GROUP FIVE
structured ingenuity

UNAUDITED INTERIM GROUP RESULTS
for the six months ended 31 December 2012

GROUP FIVE
structured ingenuity

(Incorporated in the Republic of South Africa)
(Registration number 1969/000032/06)
Share code: GRF ISIN: ZAE 000027405
("Group Five" or "the company")

Unaudited interim group results

for the six months ended 31 December 2012

CONTENTS

pg

Highlights

REVENUE from continuing operations up 16% to R5,1 billion

Dec 12 = **R5,1 bn**
Dec 11 = **R4,4 bn**

OPERATING PROFIT from continuing operations up 23% to R270 million

Dec 12 = **270**
Dec 11 = **219**

ORDER BOOK up 19% to R13,5 billion from June 2012

Dec 12 = **R13,5 bn**
Jun 12 = **R11,3 bn**

NET ASSET VALUE up 8% to R20,16 per share from June 2012

Dec 12 = **R20,16**
Jun 12 = **R18,72**

CASH and cash equivalents from continuing operations up R372 million to R2,6 billion from June 2012

Dec 12 = **R2,6 bn**
Jun 12 = **R2,3 bn**

HEADLINE EARNINGS PER SHARE up 63% to 152 cents per share

Dec 12 = **152 cents**
Dec 11 = **93 cents***

EARNINGS PER SHARE up 57% to 140 cents per share

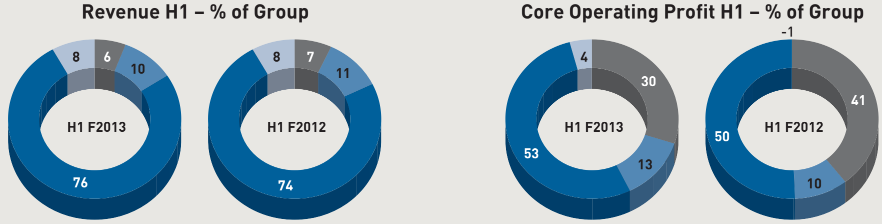
Dec 12 = **140 cents**
Dec 11 = **89 cents**

DIVIDEND PER SHARE up 45% to 32 cents per share

Dec 12 = **32 cents**
Dec 11 = **22 cents**

Contribution of each business cluster to group revenue and group core operating profit

Revenue H1 – % of Group | **Core Operating Profit H1 – % of Group**



Investments and Concessions | Manufacturing | Construction | Engineering + Construction

* Restated to reflect operating losses from Construction Materials in headline earnings comparable with F2012 treatment.

Condensed consolidated income statement

for the six months ended 31 December 2012

(R'000)	Six months ended 31 Dec 2012 Unaudited	Six months ended 31 Dec 2011 Unaudited	Full year ended 30 Jun 2012 Audited
Revenue – continuing operations	**5 109 173**	4 406 818	8 783 378
Operating profit before fair value adjustments	**240 934**	169 123	263 881
Fair value adjustments relating to investment in service concessions	**29 159**	38 941	56 652
Fair value adjustments relating to investment properties	**–**	10 970	10 865
Operating profit	**270 093**	219 034	331 398
Share of profit from associates	**5 499**	126	1 163
Finance income	**24 134**	38 442	75 687
Finance costs	**(30 370)**	(36 501)	(79 487)
Profit before taxation	**269 356**	221 101	328 761
Taxation	**(83 901)**	(65 227)	(106 032)
Profit after taxation from continuing operations	**185 455**	155 874	222 729
Loss for the period from discontinued operations	**(37 958)**	(40 960)	(452 841)
Profit/(loss) for the period	**147 497**	114 914	(230 112)
Allocated as follows:			
Equity shareholders of Group Five Limited	**135 138**	86 073	(278 405)
Non-controlling interest	**12 359**	28 841	48 293
	147 497	114 914	(230 112)
Earnings/(loss) per share – R	**1,40**	0,89	(2,88)
Fully diluted earnings/(loss) per share – R	**1,39**	0,89	(2,88)
Earnings per share from continuing operations – R	**1,79**	1,32	1,81
Fully diluted earnings per share from continuing operations – R	**1,78**	1,31	1,80

Determination of headline earnings

for the six months ended 31 December 2012

(R'000)	Six months ended 31 Dec 2012 Unaudited	Six months ended 31 Dec 2011 Unaudited Restated*	Full year ended 30 Jun 2012 Audited
Attributable profit/(loss)	**135 138**	86 073	(278 405)
Adjusted for (net of tax)	**11 275**	4 170	389 982
– (Profit)/ loss on disposal of property, plant and equipment and investment property	**(2 169)**	5 386	3 675
– Loss/(profit) on disposal of subsidiary	**1 944**	619	(36)
– Net profit on fair value adjustments on investment property	**–**	(7 796)	(7 720)
– Impairment of non-current assets classified as held for sale	**11 500**	5 961	394 063
Headline earnings	**146 413**	90 243	111 577

* Restated to reflect operating losses from Construction Materials in headline earnings, comparable with F2012 treatment.

