2016

AUDITED GROUP RESULTS

for the year ended 30 June 2016

GROUP FIVE
structured ingenuity

AGENDA

01 OVERVIEW OF F2016

02 FINANCIAL REVIEW

03 SEGMENTAL REVIEW

04 GROUP PROSPECTS

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01

OVERVIEW OF F2016

Financial summary

	F2016 vs. F2015	F2016 Audited	H2 F2016 Unaudited	H1 F2016 Unaudited	F2015 Audited
Revenue – Rm	(1%)	**13 774**	6 509	7 265	**13 876**
Operating profit – Rm	97%	**722**	433	289	**366**
HEPS – Rand	63%	**3,35**	2,04	1,31	**2,05**
Fully diluted HEPS – Rand	64%	**3,35**	2,04	1,31	**2,04**
EPS – Rand	69%	**3,75**	2,07	1,68	**2,22**
Fully diluted EPS – Rand	70%	**3,75**	2,07	1,68	**2,21**
Dividends per share – cents 4.0 x covered on adjusted EPS (5.2 on EPS)	31%	**72,0**	30,0	42,0	**55,0**

F2016	Headline earnings (net of tax) adjusted for:	F2015
R38,1m	fair value gain adjustment on an investment property	R13,8m
(R24,9m)	net (loss) / profit on disposal of an investment in associate	R2,6m
R27,3m	profit on disposal of property, plant and equipment	R0,9m

F2016 results in context

- **Engineering & Construction trading at low levels, performance below expectations**
  - Continued weak operational performance in tough markets
  - Restructuring & corrective action starting to deliver results
    - Overall contract loss-making ratio improved
  - Provision for possible impaired debtor of R365m in Civil Engineering
- **Record-breaking performance from Investments & Concessions drove improvement in group earnings**
  - Growth in value of European investment portfolio, based mainly on strong cash flows, realised gain of R730m
  - Strong operating profit delivery from European O+M* business; good result from Africa
- **Manufacturing:** Reduced but acceptable result in difficult markets
- **Contract awards:** Order book down from F15 but showed some improvement in Q4 F16
- **Group cash balance maintained close to record high**

* Operations & Maintenance

02

FINANCIAL REVIEW

GROUP FIVE
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Income statement

Rm	F2016 vs F2015 %	F2016 Audited	F2015 Audited
Revenue	(1%)	13 774	13 876
Operating profit & margin % *(including fair value adjustments)*	97%	722 5.2%	366 2.6%
Profit before net finance cost & taxation	92%	750	391
Net finance cost	-	(15)	(2)
Profit before taxation	89%	735	389
Effective tax rate %	-	38%	28%
Profit after taxation	63%	457	280
Non-controlling interest	39%	(78)	(56)
Net profit	69%	379	224

Underlying performance

Margins	**Target range** (2-3 year guidance) (set at H1 F2016 reporting date)	**F2016 Core margin achieved %**	
Engineering & Construction			
Building & Housing	2 – 4% Short term just below range	**1.5%**	**Below target range** **Within guidance for H2 F16**
Civil Engineering	2 – 4% Short term below range, not loss-making	**(15.3%)**	**Below target range** **Below guidance**
Projects	2 – 4% Short term just below range	**1.5%**	**Below target range** **Below guidance**
Energy	2 – 4% Short term bottom end of range	**1.7%**	**Below target range** **Below guidance**
Investments & Concessions	15 – 20%	**80.0%**	**Above target range**
Manufacturing	6 – 8%	**6.0%**	**Within target range**

Underlying performance

Returns	Return on equity
Engineering & Construction	▪ Did not meet targets – weak performance, as described in segmental review – excess capital ▪ Shortcomings being addressed
Investments & Concessions	▪ Well exceeded its targeted return thresholds
Manufacturing	▪ Met its return targets
Group	**11.7% (F2015: 8.1%)**

Non-current assets	Carrying value Rm	Return F16
Investment in service concessions	1 230	**108%***
Investment property	184	**26%**
Equity-accounted investments	229	**16%**
Property plant and equipment	886	SA & Rest of Africa not providing adequate return; receiving management attention

* Return evaluated based on capital appreciated, including free cash received from the investment

Industry issues

Competition Commission (CompCom)

- Engaging with CompCom:
  - Intent to resolve two remaining matters on fair terms
- Some progress made, but still outstanding
  - Group Five elected to assess its position on referral to the Tribunal
  - Process with Tribunal continues
    - Matter of principle being tested in the courts; sets precedent
  - Group maintains a co-operative stance with the authorities to conclude the matter
  - Provision assessment unchanged

Transformation

- Company & sector transformation fundamental to align with national & sector priorities
- Actions include:
  - Dialogue with government on appropriate solutions for sector transformation
  - Gender equality achievements so far
    - Professional & junior management from 11 - 18%*, senior management 8 - 17%*
    - Procurement from black women-owned businesses grew by 44%*
  - Focus on diversity, AIC** representation
    - Management increased from 30 - 31%, senior management from 28 - 30% & middle management from 30 - 32%
    - 2 black women appointed as senior management; one is group's 1st female MD

* F12 to F16 ** African Indian Coloured

Cash flow

Rm	F2016 Audited	F2015 Audited
Operating cash	449	425
Working capital changes	30	119
Net finance cost	(15)	(2)

Trade & other payables	(159)	1
Trade & other receivables	382	367
Contracts in progress	(253)	(244)
Inventories	60	(5)
Total change	30	119

Working capital

- Increase in excess billings (R931m) more than offset the reduction in advance payments (R611m)
- Improved receivables collection

Net finance costs

- In line with expectation

Cash flow

Rm	F2016 Audited	F2015 Audited
Operating cash	449	425
Working capital changes	30	119
Cash generated from operations	479	544
Net finance cost	(15)	(2)
Tax & dividends paid	(318)	(304)
Net cash generated from operating activities	146	238
Net investing activities	(198)	69*
Net financing activities	(439)	79*
Effect of exchange rates on cash	356	83
Movement in cash	(135)	469
Cash & cash equivalents on hand – end of year	3 255	3 390

Net gearing – debt to equity ratio %	Ungeared	Ungeared
External guarantees issued	6 521	7 144
External guarantees unutilised	6 056	5 306
Total facility at year end	12 576	12 450

* Comparatives reclassified to improve presentation and disclosure

03 SEGMENTAL REVIEW

GROUP FIVE structured ingenuity

SEGMENTAL REVIEW

03

ENGINEERING & CONSTRUCTION

- BUILDING & HOUSING
- CIVIL ENGINEERING
- PROJECTS
- ENERGY

INVESTMENTS & CONCESSIONS

- TRANSPORT
- PROPERTY

MANUFACTURING

- FIBRE CEMENT
- STEEL

Engineering & Construction

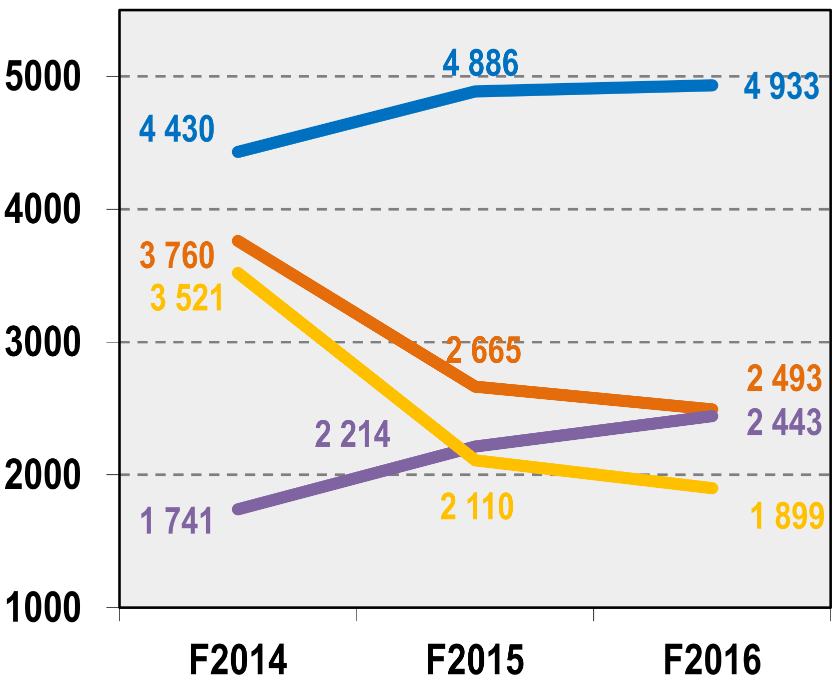
Introductory comments

- **Fatalities**
  - Regrettably and unacceptably suffered fatalities in sub-contractor & supplier base. Falls from height and vehicle accidents
    - Mr Milo Mambozo – Aug 15
    - Mr Zamindawo Msholoqa – Jan 16
    - Mr Tiyo Mbuyiselo – April 16
    - Mr Canney Maelekano – June 16
  - Group provided full support to deceased's families throughout these tragic events
  - Focused action taken to address safety performance & consequence management
- **Possible impaired debtor:** Provision of R365,4m in Civil Engineering
- **Kpone:** Progress on track for completion in F2018
- **Order book:**
  - F2016 characterised by decline; resultant negative operational gearing impacted cluster results
  - Continued competitive market conditions translated into tighter margins on work secured, but still at acceptable levels
- **Energy segment**
  - Provides work for other E&C segments
  - Will continue to be lumpy by nature
    - Due to length of time taken to achieve contract awards on large commercially complex contracts that require multi-national project development, funding & government support

