AUDITED
GROUP RESULTS
for the year ended 30 June
2018

GROUP FIVE
structured ingenuity

FINANCIAL SUMMARY

01
OVERVIEW OF F2018

	F2018 audited	H2 F2018 unaudited*	H1 F2018 unaudited*	F2017 audited*
Revenue – Rm *from continuing operations*	**7 348**	2 835	4 513	9 958
Operating loss – Rm	**(1 427)**	(625)	(802)	(718)
HEPS – Rand	**(13,80)**	(5,99)	(7,81)	(8,53)
Fully diluted HEPS – Rand	**(13,80)**	(5,99)	(7,81)	(8,53)
EPS – Rand	**(13,35)**	(5,62)	(7,73)	(8,29)
Fully diluted EPS – Rand	**(13,35)**	(5,62)	(7,73)	(8,29)
Dividends per share – cents	**-**	-	-	14.0

Headline earnings (net of tax) adjusted for:	F2018 audited	H2 F2018 unaudited	H1 F2018 unaudited	F2017 audited
Net fair value gain adjustment on an investment property held by associate and subsidiary	**R30,5m**	32,6m	(R2,1m)	(R17,4m)
Net profit (loss) on disposal & impairment of an investment in associate, joint venture and subsidiaries	**(R40,7m)**	(R40,7m)	-	R451k
Profit on disposal of property, plant & equipment	**(R35,6m)**	(R29,1m)	(R6,5m)	(R7,9m)

** Restated for the application of IFRS 5 – Non-current asset held for sale & discontinued operations as a result of the sale of a division within the manufacturing cluster.*

F2018 RESULTS IN CONTEXT - GROUP

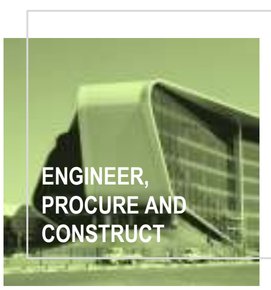
-R1,4 bn PBIT NEGATIVELY AFFECTED BY:	F2018
Kpone contract: Loss on contract, impacting EPC cluster results	-R 1 299m **charge to earnings**
Unmaterialised unsecured work ▪ Impacting Construction cluster results – Lack of contract awards (mainly Housing & Civils discipline) – Delayed Construction start (SMEIP* discipline) – Closure & rationalisation of businesses (Roads, Civils disciplines & plant) – Trade-out and closure of nuclear business	-R85,9m **reduced profitability**
Unsecured work materialising later than budgeted ▪ Impacting Construction cluster results in SA & Africa	-R63,1m **reduced profitability**
Contract losses & contracts behind plan (net of profit on contracts ahead of plan) ▪ Construction ▪ EPC	-R70,5m -R56,3m **reduced profitability**
Retrenchment costs ▪ Retrenchment process implemented mainly in Construction SA & Corporate office – Benefits starting to come through	-R66,7m **charge to earnings**

BALANCE SHEET IMPACT

Cash impacted by above and by the unwind in balance sheet, following reduced order book & level of trade

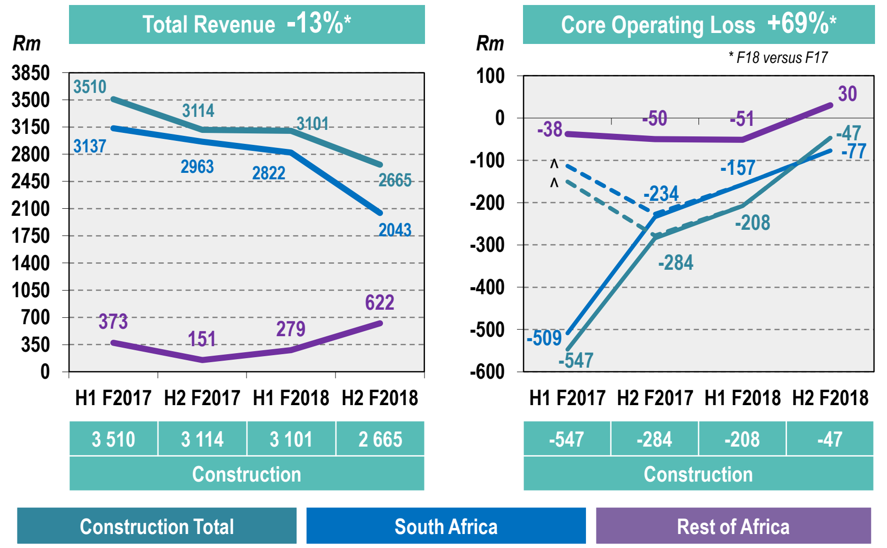
** SMEIP = Structural, Mechanical, Electrical Instrumentation & Piping*

F2018 REPORTING STRUCTURE



F2018 RESULTS IN CONTEXT
CONSTRUCTION

01 OVERVIEW OF F2018



^ Excludes impact of VRP contribution R159m & NMPP impairment R244m

F2018 RESULTS IN CONTEXT
CONSTRUCTION SA

01 OVERVIEW OF F2018

LOSSES IN CONSTRUCTION: SA

- **Achieved improved execution**
  - Reduction in contract losses over F2017; profit from contracts trading ahead of plan > contracts behind plan

- H2 cost overruns on some contracts; partially due to delayed sub-contractors & suppliers payments in Q3. Up to date from Q4
- Declining order book with exception of Building:
  - Continued impact of weak market conditions; delay in contract awards
  - Opportunities not pursued following closure and/or rationalisation of businesses
    - – Nuclear, Oil & Gas & Plant & Equipment
- Delayed/non-payment on certain public works contracts
- R60,0m in retrenchment costs
- R64,0m profit on sale of PPE^
- R13,1m annual cost removed by relocating to Spartan - benefiting future years

ACTUAL PBIT

F2018	F2017
- R234m	-R744m* (-R341m, excl. VPR & NMPP)

^ PPE: Property, Plant & Equipment * Includes impact of VRP contribution R159m & NMPP impairment R244m

F2018 RESULTS IN CONTEXT

CONSTRUCTION REST OF AFRICA

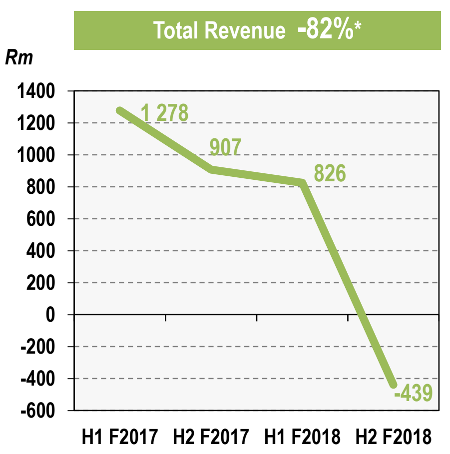
01 OVERVIEW OF F2018

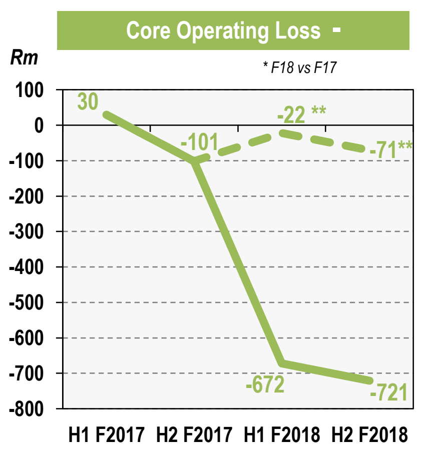
LOSSES IN CONSTRUCTION: REST OF AFRICA	ACTUAL PBIT	
▪ **Achieved improved execution** • Reduction in contract losses over F2017; profit from contracts trading ahead of plan > contracts behind plan	**F2018**	F2017
▪ Good contract delivery; no contract losses - profitable in H2 ▪ Unsecured work materialising later than planned ▪ Slight under-recovery of overheads ▪ Delayed sub-contractors & suppliers payments in Q3. Up to date from Q4 ▪ R2,5m in retrenchment costs ▪ R11,8m in forex losses ▪ R9,0m annual cost removed by relocating to Boksburg - benefiting future years	**- R21m**	- R88m

