Annual Results

12 months ended 28 February 2017

Agenda

- 12 month overview
- Operational Overview
- Financial Results
- Conclusion

12 month overview

- Challenging trading environment coupled with the sub-points below, had a negative impact on the group's financial results:
  - One-off charge relating to settlement agreement with government and six other listed construction companies
  - Goodwill impairment attributable to Cycad Pipelines
  - Negative impact of currency fluctuations
- Aligned and structured businesses to adapt to market conditions and further improve efficiencies
- Loss-making projects completed and signed off with no further financial impact going forward
- Improvement in cash on hand

Key indicators

Operating loss
R106m

Operating profit adjusted*
R202m
** for settlement agreement, impairment of goodwill and land & buildings*

Cash on hand
R1,158 bn

Debt : Equity
27,6%

Capex
R272m

Health and safety
LTIFR **0,10**
RCR **0,70**

B-BBEE
Level 4
Generic score card

Industry matters

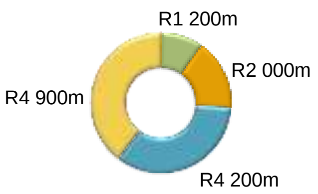
- Settlement Agreement with Government as per SENS announcement, dated 11 October 2016
  - Stefanutti Stocks to develop emerging contractors
- Except for the civil claim from the City of Cape Town, all matters previously noted were settled and/or withdrawn
  - As we are confident that we will successfully defend the matter, no provision has been made

Market overview

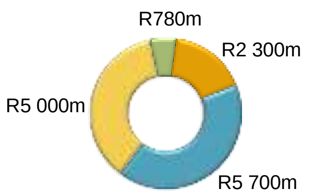
- Trading conditions remain challenging
- The current order book is R14,0 bn and certain sectors of the economy still provide opportunities that allow growth, such as:
  - Mining surface infrastructure
  - Water and sanitation treatment plants
  - Road infrastructure
  - Petrochemical (tank farms)
  - High rise mixed-use buildings
- Converting debtors (including scope changes and variations) into cash remains challenging

Key operations & order book

RPM	Mechanical & Electrical	Structures	Building	UAE
Roads & Earthworks	Mechanical (Industrial)	Civils	Inland & Housing	Al Tayer Stocks *
Mining Services	Mechanical (Oil & Gas)	Coastal	Coastal	
Africa (sub Sahara)	Electrical & Instrumentation	Geotechnical	Africa (SADC)	



Order book:
29 Feb 2016: R12,3 bn



Order book:
28 Feb 2017: R13,8 bn

Current Order Book

2-year order book	R11,7 bn
Year 3	R1,5 bn
Beyond	R0,8 bn
Total	R14,0 bn

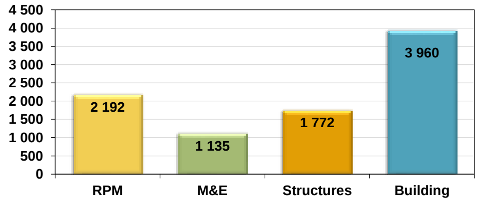
** Equity Accounted Investee*

Key Operations – Excluding UAE

RPM	M&E	Structures	Building

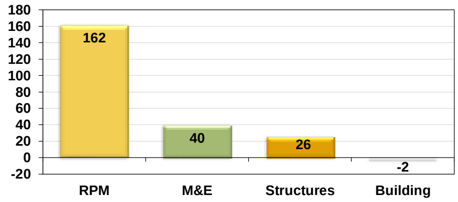



Contribution to turnover (Rm)



Outside South Africa: 25%

Contribution to operating profit* (Rm)