Condensed consolidated statement of comprehensive income

for the six months ended 31 December 2012

(R'000)	Six months ended 31 Dec 2012 Unaudited	Six months ended 31 Dec 2011 Unaudited	Full year ended 30 Jun 2012 Audited
Profit/(loss) for the period	**147 497**	114 914	(230 112)
Other comprehensive income for the period net of tax			
Exchange differences on translating foreign operations*	**11 213**	85 517	68 411
Other comprehensive income for the period	**11 213**	85 517	68 411
Total comprehensive income/(loss) for the period	**158 710**	200 431	(161 701)
Total comprehensive income/(loss) for the period attributable to			
Equity shareholders of Group Five Limited	**146 351**	171 590	(209 994)
Non-controlling interest	**12 359**	28 841	48 293
Total comprehensive income/(loss) for the period	**158 710**	200 431	(161 701)

* With no resultant tax impact.

Condensed consolidated statement of financial position

as at 31 December 2012

(R'000)	Six months ended 31 Dec 2012 Unaudited	Six months ended 31 Dec 2011 Unaudited	Full year ended 30 Jun 2012 Audited
ASSETS			
Non-current assets			
Property, plant and equipment and investment property	926 271	905 021	893 392
Investments – service concessions	316 269	300 199	296 635
Investments – property developments	–	8 691	8 716
Other non-current assets	333 535	174 911	351 243
	1 576 075	1 388 822	1 549 986
Current assets			
Other current assets	3 404 377	3 682 210	3 498 030
Bank balances and cash	2 640 147	2 335 460	2 268 226
	6 044 524	6 017 670	5 766 256
Non-current assets classified as held for sale	160 901	692 995	272 928
Total assets	7 781 500	8 099 487	7 589 170
EQUITY AND LIABILITIES			
Capital and reserves			
Equity attributable to equity holders of the parent	1 947 559	2 311 776	1 808 736
Non-controlling interest	69 590	102 052	67 968
	2 017 149	2 413 828	1 876 704
Non-current liabilities			
Interest bearing borrowings	572 073	132 526	613 464
Other non-current liabilities	106 670	50 267	113 126
	678 743	182 793	726 590
Current liabilities			
Other current liabilities	5 023 801	5 280 606	4 807 515
	5 023 801	5 280 606	4 807 515
Liabilities associated with non-current assets classified as held for sale	61 807	222 260	178 361
Total liabilities	5 764 351	5 685 659	5 712 466
Total equity and liabilities	7 781 500	8 099 487	7 589 170

Condensed consolidated statement of cash flow

for the six months ended 31 December 2012

(R'000)	Six months ended 31 Dec 2012 Unaudited	Six months ended 31 Dec 2011 Unaudited	Full year ended 30 Jun 2012 Audited
Cash from operations before working capital changes	348 970	236 035	424 692
Working capital changes	229 833	118 810	154 460
Cash generated from operations	578 803	354 845	579 152
Finance (costs)/income – (net)	(6 236)	1 941	(1 514)
Taxation and dividends paid	(76 690)	(95 124)	(148 469)
Cash generated by/(utilised in) operating activities (discontinued operations)	1 458	(6 876)	(18 290)
Net cash generated by operating activities	497 335	254 786	410 879
Property, plant and equipment and investment property (net)	(63 230)	(110 332)	(200 295)
Investments (net)	–	(22 129)	(11 653)
Cash generated from investing activities (discontinued operations)	33 776	4 025	19 184
Net cash utilised by investing activities	(29 454)	(128 436)	(192 764)
Net cash utilised in financing activities – continuing operations	(78 985)	(67 057)	(225 284)
Net cash utilised in financing activities – discontinuing operations	(24 148)	(22 235)	(44 882)
Net cash utilised in financing activities	(103 133)	(89 292)	(270 166)
Effects of exchange rates on cash and cash equivalents	18 259	80 068	76 205
Net increase in cash and cash equivalents	383 007	117 126	24 154
Cash and cash equivalents at beginning of year	2 258 933	2 234 779	2 234 779
Cash and cash equivalents at end of period	2 641 940	2 351 905	2 258 933
– Included in cash and cash equivalents per the statement of financial position	2 640 147	2 335 460	2 268 226
– Included in non-current assets classified as held for sale	1 793	16 445	(9 293)
	2 641 940	2 351 905	2 258 933