F2018 RESULTS IN CONTEXT

EPC

01 OVERVIEW OF F2018





EPC = Engineer, Procure & Construct

*** Excluding impact of Kpone adjustment*

EPC

LOSSES IN ENGINEER, PROCURE, CONSTRUCT (EPC)	ACTUAL PBIT	
	F2018	F2017
EPC excluding Kpone ▪ Currently only one other active contract • Open cycle gas-fired 90MW power plant contract in SA – Earthworks completed; civil engineering underway since March 2018 – Design & engineering work recovering from slow start – Balance of plant construction to commence Nov 2018 – Also delays in client accepting OEM equipment – working to finalise in Oct 2018 ▪ R4,6m impacted by retrenchment costs ▪ Delayed, slower commencement of contracts & lost tenders ▪ Cluster currently being right-sized for existing workload, will continue into F2019 as contracts are completed	**- R93m**	-R38m
Kpone ▪ Loss on Kpone contract	**- R1 299m**	-R33m
	- R1 392m	- R71m

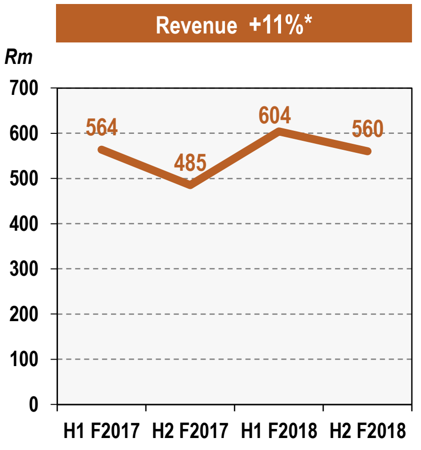
EPC - KPONE

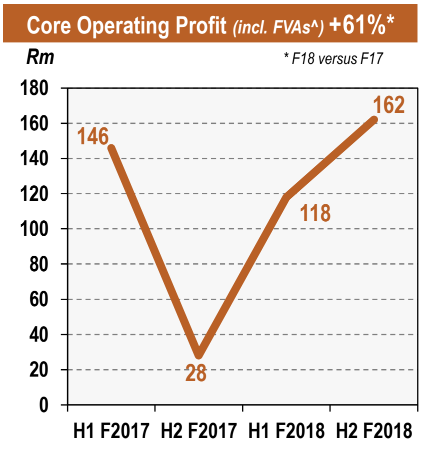
LOSSES IN EPC - US$ 410m KPONE CONTRACT UPDATE

- **H2 F2018:**
  - Client requested plant handover on 2 fuels only (not the planned 3 fuels due to gas unavailability)
  - Additional losses; further costs incurred to completion; forex losses; additional change to earnings reported (approach to timing of certain claims)
- **Further delays due to:**
  - Currently issues around water treatment plant & steam quality
  - Lack of gas
  - Non-availability of grid to receive power during commissioning phase
- **Plant in final commissioning phase** (only reliability & performance testing remain - to commence shortly)
- **Expected completion date now end-October**
  - Later completion date does not translate to daily penalties if group is not responsible for the delay
  - LDs capped at $62,5m vs group assessed claims to which it is entitled
  - Additional cost to complete requires funding, budgeted for
- **Other group claims progressing to finalisation**; possibly of substantial benefit; timing uncertain

LD = Liquidated Damages

INVESTMENTS & CONCESSIONS





^ FVA = Fair Value Adjustments

INVESTMENTS & CONCESSIONS

SOLID PERFORMANCE BY INVESTMENTS & CONCESSIONS	ACTUAL PBIT	
	F2018	F2017
TRANSPORT	**R280m**	R174m

- **Intertoll Europe** delivered strong results - exceeding budget
  - Improved operational performance & weaker Rand
  - However, reduction in H2 profit due to:
    - Project exited
    - Additional tender development costs
  - Targeted pipeline projects have come to market; others to follow in F2019
    - 3 pending awards
  - Includes upward Fair Value Adjustments of R156,2m (F2018: R98,2m)
- **Intertoll SA & Rest of Africa**
  - Normalised performance following H2 F2017's unexpected claim; strong results from Zimbabwe
  - Conclusion of Q-Free toll road equipment supply partnership in Intelligent Transport System, but no awards; unsuccessful with e-tag tender
- Bid submissions for O&M projects in Cameroon (shortlisted), Togo (preferred bidder), Mozambique (awaiting appointment), Kenya & DRC - Zambia (awarded, undertaking feasibility studies)
- Proposals submitted for InstaToll® solution in Mozambique & Zimbabwe; await award from Zimbabwe

F2018 RESULTS IN CONTEXT

INVESTMENTS & CONCESSIONS

01 OVERVIEW OF F2018

SOLID PERFORMANCE BY INVESTMENTS & CONCESSIONS	ACTUAL PBIT	
	F2018	F2017
REAL ESTATE	**R280m**	R174m

SA:

- Projects slow-to-market (mainly due to poor SA market confidence & group capital constraints)
- Operating assets performing well: Tshwane House, Capital Place, Kalahari Mall, North Point (Phase 2 to be launched)
- 366 residential units under development, with 60 complete
- Further 10 000 in pipeline
- R32,6m impairment of investment property in H2 (weaker market)

Rest of Africa:

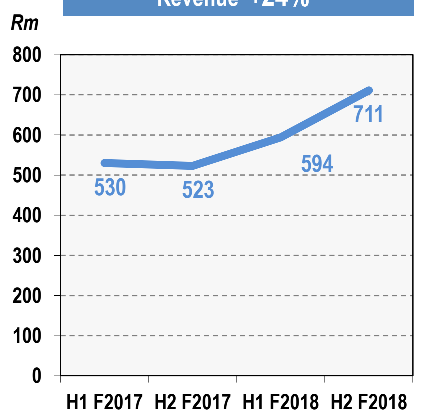
- Delayed project commencement due to group capital constraints
- Good development progress on office and hotel projects in Ethiopia
- 60% interest in office block in Ivory Coast - but on hold due to development funding
- Ongoing co-investment vehicle fundraising discussions

F2018 RESULTS IN CONTEXT

MANUFACTURING

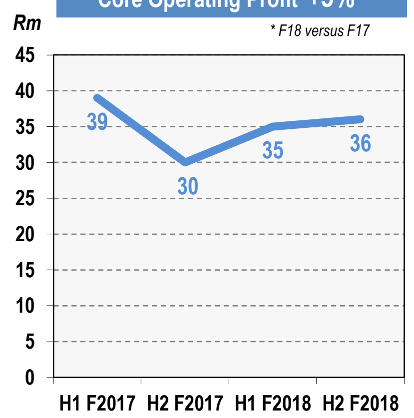
01 OVERVIEW OF F2018

Revenue +24%*



Core Operating Profit +5%*

** F18 versus F17*



F2018 RESULTS IN CONTEXT

MANUFACTURING

01 OVERVIEW OF F2018

PLEASING PERFORMANCE IN MANUFACTURING

ACTUAL PBIT	
F2018	F2017
R70m	R69m

Fibre Cement - Everite

- Performance in line with expectations, as tough trading environment worsened with pressure on pricing
- Impacted negatively by power interruption in H1
- Countered by enhanced complementary traded goods, exports, improving production efficiencies & strategic supply chain initiatives

