

unaudited interim group results

for the six months ended 31 December 2009



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Incorporated in the Republic of South Africa
Reg. no. 1969/000032/06 JSE code: GRF ISIN: ZAE 000027405

Revenue
(R'000)

down 4%

Dec 09 ▶ 5 708 793
Dec 08 ▶ 5 968 141

Profit after tax
from continuing
operations
(R'000)

up 12%

Dec 09 ▶ 284 900
Dec 08 ▶ 253 764

Cash and cash
equivalents
(R'000)

up 464 287

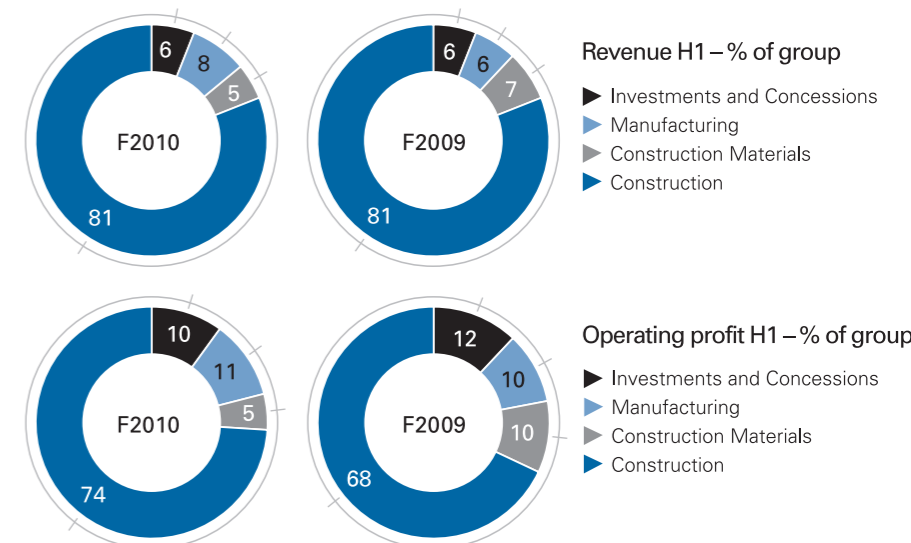
Dec 09 ▶ 3 242 711
Jun 09 ▶ 2 778 424

Fully diluted
headline earnings
per share
(cents)

up 8%

Dec 09 ▶ 249
Dec 08 ▶ 230

Cluster contribution to group revenue and operating profit



Consolidated condensed income statement

(R'000)	% change	Unaudited		Audited
		2009	2008	2009
Revenue	(4)	5 708 793	5 968 141	12 090 236
Operating profit before fair value adjustments and associates	6	399 146	376 660	797 182
Fair value adjustments relating to investment in service concessions		10 391	11 978	15 718
Operating profit	5	409 537	388 638	812 900
Income/(loss) from associates		1 017	-	(69)
Finance income		63 966	49 378	137 173
Finance costs		(56 387)	(80 526)	(167 993)
Profit before taxation	17	418 133	357 490	782 011
Taxation		(133 233)	(103 726)	(224 567)
Profit after taxation from continuing operations	12	284 900	253 764	557 444
Loss for the period from discontinued operations		(10 571)	(13 087)	(22 890)
Profit for the period	14	274 329	240 677	534 554
Allocated as follows:				
Equity shareholders of Group Five Limited	7	252 547	235 084	514 733
Non controlling interest		21 782	5 593	19 821
	14	274 329	240 677	534 554
Determination of headline earnings (R'000)				
Attributable profit	7	252 547	235 084	514 733
Add after tax effect of:				
- Losses on sale of property, plant and equipment and investment property		-	-	19
- Losses on disposal of discontinued operations		10 571	13 087	22 890
Headline earnings	6	263 118	248 171	537 642