Engineering & Construction

Total Revenue -1%*

Rm

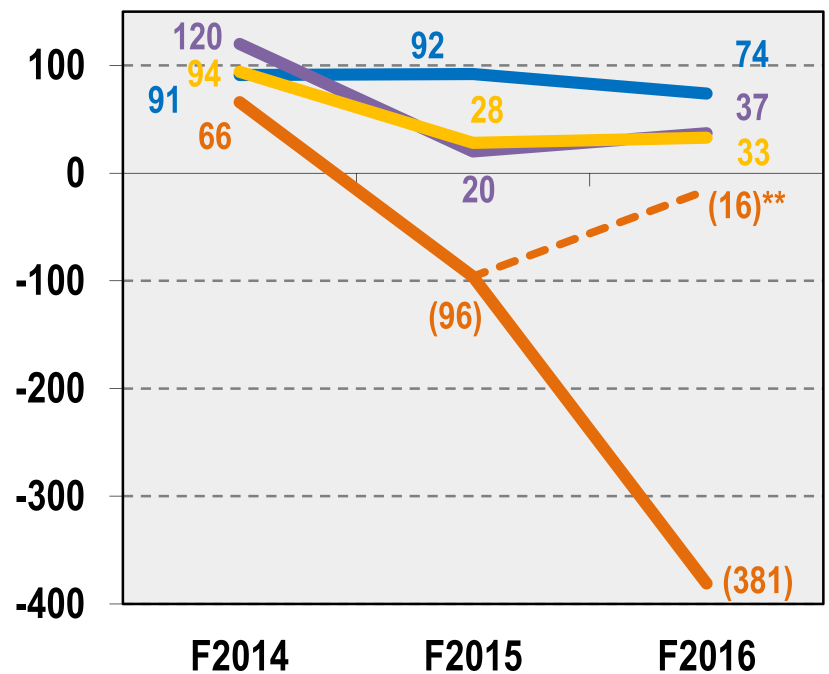


F2014	F2015	F2016
13 452	11 875	11 768
Engineering & Construction		

Core Operating Profit -641%*

Rm

** F2016 versus F2015*



F2014	F2015	F2016
371	44	(237)
Engineering & Construction		

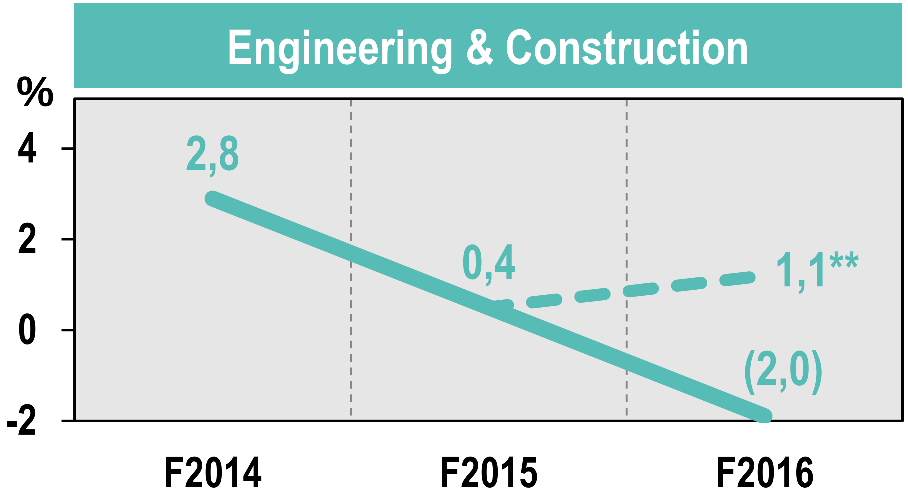
Nil contribution to F2016 group core operating profit

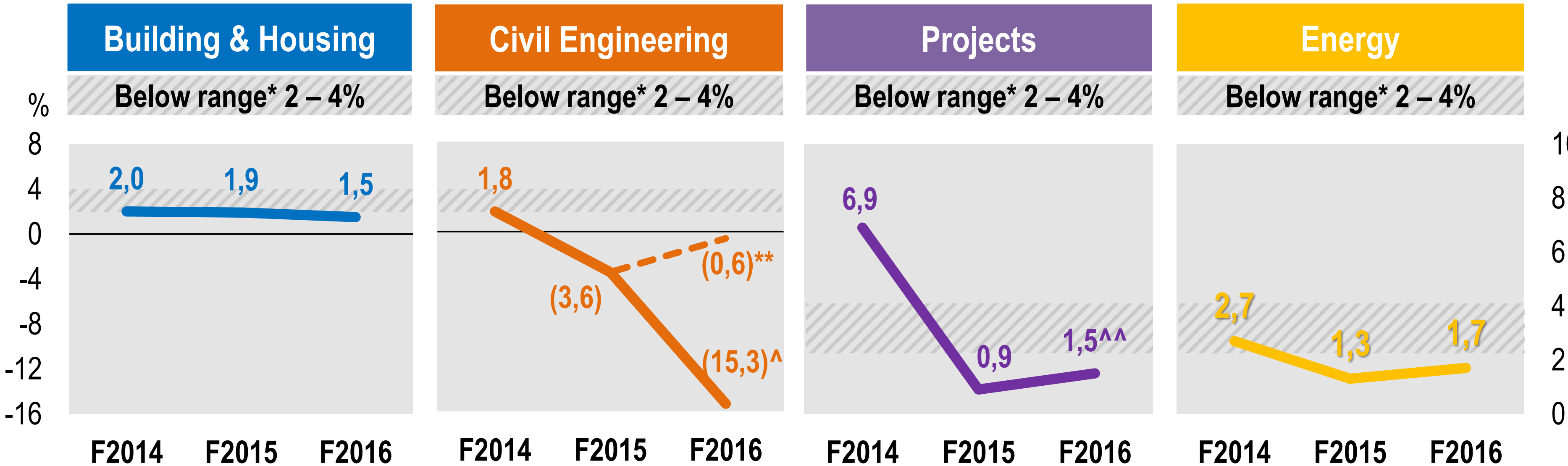
Building & Housing	Civil Engineering	Projects	Energy

** Excluding provision for possible impairment of debtor

Engineering & Construction

Core Operating Margins %





* Segment 2 - 3 year target margin range

** Excluding provision for possible impairment of debtor

^ Profit on sale of fixed assets contributes 1% and provision for impairment of debtor 14.7% to core margin

^^ Profit on sale of fixed assets contributes 0.6% to core margin

Building & Housing

	F2016 Review	Looking forward
South Africa	▪ Market remains highly competitive – Awards at low margin ▪ Good execution, delivery & quality with positive client feedback ▪ Significant contracts completed – Nelson Mandela Children's Hospital – Mall of Africa	**Building** ▪ Private sector order book remains robust ▪ Strong competition from medium-sized enterprises ▪ Quality sub-contractor base still constrained ▪ Public sector prospects to improve **Housing** ▪ Good order book despite decline in mine housing ▪ Order growth in low-cost housing awaiting government NTP**; also strong in residential
Rest of Africa	▪ Building executing hotel contract in Botswana	▪ Property & Housing segments creating new markets & opportunities in both building & housing sectors ▪ Private housing developments

Segment target margin range* 1 – 3%

R5 552m order book	5% over-border	
	95% SA	

* 2 - 3 year guidance
** Notice to proceed

Civil Engineering

	F2016 Review	Looking forward
South Africa	▪ Market activity remains at a low level & highly competitive – Scarcity of sizeable projects – New small entrants at low margins ▪ Improved operational performance	▪ Highly competitive market set to continue ▪ Mining & Industrial markets remain weak ▪ Public sector roll out still uncertain ▪ Road & water contracts available, but mostly still in smaller packages ▪ REIPP^ power prospects remain
Rest of Africa	▪ Growth into Africa did not materialise in this period – Number of contracts still being pursued	▪ Transport awards expected in F2017 ▪ Focus on power, transport and oil & gas in support of group's Africa initiatives