Steel – BRI & Pipe

- Volume & price recovery in Pipe
- BRI volume improvement impacted negatively by margin pressure in oversupplied market

Disposal: Pipe

- Deal successfully concluded in H1
- Proceeds received in H2

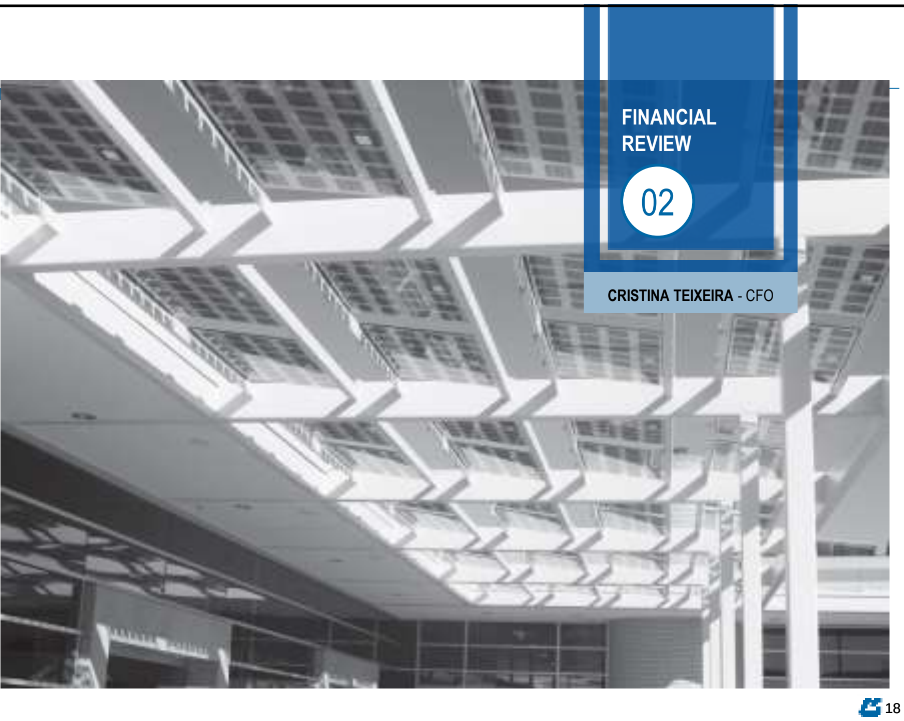
Disposal: Everite

- Progressing well; D.D. nearing conclusion; legal drafting commenced
- Deal conclusion in F2019

Disposal: BRI

- Multiple expressions of interest to be assessed by Independent Board
- Deal conclusion in F2019

D.D. = Due Diligence



INCOME STATEMENT

02 FINANCIAL REVIEW

Rm	F2018 audited	H2 F2018 unaudited*	H1 F2018 unaudited*	F2017 audited*
Revenue *from continuing operations*	7 348	2 835	4 513	9 958
Operating loss & margin % ▪ *including fair value adjustments ***	(1 427) (19.4%)	(625) (22.0%)	(802) (17.7%)	(718) (7.2%)
Loss before net finance cost & taxation	(1 237)	(491)	(746)	(683)
Net finance cost	(40)	(19)	(21)	(13)
Loss before taxation	(1 277)	(510)	(767)	(696)
Effective tax rate %	6.9%	12.6%	3%	19.8%
Loss from continuing operations	(1 365)	(576)	(789)	(834)
Profit from discontinued operations	57	27	30	61
Non-controlling interest	(48)	(22)	(26)	(67)
Net loss	(1 356)	(571)	(785)	(840)

** Restated for the application of IFRS 5 – Non-current asset held for sale & discontinued*
*** From F2018 fair value adjustments on service concessions are recorded within equity profit and not operating profit in the income statement due to a change in accounting treatment following the sale of 49.99% of the group's interest in concessions assets at the end of the prior year.*

CASH FLOW STATEMENT

02 FINANCIAL REVIEW

Rm	F2018 audited	H2 F2018 unaudited*	H1 F2018 unaudited*	F2017 audited*
Operating cash	(463)	(232)	(231)	(244)
Working capital changes	(749)	(411)	(338)	(649)
Net finance cost	(26)	(18)	(8)	(8)

Rm	F2018 audited	H2 F2018 unaudited*	H1 F2018 unaudited*	F2017 audited*
Trade & other payables	(972)	(678)	(294)	(584)
Advance payments	(63)	102	(165)	(63)
Excess billings	72	202	(130)	(1 146)
Trade & other receivables	425	(27)	452	720
Contracts in progress	(216)	(2)	(214)	414
Inventories	5	(8)	13	10
Working capital changes	(749)	(411)	(338)	(649)

** Restated for the application of IFRS 5 – Non-current asset held for sale & discontinued operations*

CASH FLOW STATEMENT

02 FINANCIAL REVIEW

Rm	F2018 audited	H2 F2018 unaudited*	H1 F2018 unaudited*	F2017 audited*
Operating cash	**(463)**	(232)	(231)	(244)
Working capital changes	**(749)**	(411)	(338)	(649)
Cash utilised by operations	**(1 212)**	(643)	(569)	(893)
Net finance cost	**(26)**	(18)	(8)	(7)
Tax & dividends paid	**(86)**	(53)	(33)	(178)
Operating activities (disc. operations)	**(23)**	(79)	56	72
Net cash utilised by operating activities	**(1 347)**	(793)	(554)	(1 006)
Net investing activities	**171**	132	39	529
Net financing activities	**240**	271	(31)	(339)
Financing activities (disc. operations)	**(25)**	-	(25)	(45)
Effect of exchange rates on cash	**40**	24	16	(128)
Movement in cash	**(921)**	(366)	(555)	(990)
Cash & cash equivalents on hand – year end	**1 345**	1 345	1 710	2 265
Net gearing – debt to equity ratio %	**Ungeared**	Ungeared	Ungeared	Ungeared
External guarantees issued	**5 079**	5 079	5 091	5 498
External guarantees unutilised	**1 190**	1 190	3 811	5 084
Total facility for period ended	**6 269**	6 269	8 902	10 582

** Restated for the application of IFRS 5 – Non-current asset held for sale & discontinued operations*

RATIONALISATION & RESTRUCTURE INTERVENTIONS

02 FINANCIAL REVIEW

Management has focused on rightsizing & restructuring structurally unsustainable Construction SA & EPC, including:

1 Initial steps
- Reassessment of F2018 & F2019 forecasts for Construction & EPC
  - Excluding contract profit unsecured
  - Including full overheads & "unwind" of balance sheet**

2 Cost reduction to match reduced business size
- Rationalisation & standardisation of all overheads - Construction SA, Africa, EPC & Corporate Office
- Result
  - Further retrenchments required*
  - Aggressive reduction in overheads

3 Reduced level of unsecured work in budget; moving quickly to next step (step 4) of further overhead cut if needed
- Critical evaluation of contracts to be pursued
- Only in disciplines with available market, internal competency & proven track record
- Focused tendering on contracts with: >80% probability of being awarded within construction competency & skill set, minimum gross profit margins & related to remaining sustainable businesses

4 Further overhead rationalisation
- To levels supporting secured and limited unsecured work only, should higher levels of unsecured revenue be unattainable in short term

5 Cash conversion of assets

** Largely provided for in H1F2018 results and implemented in H1 & Q3 F2018*   *** Reduction of balance sheet with a reducing level of trade and order book*

RATIONALISATION & RESTRUCTURE INTERVENTIONS

02 FINANCIAL REVIEW

Management has focused on rightsizing & restructuring structurally unsustainable Construction SA & EPC, incl:

