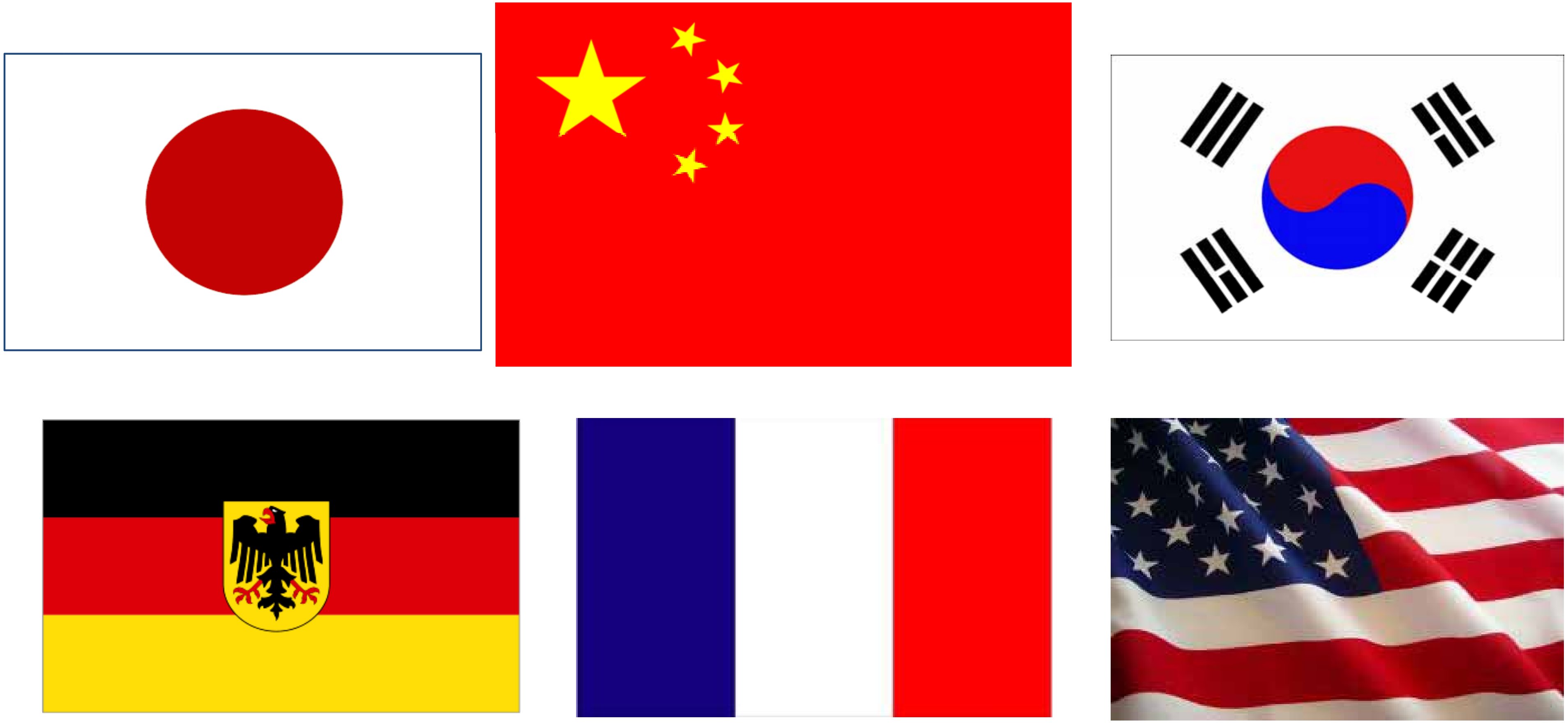
Multi-year target opportunity pipeline

By sector (Rbn)	Total as at September 2011: R138bn						
	International split			Local split			TOTAL
	Total	Private	Public	Total	Private	Public	
Mining	15	15	-	3	3	-	18
Industrial	2	2	-	1	1	-	3
Power	7	6	1	18	3	15	25
Oil & gas	-	-	-	2	1	1	2
Water & environment	8	2	6	2	-	2	10
Real estate – Building	10	7	3	36	26	10	46
Real estate – Housing	2	2	-	3	3	3	8
Transport	13	5	8	11	-	11	24
TOTAL	57	39	18	81	37	44	138