Segment target margin range* remains 2 – 4%, short term below range, not loss-making

R2 951m order book	36% over-border
	64% SA

* 2 - 3 year guidance
^ Renewable Energy Independent Power Producer Programme

Projects

	F2016 Review	Looking forward
	Mining sector weak & industrial sector quiet in SA & rest of Africa	
South Africa	▪ Order book mix resulted in lower-margin local work ▪ Right-sizing with retrenchments during the year ▪ Slow order intake	▪ Focused expansion into lower-margin, higher-volume power and oil & gas SMEIP** ▪ Strong delivery team for multi-disciplinary contracts ▪ Increasing activity noted with improving order prospects in power and mining
Rest of Africa	▪ Strong performance on existing contracts	▪ Order book & margin pressure remain – Group's Africa footprint, reputation & experience is a key differentiator ▪ Focused drive in Africa – New territories showing good opportunities – Select prospects supporting Energy EPC

Segment target margin range* remains 2 – 4%, short term bottom end of range

R1 509m order book	78% over-border
	22% SA

* 2 - 3 year guidance
** SMEIP = Structural, Mechanical, Electrical, Instrumentation and Piping

Energy

	F2016 Review	Looking forward
South Africa	**Power** ▪ Financial close on renewables programme delayed by DOE ▪ Actively bidding thermal, gas, other fuels **Oil & Gas** ▪ Order intake slow impacting revenue ▪ Capital projects deferred **Nuclear** ▪ Level 1 compliant ▪ Continued to invest	**Power** ▪ Further delays anticipated in Window 4 & 4.5 of REIPP projects ▪ Tender volumes up, but finalisation slow **Oil & Gas** ▪ Order intake will remain challenging – Turnaround & shutdown work provide some opportunity – Capital projects are slow **Nuclear** ▪ Government announcement on programme positive ▪ Group is one of few active contractors
Rest of Africa	**Power** ▪ Oil & Gas prospects identified & bid	**Power** ▪ Numerous contracts in West & East Africa with global developer & investors **Oil & Gas** ▪ Solid prospects - FEED^ studies in E & W Africa; slower roll-out due to low oil price

Segment target margin range* remains 2 – 4%, short term bottom end of range

Secured O+M order book R224m^^ conservative value**

R1 229m order book	78% over-border
	22% SA

^ Front-End Engineering & Design
^^ O+M specific to industrial, oil & gas and power, in addition to I&C O+M
* 2 - 3 year guidance ** Operations & Maintenance

SEGMENTAL REVIEW

03

ENGINEERING & CONSTRUCTION

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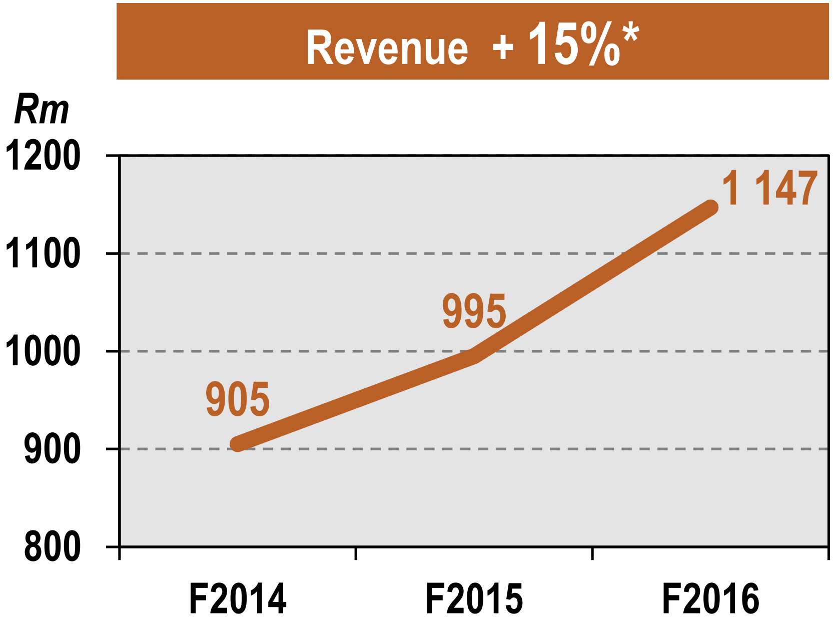
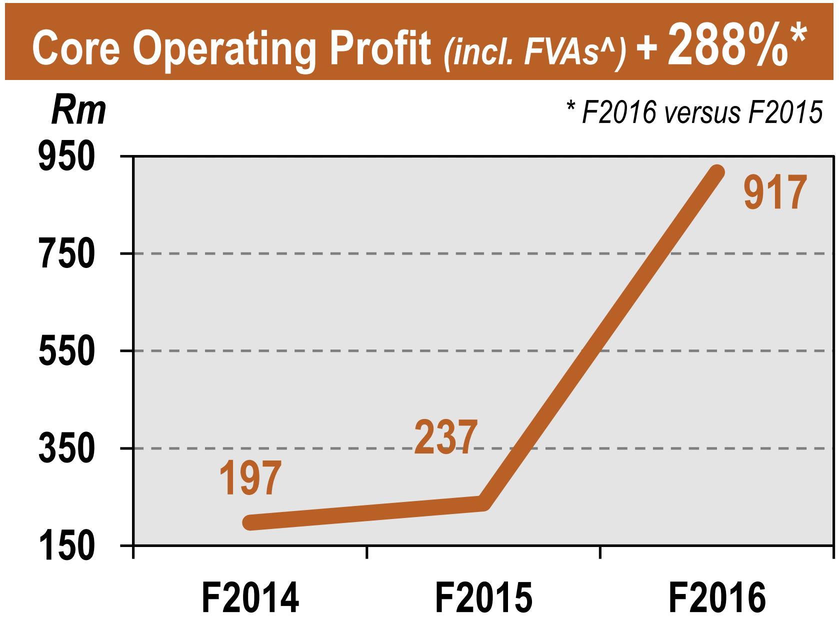
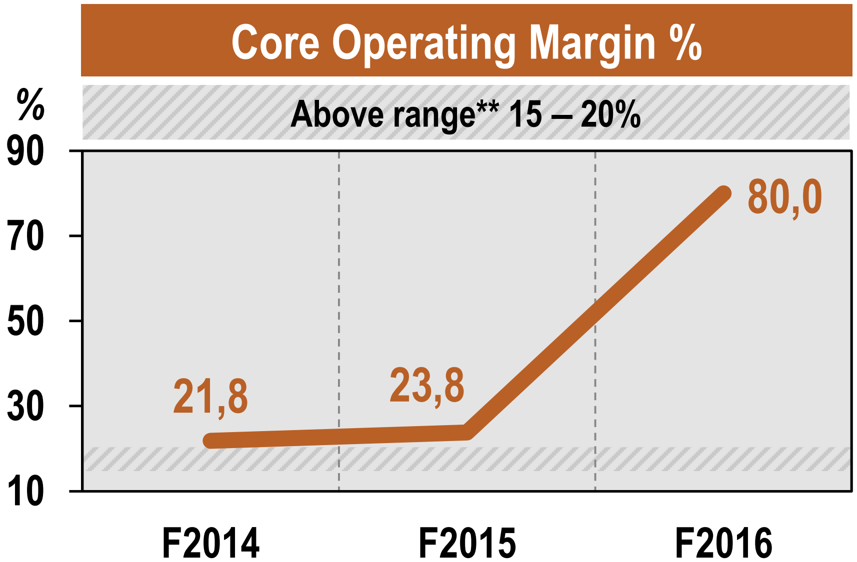
Investments & Concessions







124% of F2016 group core operating profit

^ FVA = Fair Value Adjustments

** Cluster target margin range

Transport

F2016 Review

Intertoll Europe	▪ Additional O+M^ annuity income secured – M6 Phase 1 (Hungary) investment + 10-year O+M – N Ireland 20-year O+M project – commenced 1 April 16 ▪ Strong operational performance on existing projects ▪ Significant equity returns (FVAs) as a result of: – Maturing risk profiles, construction complete, final defects determined & known – Proven traffic flows materially better than those conservatively forecast at tender stage – Actual underlying cash flows materially better than originally forecast in base-case models compiled at financial close ▪ Strong dividend flow R143m (F2015: R153m) from these investments
Intertoll Africa	▪ Improved result - focus on operational efficiencies & cost savings ▪ Zimbabwe operations performing well despite adverse macro environment ▪ Commenced Marianhill N3 CTROM on 1 April 2016 – performing well

