



PRESENTATION TO
FUND MANAGERS &
FINANCIAL ANALYSTS

Water Sector

25 November 2013

Landscape – water sector

Water

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- South Africa is a water scarce country, ranking 148 of 180 countries researched in terms of water availability per capita*
- Urbanisation, along with industrialisation, mining & energy is straining an already weak system
- The country's 4 395 registered dams are at 98% capacity on current demand
- Steady decline in the quality of primary raw water from rivers & dams
- Current water reticulation systems are poorly maintained & it is estimated that a 1/3rd of water delivered is never consumed due to failing infrastructure

* 2012 Water Development Report

Landscape – water sector

Supplying the water sector

- The PICC* has included water & sanitation as Strategic Infrastructure Projects (SIP 18)
- Water projects for the next 10-15 years total R968bn**
- SIP 18 aims to ensure a sustainable supply of water to meet social needs & support economic growth, as well as a comprehensive sanitation service
- The 10 year plan addresses the supply of water to an additional 1.4m households & sanitation to an additional 2.1m households
- The National Water Resource Strategy (NWRS – 2) released in June 2013 includes areas where Group Five is established including:
 - Rehabilitating water infrastructure
 - New Bulk water storage and reticulation
 - Desalinating seawater
 - Water treatment
 - Hydroelectric schemes

* Presidential Infrastructure Coordinating Commission

** Minister of Water Affairs - Edna Molewa - June 2013

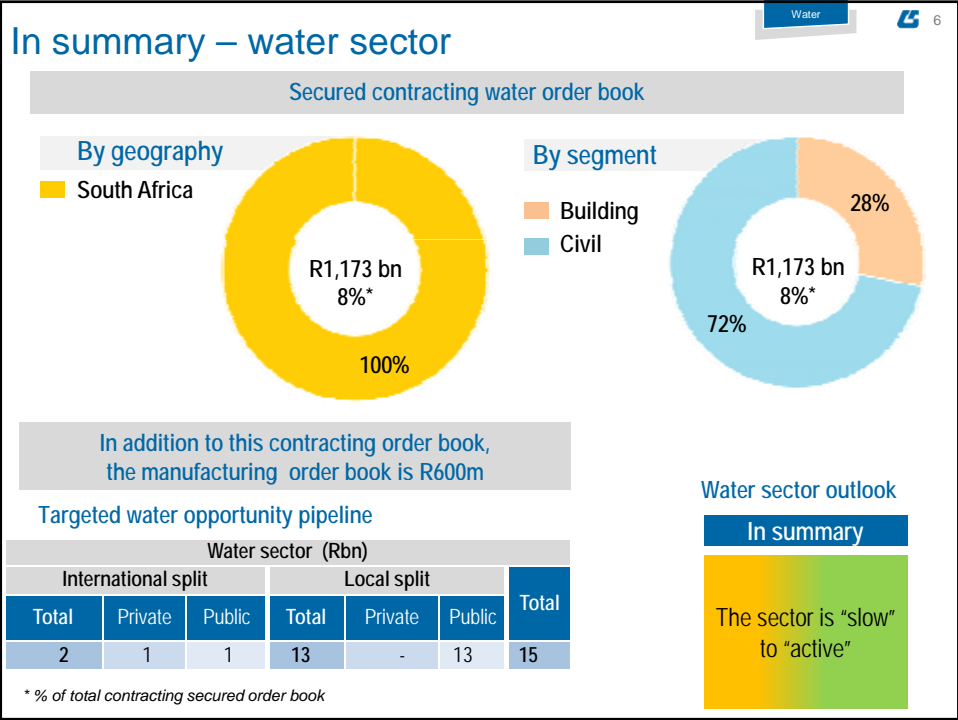
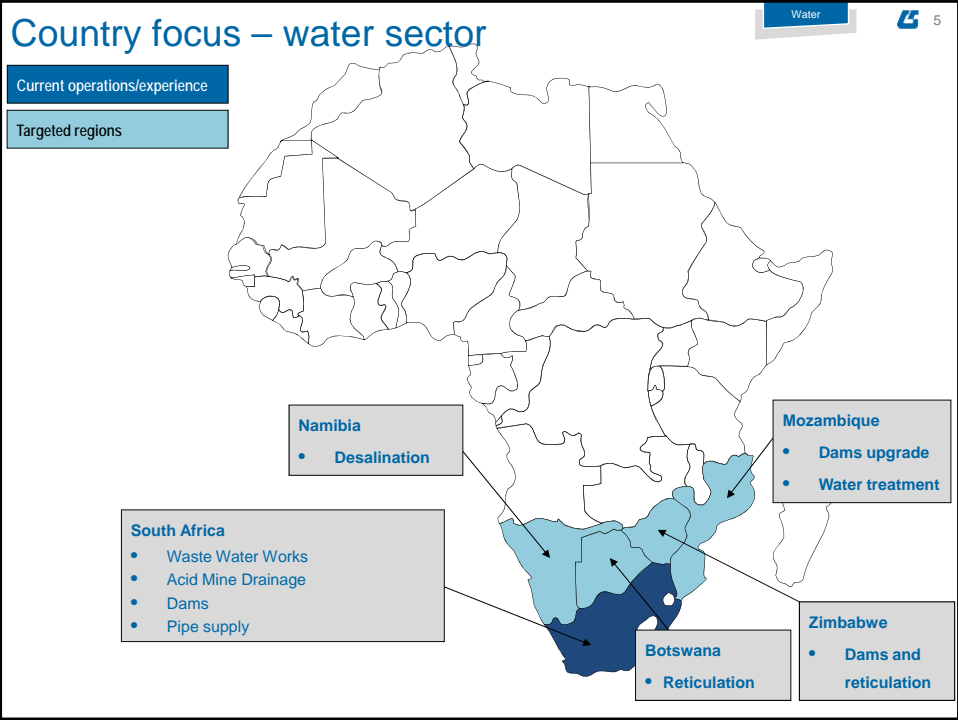
Strategic positioning - the group's water sector focus

Pipe

- A spiral weld large bore steel pipe manufacturer
- Supplying approximately 33% of the South African market.
- Current order book is circa R600m and tendering for additional work
- Sufficient forecast demand to warrant pipe finishing capacity expansion

Construction

- Dam construction, water storage, hydroelectric schemes, reticulation, desalination and water treatment plants
- The group has been the leader in waste water treatment over the past 3 years due to its ability to deliver on complex projects and tolerance requirements
- Pipe laying remains a low margin highly competed sector
- Expanding technical product offering with partners is a strategic intent





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