

PRESENTATION TO  
CSSS INFRASTRUCTURE  
CONFERENCE

NOVEMBER 2008

1

## Agenda

Group Five's strategy provides  
resilience in a changing world

Capturing the full performance potential

Progress in Group Five's target markets

Summary

2

## Group Five's strategy provides resilience in a changing world




Current market conditions

Longer term outlook

3

## Conclusion

This presentation has been designed to address the following issues:




-  Some markets may come under pressure in the short term, particularly in mining and in private sector building activity in SA and the U.A.E.
-  Group Five's response:
  - G5's diversification strategy was deliberately structured with this type of situation in mind - to enable swift moves out of lower-growth markets into high growth markets
  - Increasing it's already significant focus on public sector, national priority, infrastructure spend in SA.
  - Switching more activity into public sector, national priority, infrastructure spend in the U.A.E. (particularly Abu Dhabi)
-  The group has therefore not revised its revenue & margin expectations

4




Product and geographic diversification towards a balanced portfolio of businesses supports flexibility and resilience in uncertain times

**Moving the group from a contractor to a diversified construction services, materials and investment group**

**WHY?**

-  To reduce earnings volatility within the infrastructure sector
-  To capture multiple margin streams across the construction value chain
-  To increase sustainable revenue and profit

**HOW?**

-  Increase capability to secure and execute larger multi-disciplinary contracts
-  Increase the contribution of manufacturing and construction materials to the product portfolio
-  Develop, invest in, and operate concessions and property assets



**Strategy @ Work: Balancing the product portfolio** **GROUP FIVE**



## Strategy @ Work: Balancing the geographic portfolio



REGION	SOUTHERN AFRICA	CENTRAL AFRICA	WESTERN AFRICA	EASTERN AFRICA	MIDDLE EAST	EASTERN EUROPE
% of TOTAL F2008 REVENUE	68 %	10 %	4%	7%	9%	2%
COUNTRIES OF OPERATION	South Africa Lesotho Swaziland Namibia Botswana Mozambique	Zambia Angola DRC	Nigeria Ghana Mali Burkina Faso	Malawi Madagascar Mauritius Tanzania Zanzibar	U.A.E. (Dubai Abu Dhabi)  Jordan	Hungary Poland

Operating in 22 countries

Group strategy supports flexibility and resilience in challenging times

7



Group Five's strategy provides resilience in a changing world

Current market conditions

Longer term outlook

8

## Current market conditions



Some of G5's customers in certain markets may come under pressure in the short term, but this is balanced with opportunities:

### Buildings

- Private sector: Weak, but selected prestigious projects available in prime locations; competition increasing
- SA public sector: Strong - Eskom, PPP's, Transnet, ACSA favour larger contractors and those with concession capabilities
- Middle East private sector: Weak, but not a G5 market as our focus is infrastructure

### Housing

- Private traditional: Not a G5 market, but very weak
- Mining: Weaker, but selected hostel refurbishment and village projects available
- Eskom: Still to come
- Entry level housing schemes: Cycle building now, with large volumes already committed.



## Current market conditions



### Civils

- SA Mining sector: Weak in platinum, but selected projects in coal, gold, uranium, etc. still good
- Industrial market: Mixed, with Energy-related projects still good
- Public sector: Strong – Eskom, PPP's, Transnet, ACSA, DWAF, SANRAL
- Middle East: Still strong in public infrastructure in the areas G5 operates

### Engineering (M+E)

- Mining and Industrial sector
  - Base Metals, Copper and Cobalt: Some delays due to project finance delays, with one R250m active project cancelled; larger projects still running, with new work still available in the markets G5 operate
  - Uranium and Coal: Strong, driven by power needs
  - Gold: Good
- Energy & Power
  - Eskom: Strong and early in the cycle in base load, IPP's and renewables
  - Co-generation: Strong and early in the cycle
  - Captive power: Mining sector reviewing options, industrial projects strong



10

## Current market conditions



### Manufacturing

#### Building materials

- Product volumes feeding the evolving large scale entry level housing market improving
- DIY market recovering in preference to traditional house sales
- Traditional building demand still weak

