



UNAUDITED INTERIM GROUP RESULTS

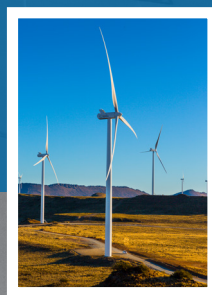


for the six months ended 31 December

Condensed consolidated income statement	2
Determination of headline earnings	3
Condensed consolidated statement of comprehensive income	3
Condensed consolidated statement of financial position	4
Condensed consolidated statement of cash flow	5
Capital expenditure and depreciation	6
Condensed consolidated statement of changes in equity	6
Condensed consolidated segmental analysis	7
Statistics	8
Commentary	9

Unaudited interim group results

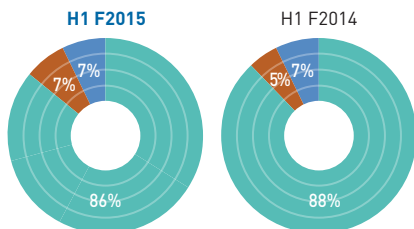
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014



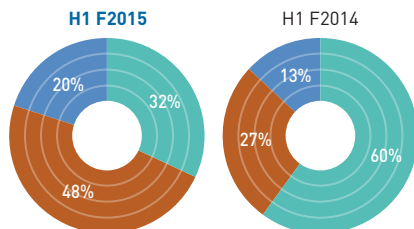


GROUP FIVE INTEGRATED CENTRAL OFFICE Waterfall Park

Revenue – % of group



Core operating profit – % of group



● Engineering & Construction ● Investments and Concessions ● Manufacturing



Revenue

from continuing operations down 12% to

R6,9 billion

Dec 14 = R6,9 billion

Dec 13 = R7,8 billion



Operating profit

from continuing operations down 37% to

R206 million

Dec 14 = R206 million

Dec 13 = R328 million



Total order book*

up 5% to

R18,0 billion

from June 2014

Dec 14 = R18,0 billion

June 14 = R17,1 billion



Net asset value

up 6% to

R27,65 per share

from June 2014

Dec 14 = R27,65

June 14 = R25,99



Cash

from continuing operations up R212 million to

R3,1 billion

from June 2014

Dec 14 = R3,1 billion

June 14 = R2,9 billion



Fully diluted headline earnings per share

from continuing operations down 47% to

107 cents per share

Dec 14 = 107 cents

Dec 13 = 202 cents



Earnings per share

down 41% to

118 cents per share

Dec 14 = 118 cents

Dec 13 = 200 cents



Dividends per share

for the period down 33% to

30 cents per share

Dec 14 = 30 cents

Dec 13 = 45 cents



* Total order book is the sum of the group's Contracting order book and Operations & Maintenance order book.

Condensed consolidated income statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

(R'000)	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 June 2014
Revenue – continuing operations	6 889 680	7 831 464	15 339 630
Operating profit before fair value adjustments	160 477	299 791	563 006
Fair value adjustment relating to investment in service concessions	45 756	28 417	83 840
Operating profit	206 233	328 208	646 846
Share of profit from associates	16 189	8 573	19 661
Share of profit from joint ventures	2 687	3 092	8 434
Finance income	27 993	30 486	64 363
Finance costs	(31 732)	(32 743)	(66 497)
Profit before taxation	221 370	337 616	672 807
Taxation	(75 234)	(115 875)	(230 268)
Profit after taxation from continuing operations	146 136	221 741	442 539
Loss for the period from discontinued operations	(379)	(2 813)	(3 007)
Profit for the period	145 757	218 928	439 532
Allocated as follows:			
Equity shareholders of Group Five Limited	119 029	199 235	401 421
Non-controlling interest	26 728	19 693	38 111
	145 757	218 928	439 532
Earnings per share – R	1,18	2,00	4,01
Fully diluted earnings per share – R	1,17	1,96	3,94
Earnings per share from continuing operations – R	1,18	2,02	4,04
Fully diluted earnings per share from continuing operations – R	1,18	1,99	3,97

Determination of headline earnings

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

(R'000)	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 June 2014
Attributable profit	119 029	199 235	401 421
Adjusted for (net of tax)	(9 238)	4 748	5 399
– Loss on disposal of property, plant and equipment and investment property	1 125	2 943	3 397
– Profit on fair value adjustment on investment property held by associate company	(10 363)	–	–
– Loss on impairment of investment in associate and loss on acquisition of interest in subsidiary	–	1 805	2 002
Headline earnings	109 791	203 983	406 820

Condensed consolidated statement of comprehensive income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

(R'000)	Unaudited Six months ended 31 Dec 2014	Unaudited Six months ended 31 Dec 2013	Audited year ended 30 June 2014
Profit for the period	145 757	218 928	439 532
Other comprehensive income for the period net of tax			
Exchange differences on translating foreign operations [^]	96 929	40 372	78 391
Surplus on pension fund and remeasurement of employment obligation ^{^^}	–	51 826	53 503
Tax on other comprehensive income	–	[14 511]	[14 981]
Other comprehensive income for the period	96 929	77 687	116 913
Total comprehensive income for the period	242 686	296 615	556 445
Total comprehensive income attributable to:			
Equity shareholders of Group Five Limited	215 958	276 922	518 334
Non-controlling interest	26 728	19 693	38 111
Total comprehensive income for the period	242 686	296 615	556 445

[^] With no resultant tax impact. Item that may be recycled subsequently to profit or loss.