Cluster target margin range* remains 15 – 20%

R5 871m^^ order book	92% over-border
	8% SA

^ O+M = Operations & Maintenance Services
^^ O+M specific to transport concessions, in addition to the E&C O+M of R224m
* 2 - 3 year guidance
Note: Detailed list of transport projects activities available in the appendix

Transport

Looking forward

Intertoll Europe	▪ Bidding activity remains robust in all target countries ▪ Secured a new 6-year maintenance contract in Poland – A1 Phase III ▪ Selectively exploring new opportunities in USA – First O&M advisory contract almost complete ▪ Fair value gain expected to return to historically reported levels after record F2016 result
Intertoll Africa	▪ Progressed pipeline projects in Ghana, Gabon, Nigeria, Uganda, Zambia & Zimbabwe ▪ Focus on wrapped turnkey solution, including own technology solutions ▪ Focusing on further awards within next 12 months

Cluster target margin range* remains 15 – 20%

R5 871m^^ order book	92% over-border
	8% SA

^ O+M = Operations & Maintenance Services
^^ O+M specific to transport concessions, in addition to the E&C O+M of R224m
* 2 - 3 year guidance
Note: Detailed list of transport projects activities available in the appendix

Real Estate

	F2016 Review	Looking forward
South Africa	▪ Current portfolio performing well ▪ Completed sale of old portfolio ▪ > 10k new residential opportunities secured ▪ 1st phase of North Point Industrial Park construction started	▪ Launching 3 residential projects in 6 months ▪ Focus on development, investment & construction with Building & Housing segment ▪ Redesign Rosebank site to improve rental mix, conclude hotel deal
Rest of Africa	▪ Positive outcome of due diligence on PPP in Uganda ▪ Concluded development agreements for projects in Africa	▪ Progress pipeline towards execution phase ▪ Strong growth anticipated over medium term ▪ Engaging investors to co-invest in African property investment platform

Cluster target margin range* remains 15 – 20%

* 2 - 3 year guidance

Note: Detailed list of transport projects activities available in the appendix

SEGMENTAL REVIEW

03

ENGINEERING & CONSTRUCTION

- BUILDING & HOUSING
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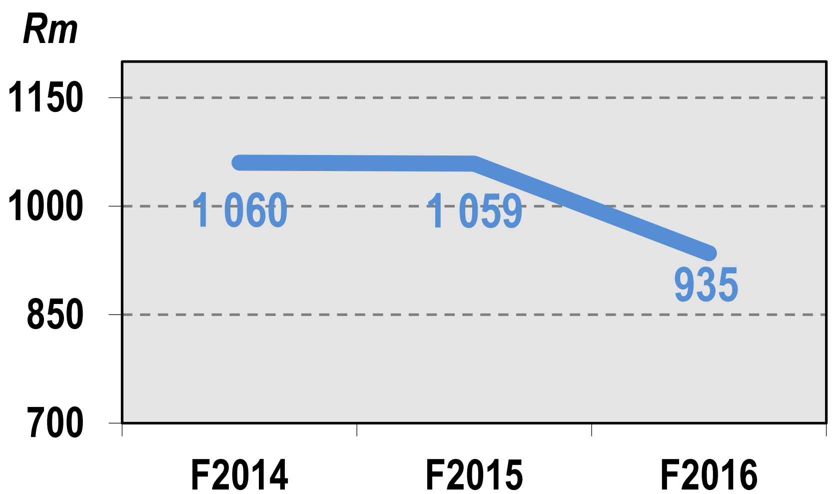
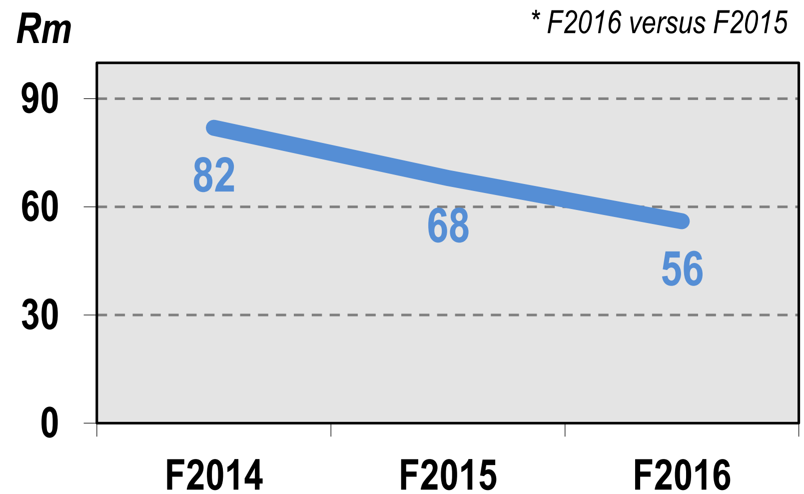
Manufacturing

Revenue -12%*

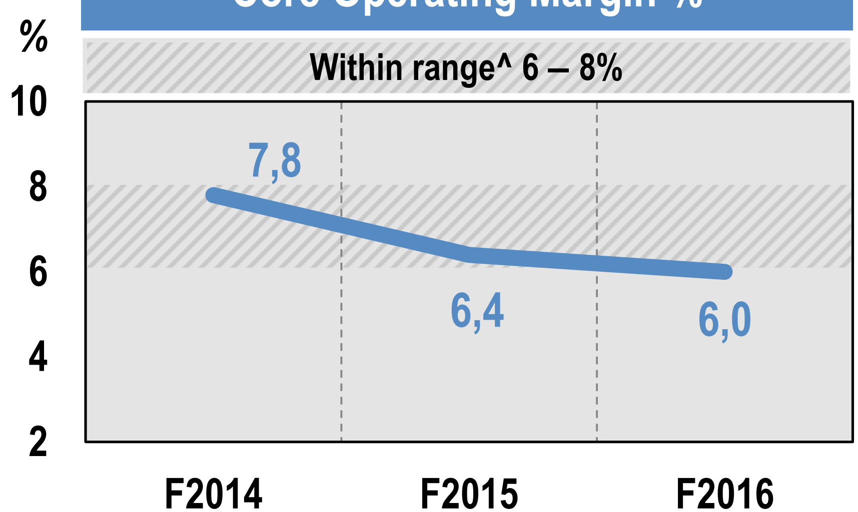


Core Operating Profit -18%*

* F2016 versus F2015



Core Operating Margin %



8% of F2016 group core operating profit

^ Cluster target margin range

Manufacturing

F2016 Review

- All markets flat to shrinking (GDP = 0); import competition; substantial margin pressure
- Further growth in complementary traded products, efficiencies, new markets & significant cost reduction

Everite
- Increased fibre cement import competition growth
- ABT public sector market remains slow
- New light-weight block/panel line build complete, commissioning commenced (Hebel brand)

BRI
- Steel prices & volumes fell
- Margin support from steel trading & new partners

Steel Pipe
- Near zero order book – drive to minimise losses

Looking forward

Everite
- Entering new lightweight building materials market in Q1 F17, with early orders received
- Advancing raw material cost reduction project
- Further growth expected from complementary traded products
- Protect core market from import competition

BRI
- All reinforcing steel players taking strain; lowest cost producer advantage at BRI
- Seeking growth through additional partners

Steel Pipe
- Plant remains on care & maintenance
- Tender activity improving, with awards in late H1 F17

Cluster target margin range* remains 6 – 8%

* 2-3 year guidance

04

GROUP PROSPECTS

ORDER BOOKS

GROUP OUTLOOK

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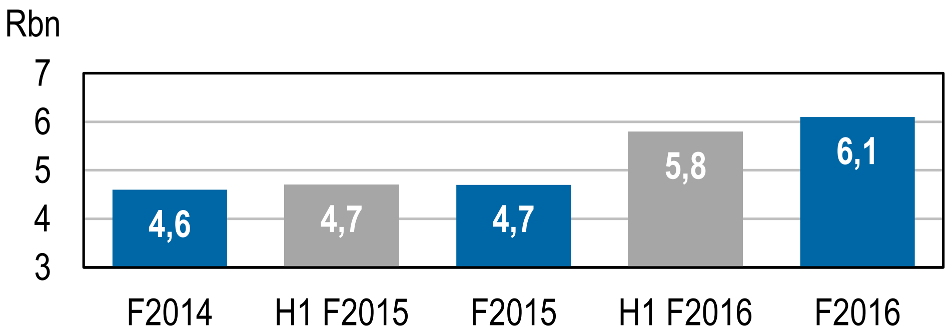
Secured Operations and Maintenance order book – *annuity income*

Rm	Actual revenue			Order book		
	F2014	F2015	**F2016**	F2017	3-year to F2020	**Total secured ***
Transport	834	892	**1 008**	1 074	2 516	**5 871**
Industrial, Oil and Gas	224	157	**134**	74	-	**74**
Power	-	24	**60**	47	103	**150**
Total	**1 058**	**1 073**	**1 202**	**1 195**	**2 619**	**6 095**