#### Group Five Steel

- Steel products for building: Volumes increasing as we supply more products and satisfy more external and internal demand
- Structural steel: Growing internal demand driven by order book

#### Group Five Pipe

- Water cycle has begun - five new projects awarded



11

## Current market conditions



### Construction materials

#### Aggregates and Ready Mix Concrete

- Market has weakened, mix has changed in favour of public works requiring higher specification materials.
- Well placed locations & access to larger projects have mitigated against some of the margin & volume impact from the private building industry
- Internal project demand expected to support H2 improvement.
- Benefit from roads work demand expected from early calendar 2009

#### Special Sands and milled products

- Volumes holding as competitors resources strained

#### Contract crushing and mining

- Stable longer term contracts
- Responding to new opportunities to expand
- Recent win in Namibia



12

# Group Five's strategy provides resilience in a changing world

Current market conditions

**Longer term outlook**

## Outlook for SA Transport Projects



^ Partially / secured work (G5 share) R9,8bn  
 \* Target (G5 Share) R16bn

South Africa - Roads	G5	Total
^ Sanral Gauteng Network Phase 1	R3,0bn	R9,0bn
* Sanral Gauteng Network Phase 2	R3,0bn	R14,0 bn
^ Jhb Metro Rea Vaya Bus Rapid Transport	R500m	R500m
^ Sanral N1/N2 Winelands	R1,8bn	R5bn
* Sanral N2 Wild Coast	R3,0bn	R10bn
* Sanral Khulani Corridor	R350m	R350m
^ Sanral Gauteng Open Road Tolling	R500m	R2bn
^ West Cape Prov. Koeberg Interchange	R700m	R700m
South Africa - Ports	G5	Total
^ Transnet Cape Town Container Terminal	R800m	R800m
Transnet Ngqura Container Terminal	-	R1,6bn
Transnet Ngqura Manganese Terminal	-	R1,0bn
^ Transnet Durban Harbour Entrance Widening	R2,5bn	R2,8bn
Transnet Durban Point Car Terminal	-	R1,0bn
* Transnet Durban Container Terminal	R6,0bn	R12,0bn
* Transnet Richards Bay Container Terminal	R150m	R300m
* Transnet Richards Bay Dry Bulk Terminal	R1bn	R2bn
* Transnet Port Elizabeth Terminal Facility	R2,5bn	R5bn

Current G5 three-year view of targeted markets - as at November 2008

## Outlook for African Transport Projects

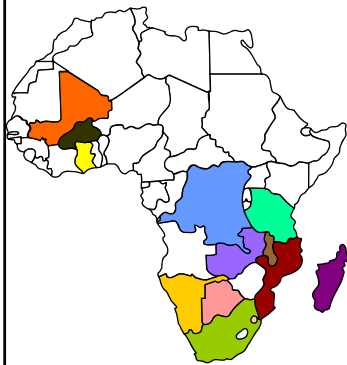


^ Partially / secured work (G5 share) R2,9bn  
\* Target (G5 Share) R9,1bn

South Africa	G5	Total
<b>Rail</b>		
Metro Rail Platform Upgrades	-	R1bn
Bombela Gautrain Sub Contracts	-	R15bn
* SARCC Cape Town Airport Link	R2bn	R2bn
<b>Airports</b>		
* ACSA OR Tambo Central Terminal	R6bn	R19bn
^ ACSA King Shaka Airport	R2,9bn	R8,1bn
* ACSA King Shaka Airport	R500m	R1bn
ACSA George	-	R50m
ACSA East London	-	R300m
ACSA Cape Town International Upgrade	-	R1bn
<b>Mozambique - Airports</b>		
Ncala		R2bn
<b>Namibia - Airports</b>		
* Windhoek Airport Upgrade	R600m	R600m

Current G5 three-year view of targeted markets - as at November 2008

## Outlook for African Mining Projects

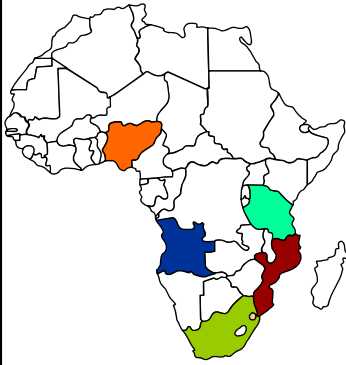


^ Partially / secured work (G5 share) R1,6bn  
\* Target (G5 Share) R5,3bn  
# Cancelled