Condensed consolidated statement of changes in equity

for the six months ended 31 December 2012

(R'000)	Six months ended 31 Dec 2012 Unaudited	Six months ended 31 Dec 2011 Unaudited	Full year ended 30 Jun 2012 Audited
Balance at 1 July	**1 876 704**	2 265 695	2 265 695
Net profit/(loss) for the period	**147 497**	114 914	(230 112)
Other comprehensive income for the period	**11 213**	85 517	68 411
Share options expense	**5 996**	11 366	29 093
Cancellation of shares	**–**	–	(117 945)
Distribution to non-controlling interest	**(10 737)**	(44 354)	(97 890)
Dividends paid	**(13 524)**	(19 309)	(40 548)
Balance at end of period	**2 017 149**	2 413 828	1 876 704

Capital expenditure and depreciation

for the six months ended 31 December 2012

(R'000)	Six months ended 31 Dec 2012 Unaudited	Six months ended 31 Dec 2011 Unaudited	Full year ended 30 Jun 2012 Audited
• Capital expenditure for the period	**151 023**	148 278	338 922
• Capital expenditure committed or authorised	**428 587**	282 042	393 590
• Depreciation for the period	**98 604**	78 260	165 356

Condensed consolidated segmental analysis

for the six months ended 31 December 2012

(R'000)	% margin	% change	Six months ended 31 Dec 2012 Unaudited	Six months ended 31 Dec 2011 Unaudited	Full year ended 30 Jun 2012 Audited
REVENUE					
Investments and Concessions		5	334 700	320 250	647 739
Infrastructure Concessions		4	319 253	305 519	619 915
Property Developments		5	15 447	14 731	27 824
Manufacturing		3	508 641	495 973	1 024 329
Construction		19	3 857 738	3 254 557	6 480 130
Building and Housing		16	1 526 333	1 310 766	2 065 972
Civil Engineering		20	1 458 740	1 217 078	2 997 747
Projects		20	872 665	726 713	1 416 411
Engineering + Construction		21	408 094	336 038	631 180
Total revenue		16	5 109 173	4 406 818	8 783 378
OPERATING PROFIT					
Investments and Concessions	22.6	(15)	75 620	88 965	153 795
Infrastructure Concessions	23.8	(3)	76 134	78 757	143 708
Property Developments	(3.3)	(105)	(514)	10 208	10 087
Manufacturing	6.8	61	34 716	21 587	46 490
Construction	3.6	25	139 117	111 365	116 294
Building and Housing	2.0	(9)	30 349	33 438	52 133
Civil Engineering	3.3	53	48 813	31 827	(37 541)
Projects	6.9	30	59 955	46 100	101 702
Engineering + Construction	2.6	567	10 584	(2 263)	5 021
Total core operating profit	5.1	18	260 037	219 654	321 600
Adjustments for non-operational transactions					
Pension fund surplus			12 000	–	15 790
Remeasurement of employment obligation			–	–	(4 593)
Loss on sale of subsidiary/impairment on associates			(1 944)	(619)	(1 399)
Reported total operating profit			270 093	219 034	331 398

Statistics

for the six months ended 31 December 2012

	Six months ended 31 Dec 2012 Unaudited	Six months ended 31 Dec 2011 Unaudited	Full year ended 30 Jun 2012 Audited
Number of ordinary shares	**96 600 761**	96 023 132	96 600 761
Shares in issue	**110 709 478**	121 571 162	110 645 521
Less: Shares held by share trusts	**(14 108 717)**	(25 548 030)	(14 044 760)
Weighted average number of shares ('000s)	**96 601**	96 545	96 545
Fully diluted weighted average number of shares ('000s)	**97 090**	96 750	96 946
Total operations			
EPS/(loss) per share – R	**1,40**	0,89	(2,88)
HEPS – R	**1,52**	0,93*	1,16
Fully diluted EPS/(loss) per share – R	**1,39**	0,89	(2,88)
Fully diluted HEPS – R	**1,51**	0,93*	1,15
Continuing operations			
EPS – R	**1,79**	1,32	1,81
HEPS – R	**1,83**	1,30	1,78
Fully diluted EPS – R	**1,78**	1,31	1,80
Fully diluted HEPS – R	**1,82**	1,30	1,77
Dividend per share (cents)	**32,0**	22,0	36,0
Interim	**32,0**	22,0	22,0
Final	**–**	–	14,0
Net asset value per share – R	**20,16**	24,07	18,72
Net debt to equity ratio	**–**	–	–
Current ratio	**1,2**	1,1	1,2

EPS: Earnings per share
HEPS: Headline earnings per share
* Restated to reflect operating losses from Construction Materials in headline earnings, comparable with F2012 treatment.

Commentary

Introduction

Against on-going tough markets, the group continued to implement the conservative approach previously adopted in terms of both the quality of the order book secured and its philosophy towards cash preservation to fund activity which will support future profit growth.

