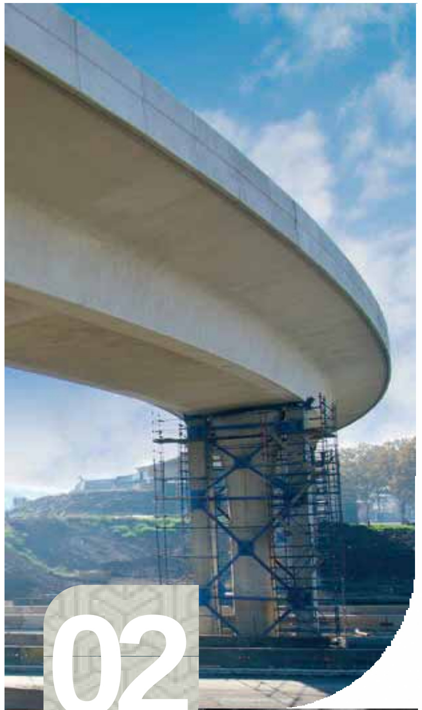
GROUP FIVE
structured ingenuity

SHAREHOLDERS, ANALYSTS & MANAGEMENT AFTERNOON - GROUP UPDATE NOVEMBER 2012

Agenda

01 Material risk update



02 Sector overview

03 Strategy in brief

04 Strategy at work & outlook

Material risk update

01

New office development – Waterfall, Gauteng

Middle East close out

- **Dubai**
  - positions agreed with clients in F2012, Al Naboodah managing process of finalising contractual and payment agreements
  - minimal holding costs from January 2013
- **Jordan** - completing commercial closure on completed contracts, no employees in country
- **Oman** – exiting only remaining active contract in Middle East, no employees by January 2013
- **Qatar–** exited, no employees by January 2013, presence through partners, limited costs
- **Saudi Arabia** – no employees by December 2013, presence through partners, limited costs

Construction Materials - final stages of sale

- All businesses/assets have been **sold or closed**
- Only conditions precedent are **DMR*/CC**** approval
  - 2 of the 3 remaining transactions approved by CC
  - All 3 of the more significant transactions require DMR approval post CC approval
- **Trading losses,** until CP^s satisfied, expected to be limited through tolling agreements with potential new owners from Q3 where possible
- **No further material** carrying value **impairments** expected