1 Initial steps
Reassessment of F2018 & F2019 forecasts for Construction & EPC

➡

Reassessment based on
- Available market & reliability of market demand,
- Available internal core competency & skills
- Sustainability of business

Resulted in the following structural changes:

Construction SA	H1 F2018*	H2 F2018	F2019
	Improvement over prior year; profit from contracts trading ahead of plan >contracts behind plan		Further restructuring, implementation in Q2:
Building	▪ Keep	▪ Secured profit did not fully materialise ▪ Effects of cash constraints (Q3; up to date from Q4) ▪ Underperforming contracts	▪ Market extremely competitive ▪ Lower rate of awards ▪ Reputational impact; increased cost of doing business
Housing	▪ Keep		
Low cost housing	▪ Exit Motlekar only stay within market	▪ Motlekar exit complete	▪ Look at new entry to low cost housing market through VRP, etc.
Civils	▪ Reduced by 75%	▪ Secured profit did not materialise	▪ Limited work; tendering but very little work won due to extremely competitive market
Roads & Earthworks	▪ Marked for exit	▪ Retrenched all overheads except project teams	▪ 2 contracts to finish in F2019 ▪ Reduce roads capability to compliment Civil Works
Plant & Equipment	▪ Marked for exit	▪ Running at breakeven ▪ Exit programme on track	▪ Continue exit programme

** As per interim results presentation*

RATIONALISATION & RESTRUCTURE INTERVENTIONS

02 FINANCIAL REVIEW

Management has focused on rightsizing & restructuring structurally unsustainable Construction SA & EPC, incl:

1 Initial steps
Reassessment of F2018 & F2019 forecasts for Construction & EPC

➡

Reassessment based on
- Available market & reliability of market demand,
- Available internal core competency & skills
- Sustainability of business

Resulted in the following structural changes:

	H1 F2018*	H2 F2018	F2019
EPC			
Nuclear	▪ Marked for exit	▪ 2 contracts ongoing; no remaining overheads except project team	▪ 2 contracts to finish ▪ No further tenders
Oil & Gas	▪ Downsized	▪ Completed	
Power	▪ Retained	▪ Right-sized	▪ Rightsizing will continue as contracts complete
Engineering	▪ Marked for exit	▪ Exited	
REST OF AFRICA			
SMEIP	▪ Keep	▪ Good delivery; no contract losses	▪ Appropriately sized for current work stream

** As per interim results presentation*

RATIONALISATION & RESTRUCTURE INTERVENTIONS

02 FINANCIAL REVIEW

2 **Cost reduction to match reduced business size**

	H1 F2018*	H2 F2018	F2019
	▪ Total annual saving est. ± R220m	▪ Achieved R211m (annualised)	▪ Ongoing
Overhead related			
Staff: Retrenchments (*Largely provided for in H1 results & implemented in H1 & Q3 F2018*)	▪ Decision taken to reduce SA, Corporate & EPC – Achieved 18% reduction in H1	▪ 20% achieved in F2018	▪ Benefits to flow in F2019 ▪ Further restructuring in Construction SA & EPC
Operations related			
Staff: retrenchments Q3	▪ Benefit to be realised, R40m to June '19	▪ R19m realised	▪ Remainder in F2019
Plant closure	▪ In progress	▪ At breakeven ▪ Exit programme on track	▪ Continue rationalisation programme
Move to cheaper premises from Waterfall	▪ Construction SA, Rest of Africa, I&C & Corporate	▪ Completed June 2018	▪ Benefits to flow in F2019 ▪ R67m annual saving

** As per interim results presentation*

RATIONALISATION & RESTRUCTURE INTERVENTIONS

02 FINANCIAL REVIEW

3 **Reduced level of unsecured work in business plan**

H1	H2	F2019
Only look at unsecured work >80% likely & targeted margins (mainly private sector)		
▪ Focused on selected disciplines only ▪ Low reliance on unsecured work ▪ Additional contract opportunities available & added to unsecured work focus	**SA** ▪ Civils – 100% conversion - 1 contract secured ▪ Housing – no contracts secured; at full capacity ▪ Building – contracts awarded, but brand impacted; focus on contract replacement **Rest of Africa** ▪ Strong order book in West & Central Africa	**SA** ▪ 31% of forecast unsecured awards secured since year end (in harsh market environment) ▪ Focus on contract replacement ▪ Increased cost of doing business **Rest of Africa** ▪ 60% of forecast unsecured awards secured since year end ▪ Increased cost of doing business

** As per interim results presentation*

RATIONALISATION & RESTRUCTURE INTERVENTIONS

4 Further overhead rationalisation

H1 F2018*	H2 F2018	F2019
Reduced level of unsecured work in business plan		
Further overhead rationalisation ▪ Should unsecured work not materialise in the short-term – Further overhead cuts will be implemented ▪ These have been quantified – Results in a further R30m benefit	Further overhead rationalisation ▪ Construction SA again reducing overhead structure ▪ Rest of Africa: Has retained its overhead structure – strong conversion rate	▪ Ongoing review of appropriate structure as market conditions change

* As per interim results presentation

02 FINANCIAL REVIEW

RATIONALISATION & RESTRUCTURE INTERVENTIONS

5 Cash conversion of assets

H1 F2018*	H2 F2018	F2019
▪ Collected **R170m** in 3 months + ▪ **R80m** expected shortly (Group Five Pipe) + ▪ Additional asset-to-cash conversion (non trade balances) of R779m a focus to June 2019 ▪ **R44m** collected since Feb + – **R120m** realised, converting into cash monthly over 18 months	▪ Collected **R227m** in H2, incl. **R80m** for Group Five Pipe + ▪ **R100m** pension fund surplus realised, converting into cash monthly over 17 months	▪ Additional asset-to-cash conversion ▪ **R630m** to collect in F2019, incl.: – 2 large SA awards adjudicated in Group's favour – PPE – Legacy claims – Long-outstanding debtors, etc ▪ **R30m** collected since year-end ▪ Benefit from pension fund surplus realising

* As per interim results presentation

NOTE: Asset-to-cash conversion re-estimated monthly per the liquidity model; reducing by cash collected & increasing with new opportunities

LIQUIDITY MANAGEMENT

CASH - (Rm)	H2 F2018	H1 F2018
At 31 Dec 2017 / 30 June 2017	1 710	2 265
At 30 June 2018 / 31 Dec 2017	1 345	1 710
Outflow	-365	-555

Robust monthly consolidated liquidity model, including 12 months look ahead

IBR* review conducted on liquidity model &
Independent Contracts Officer review of financial impact of large & risky contracts

1. **Manufacturing and Investments & Concessions clusters**
   - Based on estimated monthly free cash from operations
     - Manufacturing to date of sale
2. **Construction & EPC clusters**
   - Forecasted monthly secured contract cash profit less total expected business overheads +
     - Reflecting cash generation or absorption prior to contract awards
   - Forecasted business unit interventions, including, overhead reductions & contract improvements** separately monitored +
   - Forecasted business unit unsecured contract cash +
   - Net-current-liability position at year forecast as outflow, based on expected monthly timing
     - Introduction of normalised working capital relevant to reduced business size
     - EPC net-current-liability working capital is fully forecast as an outflow
3. **Kpone**
   - Due to materiality, monthly cash outflows & inflows separately monitored
4. **Other liquidity enhancing initiatives incl.**
   - Converting long term assets to short term
   - Acceleration of claim opportunities