Mali	G5	Total	Ghana	G5	Total
^ Syama project	R150m	R500m	^ Obuasi	R45m	R500m
<b>Burkina Faso</b>			^ Iduapriem	R80m	R1bn
# Perkoa zinc		R600m	<b>Madagascar</b>		
* Essakane gold	R160m	R2.5bn	Mineral Sands	R450m	R3bn
<b>Congo DRC</b>			<b>Botswana</b>		
^ Ruashi 2	R350m	R1.5bn	* Orapa exp	R600m	R2bn
^ KoV	R40m	R100m	* Debswana	R200m	R12bn
# Kinsevere	R250m	R2bn	<b>Mozambique</b>		
^ Tenke fungurume	R450m	R4bn	* Moatize coal	R1bn	R3bn
# Katanga (KOL)		R3.6bn	<b>Zambia</b>		
* Kinsenda Copper	R120m	R1.5bn	* Mkushi Copper	R100m	R500m
<b>South Africa</b>			<b>Namibia</b>		
* Kumba Coal	R800m	R800m	* Rossing Uranium	R70m	R70m
^ BHP Billiton Coal	R300m	R300m	* Langer Heinrich3	R500m	R2bn
*RBM	R355m	R1.5bn	<b>Malawi</b>		
<b>Cameroon</b>			^ Kayelekera	R200m	R2bn
* Geovic	R350m	R2,5bn	<b>Niger</b>		
			* Imouraren Uranium	R500m	R2bn

Current G5 three-year view of targeted markets - as at November 2008

## Outlook for African Industrial Projects



South Africa	G5	Total	Angola	G5	Total
^ Straits chemicals	R600m	R2bn	* Lobito cement	R300m	R2.5bn
Alcan smelter	R800m	R6bn	Luanda port	-	R700m
SASOL water	-	R1bn	Nampak bevcan	-	R2bn
* Highveld steel	R30m	R1bn	<b>Nigeria</b>		
Columbus furnace 3	-	R2bn	* Obajana cement	R200m	R1bn
* Power stations (Ind)	R2bn	R10bn	<b>Tanzania</b>		
Nuclear stations (Ind)	-	R2bn	TPPC expansion	-	R1bn
* Coega Developments	R500m	R10bn	<b>Mozambique</b>		
Ohorongo cement	R700m	R2.8bn	* MOZAL 3	R400m	R3bn
* Pulp & Paper projects	R80m	R2bn	* Moatiese coal washing	R300m	R1bn
* Biofuels plants	R500m	R2bn	* Ncala Water	R300m	R800m
* Led Lights	R400m	R3bn	<b>Zambia</b>		
			*All Africa Games	R2bn	R4bn

^ Partially / secured work (G5 share) R2,6bn  
\* Target (G5 Share) R5,3bn

Current G5 three-year view of targeted markets - as at November 2008

## Outlook for SA Oil & Gas (Projects and maintenance services)





- 95% of G5's activity in the African Oil & gas market in F2008 was maintenance work
- New projects include Mafuta, New Petro SA and Nacala
- G5 has the skills & reputation in this specialised business

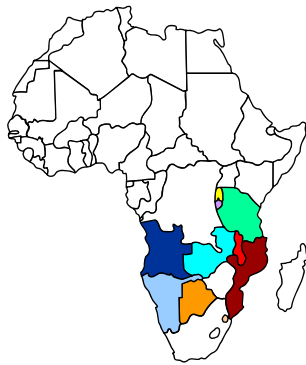
^ Partially / secured work (G5 share) R1,6bn  
\* Target (G5 Share) R4,3bn