Consolidated condensed statement of financial position

(R'000)	Unaudited		Audited
	2009	2008	2009
ASSETS			
Non-current assets			
Property, plant and equipment and investment property	2 460 893	2 381 848	2 444 837
Goodwill	24 859	24 859	24 859
Investments - service concessions	224 417	164 327	186 482
Investments - property developments	120 000	-	120 000
Other non-current assets	82 477	262 997	63 364
	2 912 646	2 834 031	2 839 542
Current assets			
Other current assets	3 930 980	5 366 244	4 654 112
Bank balances and cash	3 262 105	2 067 573	2 798 046
	7 193 085	7 433 817	7 452 158
Non-current assets classified as held for sale	73 153	90 973	81 170
Total assets	10 178 884	10 358 821	10 372 870
EQUITY AND LIABILITIES			
Capital and reserves			
Equity attributable to equity holders of the parent	2 541 387	2 211 968	2 373 477
Non controlling interest	51 537	21 315	34 366
	2 592 924	2 233 283	2 407 843
Non-current liabilities			
Interest bearing borrowings	877 287	1 187 087	897 867
Other non-current liabilities	61 746	65 628	62 069
	939 033	1 252 715	959 936
Current liabilities			
Other current liabilities	6 627 533	6 851 598	6 985 469
Bank overdrafts	19 394	21 225	19 622
	6 646 927	6 872 823	7 005 091
Total liabilities	7 585 960	8 125 538	7 965 027
Total equity and liabilities	10 178 884	10 358 821	10 372 870

Consolidated condensed statement of changes in equity

(R'000)	Unaudited		Audited
	2009	2008	2009
Balance at 1 July	2 407 843	2 023 181	2 023 181
Net profit for the period	274 329	240 677	534 554
Other comprehensive income for the period	(33 177)	9 653	(78 006)
Share options expense	17 091	16 927	41 916
Distribution to minorities	(4 611)	(795)	(1 972)
Dividends paid	(68 551)	(56 360)	(111 830)
Balance at end of period	2 592 924	2 233 283	2 407 843

Statistics

	Unaudited		Audited
	2009	2008	2009
Number of ordinary shares	94 765 894	93 995 266	94 614 042
Shares in issue	120 244 494	119 834 071	120 093 047
Less: Shares held by share trusts	(25 478 600)	(25 838 805)	(25 479 005)
Weighted average number of shares ('000s)	95 236	94 411	94 670
Fully diluted weighted average number of shares ('000s)	105 494	107 954	105 804
Earnings per share - R	2,65	2,49	5,44
Headline earnings per share - R	2,76	2,63	5,68
Fully diluted earnings per share - R	2,39	2,18	4,86
Fully diluted headline earnings per share - R	2,49	2,30	5,08
Dividend cover (based on earnings per share)	4,2	4,3	4,2
Dividend per share (cents)	63,0	58,0	130,0
Interim	63,0	58,0	58,0
Final	-	-	72,0
Net asset value per share - R	26,8	23,53	25,09
Net debt to equity ratio	-	-	-
Current ratio	0,6	0,8	0,7

Consolidated statement of comprehensive income

(R'000)	Unaudited		Audited
	2009	2008	2009
Net profit for the period	274 329	240 677	534 554
Other comprehensive income for the period net of tax	(33 177)	9 653	(78 006)
Movement in foreign currency translation reserve			
Total comprehensive income for the period	241 152	250 330	456 548
Total comprehensive income for the period attributable to			
Equity shareholders of the company	219 370	244 737	436 727
Non controlling interest	21 782	5 593	19 821
Total comprehensive income for the period	241 152	250 330	456 548