** Department of Mineral Resources* *** Competition Commission* *^Conditions Precedent*

Free-flow interchange for SANRAL – KZN

Sector overview - SA public infrastructure

02

South Africa Infrastructure Sector Outlook

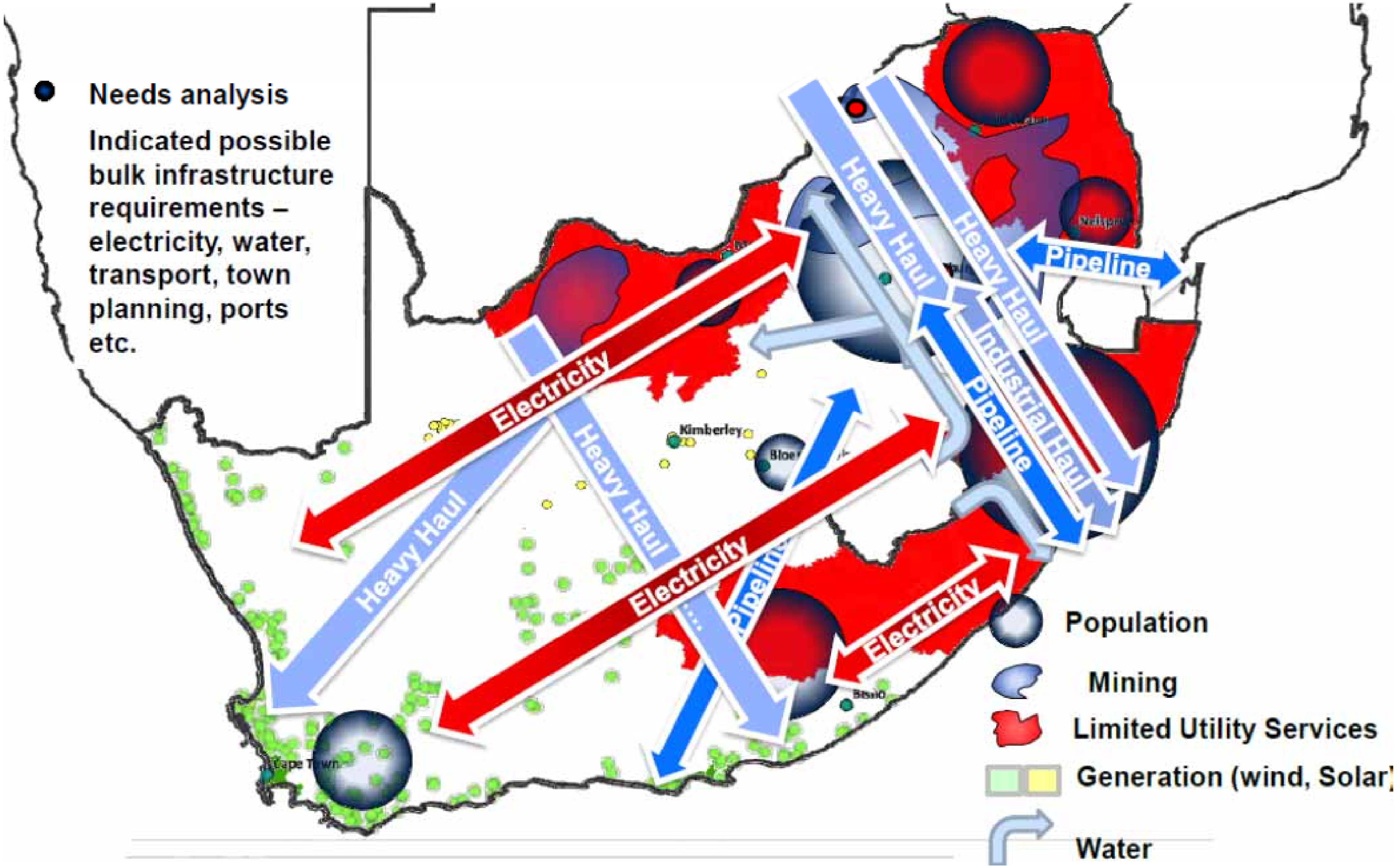
- **National Development Plan**
  - NDP is a guide to future policy
  - Extremely good template for infrastructure development
  - Includes broad, cross-cutting independent view of South Africa's requirements
  - Consultation with private sector included
  - Revised NDP tabled to Parliament in August 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 [strategic infrastructure projects] 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)



Free-flow interchange for SANRAL – KZN

Sector overview

02

Outlook by sector – Overview

	Public sector	Private sector
South Africa	• 10year R 4 Trillion spend mooted through PICC and MTBF • SOEs digesting current capex • Capacity and timing questioned • PPP, concessions policy and award process uncertainty • Pockets of general Govt spend in healthcare.	• Pockets of activity in real estate • Mining under siege • Industry quiet
Over-Border	• Growing African pipeline in road, rail, ports, power • Eastern Europe concessions market improving	African sector growth • Power • Real estate (SA retailers) • mining strong • Oil & Gas high potential.

Active **Slow** **Quiet**

Outlook by sector - Power

	Public sector	Private sector
South Africa	• Eskom base load build to 2015 • Renewable round 1 awarded • Thermal IPPs slow to market • Nuclear process to start F2014	• Industrial & mining power • Cogen (COFIT) projects under development
Over-Border	• Substantial activity in West Africa (gas fired) • Mozambique active (coal, gas)	• Substantial activity in West Africa (gas fired) • Projects across Africa taking time to develop

Active — **Slow** — **Quiet**

Outlook by sector (contd)

	Public sector	Private sector
Real estate	SA • Government building PPPs progressing • Social housing slow but progressing • Provincial healthcare active	SA • Bidding activity weak and pricing still unattractive Over-border: • Expanding commercial retail & mine housing
Transport *(Public sector only)*	SA • SANRAL active ,pricing competitive • Tolling and funding policy uncertainty • Transnet rail, port extensions Over-border • Road network, concessions	SA • No tangible market currently

Active **Slow** **Quiet**

Outlook by sectors

	Public sector	Private sector
Water	SA • Pipelines & dams Over-border: • Future Lesotho Highlands II	SA & Over-border • Limited opportunities
Oil & gas	SA • NMPP still to run until F2014 Over-border • Mozambique, Uganda	SA & over-border • Plant shutdowns & upgrades • Depot services and maintenance • Mozambique, Uganda high potential
Industrial	SA & Over-border • Limited opportunities	SA & Over-border • Limited opportunities
Mining	SA & Over-border • Limited opportunities	SA • Coal and iron ore active Over-border • African mining market buoyant • Gold, zinc, copper, cobalt, coal, uranium.