South Africa	G5	Total
<b>Shuts, turnarounds &amp; maintenance</b>		
^ Engen	R123m	R1bn
* Engen	R45m	R60m
^ Chevron	R134m	R300m
* Chevron	R35m	R100m
^ Sapref	R15m	R100m
* Sapref	R13m	R20m
* BP	R25m	R70m
* Natref	R10m	R50m
* Petro SA	R10m	R50m
<b>New Projects</b>		
^ Transnet - Pipeline	R1.3bn	R2.6bn
* Transnet - Facilities	R2.3bn	R2.8bn
* Transnet - Tanks	R362m	R723m
* PetroSA - Refinery	R1.5bn	R15bn
* Imtech - BioDiesel	R5m	R100m

Current G5 three-year view of targeted markets - as at November 2008

## Outlook for African Oil & Gas

(Projects and maintenance services)



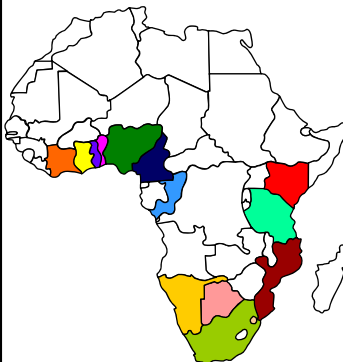
Angola		
* Sonogol	R500m	R5bn
Botswana		
* BPC	R200m	R4bn
* BP	R3m	R4m
* Engen	R4m	R16m
Burundi		
* Engen	R9m	R31m
DRC		
* Engen	R4m	R16m
Malawi		
* BP	R8m	R11m
Mozambique		
* OilMoz	R2bn	R30bn
* Dombe Methanol	R250m	R1bn
* BP	R5m	R7m

Namibia		
* Namcor	R100m	R1bn
* BP	R8m	R11m
Rwanda		
* Engen	R4m	R16m
Tanzania		
^ Songo Songo	R300m	R1bn
* Engen	R13m	R47m
* BP	R6m	R7m
Zambia		
* Engen	R4m	R16m

^ Partially / secured work (G5 share) R300m  
\* Target (G5 Share) R 1bn

Current G5 three-year view of targeted markets - as at November 2008

## Outlook for African Power Projects



Ivory Coast	G5	Total
GT project	-	R1bn
Ghana		
* Tema	R4 bn	R 4 bn
Nigeria		
^ IBOM 2	R2bn	R4bn
^ Aba 2	R450m	R1.5b
* K3	R 2 bn	R 2 bn
* Ikorodu	R450m	R1.5bn
Exxon Eket	-	R1.5bn
* Obajana Cement	R90m	R250m
* Shagamo	R200m	R1bn
* Ibese	R200m	R1bn
Cameroon		
Kribi	-	R500m

Kenya	G5	Total
Various GT	-	R3bn
Tanzania		
* Songo Songo	R180m	R1bn
Botswana		
Kalahari gas	-	R1.5bn
* Mmamabula	R10bn	R60bn
CBM 1000	-	R6bn
* Moropule	R2bn	R12bn
Mozambique		
Ressano Garcia	-	R1.5bn
* Moatise	R1.5bn	R4bn
South Africa		
* ESKOM	R20bn	R340bn
^ Sasol	R1bn	R2,4bn
Engen	-	R4bn
^ Straitchemical	R450m	R500m
DME - KZN	-	R400m
DME - PE	-	R400m
Captive Power	R2 bn	R 2 bn
Renewable Energy	R600 m	R600 m
Namibia		
Walvis Bay	-	R1.5bn

According to CSSS:

- cR95bn in project spending identified
- World Bank estimates cR40bn p.a. potential;
- Power expenditure across Sub-Saharan Africa is expected to amount to cR800bn by 2016
- Most projects, excl Botswana, are of small IPP nature, favourable to G5 experience