Consolidated condensed segmental analysis - primary

(R'000)	% change	Unaudited		Audited	
		2009	2008	2009	
REVENUE					
Investments and Concessions	(1)	334 349	338 218	626 795	
Infrastructure Concessions	14	310 119	271 262	527 938	
Property Developments	(64)	24 230	66 956	98 857	
Manufacturing	21	454 022	374 078	816 132	
Construction Materials	(35)	269 038	413 725	671 317	
Construction	(4)	4 651 384	4 842 120	9 975 992	
Building and Housing	16	1 551 383	1 332 484	2 899 773	
Civil Engineering	10	2 412 214	2 198 778	4 633 259	
Engineering Projects	(48)	687 787	1 310 858	2 442 960	
	(4)	5 708 793	5 968 141	12 090 236	
Total revenue					
OPERATING PROFIT					
Investments and Concessions	12.1	(12)	40 523	45 803	81 887
Infrastructure Concessions	14.8	2	46 048	45 128	79 636
Property Developments	(22.8)	(918)	(5 525)	675	2 251
Manufacturing	9.6	16	43 520	37 407	85 964
Construction Materials	7.1	(50)	19 061	37 760	55 835
Construction	6.4	16	296 042	255 690	573 496
Building and Housing	6.0	80	92 900	51 714	141 032
Civil Engineering	5.9	39	142 823	102 504	225 733
Engineering Projects	8.8	(41)	60 319	101 472	206 731
Total operating profit	7.0	6	399 146	376 660	797 182

Consolidated condensed statement of cash flow

(R'000)	Unaudited		Audited
	2009	2008	2009
Cash flow from operating activities			
Cash from operations	565 525	482 240	1 117 273
Working capital changes	162 012	237 420	682 226
Cash generated from operations	727 537	719 660	1 799 499
Finance costs - (net)	7 580	(31 148)	(30 820)
Taxation and dividends paid	(119 087)	(118 537)	(222 194)
Net cash generated by operating activities	616 030	569 975	1 546 485
Property, plant and equipment and investment property (net)	(72 910)	(89 841)	(213 018)
Investments (net)	(38 724)	(146 468)	(191 906)
Net cash utilised in investing activities	(111 634)	(236 309)	(404 924)
Net cash utilised in financing activities	(40 109)	(143 232)	(219 051)
Net cash generated by discontinued operations	-	31 700	31 700
Net increase in cash and cash equivalents	464 287	222 134	954 210

Capital expenditure and depreciation

(R'000)	Unaudited		Audited
	2009	2008	2009
Capital expenditure for the period	111 427	169 935	429 511
Capital expenditure committed or authorised at the period end	94 238	84 238	139 561
Depreciation for the period	131 133	99 968	258 370

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 R5 702 million as at 31 December 2009, compared to R6 268 million as at 30 June 2009.

Distribution to shareholders by way of a capital reduction from stated capital ("the distribution")

The directors have declared the distribution of 63 cents per ordinary share (2008: 58 cents dividend) payable to shareholders.

DATES OF THE DISTRIBUTION

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

Event	Date
Last day to trade (cum-distribution)	Friday, 16 April 2010
Shares to commence trading (ex-distribution)	Monday, 19 April 2010
Record date (date shareholders recorded in books)	Friday, 23 April 2010
Payment date	Monday, 26 April 2010
No share certificates may be dematerialised or rematerialised between	Monday, 19 April 2010, and Friday, 23 April 2010, both dates inclusive.

TERMS OF PAYMENT

The distribution of 63 cents per ordinary share will be paid to shareholders from Group Five's stated capital.

FINANCIAL EFFECTS OF THE DISTRIBUTION

The pro forma financial effects of the distribution on earnings per share ("EPS"), headline earnings per share ("HEPS"), the net asset value ("NAV") and net tangible asset value ("NTAV") per share are set out below. This unaudited pro forma financial information has been prepared for illustrative purposes only. It may therefore not give a fair reflection of Group Five's financial position and results of operations, nor the effect and impact of the distribution going forward. The information is the responsibility of the directors of Group Five.

	Before the distribution ⁽¹⁾	After the distribution ⁽²⁾	% change
EPS (cents)	265	264	(0.4)
HEPS (cents)	276	275	(0.4)
NAV (cents)	268	262	(2.3)
NTAV (cents)	260	253	(2.7)
Number of shares for EPS and HEPS purposes ('000)	95 236	95 236	0
Number of shares for NAV and NTAV ('000)	94 766	94 766	0

- Notes:
- Based on Group Five's unaudited interim group results for the six months ended 31 December 2009.
 - Based on the assumption that the distribution took place on 1 July 2009 for income statement purposes and on 31 December 2009 for balance sheet purposes.
 - EPS and HEPS have been adjusted to take into account the interest foregone on cash balances used in making the distribution of R59,7 million.
 - After taking into account the reduction in stated capital following the distribution of R59,7 million.