** International independent business review* *** Expected enhancement on contracts* .

LIQUIDITY MODEL ASSUMPTIONS

Impact

1. **Secured Construction & EPC contract trade at forecasted tendered margins**
   - Reforecast monthly and model constantly updated
   - General provision for contract losses included
   - "Stretch" targets only included when highly probable
   - Any further contract losses/reduction in cash profitability, less provision, directly impact model
2. **Construction contracts identified as >80% probability traded in forecast period**
   - Some risk with regards to timing and probability, experienced delays
   - Increased cost of doing business impacting
   - Low level of cash profits included from unsecured work – so not to materially impact liquidity
3. **Secured & unsecured cash** in 1 & 2 above = 20% of total liquidity enhancement est. for F2019
4. **Further overhead reduction strategies implemented & achieved**
   - 10% of total liquidity enhancement estimated

Liquidity: Low Medium High

Sensitivity: High Medium Low

LIQUIDITY MODEL ASSUMPTIONS (contd)

02 FINANCIAL REVIEW

	Impact
5. EPC business rationalised within the period	
6. Kpone completed within forecast cost & time est. ▪ Closely monitored by Exec & Board; incl. est. cost to completion date ▪ Cash collected from other cash-enhancing actions being applied to fund Kpone	
7. Free cash realised from I&C and Manufacturing (pre sale date) ▪ Cash from operations	
8. Net current liability payments ▪ Based on expected timing of outflow, normalised working capital relevant to new group size	
9. Other cash enhancing activities - long term to current assets ▪ R227m collected by June 2018 ▪ R630m to be realised in coming 12 months	

Liquidity: Low Medium High

Sensitivity: High Medium Low

LIQUIDITY POSITION

02 FINANCIAL REVIEW

H1 Liquidity model

- H1 F2018 presentation showed a timing mismatch
  - Immediate need for additional cash for Kpone as well as Construction balance sheet unwind as contracts near completion and rate of trade decreases

    VS
  - Rate at which claims & debtors could be realised to fund outflows
- Satisfied by bridging loan

No need to access assets outside of Construction

Year end liquidity model

- Group has cash, but limited free cash &
- Group is forecasting positive net current assets (12-month forecast) but due to:
- Conditions weakening in Q4
  - Add cost to complete on Kpone
  - Some Construction losses in H2 F2018 although better than prior year
  - Construction forecast tempered, resulting in reduced expected cash inflow

Board assessed that further liquidity safety margin required

Action

Focus areas to address liquidity:

- Partial disposal of ICP

CLUSTER LIQUIDITY POSITION

INVESTMENTS & CONCESSIONS
- Stable; cash from operations being generated

MANUFACTURING:
- Stable; cash from operations being generated

CONSTRUCTION SA (where previous cash pressure centred)
- Showing small improvement

REST OF AFRICA (where previous cash pressure centred)
- Improvement experienced

EPC
- Still short term cash pressure
- Mainly additional costs to complete Kpone
- Cash collected from other cash-enhancing actions being applied to fund contract
- Key risk: timing of expected cash collection vs required application of funds to the contract

GROUP:
- R5,1bn in guarantee contingent liabilities provided to 3rd parties
  - Includes Kpone guarantees
    - Gross max delay penalty capped at $62,5m
    - excl. counter, or other, claims group is legally entitled to & pursuing

GROUP LIQUIDITY POSITION

At 30 June 2018

- Group total assets > total liabilities by **R1,1bn**
- Group is a solvent entity

and

- Group current liabilities > current assets by **R1,0bn**
- Mainly short term bridging funding & Kpone

Being addressed by:

Partial disposal of I&C concessions assets in Eastern Europe
- Held through JV with Aberdeen in Intertoll Capital Partners B.V. (ICP)
  - Sale of 40% (10% remaining)
- Subject to shareholder approval
- Proceeds will settle R650m bridging funding
- Therefore
  - Significant reduction in group current liabilities
  - Substantial liquidity improvement
- Remaining I&C will consist of:
  - 10% of ICP JV with Aberdeen
  - Operations & Maintenance – Europe and Africa
  - Properties
  - Investments in JVs & Associates

In addition:

Disposal of remainder of Manufacturing
- Process on track
- Proceeds expected in F2019

GROUP PROSPECTS

03

THEMBA MOSAI - CEO

OUTLOOK

OPERATING ENVIRONMENT AFFECTED BY

MARKET

- Slow, but improving, response by DFIs* in participating in project preparation funding
- Prolonged incubation period for projects
- Increased competition from global competitors bringing funding into projects & entering African markets
- Reputational damage following Kpone issues & construction losses
    - Increased cost of doing business

FINANCIAL CAPACITY

- Liquidity constraints in the industry & in the group
- Constrained risk-bearing capacity due to weakening of group balance sheet following underperformance of multiple businesses & contracts

HUMAN CAPACITY

- Risk of key skills loss as a result of instability within the group & the industry

GEOGRAPHIC

- Continued low growth in global markets
- Negative perceptions about Africa by current & prospective partners

** Development Financing Institutions*

LOOKING FORWARD

SHORT TERM – CLUSTER SUMMARY

03 GROUP PROSPECTS

DECREASING FOCUS GOING FORWARD ON EPC, TPS & CONSTRUCTION; board working with corporate finance advisors to evaluate various options to maximise shareholder value

CONSTRUCTION	South Africa	▪ Being rightsized for current market conditions ▪ Operating on a lower cost structure ▪ Access to guarantees needed
	Rest of Africa	▪ Good, secured order book esp. in Western & Central African mining sectors; profitable, secured order book esp. in the mining sector; profitable in F2019 ▪ Recently awarded contracts will enhance business performance for F2019 ▪ Will require low to nil investment ▪ Operating on a lower cost structure ▪ Streamline/cost effective African operating structure ▪ Access to guarantees needed
EPC & TPS		▪ Some retrenchments; consultation started with employees

LOOKING FORWARD

SHORT TERM – CLUSTER SUMMARY

03 GROUP PROSPECTS

CORE FOCUS OF THE GROUP GOING FORWARD

DEVELOPMENTS & INVESTMENTS	Intertoll Europe & Africa	▪ Attractive outlook & strong pipeline ▪ But utilisation of free cash by Construction inhibits further investment & growth ▪ Project management capabilities - extension to existing development management competence ▪ Technical advisory services on a fee income basis - D&I
	G5 Properties	▪ Return to profit dependent on access to capital for continued project progress
OPERATIONS & MAINTENANCE (Intertoll Africa, O&M Power & Water)		▪ Solid growth off high base ▪ Pursuing new SA projects; several tenders & expanding into related work beyond tolling ▪ Well-advanced O&M project pipeline in select African countries ▪ Negotiating for extension on current O&M Power projects ▪ In-house toll system approved by SANRAL; ready to roll out in Rest of Africa ▪ Negotiating extension on current O&M Power projects

MEDIUM TERM

REVISED STRATEGY & STRUCTURE

03 GROUP PROSPECTS

GROUP FIVE
"Creating infrastructure solutions"

Developments & Investments

Operations & Maintenance

EPC

Construction

Construction SA

Construction Rest of Africa

* Building and Housing, small Civils, SMEIP & Oil & gas competency

* Projects (SMEIP)**

Strategic benefits

...delivered through a synergistic portfolio of businesses...

Business Generation
Individual business units generate execution opportunities for others

Differentiated Market Position
Portfolio capability that drives a differentiated market positioning & value proposition

Capital Base Leverage
A single capital base can be leveraged across the portfolio to generate strong returns

...operating in key sectors...