- **Of this R138 billion pipeline R20 billion of imminent “won” work has been suspended.**
- **Profile demonstrates key sectors aligned to Group competencies**

International competition

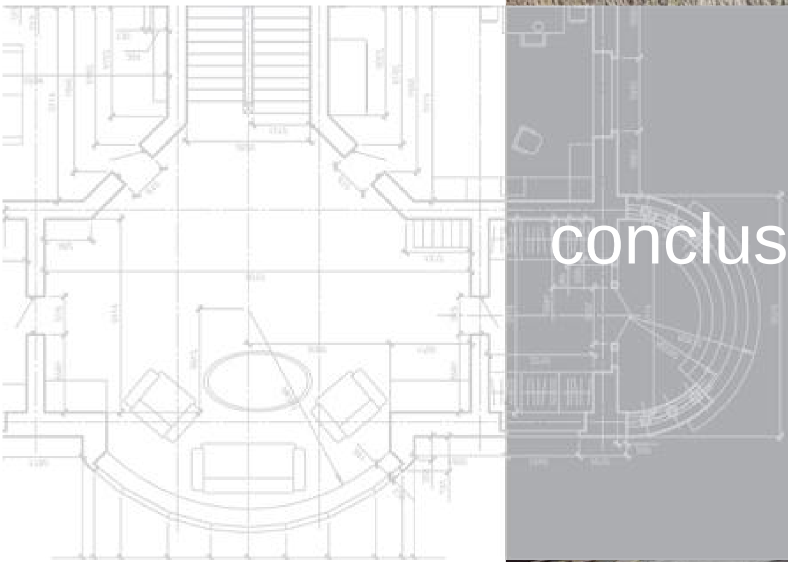
- China, and many others…



- Rather than engage in price competition, Group Five will look to JVs/partnerships, working with competitors from China, etc.

Competition Commission update

- Group submitted its findings of its internal interrogation to Compcom in 2010
- Co-operated with commission – assisted with understanding of industry and its history
- Re-submitted same findings under fast-track programme
- Achieved conditional leniency for all submissions which have been adjudicated
- Do not expect a fine, but no guarantees
- Will continue to co-operate



conclusion

Conclusion

- Market appears to be starting to bottom – but uncertainty and risk to continue for longer
  - SA government currently failing in terms of infrastructure policy and delivery
  - SOEs generally good clients
  - Market conditions & order books expected to improve from H2 F2012, albeit slowly
    - Export orientation is the driver through infrastructure & commodities growth in Africa
    - European and Middle Eastern economies still constrained
  - Margins still under pressure; unlikely to improve until F2013
  - Cash preservation a priority to fund growth

Conclusion

- Group Five strengths position us for medium term growth
  - Trillion rand SA infrastructure budget – backlogs & bottlenecks have to unlock
  - Multi-disciplinary construction company – “full house” contractor
  - Reputation for successfully delivering complex contracts in remote, difficult conditions
  - Very competent in key sectors of power, transport & energy
  - Concession & PPP capabilities – pulls through construction in African markets
  - Entrenched risk management

Contact details

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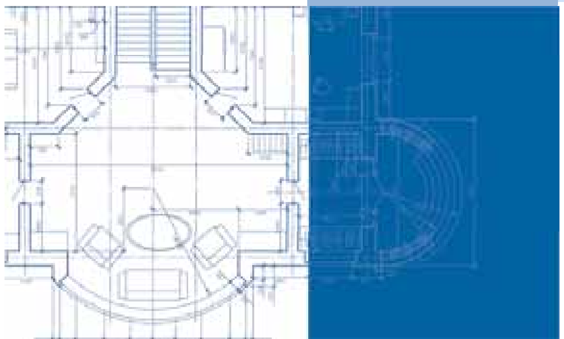