OPINION OF THE DIRECTORS

The directors of Group Five have considered the effect of the distribution and are satisfied that, for a period of 12 months from 1 March 2010, being the date of the declaration of the distribution:

- the company and its subsidiaries will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and its subsidiaries will be in excess of the liabilities, having been recognised and measured in accordance with the accounting policies used in the audited results for the year ended 30 June 2009;
- the share capital and reserves of the company and its subsidiaries will be adequate; and
- the working capital and working capital resources of the company and its subsidiaries will be adequate for a period of 12 months from 1 March 2010, being the date of the declaration of the distribution.

Basis of preparation

These consolidated condensed interim financial statements for the six months ended 31 December 2009 have been prepared in accordance with IAS 34, "Interim Financial Reporting" and in the manner required by the Companies Act of South Africa. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2009, 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 2009, as described in those financial statements.

Forward looking statements

Certain statements in this release that are neither reported financial results nor other historical information are forward looking statements including but not limited to predictions of or indications of future earnings. Undue reliance should not be placed on such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward-looking statements.

Commentary

OVERVIEW

The group is pleased to announce a 6.4% increase in earnings per share (EPS), a 9.6% increase in fully diluted EPS (FDEPS), a 4.9% increase in headline earnings per share (HEPS) and a 8.3% increase in fully diluted HEPS (FDHEPS).

Revenue decreased slightly by 4.3% from R6,0 billion to R5,7 billion and operating profit before fair value adjustments increased by 6.0% from R377 million to R399 million. This resulted in the group operating margin improving from 6.3% to 7.0%. After fair value adjustments, operating profit increased by 5.4% to R410 million (2008: R389 million).

The group's net finance income position of R7,6 million is a substantial improvement over prior periods during which net finance costs were incurred. The group balance sheet continues to be sound, with a nil net gearing ratio as at 31 December 2009. The net increase in cash and cash equivalents for the period was more than double that of the prior period, with a R464 million increase (2008: increase R222 million). Similar to the prior comparative period and 2009 financial year, the increase in cash was achieved as a result of a focus on working capital management and increases in cash generated from operations.

The effective taxation rate of 32% was a function of reduced taxation on income from jurisdictions with taxation rates lower than the South African corporate tax rate. This was offset by an increased taxation charge due to STC on dividends and taxation from African jurisdictions with taxation rates higher than the South African corporate tax rate.

The interim dividend has been increased by 8.6% to 63 cents (2008: 58 cents) congruent with the current dividend cover policy of approximately four times covered.

Further to the group's previous statement regarding the unwind of the iLima Consortium shareholding, it confirms that the process continues and the group has asked the courts to make a declaration confirming such unwind. As previously reported, this unwind will have no material bearing on the group's results, nor its BEE status due to the BBBEE scorecard improvements made across all its businesses. The group remains a Level 3 BBBEE contributor.

During the last few years, the group increased its proactive stance in mitigation of the risk of any instances of lack of compliance with respect to Competition Law. The group has undertaken internal investigations, training and awareness to ensure full compliance and will continue with its proactive and cooperative stance as the investigations into the construction industry progress.

BUSINESS COMBINATIONS

There were no business combinations in the period under review.

Operational review

INTRODUCTION

The traditional South African private sectors in which the group's Construction businesses operate, namely mining, industry and real estate, remained weak. The timing of resumption in government infrastructure spending has been and will remain a key factor for the domestic South African construction industry. Although there is a planned R40 billion spend in the PPP and concessions market for large public buildings and roads, as well as power developments, only a few significant awards have been made in the last four consecutive quarters.