Power

Water & Transport

Real Estate

...and working with proven partners

Funders

Professional advisors

OEMs

Construction companies

Engineering companies

Decreased focus

D&I AND O&M:

DIFFERENTIATED STRATEGY UNDERPINS COMPETITIVE ADVANTAGES

03 GROUP PROSPECTS

Principles & approach underpin a long history of success

A continued drive & focus on I&C's proven approach will continue to deliver

- *Lower development costs*
- *Better development risk management by leveraging partner capabilities*
- *Consistent value to Group Five shareholders*

Execution Capabilities	Partnerships	Core Focus
▪ Proven operational track record ▪ Tried & tested development process ▪ Experience in deal-structuring skills ▪ Ability to develop partnerships, which leads to increased local market knowledge	▪ In-country professional relationship network ▪ Formation of strategic alliances (e.g. Aberdeen, AFC, DBSA, Meridiam) ▪ Partner with other equity sponsors to contribute toward development costs (e.g. Pembani-Remgro, Meridiam) ▪ Ability to share risks across partnership network resulting in lower risk profile for Group Five	▪ Focus on development projects in targeted countries ▪ Four key infrastructure pillars • Transport • Water • Power • Real Estate ▪ More focused pipeline can deliver a consistent return

Intertoll Europe	Intertoll Africa	G5 Properties
Focus on improved operational efficiencies and revenue enhancement. Growth for economies of scale	Diversify revenue streams and geographic expansion into new territories	Grow a diversified portfolio with a focus on execution of targeted Africa projects

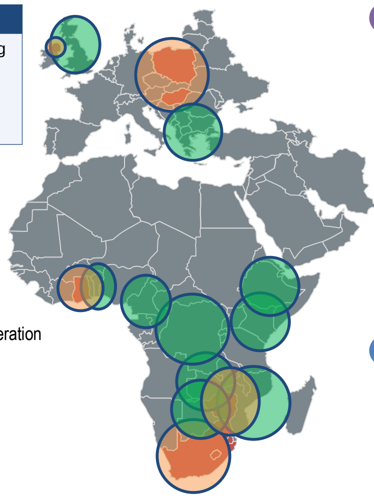
Notes: AFC = Africa Finance Corporation, DBSA = Development Bank of Southern Africa

D&I AND O&M:
STRATEGIC FOCUS TO DRIVE SUBSTANTIAL ORGANIC GROWTH

REGIONAL STRATEGIC FOCUS GOING FORWARD

1 Europe

- Strategic focus: Grow existing & new geographies
- Expand O&M within regions for improved margins & new opportunities



Current regions of operation

Pipeline projects

2 Sub-Saharan Africa

- Pursue strategic partnerships "Africa Inc." to offer
  - Comprehensive solution, incl. technical & financial support for infrastructure, power & real estate
- Alignment with SOEs
  - Relationships already in place for road, sea & air port projects
- D&I to act as enabler of growth for O&M

3 South Africa

- Pursuit of PPPs as market activity increases - increased government appetite
- Residential real estate a key focus due to current undersupply

D&I AND O&M: FINANCIAL SNAPSHOT
DEFINED VISION & STRATEGY FOR D&I AND O&M, UNDERPINNED BY KEY PERFORMANCE INDICATOR

Strategy requires little to no funding	Medium term outlook target at year 3 (2021), based on current projects & selected pipeline*
Revenue	Target growth: GDP growth + inflation + 26.7%
EBITDA	Target: 15% margin
EBIT	Target: 14% margin
PAT (incl. FV)	Target: 14% margin
Cash conversion[1]	Target: 70%

Based on middle road scenario; investment equity required only for high road projections

Notes: (1) Cash conversion ratio calculated as cash generated from operations divided by operating profit
The above information has not been reviewed or reported by Group Five's auditors
** Excludes Fair Value Adjustment relating to service concessions*

D&I SECURED PROJECT SUMMARY - TRANSPORT

03 GROUP PROSPECTS

Project	Geography	O+M	Contract type	Km	Aberdeen JV*	End date
M6 Phase 1*	Hungary	Yes	Availability	59	Yes 12.7%	2026
M6 Phase 3*	Hungary	Yes	Availability	80	Yes 20%	2037
A1 Phase I & II*	Poland	Yes	Toll & availability	152	Yes 15%	2040
S8	Poland	Yes	Maintenance	84	No	2018 (recently re-won)
A1 Phase III	Poland	Yes	Toll	92	No	2022
Westlink	Ireland	Yes	Maintenance	60	No	2036

D&I = Developments & Investments ** Identified to reduce to 10%* *NOTE: Also preferred bidder on 2 additional Polish projects*

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D&I PROJECT SUMMARY – REAL ESTATE

03 GROUP PROSPECTS

	Nature	Geography	Status
Secured projects			
Kalahari Mall	Retail	South Africa	Trading well
Capital Place	Commercial	Ghana	100% let, trading well
North Point	Industrial	South Africa	Phase1 is 100% let – sourcing partner for phase 2&3
Angle on Oxford	Mixed use	South Africa	Seeking to partner or dispose
Glen Acre	Residential	South Africa	Phase 1A (60 units) complete
Augusta Hills	Residential	South Africa	Rezoning finalised - bulk services to progress
Mooikloof Manor	Residential	South Africa	Await planning approval
Unsecured projects			
Carnival City Apartments	Residential	South Africa	Township establishment in progress
Hyde Park	Residential	South Africa	Pre-selling
Red Cross Headquarters	Offices	Ethiopia	Discussions towards commercial close in progress
Conseil de Entente	Offices	Ivory Coast	Launch and pre-letting. Seek partners
BICICI* PPP**	Offices	Ivory Coast	Final negotiations with Ministry of Construction
Wabi Shebele Hotel	Hotel	Ethiopia	Deal structure with land owner being finalised
Wierda Valley	Residential	South Africa	Rezoning to higher density

D&I = Developments & Investments ** BICICI = La Banque internationale pour le commerce et l'industrie de la Côte d'Ivoire* *** PPP = Public Private Partnerships*

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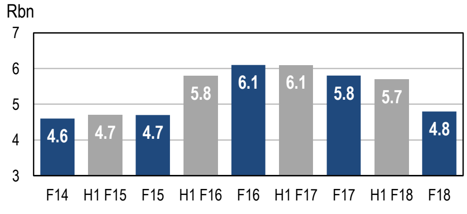
O&M SECURED PROJECT SUMMARY - TRANSPORT

Project	Geography	O+M	Contract type	Km	Group Five investment	End date
N1 South	SA	Yes	CTROM	588	No	2019
N2 North	SA	Yes	CTROM	138	No	2022
N4 West	SA	Yes	O&M	110	No	2019
N3 Marianhill	SA	Yes	CTROM	3	No	2021
Infralink	Zimbabwe	Yes	O&M	822	No	2024

O&M = Operations & Maintenance

SECURED O&M ORDER BOOK – ANNUITY INCOME

Rm	Actual revenue			Order book		
	F2016	F2017	**F2018**	F2019	3-year to F2022	**Secured**
Transport	1 008	1 047	**1 156**	979	2 538	**4 760**
Industrial, Oil & Gas	134	196	**57**	-	-	**-**
Power	60	33	**44**	41	23	**65**
Total	**1 202**	**1 276**	**1 257**	1 020	**2 561**	**4 825**



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

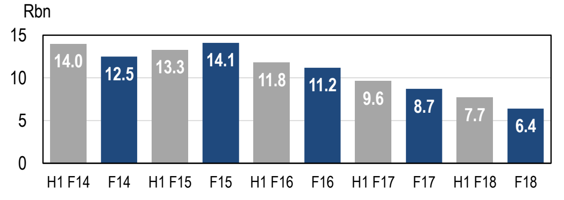
SECURED CONTRACTING ORDER BOOK*

03 GROUP PROSPECTS

	Total	South Africa	Rest of Africa	EPC ^
Total order book – Rm 30 June 2017	8 723*	6 745	542	1 436
Total order book – Rm 31 December 2017	7 705*	5 528	954	1 223
Total order book – Rm 30 June 2018	**6 408**	**4 814**	**483**	**1 111**
% Over-border	11%	-	100%	19%
▪ Public over-border	-	-	-	-
▪ Private over-border	11%	-	100%	19%
% Local	89%	100%	-	81%
▪ Public local	31%	23%	-	81%
▪ Private local	58%	77%	-	-
1-year order book from 1 July 18 Rm	**5 166**	**3 651**	**483**	**1 032**