^{^^} Item that will not be recycled subsequently to profit or loss.

Condensed consolidated statement of financial position

AS AT 31 DECEMBER 2014

(R'000)	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 June 2014
ASSETS			
Non-current assets	1 801 062	1 866 331	2 067 987
Property, plant and equipment and investment property	956 131	1 007 646	1 004 182
Investments – service concessions	366 547	378 317	421 563
Other non-current assets	478 384	480 368	642 242
Current assets	8 073 965	8 007 805	7 815 392
Other current assets	4 949 861	4 768 579	4 903 152
Bank balances and cash	3 124 104	3 239 226	2 912 240
Non-current assets classified as held for sale	46 260	77 094	49 671
Total assets	9 921 287	9 951 230	9 933 050
EQUITY AND LIABILITIES			
Capital and reserves	2 877 814	2 488 509	2 692 973
Equity attributable to equity holders of the parent	2 789 589	2 410 053	2 619 675
Non-controlling interest	88 225	78 456	73 298
Non-current liabilities	632 367	935 190	635 904
Interest-bearing borrowings	475 392	791 362	505 834
Other non-current liabilities	156 975	143 828	130 070
Current liabilities	6 391 553	6 503 200	6 580 573
Other current liabilities	6 391 553	6 503 200	6 580 573
Liabilities associated with non-current assets classified as held for sale	19 553	24 331	23 600
Total liabilities	7 043 473	7 462 721	7 240 077
Total equity and liabilities	9 921 287	9 951 230	9 933 050

Condensed consolidated statement of cash flow

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

(R'000)	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 June 2014
Cash flow from operating activities			
Cash from operations before working capital changes	229 836	489 929	902 847
Working capital changes	88 840	(5 308)	(519 030)
Cash generated from operations	318 676	484 621	383 817
Finance costs – net	(3 739)	(2 257)	(2 134)
Taxation and dividends paid	(182 382)	(95 975)	(219 628)
Cash generated by/(utilised in) operating activities (discontinued operations)	1 818	(2 577)	(11 475)
Net cash generated by operating activities	134 373	383 812	150 580
Property, plant and equipment and investment property – net	(15 285)	(94 458)	(160 428)
Investments – net	96 531	(335)	(335)
Cash generated from investing activities (discontinued operations)	694	30 688	9 648
Net cash utilised in investing activities	81 940	(64 105)	(151 115)
Net cash generated by/(utilised in) financing activities (continued operations)	(50 760)	(59 488)	(84 244)
Net cash utilised in financing activities (discontinued operations)	–	(26 560)	(1 150)
Net cash generated by/(utilised in) financing activities	(50 760)	(86 048)	(85 394)
Effects of exchange rates on cash and cash equivalents	48 823	52 995	41 069
Net increase/(decrease) in cash and cash equivalents	214 376	286 654	(44 860)
Cash equivalents at beginning of period	2 921 097	2 965 957	2 965 957
Cash equivalents at end of period	3 135 473	3 252 611	2 921 097
– Included in cash and cash equivalents per the statement of financial position	3 124 104	3 239 226	2 912 240
– Included in non-current assets classified as held for sale	11 369	13 385	8 857
	3 135 473	3 252 611	2 921 097

Capital expenditure and depreciation

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

(R'000)	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 June 2014
– Capital expenditure for the period	54 746	150 485	261 593
– Capital expenditure committed or authorised for the next period	147 201	247 256	258 723
– Depreciation for the period	82 487	160 680	267 143

Condensed consolidated statement of changes in equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

(R'000)	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 June 2014
Balance at 1 July	2 692 973	2 229 869	2 229 869
Net profit for the period	145 757	218 928	439 532
Other comprehensive income for the period	96 929	77 687	116 913
Share-based payment expense	9 427	13 510	26 963
Distribution to non-controlling interest and acquisition of interest in subsidiary	(11 801)	(16 564)	(40 138)
Dividends paid	(55 471)	(34 921)	(80 166)
Balance at end of period	2 877 814	2 488 509	2 692 973

Condensed consolidated segmental analysis

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

(R'000)	% change	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 June 2014	
REVENUE					
Engineering & Construction	(13.7)	5 948 752	6 890 617	13 452 093	
Building and Housing	5.1	2 343 479	2 229 578	4 430 513	
Civil Engineering	(20.8)	1 626 410	2 052 325	3 760 143	
Projects	(8.7)	930 653	1 019 643	1 740 812	
Energy	(34.0)	1 048 210	1 589 071	3 520 625	
Investments and Concessions	6.3	453 807	426 730	905 013	
Manufacturing	(3.2)	515 882	532 686	1 039 263	
Total revenue	(11.9)	6 918 441	7 850 033	15 396 369	
Adjustment for Joint arrangements equity accounted and joint arrangements wholly consolidated on application of IFRS 11					
		(28 761)	(18 569)	(56 739)	
Revenue from continuing operations per income statement	(12.0)	6 889 680	7 831 464	15 339 630	
(R'000)	% margin	% change			
OPERATING PROFIT					
Engineering & Construction	1.2	(66.0)	69 268	203 723	370 860
Building and Housing	2.0	(3.7)	46 064	47 831	90 817
Civil Engineering	(2.7)	(240.3)	(44 453)	31 692	66 567
Projects	6.0	(25.3)	55 897	74 836	119 661
Energy	1.1	(76.2)	11 760	49 364	93 815
Investments and Concessions	23.0	16.9	104 409	89 310	197 021
Manufacturing	8.2	0.6	42 367	42 130	86 181
Total core operating profit	3.1	(35.5)	216 044	335 163	654 062
Adjustments for non-operational transactions					
Share of profit from joint ventures			(8 528)	(4 811)	(9 138)
Pension fund surplus			-	-	6 944
Re-measurement of employment obligation			(1 283)	(339)	(3 020)
Loss on impairment of investment in associate and loss on acquisition of interest in subsidiary			-	(1 805)	(2 002)
Reported operating profit per income statement	3.0	(37.2)	206 233	328 208	646 846