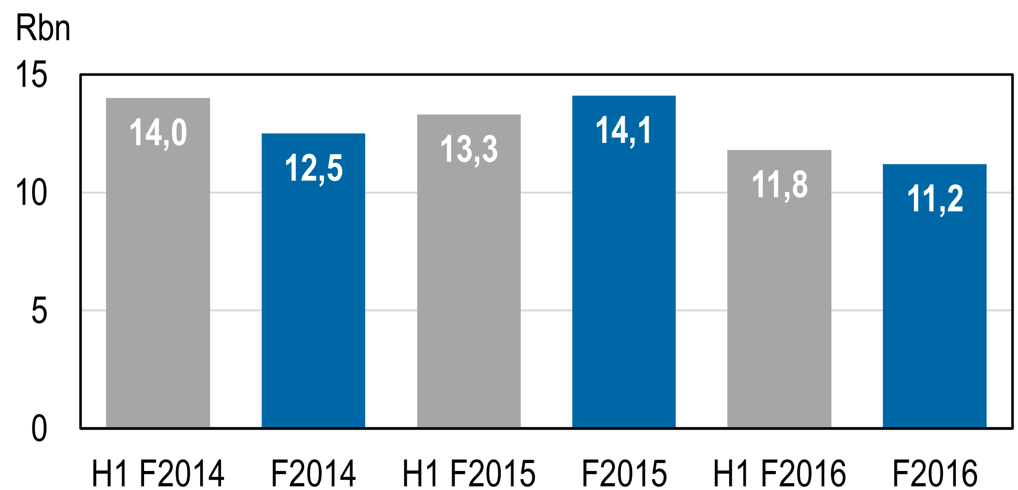
* Total secured order book is:
- valuation to first review date of secured projects only
- valued using real cash flows (excluding escalation clauses)

Secured Contracting order book

	Total	Building & Housing	Civil Engineering	Projects	Energy
Total order book – Rm 30 June 2015	14 147*	6 094	3 293	2 855	1 905
Total order book – Rm 30 June 2016	**11 241***	**5 552**	**2 951**	**1 509**	**1 229**
% Over-border	**31%**	**5%**	**36%**	**78%**	**78%**
▪ Public over-border	-	-	-	-	-
▪ Private over-border	31%	5%	36%	78%	78%
% Local	**69%**	**95%**	**64%**	**22%**	**22%**
▪ Public local	32%	47%	34%	-	-
▪ Private local	37%	48%	30%	22%	22%

Order intake at reduced levels

- Improved in Q4 F16
- Orders achieved in target sectors
- Good share of multi-disciplinary work
- Overall remains challenging



* Values include only Group Five's portion of fully secured construction work

Secured Contracting order book

	Total	Building & Housing	Civil Engineering	Projects	Energy
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▪ Public over-border	-	-	-	-	-
▪ Private over-border	31%	5%	36%	78%	78%
% Local	**69%**	**95%**	**64%**	**22%**	**22%**
▪ Public local	32%	47%	34%	-	-
▪ Private local	37%	48%	30%	22%	22%

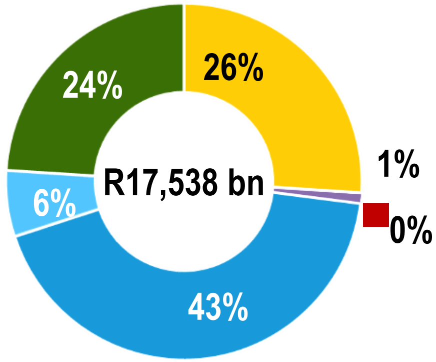
1-year order book from 1 July 16 Rm	**8 424**	**4 295**	**2 041**	**1 175**	**913**
1-year order book as % of F2016 revenue	**72%**	**87%**	**80%**	**48%**	**54%**
Total order book as % of F2016 revenue	**97%**	**113%**	**116%**	**62%**	**72%**

* Values include only Group Five's portion of fully secured construction work

Secured total* order book

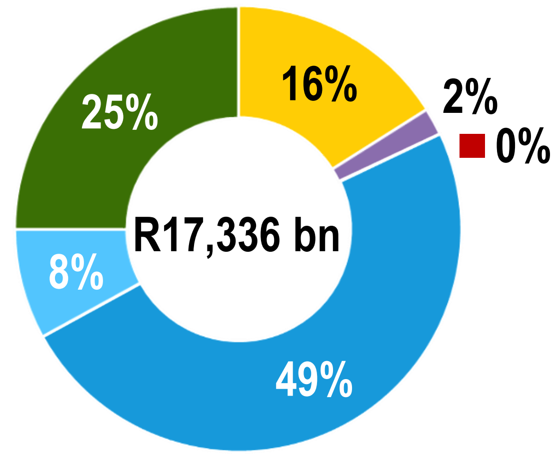
By geography

Dec 2015



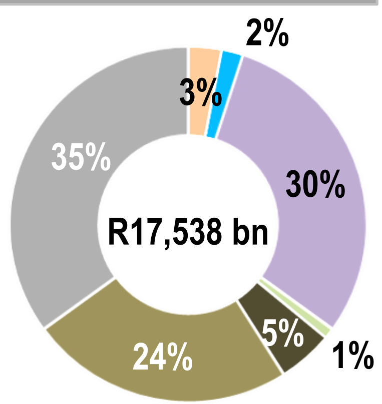
West Africa
Central Africa
East Africa
South Africa
Rest of Southern Africa
Europe

June 2016



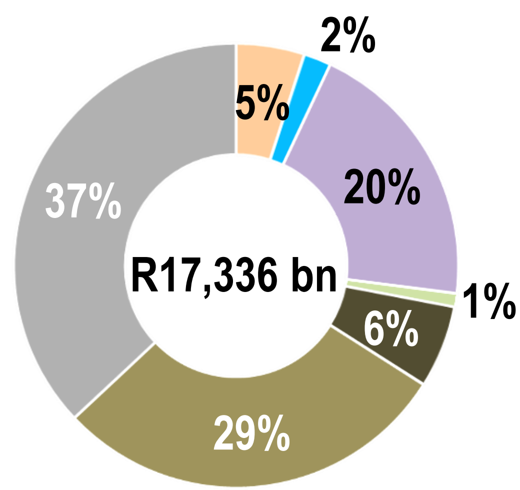
By sector

Dec 2015



Mining
Industrial
Power
Oil & gas
Water
Real estate
Transport

June 2016



* Total order book comprises secured Contracting and O&M order books
Refer Appendix for graphic representation of Contracting order book

Multi-year target opportunity pipeline*

	Total as at 30 June 2016: R164bn							
	International split			Local split			Total F16	H1 F16
Rbn	Total	Private	Public	Total	Private	Public		
Total pipeline	73	59	14	91	46	45	164	131
Pre-Tender & Tender^	18	14	4	58	21	37	76	50

- Opportunities: 45% international vs 55% local
- SA public sector work: 27%
- Power, transport & real estate sectors favoured

* These are the contracts targeted by the group – not to be confused with the Engineering & Construction contracting order book; full details included in the appendix

^ Value within the multi-year target opportunity pipeline in pre-tender and tender stage

04

GROUP PROSPECTS

ORDER BOOKS

GROUP OUTLOOK

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Strategic focus areas

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WE CREATE INFRASTRUCTURE SOLUTIONS

Africa's leading construction, concessions and manufacturing group

STRATEGY

1 General Construction

- First choice discipline contractor in SA market
- Localising construction capabilities through growing on the ground presence in targeted African markets

2 Multi-disciplinary Engineer, Procure & Construct (EPC) Construction

- Leading sector-led EPC construction company from Africa
- Deliver complex multi-disciplinary mega contracts in target geographic areas

3 Investments & Concessions

- Top specialist private sector European and African motorway development, investment and operating group - trading as Intertoll
- Niche, focused real estate development and investment company targeting A and B grade aligned to the SA and Africa footprint

4 Manufacturing

- Southern Africa's foremost dry light-weight building materials manufacturing and supply group
- SA's leading reinforcing steel and wire mesh supplier
- SA's primary large-bore spiral welded steel water-pipe manufacturer

Management focus areas

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WE CREATE INFRASTRUCTURE SOLUTIONS
Africa's leading construction, concessions and manufacturing group

KEY ISSUES

1 Operate safely

- Firm action to entrench safety discipline throughout

2 Continued business relevance

Requirement for industry change:	Continued engagement and action with public & private sector clients / stakeholders
Ownership & diversity:	Focus on ongoing transformation
Geographic strategy:	Expansion into high-growth regions
Securing quality order book:	Leading development partnerships & client-centric approach