Order intake at reduced levels

- Continued overall decrease
- Remains challenging in SA
- Rest of Africa imminent awards



** Values include only Group Five's portion of fully secured construction work*
^ Engineer, Procure, Construct

CONCLUSION

03 GROUP PROSPECTS

- F2018 was extremely taxing
- Kpone very disappointing. Challenges remain, but progressing to conclusion
- Some pleasing improvements in Construction excl. Kpone
- Solid performance in Investments & Concessions & Manufacturing
  - Disposal of Manufacturing progressing as planned
- Key decision made to decrease focus in Construction & EPC
- Clear focus to grow areas of consistent track record - D&I and O&M

QUESTIONS
& ANSWERS

04

FORWARD LOOKING STATEMENTS

GROUP FIVE

Certain matters discussed in this document regarding Group Five's future performance, that are neither reported financial results nor other historical information but involve known and unknown risks based on assumptions regarding the group's present and future business strategies and the environments in which it operates now and in the future and uncertainties which relate to events and depend on circumstances that will occur in the future. These matters are regarded as 'forward-looking statements'. They involve and include initiatives and the pace of execution thereon and any number of economic or geopolitical conditions, including factors which are in some cases beyond management's control and 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. They furthermore involve and include, without limitation, the group's ability to successfully control costs and execute on and achieve the expected benefits from operational and strategic initiatives, the availability of necessary skilled staff, disruptions impacting the execution of the group's strategy and business, including regional instability, violence (including terrorist activities), cybersecurity events and related costs and impact of any disruption in business, political activities or events, weather conditions that may affect the group's ability to execute on its contracts, adverse publicity regarding the group, initiatives of competitors, objectives to compete in the market and to improve financial performance, all forward-looking financial numbers and statements, currency translation, macroeconomic conditions, growth opportunities, contributions to pension plans, ongoing or planned real estate, ongoing or planned contracts and investments and future capital expenditures, acquisitions, divestitures, financial conditions, dividend policy and prospects, the effects of regulation of the group's businesses by governments in the countries in which it operates and all other statements that are not purely historical. These forward-looking statements have not been reviewed or reported on by the group's auditors. Such statements are based on management's beliefs as well as assumptions made by, and information currently available to, management. Forward-looking statements made in this document apply only as of the date of this document.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'will', 'may', 'anticipates', 'aims', 'could', 'should', 'expects', 'believes', 'intends', 'plans', 'targets, 'estimate', 'project', 'potential', 'goal', 'strategy', 'seek', 'endeavour', 'forecast', 'assume', 'positioned', 'risk' and similar expressions and variations of such words and similar expressions.

Forward-looking statements are inherently predictive, speculative, 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. All of the forward-looking statements made in this document are qualified by these cautionary statements and the group cannot assure the reader that the results or developments anticipated by management will be realized or, even if realized, will have the expected consequences to, or effects on, the group and its business, prospects, financial condition, results of operations or cash flows.

Readers are cautioned not to place undue reliance on these forward-looking statements in making any investment decision. Neither Group Five 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. While the group may elect to update forward-looking statements from time to time, it specifically disclaims any obligation to do so, even in light of new information or future events, unless otherwise required by applicable laws. The list of factors discussed herein is not exhaustive. This should be carefully considered when relying on forward-looking statements to make investment decisions.

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APPENDICES

05

SEGMENTAL OUTLOOK WITH ORDER BOOK ANALYSIS

D&I LOOKING FORWARD

TRANSPORT, POWER & WATER

Intertoll Europe

- Secured advisory role in a project and in negotiation to conclude a RRM^ project in Turkey
- In line for 3 Polish projects - preferred bidder on 2
- Attractive outlook; focus on leveraging partnerships such as Aberdeen
- Exciting prospects in Greece, Czech Republic, Poland, UK & Balkans

But utilisation of free cash by Construction inhibits ability to further invest & grow

Intertoll Africa – SSA*

- D&I a 10% shareholder on 2 toll concession projects ($800m Kenya & $600m DRC / Zambia)
  - Dependent on funding availability
- Prequalified for the Accra Tema toll concession

Power – SSA*

- In-principle agreement to form strategic alliance with a fund for rolling out projects
- Cautious approach, potential projects being considered

Water – SSA*

- Ongoing discussions with strategic partners
- Testing the market - submitted request for proposal

* Sub-Saharan Africa ^ Routine Road Maintenance

D&I LOOKING FORWARD

REAL ESTATE

South Africa

- Commercial close of office PPP project imminent
- Launch of 2 residential projects located in Johannesburg north
- Commencement of North Point Industrial project phase 2

Rest of Africa

- Co-investment vehicle capital raising – circling back to prospective investors
- Commercial close of Conseil office block In Ivory Coast dependent on equity partners being secured
- Progress towards commercial close of office project in Ethiopia
- Finalisation of implementation structure for Ethiopian hotel project

O&M LOOKING FORWARD

TRANSPORT – SSA

05 APPENDICES

- Diversifying into areas beyond tolling:
  - Intelligent Transport Systems, traffic incident management, network surveillance, weigh in motion
  - Minimal risk; closely aligned to toll fee collections; nominal investment capital required
- In-house toll system approved by SANRAL; ready to roll out in Rest of Africa (already installed in N4, Marianhill and Zimbabwe)
  - Roll-out of low cost toll booth solution; InstaToll® solution in urban areas & secondary road networks
  - Proprietary Freeway Management System (FMS) software to support RRM^ / (HMS) Highway Management Systems growth

SSA = Sub Saharan Africa
O&M = Operations & Maintenance
RRM = Routine Road Maintenance
HMS = Highway Maintenance System

O&M LOOKING FORWARD

TRANSPORT

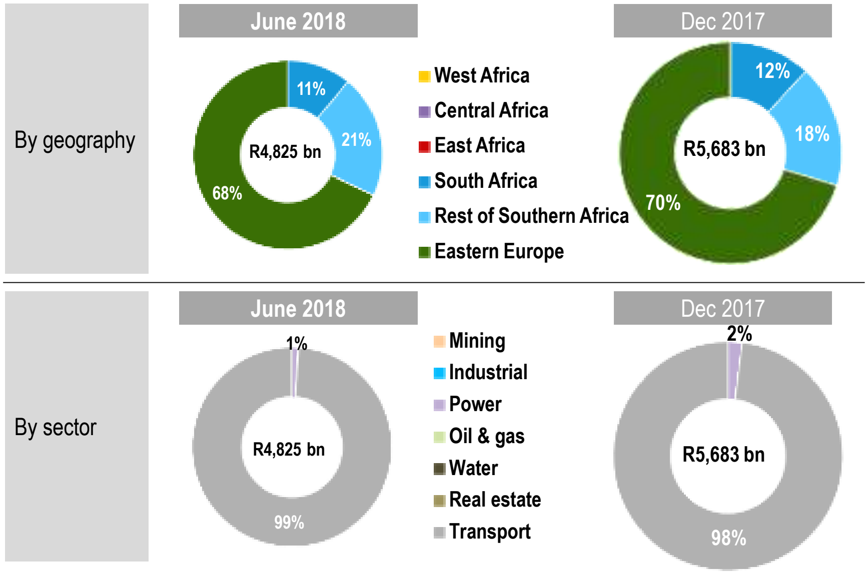
05 APPENDICES

Targeted opportunities

- Well advanced O&M project pipeline in select countries:
  - Kenya (D&I is preferred bidder on a project where Intertoll would undertake O&M work)
  - Zambia to DRC (D&I is preferred bidder where Intertoll would undertake O&M work)
  - Mozambique (close to being awarded - not a concession, so no investment required)
  - Cameroon - shortlisted for a project, incl. equipment supply, toll system & toll collection, as well as RRM
  - Togo - preferred bidder on equipment supply, toll system & toll collection & RRM
  - Zimbabwe - award for RRM project pending
  - South Africa
    - Major CTROM project and key contributor to SA operations - extended by a year from 2019 to 2020
    - Several SANRAL RRM tenders