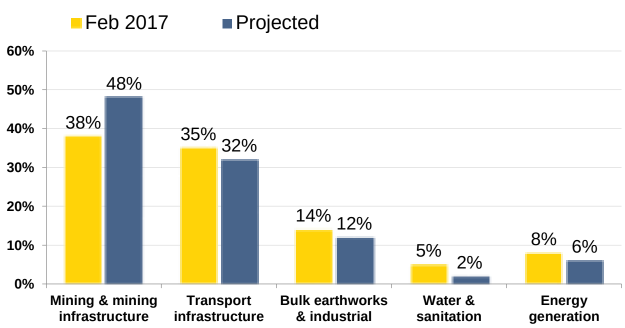


Outside South Africa: 37%

** Excludes head office*

Roads, Pipeline & Mining Services (RPM)

% turnover by sector



Current Order Book

2-year order book	R3,6 bn
Year 3	R0,8 bn
Beyond	R0,8 bn
Total	R5,2 bn

	Feb 2017	Projected
Total work outside South Africa	38%	34%
Public sector work in SA	23%	20%
Public sector work outside SA	31%	29%

RPM overview

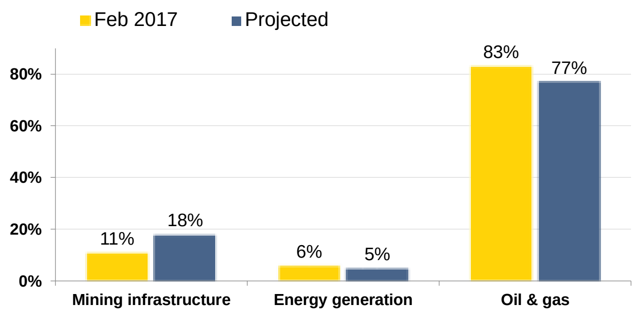
- RPM delivered good results notwithstanding reduced turnover and forex fluctuations
- Strong performance in neighbouring countries
- Good performance in Roads & Earthworks (R&E) and Mining Services locally
- Pipelines was incorporated into R&E
- Outstanding debtor payments in Nigeria and Zambia:
  - Limited work has resumed in Nigeria
  - Affected projects in Zambia have been stopped
  - Positive discussions with clients to address outstanding payments

RPM work prospects

- Operating margins remain under pressure due to the competitive trading environment
- In South Africa there are opportunities within:
  - Roads in the public sector
  - Open-pit mining - Coal
  - Mining surface infrastructure
- Infrastructure development opportunities in neighbouring countries for general contractors
- Sourcing cross-border opportunities assisted by third party funding
- In the short term there are potential awards to SSK to the value of ±R2,7 billion
- For the next 12 months, projects to the value of ±R13 billion have been identified

Mechanical & Electrical (M&E)

% turnover by sector



Current Order Book	
2-year order book	R800m
Year 3	R20m
Beyond	-
Total	R820m

	Feb 2017	Projected
Total work outside South Africa	0%	11%
Public sector work in SA	6%	5%
Public sector work outside SA	0%	0%

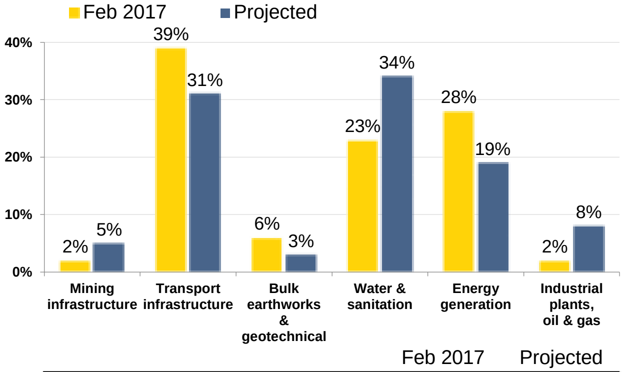
Mechanical & Electrical overview

- The shortage of work in the traditional mining surface infrastructure market negatively impacted the Mechanical division results
- Oil & Gas and Electrical & Instrumentation divisions have performed to expectation on the back of Petrochemical projects
- The majority of work from the local Oil & Gas market stems from plant upgrades, shut-downs and plant maintenance