Active **Slow** **Quiet**

Practical skills development through the group's academy

Strategy in brief

03

Positioning the group

A diversified construction, infrastructure concessions and services group

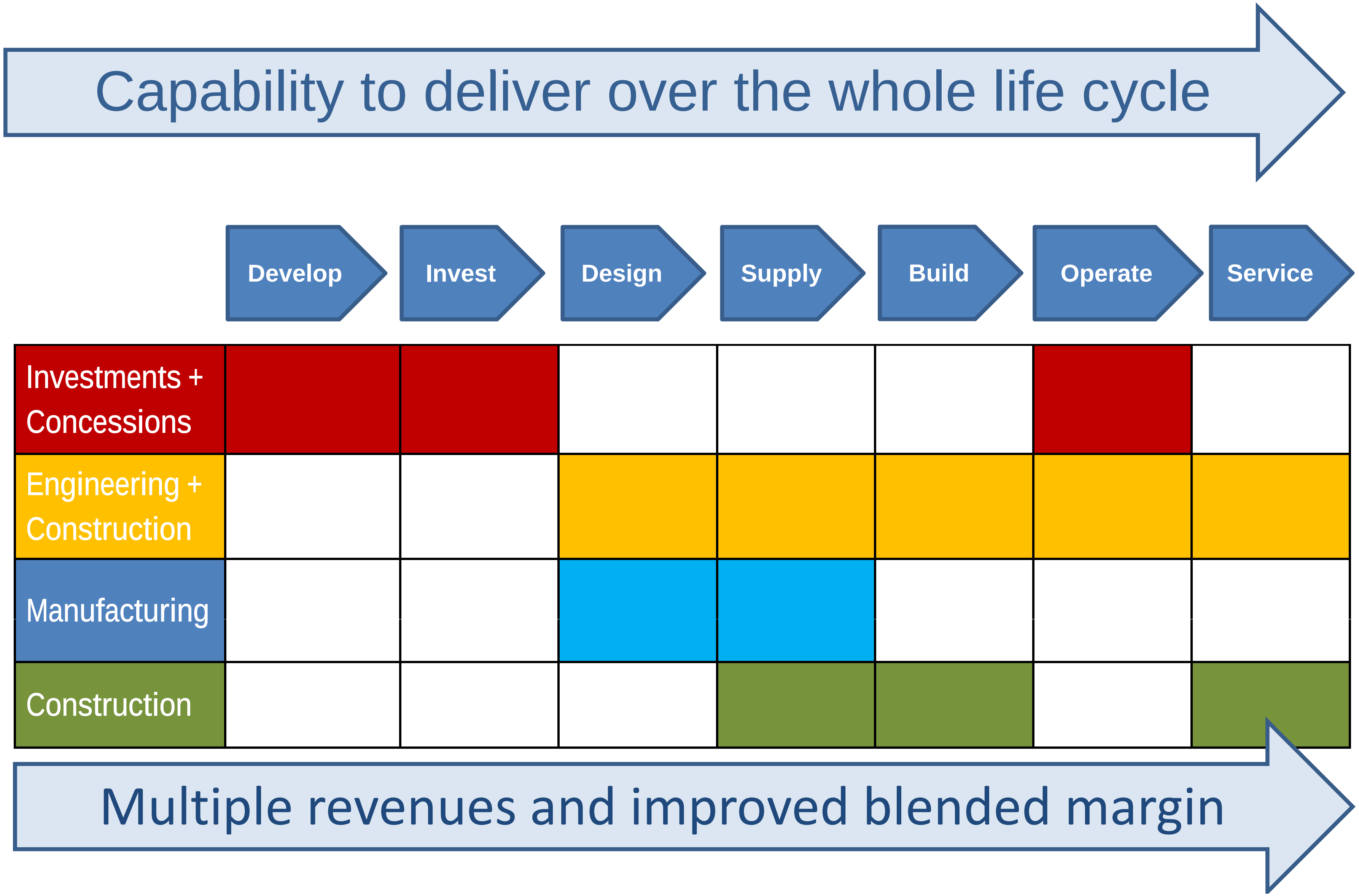
with

A growing international client base engaged in resources, energy and infrastructure delivery