^ Partially / secured work (G5 share) R3,9bn  
\* Target (G5 Share) R40bn

Current G5 three-year view of targeted markets - as at November 2008

## Outlook for PPP's - the delivery model of choice?

### G5 target SA PPP projects\* - the new market for concessions in SA

Name of Project	Type Of Project	Estimated Value of Initial Construction	Sector
		R bn	
Energy Projects	Range of Energy IPP's based on number of Proposals submitted to Eskom	6.0	Energy/Power
Bara Hospital	New mega hospital for South of Jhb Metro	5.0	Health
Prisons	4 Max Security Prisons to be built in East London, Paarl, Klerksdorp and Nigel.	4.8	Prisons
Prisons	New maximum security Port Shepstone Prison	1.2	Prisons
DEAT	New Head Office for Dept of Environmental Affairs and Tourism	0.9	Public Buildings
Munitoria	Municipal Offices and Civic Centre including possible commercial and residential. Malls and parking garages.	1.2	Public Buildings
DLA	New Head Office for Dept of Lanf Affairs.	1.2	Public Buildings
Botswana University	New International University of Science and Technology Project	5.0	Public Buildings
Pmb Precinct	New Head Office for KZN Regional Government Legislature	0.4	Public Buildings
Cape Town Rail Link	Railway linking Cape Town Airport to CBD linking the Metro rail system.	2.0	Rail
Gauteng Open Road Tolling	Tolling of the total road network in Gauteng	1.0	Roads
N1N2 Winelands	Toll Road with major underpasses, bridges and tunnel	5.0	Roads
N2 Wild Coast	Toll Road Project from Durban to East London.	6.0	Roads
Cape Vidal Club Med	New hotel and all related facilities at Cape Vidal	0.5	Tourism
Transnet and Portnet	Both parties have recently mentioned future PPP's as a mechanism to deliver projects		
<b>TOTAL</b>		<b>40.2</b>	





\*This table focuses on the growth sector of PPP projects and does not include all other G5 tenders

21

## Outlook for Construction in SA



### Strong pipeline intact after 2010:

-  Tender flow has slowed in the private sector
-  Essential public sector spend on roads, rail, ports, water, health & education will continue
  - Power in particular:\*
    - R500bn in power spend to 2016, peaking in 2012/13
    - Nuclear programme may be delayed – increasing opportunities for independent power & co-generation projects & opportunities for G5 here
  - \*2009- 2011E medium term budget planned infrastructure investment raised by 19% and encompasses key areas of expenditure :
    - Power R207bn (35% of budget)
    - Transport & Logistics R118bn (20% of budget)
    - Water, Housing & Other (mainly public services) at R140bn (25% of budget)
-  World Cup-related expenditure (accommodation, infrastructure around Gautrain stations, etc) will continue throughout calendar 2009
-  Public sector spend is, therefore, likely to compensate for reduced private sector spend



\*Source: CSSS

67% of F2008 group revenue



22

# Outlook for the Middle East

## ANALYSIS OF MARKET SIZE (US \$bn)

October Forecasts	2005	2006	2007	2008	2009	2010
GDP Nominal (\$bn)	136,7	163,1	198,7	272,3	259,6	294,9
Real GDP growth % yoy	8.2	9.4	7.6	7.1	4.6	5.5
Oil Price (bbl \$)	50.64	60.87	69	101.5	71.5	96.5
Other country real GDP growth %						
US	na	3.3	2.2	1.3	-0.2	2.4
Eurozone	na	2.7	2.6	1.3	0.2	1.6
China	na	11.1	11.9	10.1	9.7	9.5
World	na	5.1	4.9	3.8	2.2	3.4

- The UAE currently holds 10% of the world's proven oil reserves
- Although UAE economic growth rates have slowed, growth is still expected to be higher than the rest of the world
- U.A.E. Construction Sector CAGR of 19% for the period from 2002 to 2006 is expected to be at least maintained to 2011, with construction sector contribution to GDP appreciating to over AED 100bn
- Abu Dhabi has initiated the implementation of its Urban Structure Framework Plan, Plan Abu Dhabi 2030
- This is to prepare Abu Dhabi City for a population of 3 million by 2030
- Abu Dhabi is experiencing 7% annual population growth and double digit economic growth

Source: MEED: updated Nov 2008

# Outlook for the Eastern Europe

## Outlook for Toll and Power Concession prospects in Eastern Europe driven by East / West trade and infrastructure backlog