Whilst the group has focused on, and benefited from, the South African domestic public sector spend for the past two years, there is now a return to a more balanced portfolio of local domestic markets, with resumption in international opportunities.

In this regard, there has been an increase in activity in the African mining sector in gold, copper, zinc, uranium and coal. New awards are under negotiation, including the re-instatement of previously cancelled contracts.

In the Middle East, the group continued to actively pursue new infrastructure opportunities, including power and heavy industry in an expanding number of countries. New contracts were recently won in Abu Dhabi, Jordan and Qatar. The resolution of the commercial closure of the two previously reported terminated contracts in Dubai is proceeding in an orderly fashion.

The Construction Materials and Manufacturing businesses have weathered tough markets well and the Investments and Concessions businesses continued to strategically position Group Five in both Europe and Africa for a new round of concession opportunities, contributing to the long term sustainability of the group.

GROUP

The group's operating margin is reported net of the following non-core/operational transactions: profit on sale of assets, pension fund surpluses and deficits and impairment adjustments. The group's operating margin, both including and excluding such adjustments, is reflected below.

	Six months ended 31 December	Full year ended 30 June	Six months ended 31 December
	2009	2009	2008
Revenue – (R'000)	5 708 793	12 090 236	5 968 141
Reported Operating Margin% •	7.0%	6.6%	6.3%
Core Operating Margin% *	7.0%	6.7%	7.1%

* = core operating margin % is defined as reported operating margin % adjusted for the non-core transactions listed above.
• = reported operating margin % is defined as operating profit before fair value adjustments as a % of revenue.
As both core and reported margins are the same for H1 F2010, these are disclosed but not discussed separately per segment.

The 7% group margin is very pleasing and well within the 6 – 8% guidance given. This was achieved in spite of tough markets, large Middle East contract cancellations, the retreat of mining projects in Africa and continued delays in public sector awards in South Africa. All these setbacks were somewhat mitigated by the good execution and margin contribution of the large 2010 and transport infrastructure contracts.

The secured construction order book decreased over three quarters from a peak of R14,3 billion in August 2008 to R11,6 billion as at August 2009 and has, in the last quarter, stabilised at R10,5 billion. The group believes this gives some indication of a bottoming of the domestic market decline and reflects the group's return to a balance in its focus on local and international markets.

INVESTMENTS AND CONCESSIONS

(including Infrastructure Concessions and Property Developments)	Six months ended 31 December	Full year ended 30 June	Six months ended 31 December
	2009	2009	2008
Revenue	334 349	626 795	338 218
Reported Operating Margin% •	12.1%	13.1%	13.5%
Core Operating Margin% *	12.1%	13.2%	14.3%

Revenue for Investments & Concessions remained largely unchanged period on period and operating profit decreased slightly from R46 million to R41 million. In line with margin range guidance given, an operating margin of 12.1% (2008: 13.5%) was achieved.

Infrastructure concessions

The benefits of the group's strategy of securing longer term investments that also deliver annuity revenue are coming to the fore and continued to deliver solid results. Revenue grew 14.3% to R310 million (2008: R271 million) as a result of growth in Intertoll Europe. This growth was primarily driven by the roll out of new projects in Poland and Hungary. Operating margin decreased to 14.8% (2008: 16.6%) with an increase in operating profit to R46 million (2008: R45 million). Going forward, the Eastern European concessions are set to remain buoyant, with further new projects under development. These include toll roads and power opportunities.

Property developments

As stated in the prior reporting periods, the group has been replacing its current portfolio of mostly residential developments to development opportunities that are strategically located, commercial, industrial and mixed use developments that also benefit Construction, Manufacturing and Construction Materials. These include the Waterfall and Sandton CBD developments.

The group previously provided guidance that this strategy would secure long term benefits, although it would result in a short term decline in returns. In the period, this was exacerbated by a weak residential market.

As expected, revenue reduced by 63.8% to R24 million (2008: R67 million) and operating profit reflected a small loss of R5,5 million (2008: R1 million profit).