which

Operates in South Africa, the rest of Africa, the Middle East and Eastern Europe

Business rationale is to extract value from the full infrastructure lifecycle



Group structure that supports the strategy



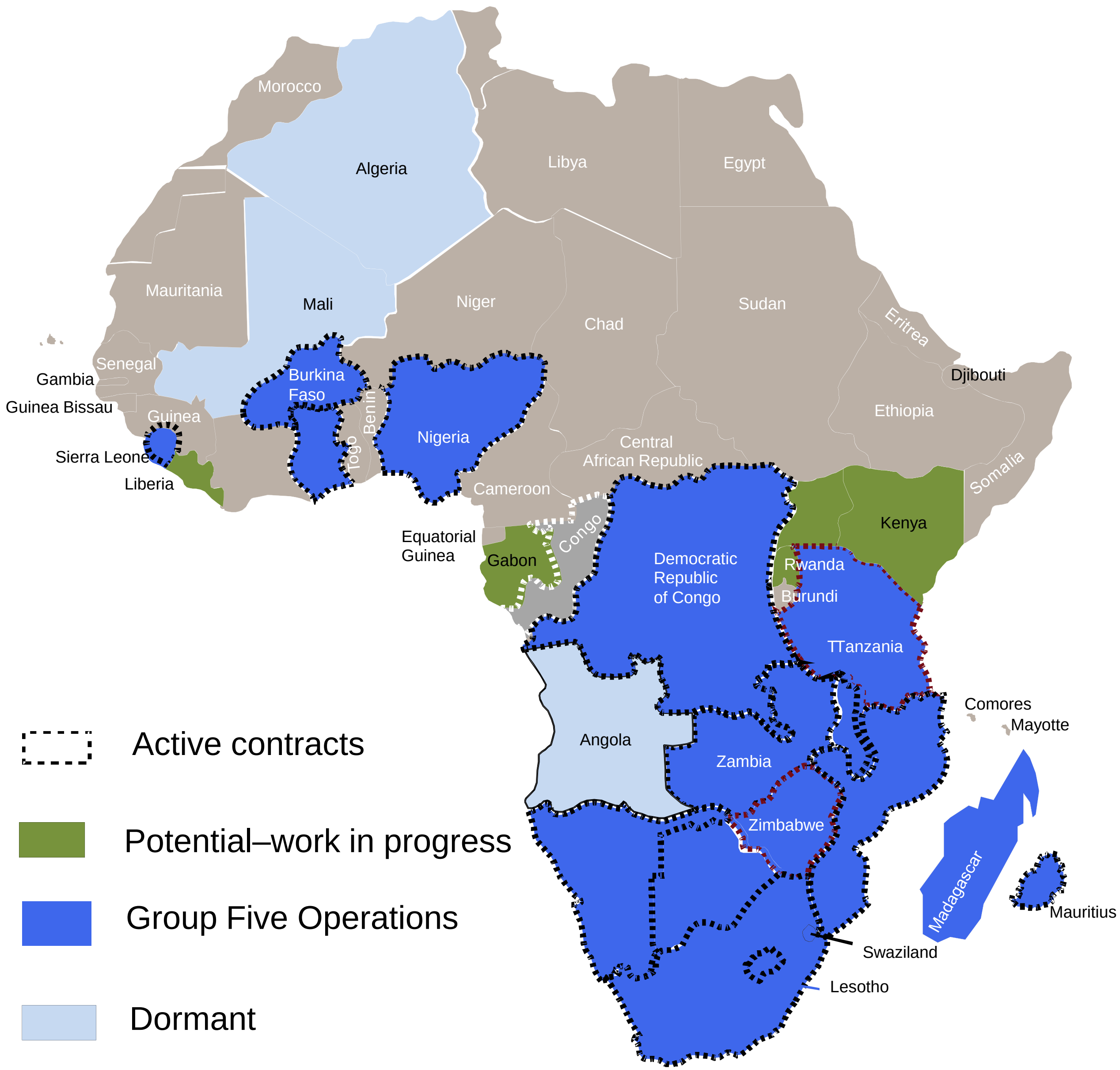

Investments and Concessions	Manufacturing	Construction	Engineering & Construction
Eric Vemer	*John Wallace*	*Andrew McJannet*	*Willie Zeelie*
Infrastructure Concessions	Fibre Cement	Building and Housing	Power
		Civil Engineering	Oil + gas
Property Developments	Steel	Projects	Nuclear

Develop → Invest → Design → Supply → Build → Operate → Service

GJ Crookes Hospital – KZN

04 Strategy at work

Developing the potential in Africa



Secured Total Order book (Oct 2012)

R billion	Total **	Building + Housing	Civil Engineering	Projects	E+C
Construction	12 080	4 117	4 017	1 422	2 525
% Over-border	30%	1%	55%	61%	19%