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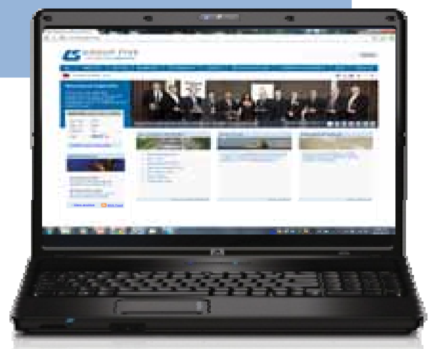
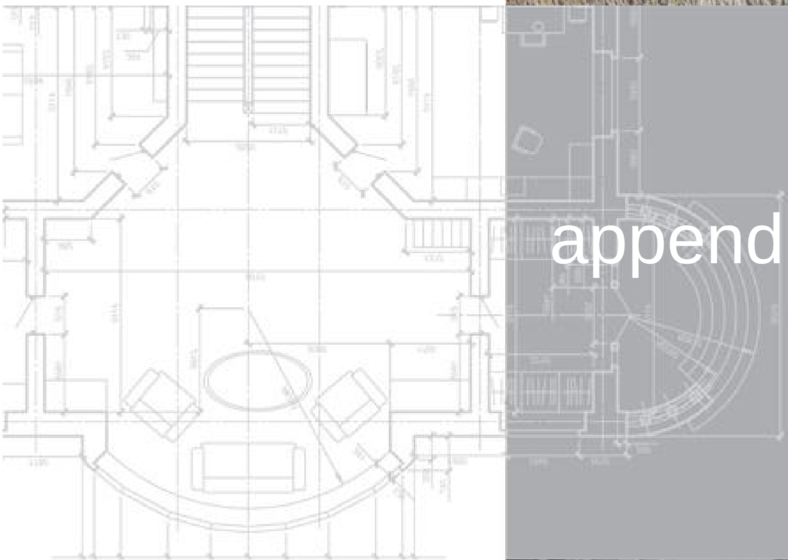




appendix

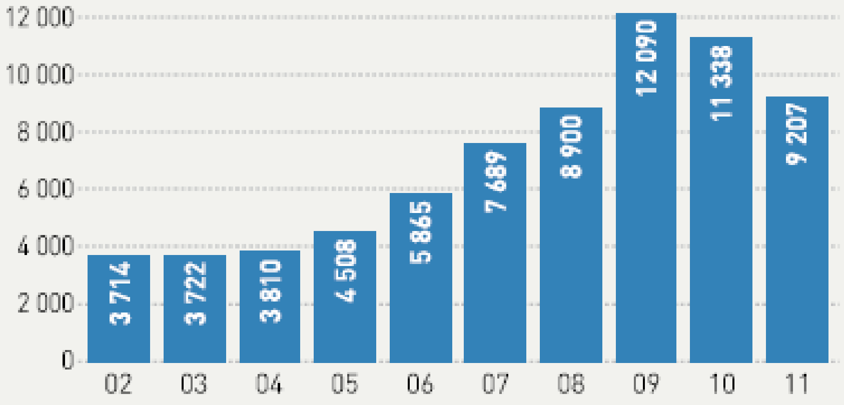
Sector diversity – Group Five's role in High-potential sectors

Mining	Industrial	Power	Oil and gas
• Multi-disciplinary mine plant and infrastructure constructor • Consortium partner in EPC mine construction • Contract crushing and mining services • Multi-disciplinary services contractor • Supply chain logistics into remote sites	• Multi-disciplinary industrial plant constructor • Supply of construction materials • Factory layout design and build	• Co-developer, equity participant and turnkey design and build contractor • Design and build consortium partner • Constructor	• Multi-disciplinary plant and infrastructure constructor • Materials and fabricated plant component supplier • Turnkey technology packages • Multi-disciplinary services contractor