It is thus encouraging to see an improvement in the Construction and Engineering & Construction (E+C) order book, with a good cash position supporting this strategy. The overall group earnings delivered during the period demonstrates an improved performance, over the comparable reporting period, with an increase in revenue traded, and an overall operating margin percentage increase. The earnings for the period are a consolidation of the following key factors:

- Pre-disposal operating losses, in line with forecasts and guidance provided, and a further R11,5 million cost to sell the remaining Construction Materials' businesses.
- In Construction:
  - Contract losses (including overhead close out costs in line with forecasts and guidance provided) from the Middle East deflated an otherwise solid civils segmental performance
  - Weak domestic buildings market affected operating margins in this segment as guided
  - A solid performance was achieved by the Projects segment following continued strong activity in African mining resources
- Expansion in the Engineering and Construction cluster
- Robust earnings delivery from the group's Manufacturing cluster
- Continued strong performance by Infrastructure Concessions with additional European toll collection contracts awarded in the period which offset delayed start-ups in African toll contracts

Financial Performance

Headline earnings (HEPS) of 152 cents per share represents an increase of 63.4%, and fully diluted HEPS (FDHEPS) of 151 cents per share an increase of 62.4%, compared to restated* HEPS and FDHEPS of 93 cents per share for the comparable reporting period. Earnings per share (EPS) was 140 cents per share and fully diluted EPS (FDEPS) 139 cents per share. This represents a 57.3% and 56.2% increase respectively over the 89 cents per share reported for H1 FY2012.

The difference between earnings and headline earnings is mainly as a result of an impairment charge of R11,5 million on assets, reflected as non-current assets classified as held for sale on the group's statement of financial position, relating to the Construction Materials businesses being disposed of as described earlier.

Group revenue from continuing operations increased by 15.9% from R4,4 billion to R5,1 billion mainly as a result of increased activity in all of the group's Construction businesses and the Engineering and Construction cluster.

Whilst profits from the Infrastructure Concessions and Building & Housing segments remained largely unchanged period on period, the increased operating profit generated by the

* Restated to reflect operating losses from Construction Materials in headline earnings comparable with F2012 treatment.

Manufacturing cluster and the other Construction businesses resulted in the group's core operating profit increasing by 18.4% and core operating margin percentage held at 5.1% (H1 F2012 5.0%).

In addition to this core operating profit is a surplus on the group's pension fund of R12,0 million (H1 F2012: nil) as a result of an actuarial valuation assessment.

Fair value net upward adjustments of R29,1 million (H1 F2012: R49,9 million) relating to the group's interests in Eastern European road transport concessions, positively affected the group's results in the period under review. (H1 F2012: fair value adjustment included both Eastern European road transport concessions as well as the group's investments in property developments and investment properties.) Group total operating margin increased to 5.3% (H1 F2012: 5.0%).

In line with expectations, group net finance costs of R6,2 million were recorded for the period compared to net finance income of R1,9 million in the prior period as a result of a period on period reduction in other finance income earned.

The effective tax rate of 31% (H1 F2012: 30%) was higher than the South African statutory tax rate of 28%. This was mainly due to a conservative approach adopted to the raising of deferred taxation assets, which was partially offset by liabilities in jurisdictions with lower taxation rates.

Financial position

It is pleasing to note that the group's statement of financial position continues to be sound, with a nil net gearing ratio and an increase in bank and cash balances to R2,6 billion as at 31 December 2012 (30 June 2012 R2,3 billion and 31 December 2011 R2,3 billion).

The statement of financial position continues to reflect the net investment in the Construction Materials businesses within non-current assets classified as held for sale. An impairment on the sale of non-current assets classified as held for sale of R11,5 million (net of tax), was charged against income in the current reporting period as mentioned earlier.

In addition to this impairment, the loss for the period from discontinued operations includes an operating loss (net of tax) from the Construction Materials businesses of R22,4 million (net of tax), as well as an amount of R4,1 million (net of tax) relating to legal costs incurred on a terminated Indian toll road contract previously disclosed.

Cash flow

The group generated R349,0 million cash from operations before working capital changes. In addition, it generated R229,8 million cash from working capital changes, resulting in a net cash inflow from operations of R497,3 million after settlement of taxation liabilities of R63,2 million. After a net cash investment of R115,5 million in plant and equipment, R52,2 million proceeds received on disposal of investment property and net repayment of liabilities of R68,6 million, the group generated an increase in cash of R372 million from continuing operations. The improvement in working capital was as a result of an increase in excess billings over work performed, as well as an improvement in trade receivables management and a decrease in work in progress balances.

