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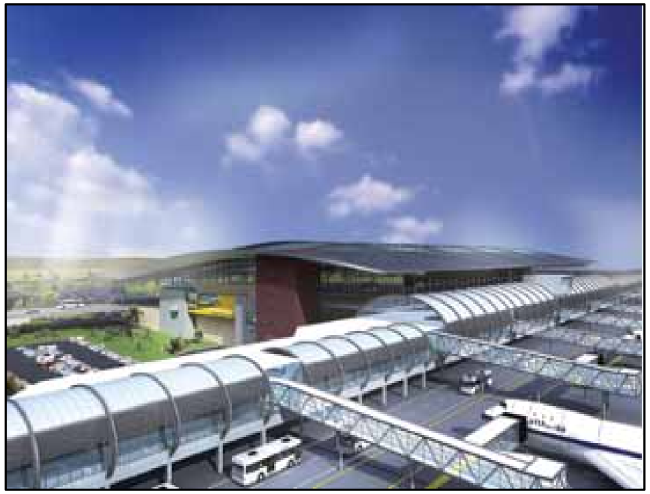
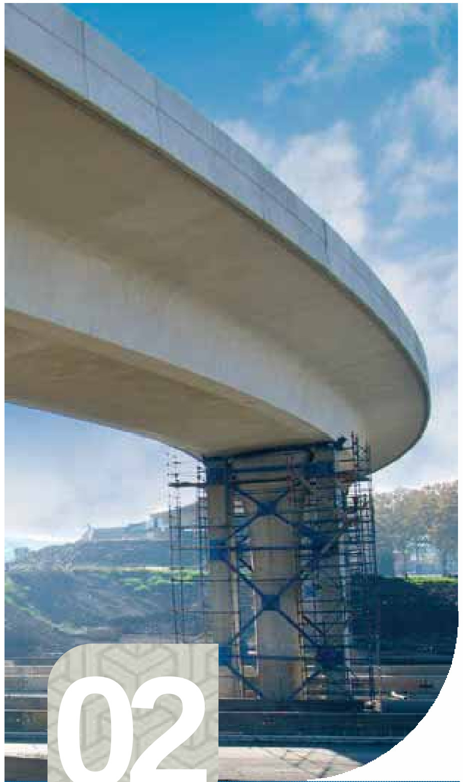
MEDIA MANAGEMENT MORNING – INFRASTRUCTURE & CONCESSIONS UPDATE NOVEMBER 2012


CAPITAL PLACE



Agenda

01 Introduction



02 Business update

03 Growth areas

04 SA Infrastructure outlook

Introduction

01

New office development – Waterfall, Gauteng

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Introduction

Focus areas:

- Development and operation of large-scale multi-disciplinary infrastructure projects
- Target sectors of Transport, Power, Industrial and Water
- Real Estate development in both public and private sector
- Procurement of funding for D&C contracts through DFI's with political risk cover through ECA's including ECIC

Benefits to the Group:

- Equity returns on projects
- Development management fee income
- Improved construction margins
- Annuity revenue stream from operations & maintenance
- Platform for establishment of strategic relations with government and private sector
- Creates a project pipeline and grows the construction order book
- The team has key commercial, legal, technical, strategic, M&A and structuring expertise – which supports the Group beyond just our cluster


Free-flow interchange for SANRAL – KZN

Business update

02

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Poland – Intertoll Europe

- Significant contributor to Intertoll Group's profitability

- New projects in Africa and elsewhere in Eastern Europe to balance contribution after F2015

- <u>Secured contracts:</u>
  - A1 Phase 1 and 2 (2008, 2011) - *2039*
  - A2 Motorway – Manual Tolling on ETC Truck Toll (2012) – 2016
  - S8 Expressway – 6 year O&M contract to Govt

- <u>New targets:</u>
  - A1 South (medium term)
  - A2 East (medium term)
  - Various O&M contracts on National Routes

Hungary – Intertoll Europe

- Historical entry point of Intertoll into Europe
- New project prospects remain limited in medium term
- Secured contracts in Hungary performing in line with expectation
  - M5 (2002) - 2031
  - M6 Phase 1 (2005) - 2027
  - M6 Phase 3 (2007) - 2037