3 Effective contract delivery

- Continue to improve E&C execution, contract margin delivery & on-time quality performance
- Further reduce fixed costs & organisational complexity
- On-going improvement in manufacturing efficiencies and productivity performance

4 Focus on returns: Implement plans to optimise capital & improve returns

Group outlook

Order books	**Total reported order book** **R17,3bn (F15: R18,8bn)** ▪ Contracting R11,2bn (F15: R14,1bn) ▪ Operations & Maintenance R 6,1bn (F15: R 4,7bn)
Operational context	**Majority of restructuring costs now taken** ▪ benefits to flow from F17 **E&C order book remains challenging** ▪ operational improvements should support margins **Ongoing solid I&C operating earnings** ▪ fair value gain expected to return to historically reported levels after record F2016 **Tough local manufacturing environment set to continue** ▪ benefit of new product launch & traded goods expected to support result
Cash & balance sheet	**Strong balance sheet** – net ungeared **Cash balance healthy** at R3,3bn; **expect some unwind** through F17
Returns	Total **ROE at 11.7%** (F2015: 8.1%) – focus to return to target range in medium term

QUESTIONS & ANSWERS

GROUP FIVE
structured ingenuity

Forward looking statements

This presentation which sets out the year end results for Group Five Limited for the year ended 30 June 2016 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.

Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. Undue reliance should not be placed on such statements and opinions because by nature, they are subjective to known and unknown risk and uncertainties and can be affected by other factors that could cause actual results and Group plans and objectives to differ materially from those expressed or implied in the forward looking statements. Neither the Group nor any of its respective affiliates, advisors or representatives shall have any liability whatsoever (based on negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation and do not undertake to publicly update or revise any of its opinions or forward looking statements whether to reflect new information or future events or circumstances otherwise.

APPENDICES

GROUP FIVE
structured ingenuity

Underlying performance – E&C

	Target range (2-3 year guidance) (set at H1 F2016 reporting date)	**F2016 Core margin achieved %** A	
Engineering & Construction			
Building & Housing	2 – 4% Short term just below range	**1.5%**	**Below target range** **Within guidance for H2 F16**
Civil Engineering	2 – 4% Short term below range, not loss making	**(15.3%)**	**Below target range** **Below guidance** B
Projects	2 – 4% Short term just below range	**1.5%**	**Below target range** **Below guidance** C
Energy	2 – 4% Short term bottom end of range	**1.7%**	**Below target range** **Below guidance** D

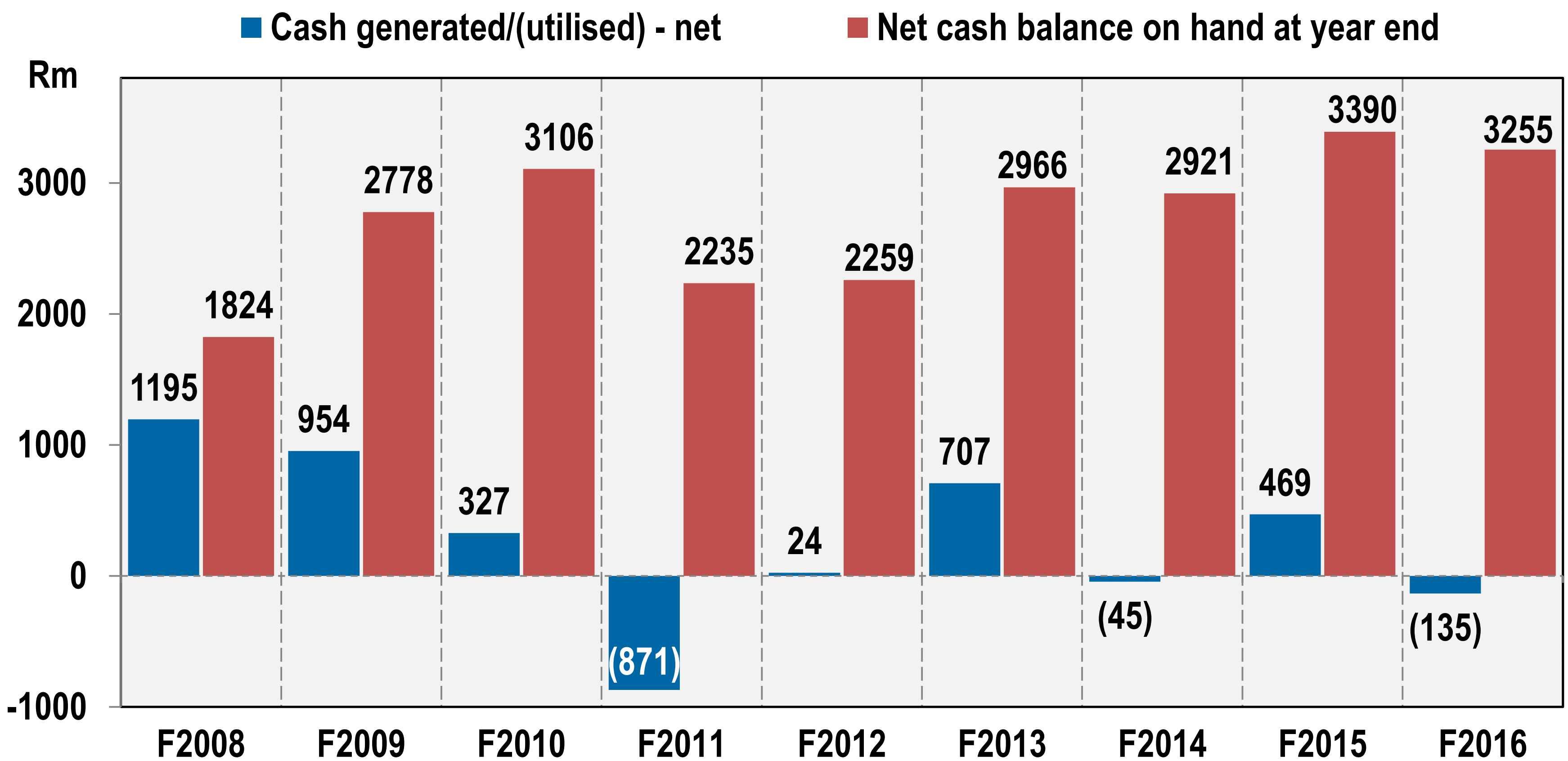
A Core margin is total margin adjusted for non-core transactions of e.g. pension fund surplus/deficits, but not adjusted for profit/loss on sale of assets

B Included in the margin is a provision for impaired debtor and profit on sale of fixed assets.
- The margin excluding these costs and profits was a loss of 1.6% for F2016 and a loss of 0.6% (or R7m) in H2 F2016 which compares to the guidance issued

C Profit on sale of fixed assets amount to 0.6% of margin.
- The margin excluding this profit was 0.9% for F2016 and 1.2% in H2 F2016

D Nuclear investment costs included within this segment reduced the margin by 1.1%

Cash flow



Net gearing %	Nil	nil	nil	nil	nil	nil	nil	nil	nil

- Cash on hand is healthy given current weak market environment
- Excess cash will be applied to future equity investments, mainly in Investments & Concessions

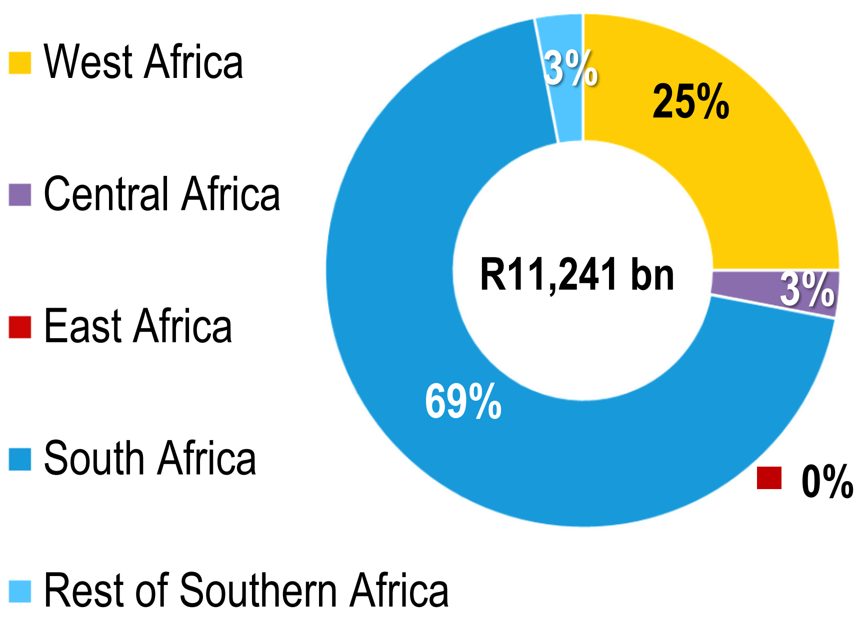
Capital expenditure

Cluster Rm	Budget F2017	Original Budget F2016	Actual F2016	Nature of F2016 spend %		
				Expansion	Replace-ment	Contract specific
Engineering & Construction	167	260	150	*40%*	*24%*	*36%*
Investments & Concessions	30	22	50	*56%*	*44%*	-
Manufacturing	23	95	75	*94%*	*6%*	-
Total	**220**	**377**	**275**	*57%*	*23%*	*20%*