Dividend

The group has previously disclosed that the company has adopted an approximate four times basic earnings per share dividend cover policy. This policy is subject to review on a semi-annual basis, prior to dividend declaration, as distributions will be influenced by business growth, acquisition activity, or movements in earnings as a result of fair value accounting adjustments. In line with this policy, a dividend for this period of 32 cents per share (H1 F2012: 22 cents) has been declared. The dividend policy therefore remains unchanged, based on the medium term business outlook and the availability of liquid resources.

Business combinations

There were no business combinations during the current reporting period.

The group progressed with disposing of its Construction Materials businesses. At 30 June 2012 the group disclosed that it had concluded sale agreements on two of its Construction Materials businesses. During the current reporting period proceeds from these sales were received and an additional business sold. The group has received and accepted firm offers for the remaining assets held within the Construction Materials cluster. Implementation of these transactions mainly await the achievement of certain conditions precedent, which include Competition Commission approval and approval by the Department of Mineral Resources.

Shareholding

The early exit of the original BBBEE ownership transaction shareholder, Mvelaphanda, from the group's ownership structure, along with the implementation of a Black Professionals Staff Trust and Izakhiwo Imfundo Bursary Trust, was approved by shareholders on 27 November 2012.

The transaction was concluded on 16th January 2013 following the fulfilment of all conditions precedent. The financial effects of the revised transaction will therefore be charged against income from H2 F2013. The estimate of the share-based benefit payment with respect to this transaction has been updated at the effective date. The share-based payment benefit provided to the Izakhiwo Imfundo Bursary Trust is recognised as a non-recurring equity settled share-based payment. The full estimated charge of R16,8 million (R12,7 million originally estimated as per the circular to shareholders) is recognised fully on grant date charged against. The estimated share-based payment benefit provided to employees through the Black Professionals Staff Trust is R93,9 million (R71,4 million originally estimated as per the circular to shareholders) and is recognised as a cash settled share based payment transaction over the life of the scheme from the effective date of this transaction to the assumed end date of November 2020 with an amount of R6,0 million estimated to be charged in H2 F2013 (R8,7 million originally estimated as per the circular to shareholders for the full year).

The implementation of the Izakhiwo Imfundo Bursary Trust portion of the revised transaction will result in an increase in the group's number of shares in issue by two million shares from grant date. The implementation of the Black Professionals Staff Trust at the effective date resulted in no increase in the weighted average number of shares in issue. However this must be reassessed at each reporting period.

Industry matters

As announced on SENS on 1 February 2011, the group adopted a proactive stance from 2008 in respect of the on-going investigation by the Competition Commission into alleged anti-competitive behaviour within the construction industry. The group has continued to co-operate with the Commission for the last few years in the interest of determining if it had any exposure and to take advantage of the Commission's leniency programme to limit the risk of any penalties and/or fines. The group has signed additional conditional leniency agreements with the Commission without penalty as it progresses its investigations. The group does not deem a provision for penalties and fines to be required and has subsequently not raised a provision in these reported results.

Operational review

Group

For comparative purposes, the group provides both the group's total operating margins, as well as the core operating margins from continuing operations as per the segmental report which is net of non-core/headline transactions such as pension fund surpluses and deficits and profit/loss on sale or impairment of subsidiaries. The group refers to the latter margin as the core operating margin, as it reflects the underlying operating performance. Both margins exclude the impairment of non-current assets, but include the fair value upward and downward adjustments on Investments and Concessions and profit/loss on sale of property, plant and equipment, as these are within the control of the cluster.

	H1 F2013 Six months ended 31 Dec 2012 Unaudited	H1 F2012 Six months ended 31 Dec 2011 Unaudited	F2012 Year ended 30 June 2012 Audited
Revenue – continuing operations (R'000)	**5 109 173**	4 406 818	8 783 378
Total operating margin %	**5.3**	5.0	3.8
Core operating margin %	**5.1**	5.0	3.7

The group's underlying businesses performed in line with management expectations and in accordance with the market guidance provided in November 2012.

As expected, the period's results were impacted by losses in the Construction Materials segment, disclosed as a discontinued operation, as well as losses in the Middle East, reported within the Civil Engineering results.

Investments and concessions

(including Infrastructure Concessions and Property Developments)	**H1 F2013 Six months ended 31 Dec 2012 Unaudited**	H1 F2012 Six months ended 31 Dec 2011 Unaudited	F2012 Year ended 30 June 2012 Audited
Revenue – (R'000)	**334 700**	320 250	647 739
Total operating margin %	**22.7**	27.6	23.7
Core operating margin %	**22.6**	27.8	23.7

Investments and Concessions consists of Infrastructure Concessions and Property Developments. This cluster contributed 6.6% (H1 F2012: 7.3%) to group revenue.