Statistics

AS AT 31 DECEMBER 2014

	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 June 2014
Number of ordinary shares	100 884 278	100 093 840	100 798 786
– Shares in issue	112 174 803	111 769 256	112 104 493
– Less: shares held by share trusts	(11 290 525)	(11 675 416)	(11 305 707)
Weighted average number of shares ('000s)	100 834	99 849	100 053
Fully diluted weighted average number of shares ('000s)	101 554	101 647	101 897
Total operations			
EPS – R	1,18	2,00	4,01
HEPS – R	1,09	2,04	4,07
Fully diluted EPS – R	1,17	1,96	3,94
Fully diluted HEPS – R	1,08	2,01	3,99
Continued operations			
EPS – R	1,18	2,02	4,04
HEPS – R	1,08	2,05	4,07
Fully diluted EPS – R	1,18	1,99	3,97
Fully diluted HEPS – R	1,07	2,02	4,00
Dividend cover (based on earnings per share)	3,9	4,4	4,0
Dividends per share (cents)	30,0	45,0	100,0
– Interim	30,0	45,0	45,0
– Final	–	–	55,0
Net asset value per share – R	27,65	24,08	25,99
Net debt to equity ratio	–	–	–
Current ratio	1,3	1,2	1,2

EPS: Earnings per share.

HEPS: Headline earnings per share.

Commentary

INTRODUCTION

The group delivered a disappointing overall result for the six month reporting period, with segmental performance largely in accordance with the guidance provided at the group's management day with stakeholders (refer SENS release dated 17th November 2014). In particular, performance from the group's Engineering & Construction cluster* was unsatisfactory.

This was mainly as a result of:

- contract losses within the Civil Engineering segment, specifically on one previously reported contract experiencing operational difficulties
- restructuring costs incurred in the rightsizing of the Civil Engineering segment
- a weaker Energy segment margin due to finalisation costs at completion of certain contracts
- a lower rate of trade in a number of segments due to a slow order intake during the period

Against the more volatile Engineering & Construction earnings, the group's annuity-income businesses in Investments and Concessions, Manufacturing and operations and maintenance contracts continue to underpin group performance. The group's Manufacturing cluster delivered a steady performance in flat markets whilst the Investments and Concessions cluster delivered an improved result on the back of a good performance from the European operations.

The South African market remains generally subdued with poor visibility on the timing of larger public sector contract awards, although with pockets of activity in some of the sectors in which the group trades. African infrastructure remains an area of focus, with some notable success in target sectors and geographies achieved in the period.

During the period, the group continued to implement the prudent 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. This is reflected in the current secured order book mix and reported cash position.

The following factors resulted in the group's reported total operating profit:

● **Engineering & Construction***

● **Building and Housing:**

The segment delivered a resilient performance against continued tough markets, with steady results from a predominantly South African order book.

● **Civil Engineering:**

As guided on 17 November 2014, margins were impacted by management's more cautious view on the estimated final completion cost on one contract. In addition, the group experienced a slower than expected recovery on tender margins and pressure on the replenishment of the segment's order book, affecting the levels of revenue traded in the period. Finally, in response to weakening markets and internal inefficiencies, the group undertook a restructuring and retrenchment programme which increased costs in H1 F2015. These costs are expected to continue into H2 F2015. The benefits of these actions are likely to be realised from H1 F2016.

● **Projects:**

Continued good performance, although margins diluted as expected. This was due to a higher relative weighting of the revenue mix being executed in South Africa and in neighbouring regions which traditionally deliver lower margins than that of the rest of Africa.

* Refers to the clusters previously called "Construction" and "Engineering & Construction" which have, as previously announced, been restructured into one cluster namely "Engineering & Construction".

● **Energy:**

As previously guided, revenue was lower than the comparative period due to delayed awards both locally and in the rest of Africa. The finalisation cost at completion of certain contracts also had a short term negative impact on margins.

● **Investments and Concessions:**

Infrastructure Concessions contributed to a strong performance, especially from the European operations. Fair value upward adjustments of R45,7 million (H1 F2014: R28,4 million; F2014: R83,8 million) was realised from the group's investments in service concessions.

● **Manufacturing:**

Despite flat market volumes and the national steel strike during the first quarter, a steady performance was achieved due to management's focus on operational efficiencies and product developments.

In addition, net earnings were positively affected by:

➤ **Discontinued operations**

- a reduction in the losses reported by the Construction Materials discontinued businesses with a net loss of R379k (H1 F2014: R2,8 million; F2014: R3,0 million).

FINANCIAL PERFORMANCE

Headline earnings per share (HEPS) of 109 cents represents an decrease of 46.7%, and fully diluted HEPS (FDHEPS) of 108 cents per share a decrease of 46.2%, compared to the HEPS and FDHEPS of 204 cents and 201 cents per share respectively for H1 F2014.

Fully diluted headline earnings per share from continuing operations of 107 cents per share represents a 47.0% decrease over the 202 cents per share for H1 F2014.