Southern Africa – Intertoll Africa

INTERTOLL

- CTROM project market remains stable

- <u>Secured Contracts:</u>

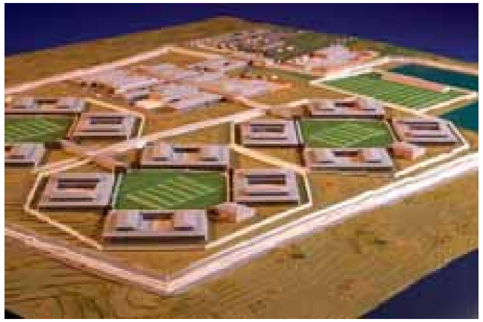
  - N1 South (Johannesburg to Bloemfontein) – 2019
  - N2 North Coast (Durban to Richards Bay) - 2017
  - N2 Tsitsikamma and N4 West Magalies – 2014

- <u>New Contracts:</u>

  - Zimbabwe Phase 1 – 10 plazas (1Q 2013)
  - Zimbabwe Phase 2 – 14 additional plazas (1Q 2014)

South African PPP - Infrastructure Concessions

- Inconsistent, and politically misaligned opposition to projects across most infrastructure sectors currently continues in South Africa, except in renewable energy and some buildings



  - Toll Road Projects
    - N1-N2 Winelands ?
    - Gauteng e-Toll ?
    - Wild Coast toll road ?
  - Building PPP’s
    - Munitoria/DRD&LR ?
    - Prisons ✘
    - Hospitals ?
    - Department of Statistics ✓?
  - Power
    - DME, Eskom, Nuclear (1st Round) ?
    - Renewables ✓

South African PPP - Infrastructure Concessions - Munitoria, Tshwane

Rest of Africa - Infrastructure Concessions –

- HOWEVER, a different story is emerging for rest of Africa, particularly Southern, Central, East and parts of West Africa

- Strong support for various initiatives in:

  - Zimbabwe
  - Zambia
  - Mozambique
  - Uganda
  - Tanzania
  - Kenya
  - South Sudan
  - Nigeria
  - Ghana

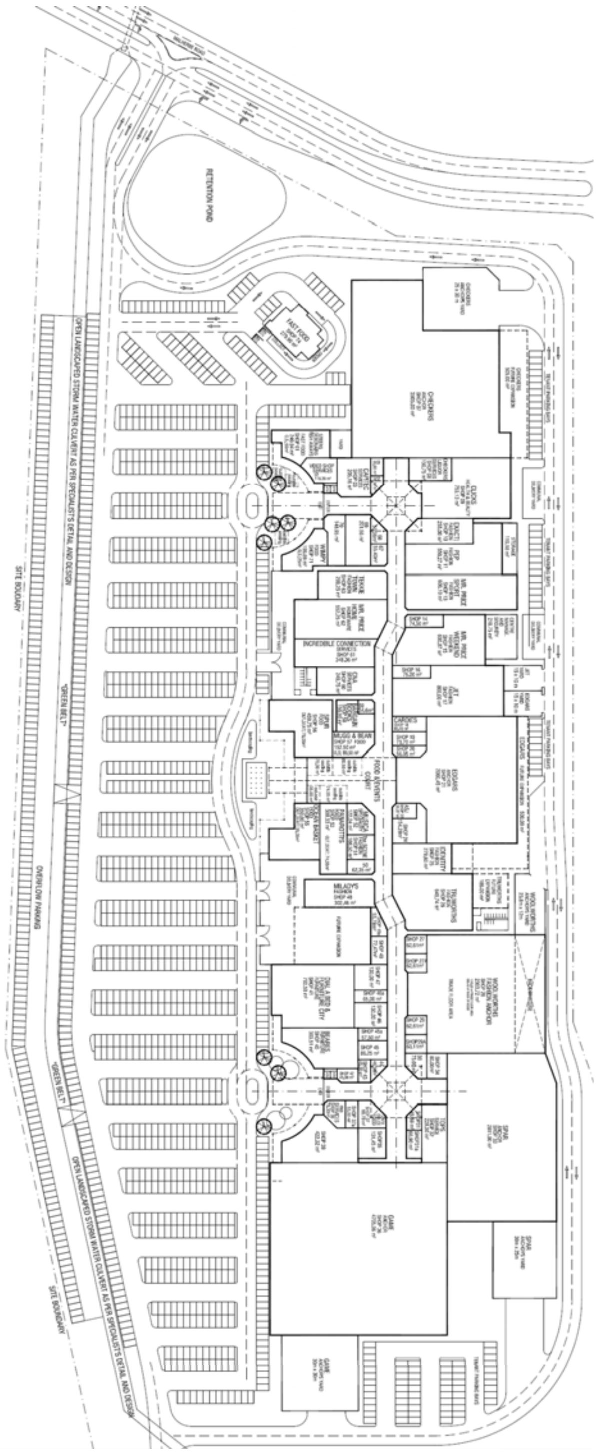
African Infrastructure – Ingredients for success