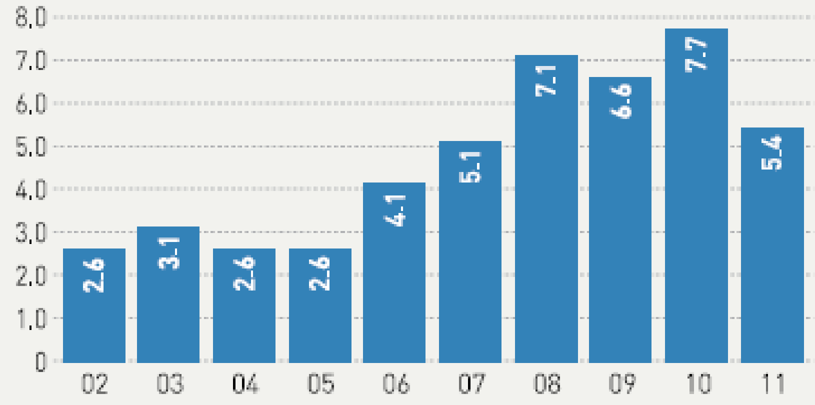
Water and environment	Real estate	**Transport**
• EPC consortium partner in bulk water systems • Multi-disciplinary constructor of coastal marine structures, bulk water transport, treatment and storage systems • Design and manufacture of large bore spiral wound water pipes	• Developer, equity participant and turnkey design and build contractor in real estate developments • Design and build contractor, with particular green building expertise • Public private partnerships (PPPs)	• Co-developer, equity participant and turnkey design and build contractor in transport concessions • EPC consortium partner for the design and build of transport infrastructure • Multi-disciplinary constructor of roads, railways, ports, harbours and airports

Ten year review

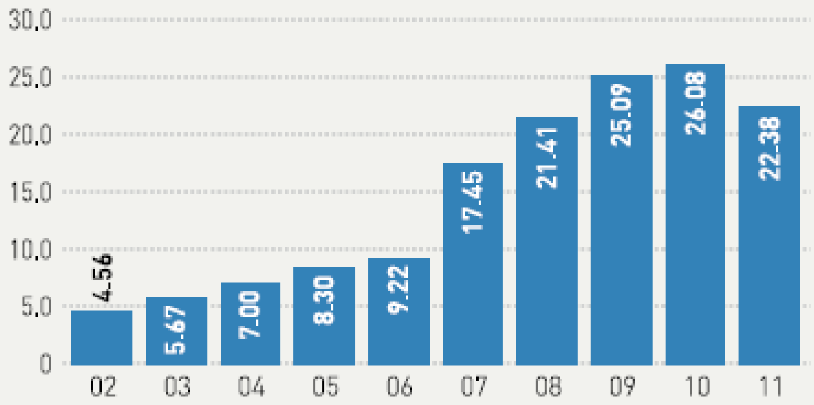
Total revenue (R million)



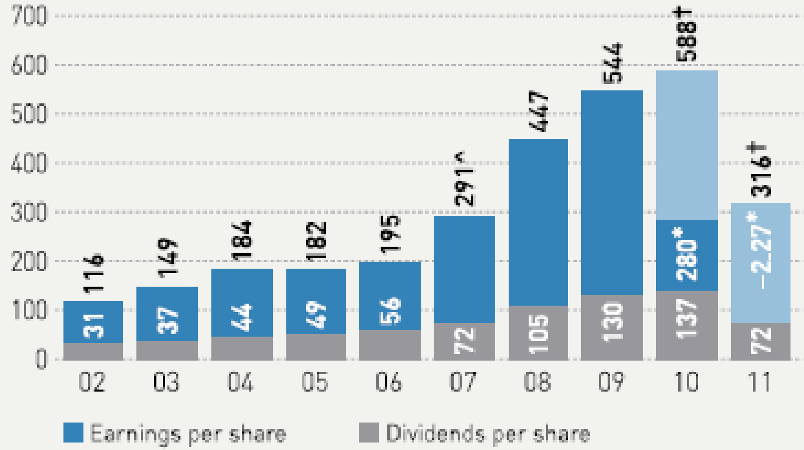
Operating profit margin* (%)



Net asset value per share (R per share)



Profit attributable to shareholders (cents)



^Before external BEE ownership expense.
** After impairment adjustments.*
† Before impairment adjustments.