Earnings per share (EPS) of 118 cents and fully diluted EPS (FDEPS) of 117 cents per share represents a 41.0% and 40.3% decrease respectively over the 200 cents per share and 196 cents per share for H1 F2014. The difference between earnings and headline earnings in the period is mainly as a result of a profit on a fair value adjustment of an investment property.

Group revenue from continuing operations decreased by 12.0% from R7,8 billion to R6,9 billion, mainly as a result of the comparatively large order book traded in the prior period in Energy and Civil Engineering.

The group's core operating profit decreased by 35.5% from R335,2 million to R216,0 million, with most businesses, other than the Civil Engineering segment, performing in line with the most recent margin guidance provided. The weaker operating results from Civil Engineering, as well as the reduced rate of trade in the Energy, Civil Engineering and Projects businesses, reduced the group's overall core operating margin from 4.3% in the prior comparable period to 3.1%. The group's total operating margin reduced to 3.0% (H1 F2014: 4.2%).

In line with expectations, group net finance costs of R3,7 million were recorded (H1 F2014: R2,3 million).

The effective tax rate of 34% (H1 F2014: 34%) was higher than the South African statutory tax rate of 28%. This was mainly due to a prudent approach adopted in terms of the raising of deferred taxation assets and an increase in under-provided taxation from the past year. This was partially offset by taxation 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 a bank and cash balance of R3,1 billion as at 31 December 2014 (H1 F2014: R3,2 billion F2014: R2,9 billion).

The statement of financial position continues to reflect the net investment in the remaining Construction Materials business within non-current assets classified as held for sale.

CASH FLOW

The group generated R229,8 million cash from operations before working capital changes and generated R88,8 million cash from working capital changes. This resulted in a net cash inflow from operations of R134,4 million after settlement of taxation liabilities of R126,9 million and the dividend to shareholders of R55,5 million. After a net cash investment of R19,4 million in plant and equipment and investment property, net repayment of borrowings of R44,9 million and net proceeds on repayment of service concessions loans of R100,8 million, a net inflow of R214,4 million was realised.

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 30 cents per share (H1 F2014: 45 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 the disposal of its remaining Construction Materials business.

As previously communicated, approval from the Department of Mineral Resources (DMR) is awaited on the sale of three quarries to finally fulfil the sale conditions precedent. However, the sale agreements reached with the new owners allowed for the transfer of operational control immediately on concluding the sale agreements, including transfer of operating profits and losses. This was achieved on the two quarries sold in F2013. Proceeds on the sale of these businesses were received as expected. The one business still unsold remains reflected as a discontinued operation and carried as a Non-Current Asset Classified as Held for Sale.

SHAREHOLDING

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 16 January 2013 following the fulfilment of all conditions precedent.

The financial effects of the revised transaction were therefore charged against income from H2 F2013.

Commentary continued

The share-based payment benefit provided to the Izakhiwo Imfundo Bursary Trust was recognised as a non-recurring equity-settled share-based payment. The full charge of R16,8 million (originally estimated at R12,7 million as per the circular to shareholders) was recognised fully on grant date in H2 F2013.

The estimated share-based payment benefit with respect to the Black Professionals Staff Trust at period-end date was R87,0 million (June 2014: R149,9 million, December 2013: R166,4 million, 30 June 2013: R142,2 million and 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. An amount of R887k (H1 F2014 R10,8 million, F2014: R30,0 million was charged) was credited to earnings in H1 F2015.

The implementation of the Izakhiwo Imfundo Bursary Trust portion of the revised transaction resulted 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 did not increase the weighted average number of shares in issue, as these remain anti-dilutive at 31 December 2014. However, this is required to be reassessed at each reporting period.

INDUSTRY MATTERS

Management have continued to engage with the Competition Commission of South Africa ("the Commission") in an attempt to responsibly settle on any outstanding matters on reasonable terms, while conscious of its accountability to conclude this matter for the benefit of all its stakeholders.

As reported previously, the group has secured conditional leniency from the Commission in terms of the Commission's Corporate Leniency Policy in return for full disclosure of all matters that the group was able to uncover during its internal investigation process. The group was implicated in four contracts which had not been detected through its internal investigation. Settlement has not yet been concluded on these contracts due to a lack of evidence and factual discrepancies which remain. The group views this as very serious given the reputational impact and potential for civil claims. The group is willing and remains committed to settlement on a reasonable basis should it be found to have contravened competition legislation on any of the four contracts in question. The group retains a co-operative stance with the Competition Authorities on these matters. Based on legal counsel assessment, the settlement would be adequately covered by the provision raised in F2013.

The group notes the Competition Commission statement issued in H1 F2015 with respect to its referral of alleged collusive tendering by various firms including Group Five to the Competition Tribunal. This was anticipated. The group has engaged in lengthy discussions with the Competition Commission and, having not reached consensus on the allegations made against the group, the group informed the Competition Commission that it elected to assess its position upon review of the Competition Commission referral to the Competition Tribunal. The group welcomes the opportunity to address and clarify this long outstanding issue to bring certainty to shareholders, employees and all other stakeholders.

In parallel, the group is actively working with and through the industry and representative business bodies and government to effect transformation and rebuild the stature of the industry as a precursor to, and in support of, the national agenda for the much-needed roll out of the infrastructure programmes embodied in government's National Development Plan (NDP).

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.