• Public over-border	11%	-%	33%	-%	-%
• Private over-border	19%	1%	22%	61%	19%
% Local	70%	99%	45%	39%	81%
• Public local	34%	60%	27%	7%	17%
• Private local	36%	39%	18%	32%	64%
Operation & maintenance *	4 600				
TOTAL ORDER BOOK	16 680				

** Total secured order book is conservative valuation to first review date of secured contracts only*
*** Numbers include only Group Five's portion of fully secured construction work*

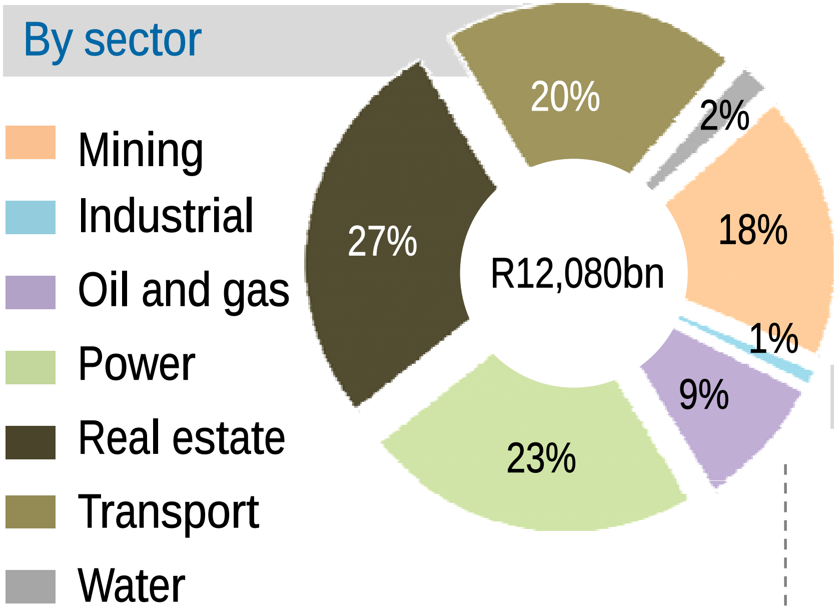
Secured operations and maintenance order book

Sector O+M**	Operations & Maintenance order book		
	1-year to June 2013	3 year to June 2016	Total secured*
Transport (Intertoll)	459	1 742	4 329
Industrial and Oil & Gas	42	112	137
Power	-	62	134
Total	501	1 916	4 600

** Total secured order book is conservative valuation to first review date of secured contracts only*
*** O+M = Operations and Maintenance Services*