Revenue, which consists primarily of fees for the operation and maintenance of toll roads, increased by 4.5% from R320,3 million to R334,7 million. The core operating profit margin decreased from 27.8% to 22.6%, with core operating profit of R75,6 million (H1 F2012: R89,0 million), mainly as a result of fair value adjustments of R29,1 million recorded in H1 F2013 versus R49,9 million in H1 F2012.

Infrastructure Concessions

This segment demonstrated a strong performance despite the continued effects of the deep recession across the European region and the absence of new concessions awards in South Africa. In spite of South African policy uncertainty and delays in awards in domestic concessions and PPP activities and the economic pressures in Europe, Infrastructure Concessions performed ahead of expectations as a new tolling and operations contract came on line in Eastern Europe.

There has been progress on some of the delayed public sector building PPPs with some new projects under consideration. The Renewable Energy Independent Power Programme (REIPP) is running with Round one projects started and Round two preferred bidders announced. The outcome of the government's deliberations on the resolution of the Gauteng Freeway Tolling impasse, the dispute over the N1-N2 Winelands concession and the work being done by the Presidential Infrastructure Coordinating Commission will be crucial in providing more clarity on the outlook for transport concessions. African concession opportunities remain attractive, with tolling on the Zimbabwe roads projects commencing shortly and further new projects under development in transport projects and power. The group was recently declared reserve bidder for the Mauritius Port Louis by-pass project.

Property Developments

The group continues to progress its strategy of disinvestment from the traditional residential sector in favour of securing A-grade commercial and retail property development positions with new projects starting in South Africa and some progress in West Africa in line with the group's African strategy.

Manufacturing

	H1 F2013 Six months ended 31 Dec 2012 Unaudited	H1 F2012 Six months ended 31 Dec 2011 Unaudited	F2012 Year ended 30 June 2012 Audited
Revenue – (R'000)	**508 641**	495 973	1 024 329
Total operating margin %	**7.1**	4.4	4.2
Core operating margin %	**6.8**	4.4	4.5

Manufacturing consists of fibre cement building products business, Everite, as well as steel fabrication businesses BRI and Group Five Pipe. Manufacturing contributed 10.0% (H1 F2012: 11.3%) to group revenue.

Manufacturing produced pleasing results in a market where both traditional private and public sector conditions appear to have bottomed. The comparable reporting period includes closure costs of the steel fabrication business, which were incurred in the first half of H1 F2012.

Revenue increased 2.6% from R496,0 million in H1 F2012 to R508,6 million. The reported core operating profit for the year was R34,7 million. This was 60.8% higher than the prior year of R21,6 million, resulting in a core operating margin of 6.8% (H1 F2012: 4.4%).

An increase in volumes traded in Everite and BRI during the reporting period lifted the Manufacturing performance from the last reported results. Capacity in Everite has become a constraint in certain product groups, leading to accelerated capital planning. The modular housing systems business Advanced Building Technologies (ABT) is reflecting increased sales as the technology is accepted in more applications. Group Five Pipe remains tied to large water transport project demand, with improved project awards during the reporting period.

Construction

	H1 F2013 Six months ended 31 Dec 2012 Unaudited	H1 F2012 Six months ended 31 Dec 2011 Unaudited	F2012 Year ended 30 June 2012 Audited
Revenue – (R'000)	**3 857 738**	3 254 557	6 480 130
Total operating margin %	**3.8**	3.4	2.0
Core operating margin %	**3.6**	3.4	1.8

In prior years Projects and Engineering & Construction were consolidated into a single segment called Engineering and reported within the Construction cluster. With effect from 1 July 2012 the group was restructured with the Engineering & Construction business now reported as a separate cluster from Construction and the Projects business remaining as part of the Construction segment.

Construction continued to be the largest cluster in the group, contributing 75.5% to group revenue (H1 F2012: 73.9%).

Construction revenue increased by 18.5% from R3,3 billion to R3,9 billion and core operating profit increased by 24.9% from R111,3 million to R139,1 million. The overall Construction core operating profit margin percentage was 3.6% (H1 F2012: 3.4%). Over-border work contributed 37% (H1 F2012: 29%) to Construction revenues. Construction performance was impacted somewhat by end-of contract close out losses in the Middle East. The group purposefully continued to carry costs related to its investment in future opportunities and capacity building in local and new over-border transport and real estate PPPs, as well as geographic expansion.

Building and Housing

	H1 F2013 Six months ended 31 Dec 2012 Unaudited	H1 F2012 Six months ended 31 Dec 2011 Unaudited	F2012 Year ended 30 June 2012 Audited
Revenue – (R'000)	**1 526 333**	1 310 766	2 065 972
Total operating margin %	**2.1**	2.6	2.8
Core operating margin %	**2.0**	2.6	2.5

The private building sector remains extremely weak. The group has seen an increase in the volume of work coming to local market. Although underlying operating margins have not worsened, they remain thin. Building and Housing managed to partially mitigate this impact through the contribution of selected public sector building contracts, an improvement in the housing business, as well as improved execution and supply chain savings. However as guided in November 2012, this was not sufficient to prevent a decrease in operating margins.