Of particular relevance is the group's provision for an estimated potential administrative penalty to be levied by the Competition Commission raised in June 2013. As outlined earlier, a settlement with the Commission remains outstanding. Accounting estimates and judgements can, by definition, only approximate results, as the actual results may differ from such estimates. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Stakeholder attention is drawn to the contingent risk of civil claims possibly being lodged against the group, and all construction companies which were implicated in anti-competitive behaviour, following the Competition Commission release of its findings in June 2013 and the public interest reported in recent months. To date, no claim has been instituted against the group.

Total financial institution guarantees given to third parties on behalf of subsidiary companies amounted to R7 298 million as at 31 December 2014, compared to R3 643 million as at 30 June 2014 and R3 676 million as at 31 December 2013.

OPERATIONAL REVIEW

Group

The group provides both its total operating margin, as well as the core operating margin from continuing operations as per the segmental report.

The core operating margin is the total operating margin adjusted for non-core/headline transactions such as pension fund surpluses, profit/loss on sale or impairment of subsidiaries and the re-measurement of employment obligations.

The core operating margin reflects the underlying operating performance.

Both margins exclude the impairment of Non-Current Assets Classified as Held For Sale, but include the fair value upward and downward adjustments in Investments and Concessions and profit/loss on sale of property, plant and equipment and investment property, as these are within the control of the group.

The total operating margin excludes joint ventures accounted for in terms of the adoption of IFRS 11, whilst the core margin does not adjust for these joint ventures for segmental reporting purposes.

	H1 F2015 Six months ended 31 Dec 2014 Unaudited	H1 F2014 Six months ended 31 Dec 2013 Unaudited	F2014 Year ended 30 June 2014 Audited
Revenue from continuing operations – (R'000)	6 889 680	7 831 464	15 339 630
Total operating margin per income statement – %	3.0	4.2	4.2
Core operating margin per segmental report – %	3.1	4.3	4.2

Engineering & Construction (E+C)

	H1 F2015 Six months ended 31 Dec 2014 Unaudited	H1 F2014 Six months ended 31 Dec 2013 Unaudited	F2014 Year ended 30 June 2014 Audited
Revenue from continuing operations – (R'000)	5 948 752	6 890 617	13 452 093
Core operating margin – %	1.2	3.0	2.8

The consolidation of the group's contracting businesses into one Engineering & Construction cluster* resulted in this cluster contributing 86.0% to group revenue (H1 F2014: 87.8%). Revenue decreased by 13.7% from R6,9 billion to R5,9 billion and core operating profit decreased by 66.0% from R203,7 million to R69,3 million. The overall Engineering & Construction core operating profit margin percentage was 1.2% (H1 F2014: 3.0%). Over-border work contributed 24% (H1 F2014: 25%) to cluster revenues.

The Engineering & Construction cluster performance was weighed down substantially by the Civil Engineering segment, which reported a significantly weaker operating performance as outlined above. The cluster was also affected by a decrease in revenue traded by Energy and Civil Engineering, off a comparatively high order book traded in the prior comparative period, and a low level of new order intake during the current reporting period. In addition, as a result of finalisation costs at completion on certain contracts, the Energy segment realised a weaker than expected margin mix.

Major contract award

The group is pleased to announce the recent award of Notice to Proceed on the Kpone Independent Power Project to be constructed near Tema, Ghana. Group Five has been awarded a circa US\$400 million (R4,6 billion) EPC construction contract for this project and has commenced with contract mobilisation activities. As a result of this award, the group's Engineering & Construction order book (specifically the Civil Engineering, Projects and Energy segments) has improved materially.

Building and Housing

	H1 F2015 Six months ended 31 Dec 2014 Unaudited	H1 F2014 Six months ended 31 Dec 2013 Unaudited	F2014 Year ended 30 June 2014 Audited
Revenue from continuing operations – (R'000)	2 343 479	2 229 578	4 430 513
Core operating margin – %	2.0	2.1	2.0

* Refers to the clusters previously called "Construction" and "Engineering & Construction" which have, as previously announced, been restructured into one cluster namely "Engineering & Construction".

The results continue to illustrate the extremely tough conditions in this segment, with thin margins despite generally good execution performance against tender budgets.

The order book remains at a high level. Building and Housing revenue increased by 5.1% from R2,2 billion (98% local) to R2,3 billion (99% local). The segment reported a largely unchanged operating profit over the prior comparable period, from R47,8 million to R46,1 million. This resulted in the overall core operating margin percentage decreasing slightly from 2.1% to 2.0%.

The increase in activity in the upper end of the private sector large buildings market experienced late in F2013 has slowed somewhat, although the segment's order book has remained at a relatively high level with margins holding. Awards have mainly been secured in the public and private healthcare segment and in large building refurbishment. The group continues to secure selected contracts at the Waterfall development site in Gauteng.

South African mine housing remains an active market where the group has a significant track record and continues to receive good client support. Although there is growing interest from larger contractors in the social and affordable housing market, there are still disappointing delays in the release of these contracts for construction. The group's list of social housing contracts where it is the preferred bidder is extensive, but not reported within the group's secured contracting order book due to continued implementation delays by local and provincial government.

Internationally, the group is tracking sizeable opportunities in selected African territories for high-rise buildings, hotels, industrial and office parks, retail developments and housing and project accommodation.

The secured one-year order book stands at R4,6 billion (100% local) (H1 F2014: R4,3 billion and 99% local) (F2014: R4,7 billion and 100% local). The total secured order book stands at R5,4 billion (100% local) (H1 F2014: R6,6 billion and 99% local) (F2014: R6,8 billion and 100% local).