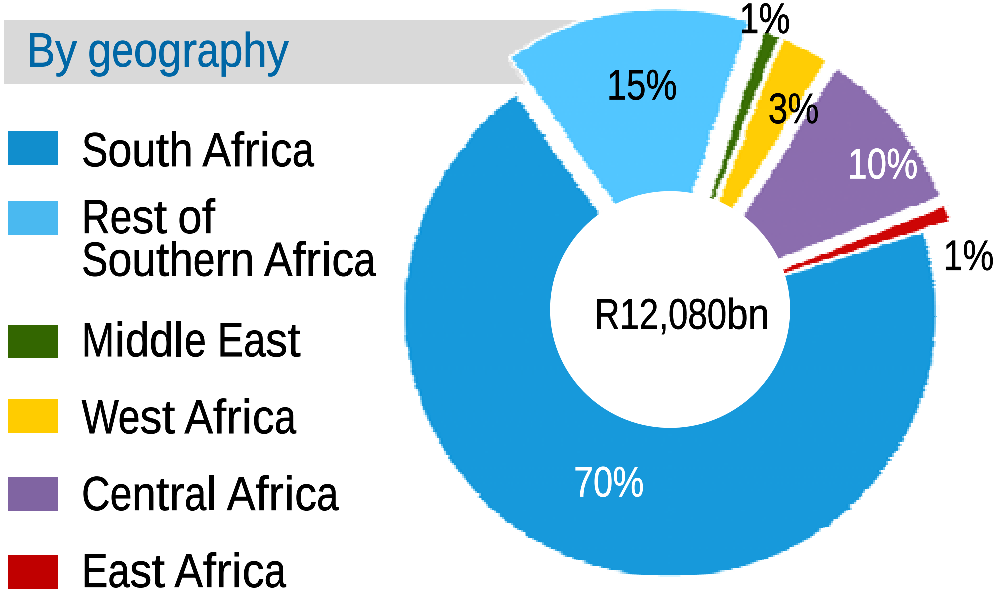
Product and geographic diversity – secured order book

By sector



Group increasingly focused on 7 sectors

By geography



Non-SA Order book at 30%

Highlights of the order book

- Engineering & Construction
  - Secured 3 REIPP round 1 full EPC power plants in Wind & Solar
  - Secured long term O+M contracts for above
  - Secured R 130m in new Oil and Gas projects since 30 June 2012
  - Following recent contract awards, the groups Multi-disciplinary (multi BU) work constitutes 43% of the group's construction order book (26% in June 2012)

- Civil Engineering
  - R870m mining civils work in DRC included in order book
  - Full order book at 55% over-border

Highlights of the order book

- Buildings & Housing
  - Order book up to R4.1billion
  - Waterfall city expanding
  - Strong mining housing component

- Projects
  - Order book at a high, strong African footprint growing
  - Strong order book in Central & West African with additional potential
  - 39% of order book in South Africa - in line with geographic strategy

Highlights

- Investments & Concessions
  - Mauritius bypass – BAFO
  - New Eastern Europe concessions opportunities

- Manufacturing
  - Everite running at capacity – expansion capex approved
  - Group Five Pipe order book up – two years work loaded

Multi-year target opportunity pipeline

	International split			Local split				
By sector (Rbn)	Total	Private	Public	Total	Private	Public	Total Oct 2012	Total June 2012
Mining	20	20	-	15	15	-	35	30
Industrial	1	1	-	1	1	-	2	1
Power	15	14	1	20	13	7	35	10
Oil and gas	-	-	-	8	2	6	8	3
Water	7	4	3	9	-	9	16	15
Real estate - Building	9	6	3	13	8	5	22	25
Real estate - Housing	1	1	-	4	3	1	5	6
Transport	11	3	8	41	5	36	52	58
Total	64	49	15	111	47	64	175	148

Active Slow Quiet

GJ Crookes Hospital – KZN

Outlook

04

Outlook

Market appears to be starting to bottom

- Market conditions & order books improving albeit slowly
- Domestic SA markets remain constrained
    - SA government showing promise with more focused infrastructure planning
        - SOEs to be infrastructure implementation agents
        - Timing and funding uncertain
- Africa focus through infrastructure & commodities growth in Africa
        - Growing African pipeline in road, rail, ports, power
- Concessions improving in new Eastern European and African markets
- Revenue growth in F2013 expected
- Margins under pressure; improvement expected only from H2 F13
- Cash preservation a priority to fund growth, balance sheet remains strong and net ungeared


Asbestos-free building components

Questions & answers

For more information please contact:

Mike Upton

Chief Executive Officer
Telephone: +2711 806 0111
Email: mupton@groupfive.co.za

Cristina Teixeira

Chief Financial Officer
Telephone: +2711 806 0111
Email: cteixeira@groupfive.co.za

Our website:
www.groupfive.co.za

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