Mechanical & Electrical work prospects

- Operating margins in the Oil & Gas market are starting to come under pressure due to reduced spend with traditional clients
- Oil & Gas and Electrical & Instrumentation divisions:
  - New fuel storage tank farms throughout South Africa
  - Various medium sized Petrochemical projects on existing plants (upgrades, shut downs and maintenance)
- Mechanical division (Industrial):
  - Mining surface infrastructure
  - Cross-border opportunities
- In the short term there are potential awards to SSK to the value of ±R850m
- For the next 12 months, projects to the value of ±R6,5 billion have been identified

Structures
% turnover by sector



	Feb 2017	Projected
Total work outside South Africa	6%	15%
Public sector work in SA	73%	61%
Public sector work outside SA	3%	0%

Current Order Book	
2-year order book	R2,1 bn
Year 3	R0,2 bn
Beyond	-
Total	R2,3 bn

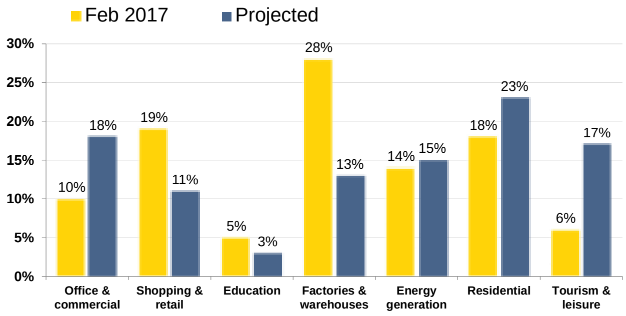
Structures overview

- Reduced operating profit and margin due to challenging and tough market conditions and restructuring costs
- Fewer sizable projects to compete on
- Marine operation secured cross-border projects with a satisfactory order book
- Increased work from water and sanitation sector
- Planned projects taking long to get to tender phase

Structures work prospects

- With the restructuring complete, Structures should be more efficient in this competitive market
- Over the medium term there are opportunities in:
  - Water and sanitation treatment plants throughout South Africa
  - Marine works in South Africa and along the east coast of Africa
  - Bridge construction throughout South Africa
  - Mining surface infrastructure opportunities
- In the short term there are potential awards to SSK to the value of ±R1,1 billion
- For the next 12 months, projects to the value of ±R9 billion have been identified

Building
% turnover by sector



Current Order Book

2-year order book	R5,2 bn
Year 3	R0,5 bn
Beyond	-
Total	R5,7 bn

	Feb 2017	Projected
Total work outside South Africa	33%	40%
Public sector work in SA	28%	26%
Public sector work outside SA	8%	6%

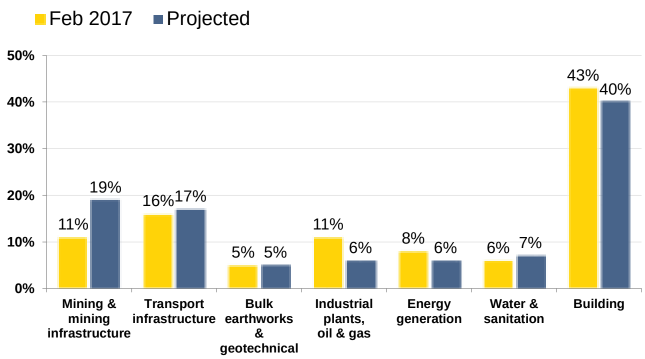
Building overview

- Competitive trading conditions combined with holding costs and contract losses resulted in a poor performance
- Business unit was scaled down and certain divisions were combined
- Loss-making projects in Namibia, Qatar and Eastern Cape - completed
- Contracts not contributing towards operating profit - resolved
- Delayed government debtor payments continue to affect working capital
- Good performance from Mozambique and Housing divisions