Civil Engineering

	H1 F2015 Six months ended 31 Dec 2014 Unaudited	H1 F2014 Six months ended 31 Dec 2013 Unaudited	F2014 Year ended 30 June 2014 Audited
Revenue from continuing operations – (R'000)	1 626 410	2 052 325	3 760 143
Core operating margin – %	(2.7)	1.5	1.8

Civil Engineering includes the group's civil engineering activities in South Africa, the rest of Africa and the Middle East.

The Middle East operations' close-out continued, with good progress on the collection of cash and the finalisation of contract final accounts with clients, joint venture partners and sub-contractors.

Civil Engineering reported a 20.8% decrease in revenue from R2,1 billion (54% local) to R1,6 billion (59% local), while core operations generated a loss of R44,4 million for the year (H1 F2014: R31,7 million profit). As previously reported, operational difficulties on one contract nearing completion in H2 F2015, together with corrective action taken to rectify the contract and business performance, have materially impacted the results for the first half of the financial year. Included within the operating losses of the

Commentary continued

current period is an amount of R11,7 million incurred in retrenchment costs as the group right-sizes this segment to match market demands and conditions.

Tendering activity is high in the transport, water and private power sectors, supported by some activity in the industrial sector, although the mining sector is still subdued. Good prospects exist, although bid margins remain under pressure as industry capacity still exceeds demand and targeted large contracts have not yet been awarded, with the exception of the Kpone Ghana Power project. A portion of this contract will be executed through the Civil Engineering business.

Civil Engineering's secured one-year order book stands at R2,0 billion (56% local) (H1 F2014: R2,7 billion and 54% local) (F2014: R1,8 billion and 65% local). The full order book is at R3,1 billion (49% local) (H1 F2014 R3,4 billion and 63% local) (F2014: R2,4 billion and 75% local).

Projects

	H1 F2015 Six months ended 31 Dec 2014 Unaudited	H1 F2014 Six months ended 31 Dec 2013 Unaudited	F2014 Year ended 30 June 2014 Audited
Revenue from continuing operations – (R'000)	930 653	1 019 643	1 740 812
Core operating margin – %	6.0	7.3	6.9

Continued good performance was delivered by the Projects segment, as African mining continues to support the majority of the order book, with some diversity displayed in terms of work executed in the South African mining and power sectors.

During the year, revenue decreased from R1,0 billion (28% local) to R930,6 million (36% local). Core operating profit decreased by 25.3% from R74,8 million to R55,9 million. The core operating profit margin percentage decreased to 6.0% (H1 F2014: 7.3%) due to an increase in the portion of the current order book being executed in South Africa and in neighbouring regions, which traditionally delivers lower margins than that in the rest of Africa.

In tandem with declining global commodity prices, general tender activity levels in South Africa and African mining have slowed, but in the power and oil and gas sectors a higher level of tender opportunities remain. The group's reputation for delivery is acknowledged when contracts are adjudicated, with the success rate on targeted tenders remaining above average. Furthermore, the group's sector focus, particularly in power and oil and gas, is a strong differentiator and serves to provide contract diversification opportunities for the business.

As illustrated in the group's published target opportunity pipeline, in the medium term a strong pipeline of opportunities lies ahead in the mining, power and oil and gas sectors, with contracts to be targeted in collaboration with the other business units within the group.

The secured one-year order book stands at R2,0 billion (17% local) (H1 F2014 R1,2 billion and 48% local) (F2014: R1,7 billion and 33% local). The full secured order book stands at R2,8 billion (12% local) (H1 F2014 R1,5 billion and 52% local) (F2014: R2,1 billion and 28% local).

Energy

	H1 F2015 Six months ended 31 Dec 2014 Unaudited	H1 F2014 Six months ended 31 Dec 2013 Unaudited	F2014 Year ended 30 June 2014 Audited
Revenue from continuing operations – (R'000)	1 048 210	1 589 071	3 520 625
Core operating margin – %	1.1	3.1	2.7

During December 2014, the previous Engineering & Construction was re-named Energy. Slower revenue in the short term due to the delay of awards both locally and in the rest of Africa impacted operating performance. Revenue therefore decreased by 34.0% from R1,6 billion (98% local) to R1,0 billion (88% local). Core operating profit decreased by 76.2% from R49,4 million to R11,8 million. This resulted in a core operating profit margin of 1.1% (H1 F2014: 3.1%). The period under review delivered weaker than originally expected margins due to the cost of finalisation at completion on certain contracts. Included within these trading results are the costs related to investment in future opportunities and capacity building for nuclear readiness.

The segment has gained a strong market position quickly, has completed all four of its renewable power projects in South Africa and is executing on a gas fired power plant in Mozambique. It is also the leading oil and gas project and services contractor in South Africa. The segment's rate of trade, and thus resultant profitability, will be lumpy by nature due to the length of time taken to achieve contract awards on large commercially complex contracts that require project development and funding.

Energy markets are growing both in South Africa and the rest of Sub-Saharan Africa. The power market is active and many additional bids are under adjudication or in development in all the technologies of thermal power, hydro, renewable energy (both wind, solar and biomass) and in the nuclear industry.

The recent award of Notice to Proceed on the Kpone Independent Power Project to be constructed in Ghana will be managed through the Energy business and has materially enhanced the group's Engineering & Construction order book (specifically the Civil Engineering, Projects and Energy segments, as revenue will be allocated between these segments) as mentioned previously.

The Nuclear Services business is progressing as planned. It is well placed should the South African Nuclear New Build programme be implemented.