## Summary of Group Five's market outlook



African Private sector	South African Public sector	South African Private sector	Middle East	Eastern Europe
<ul style="list-style-type: none"> <li>▪ Power ↑</li> <li>▪ Mining ↓ ↔</li> <li>▪ Oil &amp; Gas ↔</li> </ul>	<ul style="list-style-type: none"> <li>▪ Power* ↑</li> <li>▪ Water &amp; environment* ↑</li> <li>▪ Public infrastructure* ↑</li> <li>▪ Roads* ↑</li> <li>▪ Airports* ↑</li> <li>▪ Other Transport* ↑</li> <li>▪ Concessions* ↑</li> </ul>	<ul style="list-style-type: none"> <li>▪ Power ↑</li> <li>▪ Mining ↓ ↔</li> <li>▪ Industrial ↓ ↔</li> <li>▪ Real Estate ↓</li> <li>▪ Oil &amp; Gas ↑</li> </ul>	<ul style="list-style-type: none"> <li>▪ Power ↑</li> <li>▪ Roads ↑</li> <li>▪ Airports ↑</li> <li>▪ Industrial ↑</li> <li>▪ Concessions ↑</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tollroad concessions ↑</li> <li>▪ Power concessions ↑</li> </ul>

\* As committed over the next 3 years in the R600bn SA mini-budget (October 2008)

## G5 Plan for Rest of Africa



### Mining, Industrial, Oil & Gas:

- G5 reputation and experience in executing African Power and Mining projects provides valuable competitive positioning
- A few projects may be slowed or postponed but underlying demand and need for minerals will ensure that these markets remain viable
- Thus G5 will remain focused on these markets
- Continued risk prudence on contract selection



22% of F2008 group revenue



26

## G5 Plan for South Africa



- G Total order book is being sustained
- G Competition is increasing, but capability differentiation and sector excellence is important, eg. multi disciplinary work & technology partnerships
- G Focus on national priority infrastructure work that will compensate for the anticipated decline in private sector spend, although this work may roll out at a slower rate
  - Limited risk of cancellation
  - Some risk of delays
  - Concessions/PPP capability is key to success in this market
  - Positioning in power and water is a key strength
- G G5's focus on public sector work in the U.A.E. could compensate in the unlikely event that national priority public sector work in SA under-delivers



67% of F2008 group revenue



27

## Positioning in power and water is a key strength















Contract name	Size	Type	Location	Year
Perinni Corporation – Mid East	40 MW	OCGT	Mid East	2004
Wassa gold mine	18 MW	Diesel	Ghana	2006
Ibom	180 MW	OCGT	Nigeria	2007
Aba	120 MW	OCGT	Nigeria	2008
Power ALT	11 MW	Diesel	RSA	2008
Sasol IPP	202 MW	OCGT	RSA	2008
Thos Begbie	30 MW	Gas engines	RSA	2008
Botswana IPP	250 MW	OCGT	Botswana	2009
Jozi Power (1MW Rental)	100 MW	Diesel	Africa	2008



Group Five – Unrivalled experience in total power solutions  
 Power contracts worth ± R3 bn won over 3½ years

# Group Five Power Market Strategy



<b>Renewable Energy</b>	<b>Thermal Gas &amp; Coal</b>	<b>Nuclear</b>	<b>Distributed Power</b>
			
<b>Solar Thermal</b>	<b>OCGT &amp; CCGT</b>	<b>Nuclear Civils</b>	<b>Multi Fuel Engines</b>
			
<b>Wind Energy</b>	<b>LNG Power Plants</b>	<b>Areva M+E</b>	<b>Co-Generation</b>
			
<b>Hydro &amp; Pump Stor.</b>	<b>Coal Fired</b>	<b>PBMR</b>	<b>Power Rentals</b>

## Group Five – positioned for new power projects



<b>Renewable Energy</b>	
Solar Thermal	Eskom IPP; DME Renewables; Mining projects
Wind	Eskom Windfarms
Hydro	Eskom Pumped Storage; Large Hydro (Zambia 750MW IPP) Small Hydros (20MW)
<b>Thermal Energy</b>	
CCGT	Eastern Europe IPP (125MW) ; Mozambique (680MW) ; West Africa IPP (300MW)
LNG	Eskom IPP (500MW) ; South Africa IPP (2400MW) ; West Africa IPP (400MW)
Coal	Eskom Base Loads - Eskom IPP (1800MW); Mmamabula (1200 MW)
<b>Nuclear Energy</b>	
Eskom	Conventional Fleet ; Areva Civils and MEP
<b>Distributed Power</b>	
Co-Generation	Eskom Co-Gen Program/Captive Power
<b>Prequalifications</b>	
Eskom	Baseload IPP; Richards Bay LNG (500MW) & Upington Solar Thermal (200MW)
<b>Express of Interest</b>	
DME	Renewable Energy IPP – Northern Cape Solar Thermal (200MW).