- Group Five’s solutions-orientated approach
  - What are top priorities for successful projects?
    - High level **political support & continuity**
  - Backing at the outset from the **lead funders**
    - Critical role by DBSA, ADB, African Development Fund & others

      - Sufficient risk appetite, financial capacity, profile?
  - Dedicated **focus,** practical project, **realistic** & achievable
  - **Right aligned team** to deliver complete target project
    - Technical, technological, operational, legal, financial

South Africa - Property Developments

- Our property business is back to profitability
- SAPRO mandate progressing positively
- Remaining residential portfolio being sold/developed:
- Selected new projects under development:
  - Kalahari Mall (Upington)
  - Brackenfell sites (Cape Town)
  - Kalagadi Manganese Mine Housing
  - Oxford Road (Rosebank – Gautrain site)



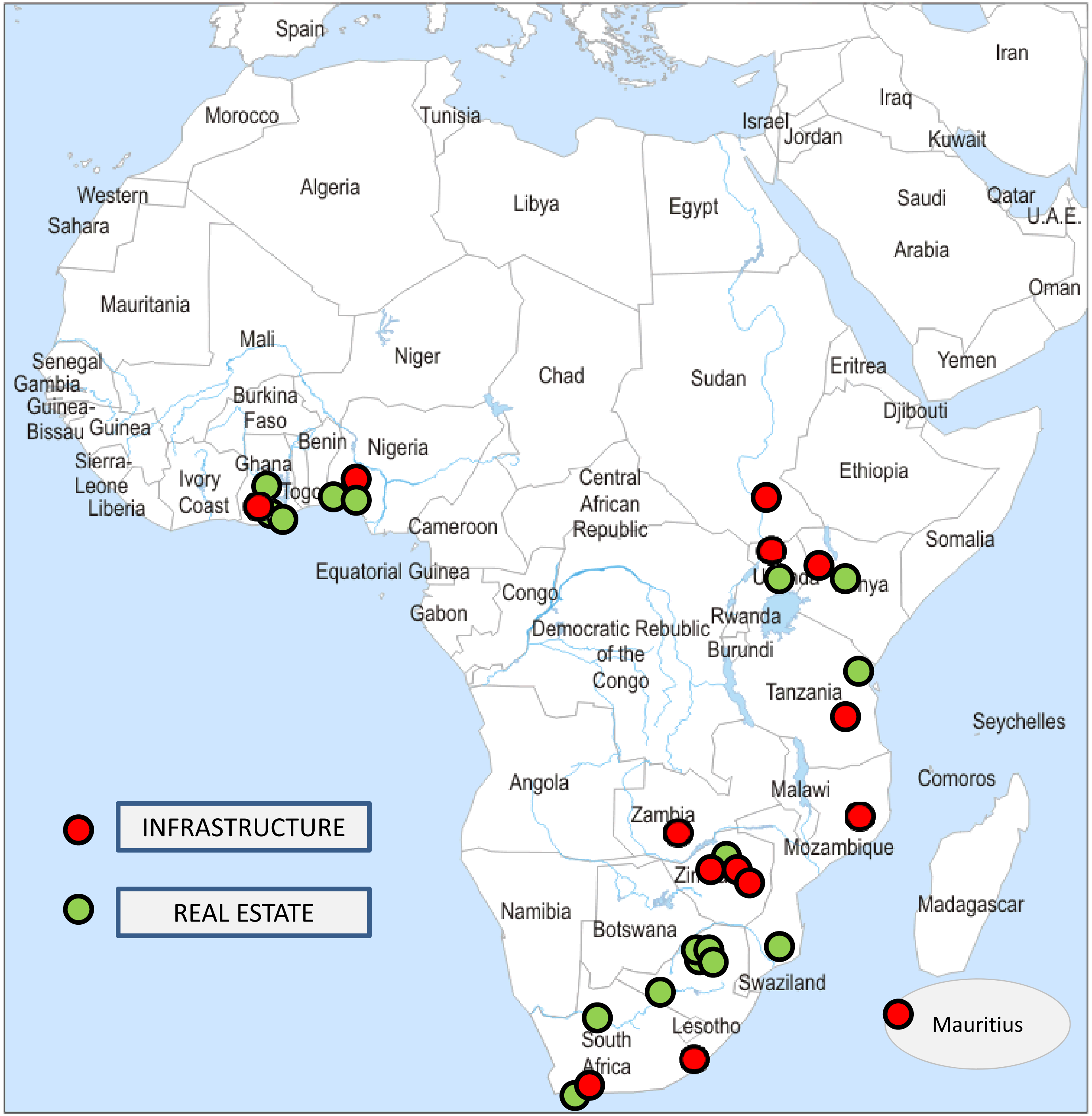
Kalahari Mall development

Rest of Africa - Property Developments

- New markets being explored cautiously and with strong partners
  - Nigeria
  - Uganda
  - Zimbabwe
  - Ghana

Ghana Mall development

African footprint – infrastructure & real estate



Growth areas

03

Growth areas

- South Africa - Beyond Tolling
  - Routine Road Maintenance - E+M Maintenance in-house
- Rest of Africa – Geographic expansion
  - Build and operate solutions for other African countries
  - Develop workable funding for models for infrastructure and real estate projects
  - Expand operational footprint in concession type operations and in property developments
- Europe - Geographic expansion
  - Balkans, Albania, Kosovo, Turkish Market:
- Intertoll Group Technology - Secure tolling technology capacity


GJ Crookes Hospital – KZN

SA infrastructure outlook

04

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Infrastructure Sector Outlook