The secured one-year order book stands at R1,3 billion (22% local) (H1 F2014: R2,0 billion and 83% local) and (F2014: R1,1 billion and 77% local). The full secured order book stands at R2,0 billion (14% local) (H1 F2014: R2,5 billion and 78% local) (F2014: R1,2 billion and 74% local).

Investments and Concessions

	H1 F2015 Six months ended 31 Dec 2014 Unaudited	H1 F2014 Six months ended 31 Dec 2013 Unaudited	F2014 Year ended 30 June 2014 Audited
Revenue from continuing operations – (R'000)	453 807	426 730	905 013
Core operating margin – %	23.0	20.9	21.8

Investments and Concessions consists of transport concessions and property developments.

This cluster contributed 6.6% (H1 F2014: 5.4%) to group revenue. Revenue, which consists primarily of fees for the operation and maintenance of toll roads, increased by 6.3% from R426,7 million to R453,8 million. The core operating profit margin increased from 20.9% to 23.0%, with an increase in core operating profit of 16.9% to R104,4 million (H1 F2014: R89,3 million). The operating profit includes upward fair value adjustments of R45,7 million (H1 F2014: R28,4 million). The Investments and Concessions cluster delivered an improved result on the back of a good performance from the European operations and fair value upward adjustments from the group's investment in service concessions.

Although new project activity in South African concessions remains subdued, the group continues to make progress towards achieving financial close of the City of Tshwane Mutoria Building PPP project. Further progression of the N1-N2 Winelands tollroad concession project (where the group is the preferred bidder in a consortium with others) remains on hold pending the outcome of the intra-government legal dispute. The group continues to investigate opportunities for investment in other concession projects, including renewable energy, although these developments are at an early stage.

The momentum behind the group's targeted Sub-Saharan Africa concession and PPP projects continues to grow on the back of many years of development activity in this area focusing on core target countries. The group's Zimbabwean toll road project is almost complete, with all plazas now under the operational control of Intertoll.

Intertoll also continues to pursue a number of attractive new project opportunities across Eastern Europe, including concession and operations and maintenance projects in Poland, Bosnia, Slovakia, Croatia and Russia.

The properties business' portfolio now consists of A grade developments in South Africa. The business is also developing a strong portfolio of new property projects aligned to group target geographies in West, Southern and East Africa that are expected to deliver development, investment and construction opportunities for the group in the shorter to medium term.

Manufacturing

	H1 F2015 Six months ended 31 Dec 2014 Unaudited	H1 F2014 Six months ended 31 Dec 2013 Unaudited	F2014 Year ended 30 June 2014 Audited
Revenue from continuing operations – (R'000)	515 882	532 686	1 039 263
Core operating margin – %	8.2	7.9	8.3

Manufacturing consists of fibre cement building products business Everite, steel fabrication businesses BRI and Group Five Pipe.

The Manufacturing cluster contributed 7.5% (H1 F2014: 6.8%) to group revenue. The group's Manufacturing cluster delivered a steady performance in flat markets, with revenue decreasing by only 3.1% to R516 million (H1 F2014: R533 million). The reported core operating profit for the period was R42,4 million, unchanged from H1 F2014 at R42,1 million. This resulted in a core operating margin of 8.2% (H1 F2014: 7.9%).

Despite stagnant market growth in South Africa, as well as the impact of the South African steel sector strike which affected the period under review, the solid Manufacturing result is consistent with the resilience created in the cluster over the last few years.

Return on investment in efficiencies, technology, capacity expansion and de-bottlenecking activities, product changes and geographic market expansion are beginning to realise. The modular housing systems business Advanced Building Technologies (ABT) reflected improved sales of public sector transitional and permanent accommodation.

Group Five Pipe performed well, although revenues were lower than the prior comparable period in line with the lumpy and cyclical nature of the bulk water pipe market.

BRI performed well, with increased revenues despite the steel strike and severe price pressure in the rebar markets due to continued market over-capacity.

PROSPECTS

The South African market in general remains constrained, although there are some pockets of activity in certain sectors in which the group has good capabilities. The group's sector-focused, geographic strategy and positioning in new and traditional target markets in Africa and Eastern Europe have, and will continue to, mitigate against some of this local market weakness whilst providing good growth opportunities in the medium to longer term.

With regard to the underperforming segments in the Engineering & Construction cluster, immediate intervention was taken to strengthen management and shed complexity and rightsize the business against expected market conditions. New leaders have been appointed at both executive and business unit level. Whilst the cost of retrenchments and restructuring will impact F2015, the benefits of this action will be seen from H1 F2016.

The group has made good progress against its continuous internal fitness programmes, including the re-location of all its Gauteng businesses into a single integrated central office complex in the prior year. In line with the continued domestic market weakness, management have renewed the drive to unlock further efficiencies and reduce total overhead costs in the business.

It is pleasing to note that the group's order book has been replenished in line with the group strategy of positioning the group for success on larger African projects in target sectors which draw on its integrated multi-disciplinary skills.

The group's total secured Engineering & Construction contracting order book stands at R13,3 billion (December 2013: R14,0 billion, June 2014: R12,5 billion).

In addition, the group has R4,7 billion in secured operations and maintenance contracts (December 2013: R4,8 billion, June 2014: R4,6 billion).

The overall group reported order book at December 2014 thus stands at R18,0 billion (December 2013: R18,8 billion, June 2014: R17,1 billion).