Building work prospects

- All problematic contracts have been completed
- Although competitive, opportunities continue to exist in:
  - High rise mixed-use buildings in South Africa and Mozambique
  - Residential urban development throughout South Africa
  - Existing shopping centre upgrades
  - Warehouses
  - Tourism & leisure
  - Fit out in UAE
- In the short term there are potential awards to SSK to the value of ±R2,1 billion
- For the next 12 months, projects to the value of ±R13 billion have been identified

Group
% turnover by sector



Current Order Book

2-year order book	R11,7 bn
Year 3	R1,5 bn
Beyond	R0,8 bn
Total	R14,0 bn

	Feb 2017	Projected
Total work outside South Africa*	32%	32%
Public sector work in SA	33%	28%
Public sector work outside SA	11%	11%

** Includes UAE*

Challenges

- Maintain and grow a quality order book in terms of volume, clients and returns
- Ensure the collection of long outstanding government debt
  - South Africa
  - Mozambique
  - Nigeria
  - Zambia
- Volatility of currencies

Operating Segments: FY 2016

As at 29 Feb 2016

R'000s	RPM	M&E	Structures	Building (incl. UAE)	Head Office	Operations	Exclude UAE *	Include Invest. Property	Group as reported
Contract revenue	2 637 921	1 216 092	2 113 292	4 470 573	-	10 437 878	(768 405)	-	9 669 473
% Contribution	*27,3%*	*12,6%*	*21,9%*	*46,1%*	-	-	*(7,9%)*	-	*100%*
Operating profit/ (loss)	212 588	66 061	47 267	62 923	(695)	388 144	(18 403)	22 224	391 965
Operating margin (%)	*8,1%*	*5,4%*	*2,2%*	*1,4%*	*N/A*	*3,7%*	*2,4%*	*N/A*	*4,1%*

** Excluded from reported contract revenue and operating profit as UAE is an equity accounted investee*

Operating Segments: FY 2017

As at 28 Feb 2017

R'000s	RPM	M&E	Structures	Building (incl. UAE)	Head Office	Operations	Exclude: UAE *	Group as reported
Contract revenue	**2 192 243**	**1 134 766**	**1 771 934**	**5 000 299**	**-**	**10 099 242**	**(1 040 666)**	**9 058 576**
% Contribution	***24,2%***	***12,5%***	***19,6%***	***55,2%***	**-**	**-**	***(11,5%)***	***100%***
Operating profit/ (loss)	**161 620**	**40 330**	**26 450**	**38 874**	**(333 047)** **	**(65 773)**	**(40 623)**	**(106 396)**
Operating margin (%)	***7,4%***	***3,6%***	***1,5%***	***0,8%***	***N/A***	***(0,7%)***	***3,9%***	***(1,2%)***

** Excluded from reported contract revenue and operating profit as UAE is an equity accounted investee*

*** Includes one-off charge relating to the settlement agreement, impairment of goodwill and land and buildings (R309m)*

Financial indicators

Results for the 12 months ended 28 Feb 2017

Contract revenue	R9,1 bn
Operating loss	R106,4 m
*Adjusted** operating profit	R201,9m
*Adjusted** operating margin	2,2%
Headline earnings per share	10,94 c
*Adjusted** headline earnings per share	89,86 c
Cash on hand	R1,158 bn