MANUFACTURING

	Six months ended 31 December	Full year ended 30 June	Six months ended 31 December
	2009	2009	2008
Revenue – (R'000)	454 022	816 132	374 078
Reported Operating Margin% •	9.6%	10.5%	10.0%
Core Operating Margin% *	9.6%	10.6%	10.9%

Manufacturing weathered the recession and delivered a good performance in tough market conditions, with a solid performance from especially Everite and Group Five Pipe that offset weaker construction steel markets.

Revenue increased by 21.4% from R374 million to R454 million. Operating profit increased by 16.3% from R37 million to R44 million, resulting in an operating margin of 9.6% (2008: 10.0%).

The results for the period were achieved through continuous improvement in production techniques, an efficient supply chain, quick stock turns, product range extension and geographic expansion in Everite.

In the period under review, further progress was made in developing the group's Advanced Building Technologies (ABT) product offering into the housing and building market.

Group Five Pipe continued to experience an improving business cycle due to the emergence of the capital spend on bulk water contracts. Government's long term commitment to housing, new post-2010 contract flows in the public infrastructure sector and the recovery of private sector markets should continue to provide a positive outlook for Manufacturing.

CONSTRUCTION MATERIALS

	Six months ended 31 December	Full year ended 30 June	Six months ended 31 December
	2009	2009	2008
Revenue – (R'000)	269 038	671 317	413 725
Reported Operating Margin% •	7.1%	8.3%	9.1%
Core Operating Margin% *	7.1%	8.4%	10.0%

Revenue decreased by 35.0% from R414 million to R269 million, whilst operating profit, in line with the difficult private sector conditions experienced within the sector, decreased by 49.5% to R19 million from R38 million.

Although volume improvements have not yet materialised, significant restructuring and management changes have been implemented, which has arrested the decline in operating profit.

The business is now more resilient to tough conditions post management intervention, with a continued focus to be placed on the further improvement of asset utilisation and possible further expansion in mining-related activities, which now accounts for 15% of the segment's revenue.

Management therefore believes that the short term performance will improve through further efficiencies, to be followed by the return of volumes in the longer term.

CONSTRUCTION

Construction continued to be the largest business in the group, contributing 74% to operating profit. It comprises the business segments of Building and Housing, Civil Engineering and Engineering Projects.

	Six months ended 31 December	Full year ended 30 June	Six months ended 31 December
	2009	2009	2008
Revenue – (R'000)	4 651 383	9 975 992	4 842 120
Reported Operating Margin% •	6.4%	5.7%	5.3%
Core Operating Margin% *	6.4%	5.8%	6.0%

As a result of good contract execution, the period on period margins in all segments increased, with the overall Construction operating margin improving from 5.3% to 6.4%. This is extremely satisfactory in light of the group's stated objective of maintaining a margin in excess of 5% in Construction.

Construction revenue decreased by 3.9% from R4,8 billion to R4,7 billion and operating profit increased by 15.8% from R256 million to R296 million.

Over-border work contributed 17% (2008: 45%) to Construction revenue as a result of the cancellation of Middle East contracts and the retreat of the African mining sector.

Building and housing

	Six months ended 31 December	Full year ended 30 June	Six months ended 31 December
	2009	2009	2008
Revenue – (R'000)	1 551 383	2 899 773	1 332 484
Reported Operating Margin% •	6.0%	4.9%	3.9%
Core Operating Margin% *	6.0%	5.0%	4.8%

In spite of the private building sector remaining extremely weak, Building and Housing managed to mitigate this impact through the contribution from large public sector contracts, as well as focusing on new over-border opportunities, improved execution and supply chain savings.

Revenue increased by 16.4% from R1,3 billion (96% local) to R1,6 billion (98% local) and operating profit increased by 80% to R93 million (2008: R52 million), resulting in a strong improvement in the operating margin to 6.0% (2008: 3.9%).