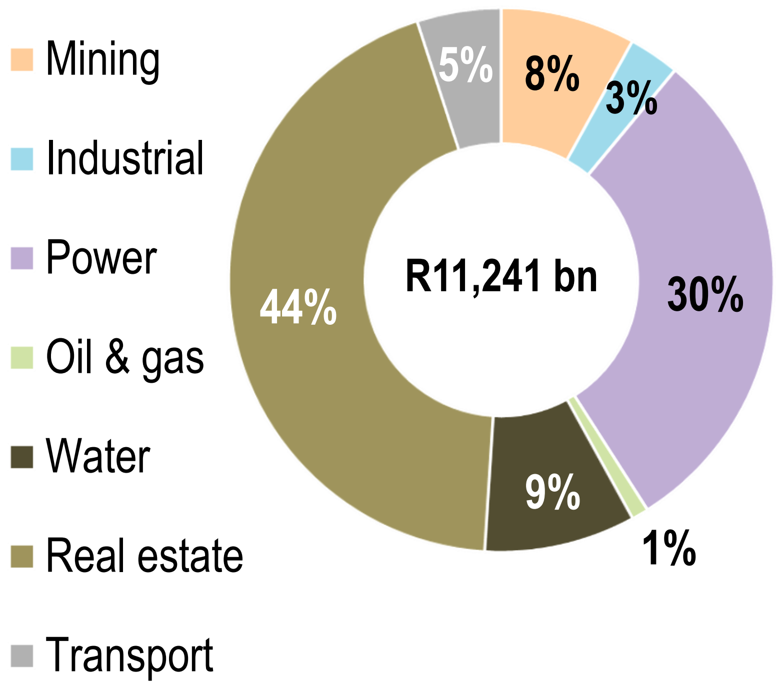
- Combination of replacement & contract-specific capex for secured West African & South African contracts
- Spend relates mainly to rolling replacement & expansion of fleet in Intertoll Europe business
- Spend relates to new product line installation to meet market demands

Secured Contracting order book

By geography



By sector



Multi-year target opportunity pipeline*

By sector (Rbn)	Rest of Africa split: Total	Rest of Africa split: Private	Rest of Africa split: Public	Local split: Total	Local split: Private	Local split: Public	Total as at 30 June 2016: R164bn Total	Dec 2015 Total	Pre-Tender and Tender^
Mining	5	5	-	5	5	-	10	9	6
Industrial	-	-	-	1	-	1	1	4	1
Power	43	43	-	18	14	4	61	46	12
Oil & Gas	10	4	6	3	3	-	13	8	7
Water	3	-	3	7	-	7	10	8	5
Building	7	6	1	20	18	2	27	18	16
Housing	1	1	-	4	2	2	5	5	3
Transport	4	-	4	33	4	29	37	33	26
Total	**73**	59	14	**91**	46	45	**164**	**131**	**76**
Pre-Tender & Tender^	**18**	14	4	**58**	21	37			**76**

- 45% = Rest of Africa opportunities
- 27% = SA public sector

- Outlook in favour of key growth sectors of power and transport and real estate

* These are the projects targeted by the group – not to be confused with the Engineering & Construction contracting order book

^ Value within the multi-year target opportunity pipeline in pre-tender and tender stage

Investments & Concessions projects

Transport

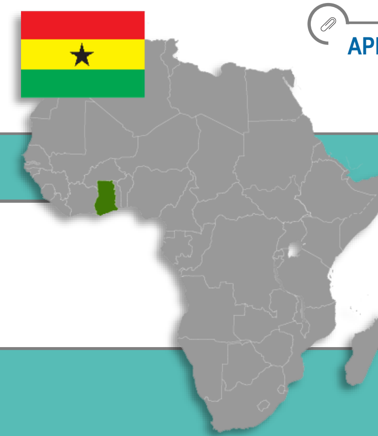
Project	Geography	O+M	Contract type	Km	Group Five investment	End date
M5 Motorway	Hungary	Yes	Availability	156	No	2031
M6 Phase 1	Hungary	Yes	Availability	59	Yes 12,7%*	2026
M6 Phase 3	Hungary	Yes	Availability	80	Yes 10%	2037
A1 Phase I & II	Poland	Yes	Toll & availability	152	Yes 15%	2040
S8	Poland	Yes	Maintenance	84	No	2018
A1 Phase III	Poland	Yes^	Toll	92	No	2022
Westlink	Ireland	Yes**	Maintenance	60	No	2036
N1 South	SA	Yes	CTROM	397	No	2019
N2 North	SA	Yes	CTROM	138	No	2017
N4 West	SA	Yes	Toll	110	No	2019
Infralink	Zimbabwe	Yes	Toll	822	No	2022
Marianhill N3	SA	Yes**	Toll	26	No	2021

* Acquired in the year ** Secured in the year ^ Not yet included in order book

Investments & Concessions projects

Real Estate			
Project	**Nature**	**Geography**	**Status**
Kalahari Mall	Retail	South Africa	Trading above expectation
Capital Place	Commercial	Ghana	100% let, trading well
North Point	Industrial	South Africa	Construction commenced April 2016
Wierda Valley	Residential	South Africa	Launching November 2016
Angle on Oxford	Mixed use	South Africa	Marketing underway
Glen Acre	Residential	South Africa	Launching September 2016
Mooikloof Manor	Residential	South Africa	Launching January 2017
Khomasdal Hospital	Medical	Namibia	Lease negotiations
Notwane Heights	Residential	Botswana	Launching January 2017

Engineering & Construction



Year under review - US$ 410m Kpone EPC contract

- 350 MW tri-fuel fired combined cycle power plant awarded Dec '14
- 8 years in development, including formulation of contract commercial & execution structure, delivery strategy & associated risk-mitigation strategies

Risks inherent in this type of contract	Risk management
Country	▪ In Ghana for 20 years; permanent presence, no issues since commencement of contract
Regulatory	▪ One of group's preferred countries - developed regulatory environment ▪ Regulatory dispensations received prior to contract commencement and remain in effect
Logistics	▪ Group has appropriate experience after 40 years in Africa. Some delays in delivering equipment to site, but none within group's responsibility and none impact programme
Procurement	▪ 50% contract value relates to procured equipment ▪ Key suppliers include General Electric, Siemens & NEM – Longstanding relationships with them; Performance guarantees received – Procurement agreements after financial close mitigated cost escalation risk ▪ Key is the sea water intake system. World experts appointed to implement micro-tunnelling technology ▪ Some foundation complete and others progressing well. Gas turbines and heat recovery steam generators delivered to site and being installed. Steam turbine, the last of major equipment deliveries, en route
Currency & repatriation	▪ Contract adequately structured, including flow of funds, to minimise impact of local currency movements. Contract executed in line with approved structure. ▪ Contract is US$ Dollar designated
Weather delays	▪ Sub-contractor terms & conditions drafted to mitigate against rain delay claims ▪ Rain shelters to ensure continued construction during rainy season

Engineering & Construction

Year under review - US$ 410m Kpone EPC contract continued	
Risks inherent in this type of contract	**Risk Management**
Value at risk management	▪ Management comfortable that value at risk is well within group's risk-bearing capacity
Credit management	▪ Funding guaranteed under privately financed public private partnership structure ▪ Reputable regional & international equity partners ▪ Debt funding underwritten by consortium of SA banks under SA Export Credit Insurance Cover ▪ Contractual milestone and receipt of payments received in line with programme ▪ Contract cash positive
Operational & resource management	▪ Successful completion of 11 EPC power contracts over last 7 years ▪ Similar combined & simple cycle power plants delivered in Africa using same or similar technology ▪ Same scope, technology & equipment suppliers ▪ Almost identical plant built for Sasol in SA in 2010 (equipment issued by client) – Combined value similar to Kpone & led by same project director – Supported by experienced directors & managers › Each either experienced in Ghana or part of successful Sasol project ▪ Single E&C project leadership team incentivised based on project result
Design issues including late delivery by design partner **› Resulting in delays to contract completion**	▪ Group Five responsible for design with design partner ▪ Back-to-back agreements in place for design liabilities & responsibilities ▪ Medium to low design risk as older, tested designs & technologies are used – Economies of scale reduces product & construction risks & design costs ▪ An integrated internal engineering department, lender engineers & client also review all designs to ensure accuracy ▪ Extra incentives offered for early completion of designs ▪ Detailed schedule management in place with project team (monitor design progress)