** Excluding Settlement Agreement, impairment of goodwill and land & buildings*

excellence in execution

Statement of Comprehensive Income

	28 Feb 2017	% Change	29 Feb 2016
Contract Revenue	**9 058 576**	**(6,3%)**	**9 669 473**
EBITDA	209 046	(62,1%)	551 238
EBITDA %	*2,3%*		*5,7%*
Depreciation & amortisation of intangibles	(145 882)		(159 273)
Impairment of assets	(169 560)		0
Operating (Loss) / Profit	**(106 396)**	**(127,1%)**	**391 965**
Operating Margin %	*(1,2%)*		*4,1%*
Equity accounted investees	**40 893**		**19 040**
Net Investment Inc	**(40 733)**		**(26 373)**
(Loss) / Profit before tax	**(106 236)**		**384 632**
Taxation	**(43 554)**		**(120 114)**
(Loss) / Profit for the year	**(149 790)**	**(156,6%)**	**264 518**
Net margin %	*(1,7%)*		*2,7%*
Loss after tax for the year from discontinued operations	**0**		**(78 637)**
(Loss) / Profit for the year	**(149 790)**		**185 881**
Earnings attributable to Ord Shareholders	**(137 068)**		**182 317**
Headline Earnings	**18 892**	**(87,9%)**	**156 634**
Weighted average shares in issue	**172 750 427**		**174 779 842**
Diluted weighted average shares in issue	**188 080 746**		**188 080 746**
HEPS (cents)	**10,94**	**(87,8%)**	**89,62**
Adjusted** HEPS (cents)	**89,86**	**(0,3%)**	**89,62**

** Excluding costs associated with the Settlement Agreement (net of tax)*

excellence in execution

Extracts from Statement of Comprehensive Income

	28 Feb 2017	% Change	29 Feb 2016
Contract Revenue	**9 058 576**	**(6,3%)**	**9 669 473**
EBITDA	209 046	(62,1%)	551 238
EBITDA %	*2,3%*		*5,7%*
Depreciation & amortisation of intangibles	(145 882)		(159 273)
Impairment of assets	(169 560)		0
Operating (Loss) / Profit	**(106 396)**	**(127,1%)**	**391 965**
Operating Margin %	*-1,2%*		*4,1%*

- Reduction in contract revenue
- EBITDA has been negatively affected by:
  - One-off present value charge relating to the Settlement Agreement of R139m = *adjusted* EBITDA of R347,8m (36,9% decrease)
- Operating loss has been negatively affected by:
  - Impairment of goodwill of R155m and land & buildings of R15m = *adjusted* operating profit of R201,9m with a margin of 2,2%
- The result has also been affected by the strengthening of the Rand and weakening of African currencies in which the group operates (R81m forex loss)

Extracts from Statement of Comprehensive Income

	28 Feb 2017	% Change	29 Feb 2016
Operating Margin %	*-1,2%*		*4,1%*
Equity accounted investees	**40 893**		**19 040**
Net Investment Inc	**(40 733)**		**(26 373)**
(Loss) / Profit before tax	**(106 236)**		**384 632**
Taxation	**(43 554)**		**(120 114)**
(Loss) / Profit for the year	**(149 790)**	**(156,6%)**	**264 518**

- Increased contribution from UAE operation (Al-Tayer Stocks)
- Increase in net finance costs predominantly due to interest payable on the Competition Commission penalty* of R38,2m (Feb 2016: R17,6m), including deemed interest of R18,9m (Feb 2016: R13,1m) off-set by an increase in interest earned of R10,8m
- Effective tax rate of 30,0% (eliminating effects of contributions from operations in lower tax jurisdictions, non deductible expenses: Settlement Agreement costs, impairment of goodwill and land & buildings)

** Accounted for in terms of IAS39 as disclosed in Annual Financial Statements Feb 2013*

Extracts from Statement of Comprehensive Income

	28 Feb 2017	% Change	29 Feb 2016
(Loss) / Profit for the year	**(149 790)**	**(156,6%)**	**264 518**
Net margin %	*(1,7%)*		*2,7%*
Loss after tax for the year from discontinued operations	**0**		**(78 637)**
(Loss) / Profit for the year	**(149 790)**		**185 881**
Earnings attributable to Ord Shareholders	**(137 068)**		**182 317**
Headline Earnings	**18 892**	**(87,9%)**	**156 634**
Weighted average shares in issue	**172 750 427**		**174 779 842**
Diluted weighted average shares in issue	**188 080 746**		**188 080 746**
HEPS (cents)	**10,94**	**(87,8%)**	**89,62**
***Adjusted** HEPS (cents)**	**89,86**	**0,3%**	**89,62**