Building and Housing revenue increased by 16.4% from R1,3 billion (80% local) to R1,5 billion (91% local). The segment reported a 9.2% decrease in core operating profit from the prior comparable period, from R33,4 million to R30,3 million. This resulted in the overall core operating margin percentage decreasing from 2.6% to 2.0%.

Government's promised new infrastructure spend programme has not yet materialised. However there has been progress on some of the delayed public sector building PPPs with new projects under consideration. The coastal region performed well, although margins were constrained. In the short term the Building business will be under pressure while markets are further developed and while new awards against tenders under adjudication are awaited.

The Housing business has, however, seen a recent marked improvement in domestic mining and affordable and RDP housing work load.

The secured one-year order book stands at R3,9 billion (100% local) (F2012: R2,8 billion and 94% local) and total secured order book stands at R5,3 billion (100% local) (F2012: R3,6 billion and 95% local).

Civil Engineering

	H1 F2013 Six months ended 31 Dec 2012 Unaudited	H1 F2012 Six months ended 31 Dec 2011 Unaudited	F2012 Year ended 30 June 2012 Audited
Revenue – (R'000)	**1 458 740**	1 217 078	2 997 747
Total operating margin %	**3.6**	2.6	(1.1)
Core operating margin %	**3.3**	2.6	(1.3)

Civil Engineering includes the group's civil engineering activities in South Africa, the rest of Africa and the Middle East. Civil Engineering reported a 19.9% increase in revenue from R1,2 billion (78% local) to R1,5 billion (61% local), while core operations reported a profit of R48,8 million for the period (H1 F2012: R31,8 million profit).

The Civil Engineering result was again impacted by revenue and margin shifting out in time due to delayed contracts as well as scope changes on several large South African contracts. The underlying South African and African Civil Engineering business delivered well on contracts executed in the period.

In the Middle East slow but positive progress continues to be achieved in contract resolution, including cash recovery. The good underlying Civil Engineering performance was, however, impacted somewhat by remnant costs incurred, as guided, and which relate to contractual and commercial resources managing contract finalisation and cash collection and less material close out losses on completed contracts.

Tendering activity is high and increasing, both locally and in Africa. The business is proactively mitigating domestic market conditions by progressively rebuilding its African order book in geographies in which the group has prior operating experience and where growth opportunities are stronger.

Civil Engineering's secured one-year order book stands at R3,4 billion (54% local) (F2012: R3,3 billion and 43% local). The full order book is at R4,1 billion (53% local) (F2012: R4,4 billion and 43% local).

Projects

	H1 F2013 Six months ended 31 Dec 2012 Unaudited	H1 F2012 Six months ended 31 Dec 2011 Unaudited	F2012 Year ended 30 June 2012 Audited
Revenue – (R'000)	**872 665**	726 713	1 416 411
Total operating margin %	**7.1**	6.3	7.4
Core operating margin %	**6.9**	6.3	7.2

Projects continues to experience strong activity in sub-Saharan African mining resources markets, which resulted in new contract awards during the period under review. This trend is expected to continue as the business expands its experience in more minerals categories, technologies and geographies. In addition, cross-group co-operation continues as larger multidisciplinary projects become more prevalent.

During the period, revenue increased by 20.1% from R726,7 million (46% local) to R872,7 million (19% local). Core operating profit increased by 30.1% from R46,1 million to R59,9 million. The core operating profit margin percentage increased to 6.9% (H1 F2012: 6.3%).

The secured one-year order book stands at R1,3 billion (25% local) (F2012: R1,2 billion and 19% local). The full secured order book stands at R1,4 billion (26% local) (F2012: R1,8 billion and 37% local).

Engineering & Construction

	H1 F2013 Six months ended 31 Dec 2012 Unaudited	H1 F2012 Six months ended 31 Dec 2011 Unaudited	F2012 Year ended 30 June 2012 Audited
Revenue – (R'000)	**408 094**	336 038	631 180
Total operating margin %	**2.8**	(0.7)	1.0
Core operating margin %	**2.6**	(0.7)	0.8

The Engineering and Construction (E+C) business was established to deliver technology-based EPC, multi-disciplinary project management and construction, operations and services solutions to selected sectors such as Power, Oil and Gas and Water. The target markets have been slow to develop, although the demand in the long term is significant.

The group is encouraged by the private sector's commitment to renewable energy. During the period the E+C business secured three full EPC power plant contracts in Wind and Solar for round 1 of the REIPP along with the long term operations and maintenance contracts on these plants. Round two REIPP prospects are developing positively.