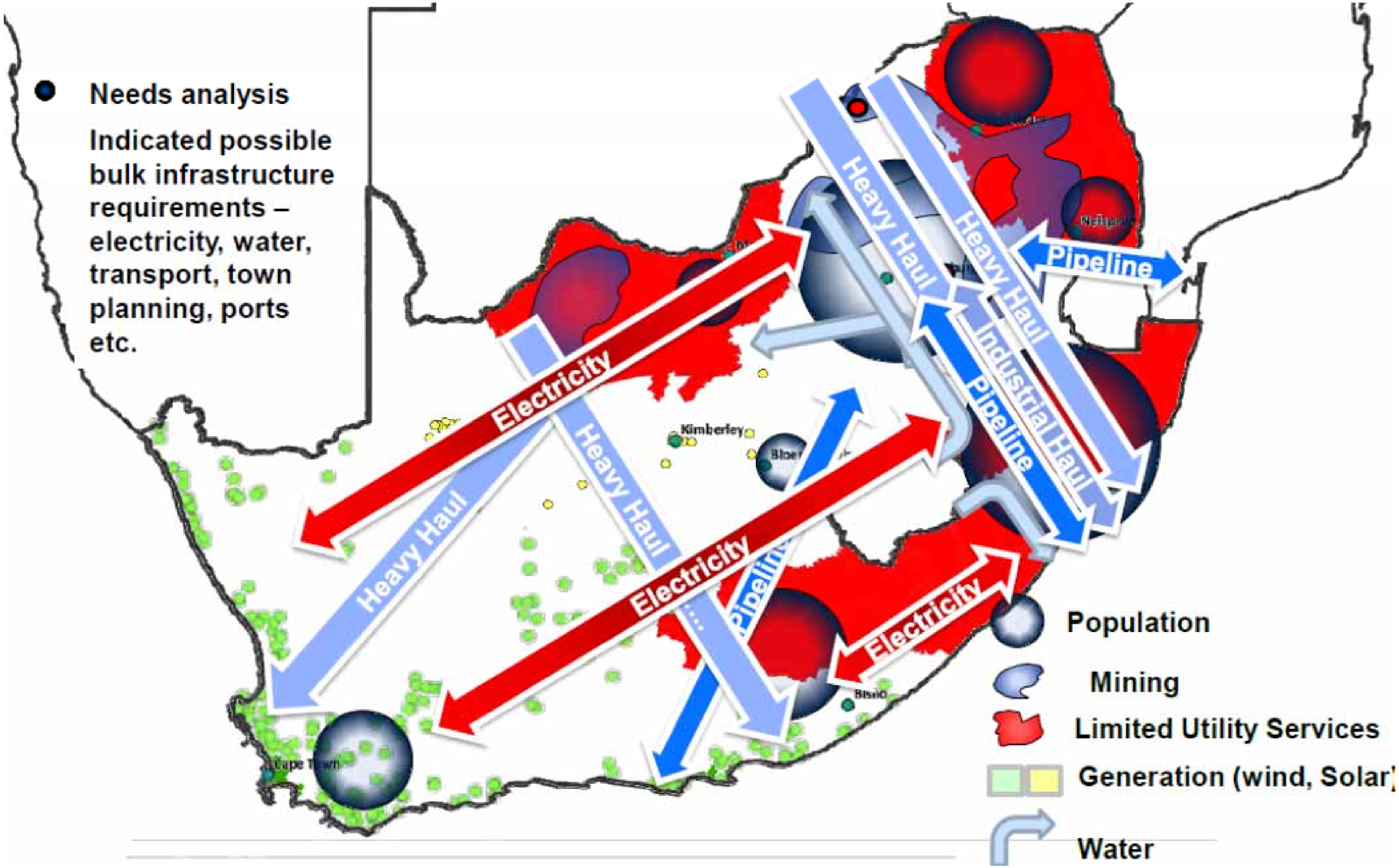
- National Development Plan
    - NDP is a guide to future policy
    - Extremely good template for infrastructure development
    - Includes broad, cross-cutting independent view of South Africa's requirements
    - Consultation with private sector included
    - Revised NDP tabled to Parliament in August 2012
- *We endorse the NDP, but need to see adoption by Cabinet and evidence of implementation at ministerial level*

South Africa – PICC

PRESIDENTIAL INFRASTRUCTURE COORDINATING COMMISSION

- PICC – Presidential Infrastructure Co-Ordinating Committee designated to maximise the benefit from infrastructure spend
  - 17 SIPS identified to stimulate South Africa's economy and employment – focus on local procurement
  - Mandate: develop 20-year infrastructure pipeline
  - Move away from stop-start nature of infrastructure building
  - Key focus is Transnet – R300 billion spend – funding may be an issue
  - Transport corridors including Waterberg & Swaziland coal line, Durban Port, Gauteng – Free State – Durban corridor, Richards Bay and Ngqura
- However, most SIPs are still in pre-feasibility stage

South Africa – 17 Strategic Infrastructure Projects (SIPS)



South Africa – 17 SIPS

- GEOGRAPHIC SIPS
  - SIP 1 - Unlocking the Northern Mineral Belt – Waterberg
  - SIP 2 - Durban – Free State – Gauteng –corridor
  - SIP 3 - South Eastern Node and corridor development
  - (Group Five is Scheme Developer on Wild Coast Toll Road)
  - SIP 4 - Unlocking the opportunities in North West province
  - SIP 5 - Saldanha – Northern Cape development corridor
- ENERGY SIPS
  - SIP 8 - Green Energy in support of South African economy
  - SIP 9 - Electricity generation for socio-economic development
  - SIP 10 - Electricity transmission and distribution for all
- SPATIAL SIPS
  - SIP 6 - Integrated Municipal Infrastructure Project
  - SIP 7 - Integrated Urban Space and Public Transport Programme
  - SIP 11 – Agri-logistics and rural infrastructure