## Plan for the Middle East



- G5's activities are focussed on 'essential' public sector spend such as airports, bridges, energy and private industrial projects. (not private real estate)
- Although Dubai's private sector will slow, G5 is focused on government infrastructure committed projects, which are unlikely to slow down
  - No projects cancelled and no cancellations expected
- The group is increasing its focus on high-growth industrialising Abu Dhabi
- Competition has always been present however, future awards will favour established local entities such as Al Naboodah
  - Our local partner, Al Naboodah, is the largest family-owned construction company in UAE
  - Further expansion of the JV and broadening of the range of business has been agreed to include more of Group Five businesses

9% of F2008 group revenue



31

## Plan for Eastern Europe



- Building upon the strong presence and Intertoll brand
  - Additional Toll concessions in Hungary and Poland awaited 2009
  - New Toll concessions in Slovakia, Romania, Montenegro at prequal or bidding stage
- Expansion on concessions model into Power infrastructure with GE as partner
  - First project at bid negotiation stage

2% of F2008 group revenue











32



# Capturing the full performance potential

33

## Capturing the full performance potential

-  Secured work at improved margins and commercial terms
-  Lost margin ratio now lowest due to driven initiatives on risk and competence development
-  Clever positioning as main contractor (multiple revenues from single projects)
-  Greater control of input costs: Backward integration into steel work, rebar, formwork, aggregates & readymix cement where costs were previously controlled by competitors
-  Volume throughput increases expected in Construction Materials through road-works activity and the eventual improvement in the building market
-  Active review of cost base underway
-  Programs to improve waste eradication (TQM and Six Sigma)
-  Growing skills & competencies through the Groups in house Academy



# Progress in Group Five's target markets

35

## Construction – Secured order book

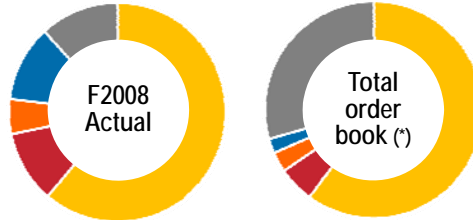
Rm	Total	Building and Housing	Civil Engineering	Engineering Projects
Year to 30 June 2006 (actual)	5 075	2 788	1 663	624
% over-border	44	27	65	67
Year to 30 June 2007 (actual)	6 401	3 122	2 484	795
% over-border	48	27	67	74
Year to 30 June 2008 (actual)	7 074	2 849	2 964	1 261
% over-border	40	9	51	86
Full order book (as at 11/08)	14 769	4 174	9 164	1 431
% over-border (as at 11/08)		–	46	78
Estimated annual capacity	10 000	3 000	4 500	2 500

**Note: G5 includes only its own portion of fully secured work in its order book,**

- Order book runs through to 2011
- Work executed since last order book update in August 2008 has been fully replaced
- Only 2 small contracts cancelled (1 in housing and 1 in mining) and have been replaced; Cancellation fees compensate costs incurred
- A meaningful number of new awards are anticipated shortly

36

## Total Secured Construction order book by geography

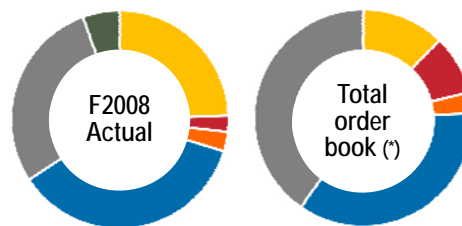


	F2008 Actual	Total order book (*)
● Southern Africa	61%	63%
● Central Africa	11%	4%
● Western Africa	5%	3%
● Eastern Africa	11%	1%
● Middle East	12%	29%