O&M = Operations & Maintenance
RRM = Routine Road Maintenance

SECURED O&M ORDER BOOK



O&M = Operations & Maintenance

EPC – LOOKING FORWARD

Decision taken to decrease focus on EPC

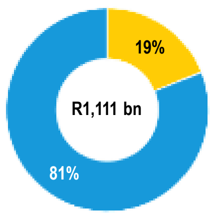
- Process to continue into F2019
- Some additional retrenchments
  - Group has started relevant consultation processes

SECURED EPC ORDER BOOK

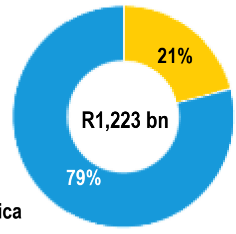
05 APPENDICES

By geography

June 2018

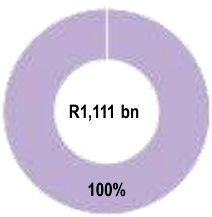


Dec 2017



By sector

June 2018



Dec 2017

CONSTRUCTION – SOUTH AFRICA

LOOKING FORWARD

05 APPENDICES

- Further right size business relative to weakening current market conditions
  - Downsize plant & equipment to complement rightsizing of business
  - Flatter structure required to achieve this, restructuring target completion H1 F2019
  - Streamlined service offering, focused on key disciplines & supported by proven core competencies
  - Successful track record in the businesses retained in Building & Housing
- Civils cut by 75%
- Exited disciplines - Trade out existing Nuclear contracts
- Continued focus on efficient execution of current contracts
- Repair & re-establish our reputation & brand with partners
- Board working with corporate finance advisors to
  - Evaluate various options to maximise shareholder value
  - Identifying a structure to address the Group’s VRP commitments

CONSTRUCTION - REST OF AFRICA (PROJECTS / SMEIP)

LOOKING FORWARD

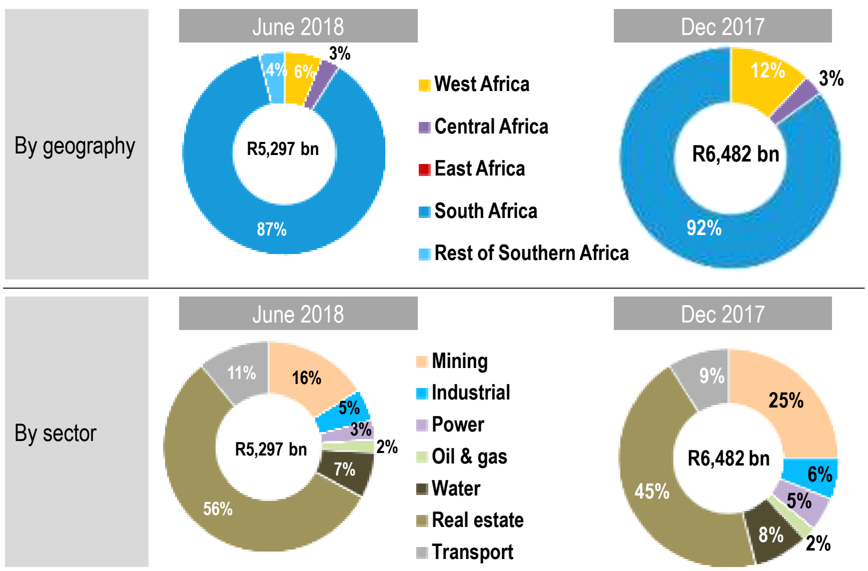
05 APPENDICES

- Strong track record over last 10 years on over-border contracts
- Focus on continued effective project management & delivery excellence
- Focus only on SMEIP^ niche market
  - High margins & barriers to entry - specialist space; handful of competitors
  - Leaner, more agile operating structure
  - Forging solid relationships to secure repeat business
  - In select territories where group is experienced and has reputation for delivery
- New prospects due to:
  - Opportunities in countries previously worked in
  - Expansion of EPCM* & client base
  - Demand for exotic minerals in commodity markets
  - Political stability in proven territories
- Good, secure order book, relative to resized business, in DRC, Guinea, Zambia & Burkina Faso
- Strategic focus:
  - Medium to large Mining & Industrial projects
  - Small to medium select Oil & Gas and Power projects
  - Select mining procurement & construction joint ventures
    - Long-standing relationship in Mining with trusted engineering partner
- Board working with corporate finance advisors to evaluate various options to maximise shareholder value

** EPCM = Engineer, procurement, construction, management ^ SMEIP = Structural, Mechanical, Electrical Instrumentation & Piping*

SECURED CONSTRUCTION ORDER BOOK

05 APPENDICES



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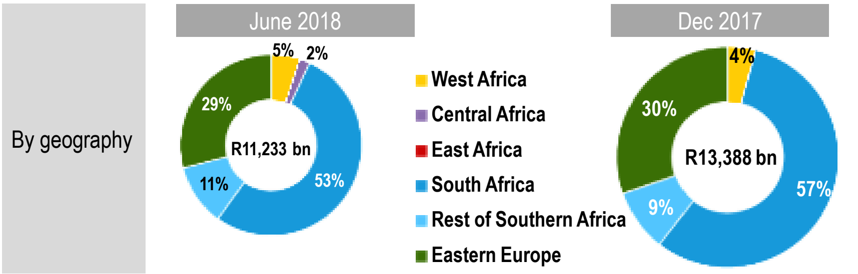
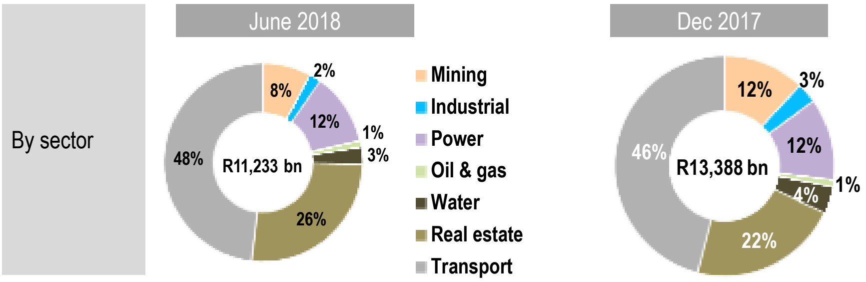
APPENDICES

SECURED TOTAL GROUP ORDER BOOK





Total group order book comprises secured Construction, TPS & O&M order books

05
APPENDICES

MANUFACTURING
LOOKING FORWARD

Fibre Cement - Everite

- Conclude the disposal in F2019
- Management will continue to focus on AAC* process improvements & volume growth
  - Will contribute positively to earnings in F2019
- New markets and products will be sought
- Internal efficiency projects will continue to reduce overall production cost

Steel - BRI

- Conclude the disposal of the 50% shareholding in this business
- Management focus will remain on production & process efficiencies and remaining the lowest cost producer of reinforcing steel products

** AAC = Aerated Autoclaved Concrete*