Group Five does not usually supply contract-specific details
An exception has been made for Kpone as it currently represents a large part of the order book

Engineering & Construction

Kpone progress - Jan 2015

Engineering & Construction

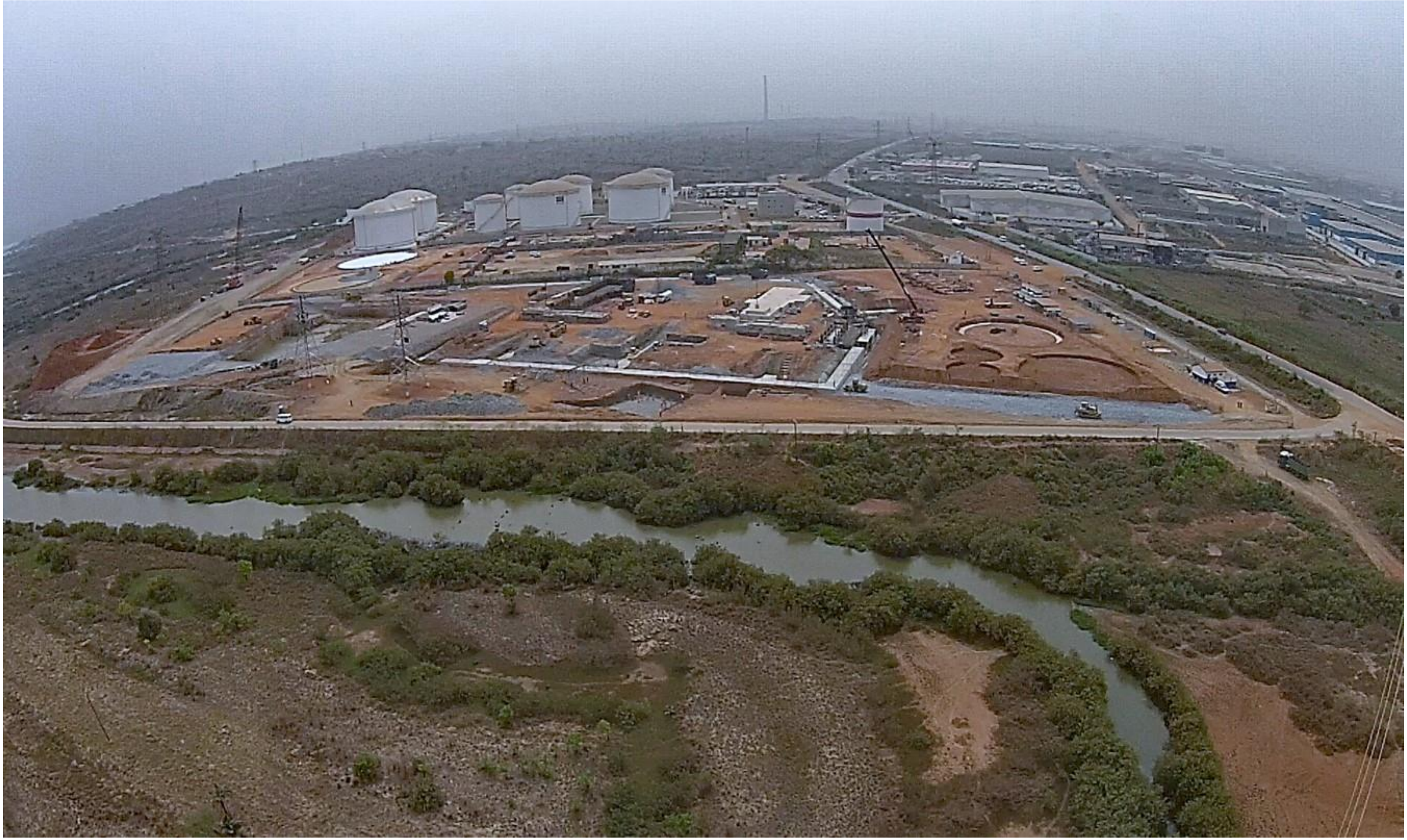
Kpone progress - 3 months

Engineering & Construction

Kpone progress - 6 months

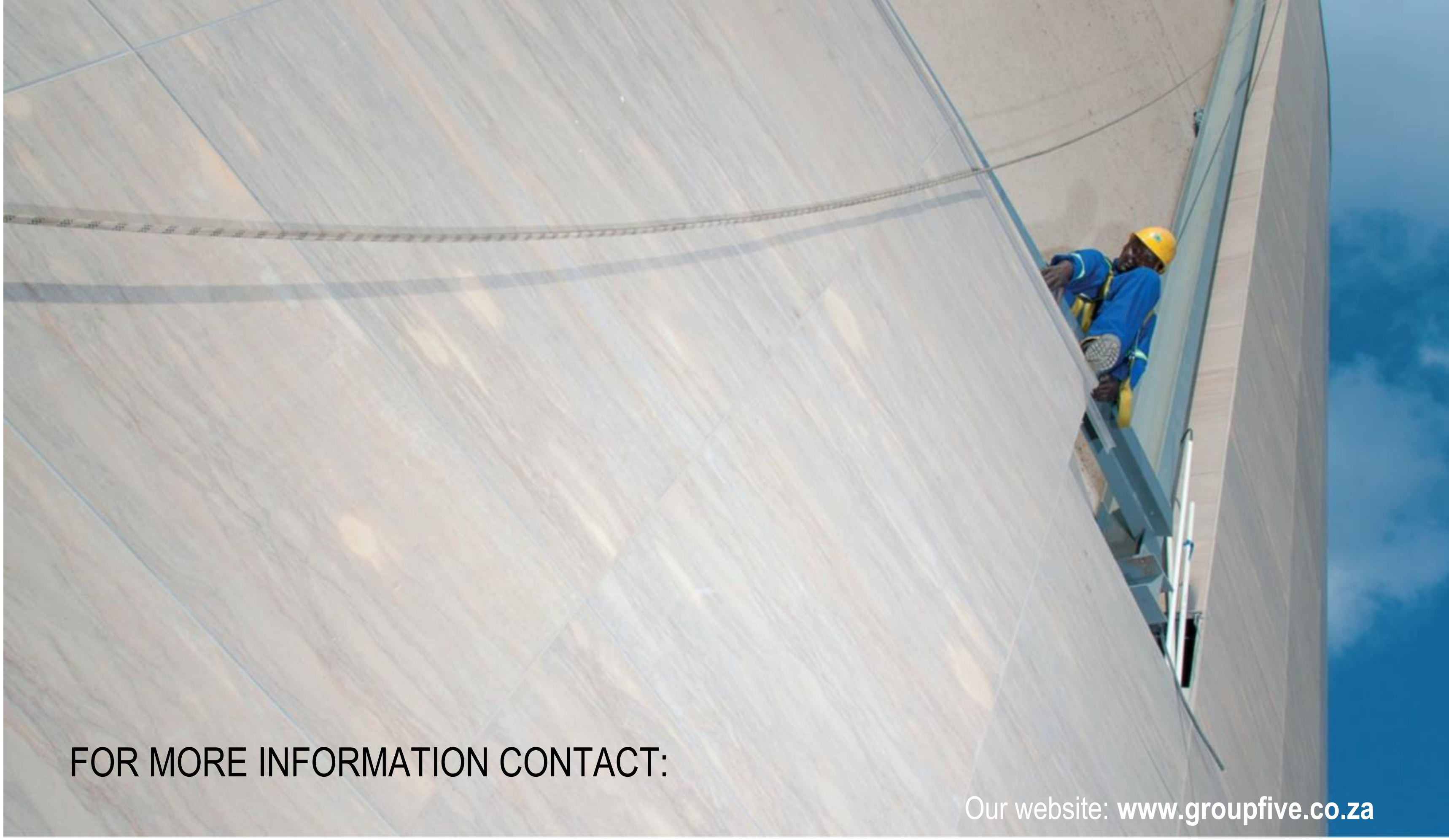
Engineering & Construction

Kpone progress - 12 months



Engineering & Construction

Kpone progress - Current



ERIC VEMER

Chief Executive Officer
Telephone: +27 10 060 1555
Email: evemer@groupfive.co.za

CRISTINA FREITAS TEIXEIRA

Chief Financial Officer
Telephone: +27 10 060 1555
email: cteixeira@groupfive.co.za

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