South Africa – 17 SIPS

- SOCIAL INFRASTRUCTURE SIPS
  - SIP 12 - Revitalisation of public health and hospitals
  - SIP 13 - National School Build Programme
  - SIP 14 - Higher Education Infrastructure
- KNOWLEDGE SIPS
  - SIP 16 - SKA – Meerkat
  - SIP 15 - Expanding access to communication technology
- REGIONAL SIPS
  - SIP 17 - Regional integration for African cooperation and development

Asbestos-free building components

Questions & answers

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M1 freeway for SANRAL – Gauteng

Appendix

Infrastructure Sector Outlook

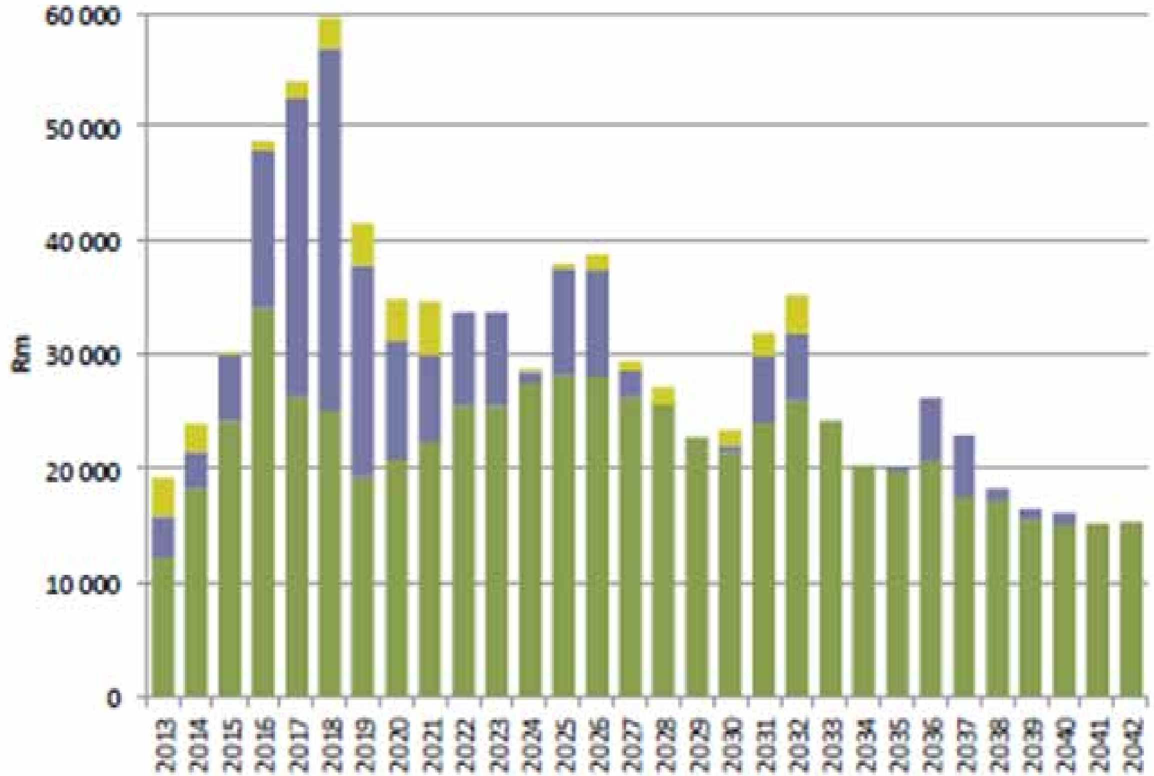
- **TRANSNET - Pipeline of R300 billion of projects**
  - Waterberg expansion, including green fields rail lines – coal driven
  - Swaziland expansion including green fields rail lines – coal driven
  - Durban Port expansion and new port “dig out”
  - Richard Bay port expansion – coal export
  - Ngqura - manganese expansion
  - Current action is on new rolling stock procurement – infrastructure work does not appear to be imminent
  - Funding for the projects is unclear