The oil and gas business stream has seen an increase in its project and long term services order book.

During the period, revenue increased by 21.4% from R336,0 million (96% local) to R408,1 million (79% local). This resulted in a core operating profit margin of 2.6% (H1 F2012: loss) in line with expectations due to early stages of implementation of a number of projects.

The group purposefully continued to carry costs related to its investment in future opportunities and capacity building in nuclear readiness within the E+C business.

The secured one-year order book stands at R1,6 billion (89% local) (F2012: R1,0 billion and 71% local). The full secured order book stands at R2,6 billion (81% local) (F2012: R1,5 billion and 66% local).

Prospects

The group's total secured Contracting order-book (Construction and Engineering & Construction) stands at R13,5 billion (June 2012 R11,3 billion and December 2011: R10,3 billion). In addition, the group reported R4,6 billion in secured operations and maintenance contracts (June 2012: R4,8 billion. The overall group reported order-book at December 2012 thus stands at R18,1 billion.

The value of the group's target opportunity pipeline stands at R124 billion, which is down from R148 billion at June 2012 and R144 billion at December 2011 due to a more conservative targeting of key sector and projects and some awards having been secured. The pipeline indicates a swing in favour of power, with mining, transport and real estate strong.

The Investments and Concessions cluster is delivering annuity business growth, with group-wide opportunities in active infrastructure sectors in increasing geographies. Manufacturing has been refocused and its performance is improving on higher sales volumes to a broadening number of markets. The disposal of the loss-making Construction Materials cluster has resulted in the reduction in cash drain from this part of the group. The Middle East operations have been substantially reduced and contract close-outs progressing well, thus further reducing the drag on group performance.

Based on the group's positioning in the key infrastructure growth sectors of power, mining, oil and gas, water and transport and in the concessions and PPP market for specific projects, underpinned by the group's strong cash position, management expects a further recovery in group activity levels. This should support continued improvement in the group's trading performance from H2 F2013.

Estimates and contingencies

The group makes estimates and assumptions concerning the future, particularly with regard to construction contract profit taking, provisions, arbitrations and claims and various fair value accounting policies. The resulting accounting estimates and judgments can, by definition, therefore only approximate the actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Total financial institution guarantees given to third parties on behalf of subsidiary companies amounted to R4 596 million as at 31 December 2012, compared to R4 310 million as at 30 June 2012.

Dividend declaration

On 8th February 2013 the directors declared a gross interim dividend of 32 cents per ordinary share (32 cents per ordinary share net of dividend withholding tax and STC credits) (2012: 22 cents).

The dividend has been declared from income reserves.

In terms of the new Dividends Tax effective 1 April 2012, the following additional information is disclosed:

- The dividend is subject to dividend withholding tax at 15%. In determining dividend withholding tax, STC credits must be taken into account.
- The STC credits utilised per share amounts to 32 cents per share.
- There is no tax payable which results in a net dividend of 32 cents per share to shareholders who are not exempt from dividends withholding tax.
- The amount of shares in issue at the date of this declaration is 110 709 478 (96 600 761 exclusive of treasury shares) and the company's tax reference number is 9625/077/71/5.

In order to comply with the requirements of Strate, the relevant details are:

Event	Date
Last day to trade (cum-dividend)	Friday, 12 April 2013
Shares to commence trading (ex-dividend)	Monday, 15 April 2013
Record date (date shareholders recorded in books)	Friday, 19 April 2013
Payment date	Monday, 22 April 2013

No share certificates may be dematerialised or rematerialised between Monday 15 April 2013 and Friday, 19 April 2013, both dates inclusive

Basis of preparation

These consolidated condensed interim financial statements for the six months ended 31 December 2012 have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting, Standards ("IFRS") and the information required by International Accounting Standard 34: Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"), the JSE Listings Requirements and the requirements of the Companies Act of 2008, as amended. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2012, as described in those financial statements.

The above information has not been reviewed or reported on by Group Five's auditors.

Board changes

Baroness Lynda Chalker retired from the group's board of directors at the annual general meeting held on 6th November 2012.

Acknowledgments

The group wishes to recognise the hard work and commitment of its employees.

On behalf of the board

MP Buthelezi	**MR Upton**
Chairperson	Chief Executive Officer

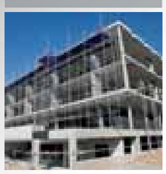
8 February 2013

Board of directors: P Buthelezi* (Chairperson), MR Upton (CEO), CMF Teixeira (CFO), LE Bakoro*, Dr JL Job*, OA Mabandla*, SG Morris*, KK Mpinga*•, DDS Robertson*†

*(Non-executive director) † (British) •(DRC)

Transfer secretaries: Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg 2001

GROUP FIVE
structured ingenuity



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