- Group Five's strategy was designed to be flexible enough to switch focus from declining markets to growth markets
- This strategy is paying off in both current and anticipated market conditions

\* As at November 2008

## Total Construction order book split between public & private sector work



	F2008 Actual	Total order book
● Public sector	45%	81%
● Private sector	55%	19%

Group Five's communicated strategy of positioning itself for public infrastructure clearly demonstrated

\* As at November 2008

38

## Some key recently secured local contracts



Contract	Value	G5 Stake	Duration	Start Date
Gauteng Roads Upgrade: Package A&E	R3,5bn	60%	2 & 3 years	August 2008
Contract started, site access being established				
Petrochemical Pipeline and facilities	R4,4bn	60%	2,5 years	July 2008
Obtained access to 1 <sup>st</sup> pipeline. Excavation and pipe delivery has commenced, facilities award imminent				
Bus Rapid Transport Stations	R705m	70%	1 year	Nov 2008
Construction of 77 Hi Tech bus rapid transport stations within greater Johannesburg				
Nedbank Phase 2	R534m	100%	1,5 years	August 2008
Construction of Phase 2 of Nedbank offices and retail				



39



40

## G5 does not anticipate unreasonably tough times

– rather the need to focus on specific markets that will deliver superior growth

The group is confident of providing earnings growth over both the medium and longer terms due to:

Its flexible, well balanced portfolio of quality construction-related businesses

Diversification, both geographic and within disciplines

A strong order book and the ability to maintain growth in the longer term

The ability to meet capacity requirements

Improving margins and returns


A strong balance sheet and focused cashflow management




41


## Conclusion

This presentation has been designed to address the following issues:

 Some markets may come under pressure in the short term, particularly in mining and in private sector building activity in SA and the U.A.E.

 Group Five's response:

- G5's diversification strategy was deliberately structured with this type of situation in mind - to enable swift moves out of lower-growth markets into high growth markets
- Increasing it's already significant focus on public sector, national priority, infrastructure spend in SA.
- Switching more activity into public sector, national priority, infrastructure spend in the U.A.E. (particularly Abu Dhabi)

 The group has therefore not revised its revenue & margin expectations



42

# Questions & answers

## Contact details

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# Appendix 1

45

## Mini-budget R600bn infrastructure expenditure

Consolidated government expenditure by type of service, 2007/08 - 2011/12

	2007/08	2008/09	2009/10	2010/11	2011/12	Average annual growth 2008/09 - 2011/12
	Outcome	Revised	Medium-term estimates			
<b>R billion</b>						
<b>Social services</b>	308.5	357.6	403.6	448.0	485.7	10.7%
Education	104.0	123.4	137.6	152.3	165.9	10.4%
Health	68.5	78.6	88.8	98.5	106.7	10.7%
Welfare and social security	90.3	101.4	115.6	127.6	138.5	10.9%
Housing and community development	45.7	54.1	61.6	69.6	74.6	11.3%
Protection services	86.7	96.4	109.7	117.5	128.5	10.0%
Defence and intelligence	27.6	29.9	34.6	35.3	37.4	7.8%
Justice, police and prisons	59.0	66.6	75.1	82.2	91.1	11.0%
<b>Economic services and infrastructure</b>	143.8	179.8	214.9	214.1	212.7	5.8%
Water and related services	16.2	16.9	18.8	20.0	22.1	9.3%
Agriculture, forestry and fishing	14.1	15.1	15.2	16.7	18.1	6.1%
Transport and communication	55.2	73.3	78.8	83.1	89.8	7.0%
Other economic services	58.4	74.4	102.1	94.3	82.7	3.6%
<b>Administration</b>	34.5	43.9	50.6	51.8	57.0	9.1%
<b>Total</b>	<b>573.5</b>	<b>677.6</b>	<b>778.8</b>	<b>831.4</b>	<b>883.9</b>	<b>9.3%</b>
Interest	55.8	57.7	57.0	59.6	61.5	2.2%
Contingency reserve	-	-	4.0	12.0	20.0	
<b>Consolidated expenditure</b>	<b>629.3</b>	<b>735.3</b>	<b>839.8</b>	<b>903.0</b>	<b>965.3</b>	<b>9.5%</b>

46