- **Group Five is ideally positioned for the new build:**
  - Durban Harbour widening
  - NMPP pipeline
  - NASREC rail line

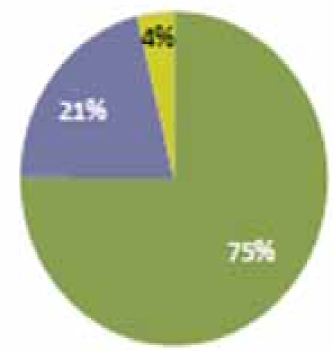
Transnet Capital Expenditure Programme

TRANSNET

Total rail, port and pipeline expansion capital requirements



Total expenditure: 2010 to 2041



Rbn

Rail	663
Ports	186
Pipelines	34
Total	883

Infrastructure Sector Outlook

- Eskom
  - Eskom new build is in progress – Medupi and Kusile expected to be commissioned 2013 and 2015 respectively
  - Eskom has some renewable projects – not responsible for REIPP projects
  - Significant new build in the power sector - future nuclear fleet
  - Recent announcement that Eskom will the owner and operator of the nuclear fleet by cabinet is encouraging
- Group Five is ideally positioned for coal, nuclear and renewable:
  - Experience in coal power build
  - Responded to Eskom own renewable projects
  - A dedicated nuclear business unit including shareholding in Lesedi

Status of Integrated Resource Plan

	New build options							
	Coal (PF, FBC, imports, own build)	Nuclear	Import hydro	Gas – CCGT	Peak – OCGT	Wind	CSP	Solar PV
	MW	MW	MW	MW	MW	MW	MW	MW
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	300
2013	0	0	0	0	0	0	0	300
2014	500[1]	0	0	0	0	400	0	300
2015	500[1]	0	0	0	0	400	0	300
2016	0	0	0	0	0	400	100	300
2017	0	0	0	0	0	400	100	300
2018	0	0	0	0	0	400[4]	100[4]	300[4]
2019	250	0	0	237[3]	0	400[4]	100[4]	300[4]
2020	250	0	0	237[3]	0	400	100	300
2021	250	0	0	237[3]	0	400	100	300
2022	250	0	1 143[2]		805	400	100	300
2023	250	1 600	1 183[2]	0	805	400	100	300
2024	250	1 600	283[2]	0	0	800	100	300
2025	250	1 600	0	0	805	1 600	100	1 000
2026	1 000	1 600	0	0	0	400	0	500
2027	250	0	0	0	0	1 600	0	500
2028	1 000	1 600	0	474	690	0	0	500
2029	250	1 600	0	237	805	0	0	1 000
2030	1 000	0	0	948	0	0	0	1 000
Total	6 250	9 600	2 609	2 370	3 910	8 400	1 000	8 400

Firm commitment necessary now   Final commitment in IRP 2012

1. Built, owned & operated by IPPs 2. Commitment necessary due to required high-voltage infrastructure, which has long lead time 3. Commitment necessary due to required gas infrastructure, which has long lead time 4. Possibly required grid upgrade has long lead time and thus makes commitment to power capacity necessary

Forward looking statements

This presentation which sets out information for Group Five Limited for the year ended 30 June 2013 contains ‘forward-looking statements’, which have not been reviewed or reported on by the Group’s auditors, with respect to the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives. In particular, such forward looking statements include statements relating to, amongst others, the Group’s future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy, and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group’s businesses by governments in the countries in which it operates; expectations regarding the operating environment and market conditions.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as ‘will’, ‘anticipates’, ‘aims’, ‘could’, ‘may’, ‘should’, ‘expects’, ‘believes’, ‘intends’, ‘plans’ or ‘targets’. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or its industry to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements.

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