The South African public sector investment programme, related to infrastructure in housing contracts, transport and concessions for prisons, government buildings and hospitals, as well as the power station programme, offer future work in Building and Housing to partially mitigate the private sector downturn. Although the domestic private sector cycle is expected to recover within these timeframes, the business has also pro-actively moved back into growing over-border markets. During the period, new contracts were secured in the SADC region.

Civil engineering

	Six months ended 31 December	Full year ended 30 June	Six months ended 31 December
	2009	2009	2008
Revenue – (R'000)	2 412 214	4 633 259	2 198 778
Reported Operating Margin% •	5.9%	4.9%	4.7%
Core Operating Margin% *	5.9%	4.9%	5.2%

Civil Engineering revenue increased by 9.7% from R2,2 billion (56% local) to R2,4 billion (82% local). Operating profit increased by almost 40% from R103 million to R143 million, resulting in an overall operating margin of 5.9%.

These results were achieved despite the reduced order book in Dubai. The activity in other markets such as Abu Dhabi and Jordan remained strong, as well as pockets of the South African public works market. Visibility for 2011 and 2012 remains strong, with a good international spread.

Engineering projects

	Six months ended 31 December	Full year ended 30 June	Six months ended 31 December
	2009	2009	2008
Revenue – (R'000)	687 787	2 442 960	1 310 858
Reported Operating Margin% •	8.8%	8.5%	7.7%
Core Operating Margin% *	8.8%	8.6%	8.7%

As expected, Engineering Projects' revenue decreased from R1,3 billion (12% local) to R688 million (57% local) and operating profit decreased from R101 million to R60 million. Operating margin remained strong at 8.8% (2008: 7.7%).

The reduction in revenue was due to the retreat of the mining resources sector and delays in awards in the power sector. However, the maintenance of the margin illustrates good execution and a sustainable business going forward that will focus on growing multi-disciplinary specialist contract delivery capability into selected high-value, high-growth markets. These include resources, energy, heavy industrial and innovative power solutions in the expanding power, energy, industrial and mining sectors on the African continent and in the Middle East.

The outlook is positive as the resources sector recovers, which has resulted in several new contract awards in the African mining sector in recent weeks, contributing to a recovery in the order book and visibility into 2011 and 2012.

Prospects

The group met the challenges of the recession well and came through it leaner and more resilient. The group now has an entrenched ability to deliver on larger infrastructure work that supports all the group's businesses. Group Five therefore continues to be strategically well positioned to benefit from the recovery in active markets, both domestically and internationally.

In spite of 12 months of very low levels of domestic contract awards, the total secured Construction order book stands at R10,5 billion (August 2009: R11,6 billion). The group has pro-actively repositioned itself for a more balanced distribution of work between public and private sectors and domestic and international.

Opportunities going forward are focused on a more aggressive over-border presence in favour of public infrastructure contracts, private and renewable power and concessions, as well as a recovery in traditional mining, real estate and civil works markets.

The group's Project Opportunity Pipeline (POP) is the indicator of medium to long term performance. The growth in the POP from R73 billion to R116 billion in the quarter is therefore encouraging and supports the group's longer term outlook of a steady recovery coming through from 2011.

The group is well positioned to weather tough short term conditions and to take advantage of any upturn. Despite the challenging business environment, we expect earnings for the full year to be at least comparable with those achieved in the prior year with prospects of a recovery from H2 F2011 depending on the timing of targeted local and international contract awards.

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

BOARD CHANGES

During the period under review, the following change took effect to the board of directors:

Dr MSV Gantsho resigned as non-executive director on 14 January 2010.

ACKNOWLEDGMENTS

The group wishes to recognise the hard work and commitment of its employees, without whom these results would not have been achieved.

On behalf of the board

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

2 March 2010

Board of Directors: MP Buthelezi* (Chairperson), MR Upton (CEO), CMF Teixeira (CFO), L Chalker*†, KK Mpinga*•, SG Morris*, JL Job*, LE Bakoro (*), Z Mtshotshisa (*)
*(Non-executive director) †(British) •(DRC)

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