The value of the group's target opportunity pipeline stands at R200 billion, largely unchanged from the R202 billion reported at June 2014 and R174 billion at December 2013, with R86 billion of this pipeline currently in tender and pre-tender stage. The pipeline indicates future strong demand in power and oil and gas, a robust transport sector and longer term prospects in mining. Water projects remain slow to come to market but real estate continues to offer opportunities albeit at a reduced rate.

Looking forward to the next six months to the year end to June 2015, the group expects continued pressure on earnings for H2 F2015 due to continued slow market order intake, restructuring costs in Civil Engineering, an ongoing higher percentage contribution from lower-margin Building and Housing and the impact of a later than expected commencement of the Kpone Power Project. An improvement is expected in the group's financial performance from F2016.

DIVIDEND DECLARATION

On 6 February 2015, the directors declared a gross interim dividend of 30 cents per ordinary share (cents per ordinary share net of dividend tax) (H1 F2014: 45 cents).

The dividend has been declared from income reserves.

In terms of Dividends Tax, the following additional information is disclosed:

- The dividend is subject to dividend tax at 15% (4,50 cents per share)
- The STC credits utilised per share amounts to 0 cents per share
- No STC credit available for future dividends
- The net dividend will therefore be 25,50000 cents per share for shareholders who are not exempt from dividends tax
- The amount of shares in issue at the date of this declaration is 112 174 803 (100 884 278 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 date to trade (cum dividend)	Friday, 10 April 2015
Shares to commence trading (ex-dividend)	Monday, 13 April 2015
Record date (date shareholders recorded in books)	Friday, 17 April 2015
Payment date	Monday, 20 April 2015

No share certificates may be dematerialised or rematerialised between Monday, 13 April 2015 and Friday, 17 April 2015, both dates inclusive.

BASIS OF PREPARATION

These consolidated condensed interim financial statements for the six months ended 31 December 2014 have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting, Standards ("IFRS"), the SAICA Financial Reporting guides, as issued by the Accounting Practices Committee and the financial pronouncements as issued by the Financial Reporting Standards Council, 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 South Africa 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 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The significant accounting policies and methods of computation are consistent in all material respects with those applied in the previous period.

LEVEL OF ASSURANCE

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

BOARD CHANGES

Subsequent to the SENS released on 13th August 2014 in which shareholders were advised that the then chief executive officer, MR Upton, was approaching the group's executive retirement age, the board appointed ECJ Vemer as chief executive officer with effect from 1 December 2014.

EXECUTIVE COMMITTEE AND SENIOR MANAGEMENT CHANGES

Following the restructuring of the Construction and Engineering & Construction segments into one cluster, Engineering & Construction, W Zeelie, previously executive committee member responsible for the Energy segment of operations, assumes responsibility for the broader Engineering and Construction cluster.

J Hillary was appointed as executive committee member responsible for the Investments and Concessions cluster.

T Mosai was appointed to the executive committee as Head of Africa.

M Humphreys, previous managing director of the Projects segment, has been appointed as operations director of the Engineering & Construction cluster.

A McJannet, previous executive committee member for Construction, and P Le Sueur, previous executive committee member for Strategic Project Developments, have elected to leave the group to pursue their own interests. They remain available to the group, in an advisory capacity, as required.

On behalf of the board



MP Mthethwa
Chairperson



ECJ Vemer
Chief Executive Officer

6 February 2015

Board of directors: MP Mthethwa* (Chairperson), ECJ Vemer (CEO), CMF Teixeira (CFO), NJ Chinyanta*, Dr JL Job*, W Louw*, SG Morris*, KK Mpinga*, B Ngonyama*, VM Rague*, MR Thompson*

* Non-executive director ~ Zambian • DRC ^ Kenyan

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

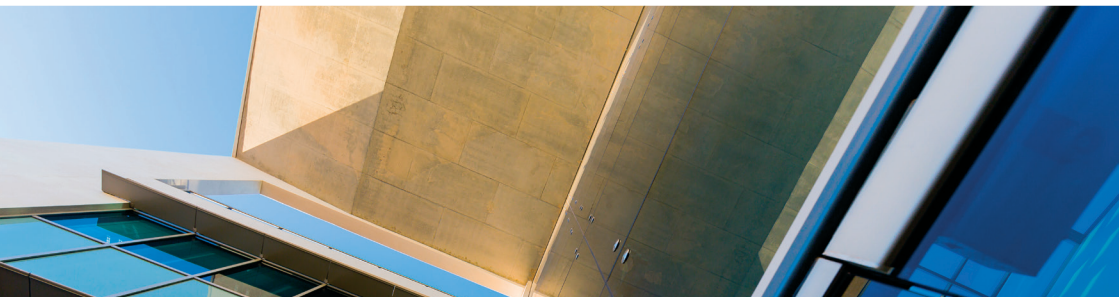
Sponsor: Nedbank Capital

Registered address: No 9 Country Estate Drive, Waterfall Business Estate, Jukskei View
Johannesburg 1662, South Africa
Postnet Suite 500, Private Bag X26, Sunninghill 2157, South Africa

Tel: +27 10 060 1555 **VAX:** 086 206 3885

Email: info@groupfive.co.za

Please visit our website: www.groupfive.co.za



No 9 Country Estate Drive, Waterfall Business Estate, Jukskei View, Johannesburg, 1662 | Postnet Suite 500, Private Bag X26, Sunninghill, 2157
South Africa | Tel: +27 10 060 1555 | VAX: +27 86 206 3885 | info@groupfive.co.za



www.groupfive.co.za