** Excluding costs associated with the Settlement Agreement (net of tax)*

- No impact for the period from discontinued operations (Feb 2016: R79m loss)
- Excluding the Settlement Agreement cost and impairment of goodwill and land & buildings, the adjusted profit after tax is R152,1m
- HEPS – a decrease of 87,8%
- *Adjusted** HEPS of 89,86 cents – an increase of 0,3%

excellence in association

31

Statement of Financial Position

	Reviewed 28 Feb 2017		Audited 29 Feb 2016
ASSETS			
Non-current assets			
Property, plant and equipment	1 212 248	10,2%	1 099 712
Equity accounted investees	189 860		189 458
Goodwill and intangible assets	1 087 133		1 248 529
Current Assets			
Bank balances	1 158 431	36,1%	850 940
Other current assets	2 816 126		2 877 227
Assets held for sale	-		31 769
TOTAL ASSETS	6 463 798		6 297 635
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' interest	2 438 252		2 600 717
Non-controlling interest	4 126		7 815
Non-current liabilities			
Interest-bearing liabilities	346 434		174 603
Non-interest-bearing liabilities	26		26
Deferred tax	(34 350)		29 017
Current Liabilities			
Other current liabilities	2 079 542		2 232 473
Excess billings over work done	1 197 743	61,8%	740 216
Provisions	420 400	(14,0%)	488 996
Taxation	11 625		(5 726)
Liabilities discontinued operation	-		29 498
TOTAL EQUITY AND LIABILITIES	**6 463 798**		**6 297 635**
Current interest bearing liabilities	328 794		327 552

32

Extracts from Statement of Financial Position

	Reviewed 28 Feb 2017		Audited 29 Feb 2016
ASSETS			
Non-current assets			
Property, plant and equipment	1 212 248	10,2%	1 099 712
Equity accounted investees	189 860		189 458
Goodwill and intangible assets	1 087 133		1 248 529
Current Assets			
Other current assets	2 816 126		2 877 227

- Capex spend of R272m (Feb 2016: R157m)
  – maintaining R186m and expansion R86m

	28 Feb 2017		29 Feb 2016
Other current assets			
Inventories	145 087	43,2%	101 317
Contracts in progress	414 525	(33,6%)	624 174
Trade accounts receivable	1 832 031	16,2%	1 577 275
Other receivables	424 483	(26,1%)	574 461
	2 816 126	(2,1%)	2 877 227

- Decrease in work in progress of 33,6%
- 16,2% increase in trade accounts receivable
  – debtors days (excluding retentions) increased to 74 days from 59 days

excellence in execution

33

Extracts from Statement of Financial Position

	Reviewed 28 Feb 2017		Audited 29 Feb 2016
ASSETS			
Current Assets			
Bank balances	1 158 431	36,1%	850 940
Other current assets	2 816 126		2 877 227
Assets held for sale	-		31 769

- Net cash on hand is R1 158m
  - Clients continue to delay:
    - certification of work
    - approval of variation orders
    - approval of scope changes
  - Cash conversion of work in progress and collecting amounts due by debtors continues to remain a priority

excellence in execution

34

Extracts from Statement of Financial Position

	Reviewed 28 Feb 2017	Audited 29 Feb 2016
EQUITY AND LIABILITIES		
Non-current liabilities		
Interest-bearing liabilities	346 434	174 603
Non-interest-bearing liabilities	26	26
Deferred tax	(34 350)	29 017
Current Liabilities		
Other current liabilities	2 079 542	2 232 473

- Total interest bearing debt R675m* (Feb 2016: R636m)
- Including last instalment due to the Competition Commission (R138m**)
- Interest bearing debt : equity ratio increased to 27,6% (Feb 2016: 24,5%)

	28 Feb 2017		29 Feb 2016
Other current liabilities			
Short term loans	328 794	(5,1%)	346 296
Trade accounts payable	793 315	(9,2%)	874 144
Accruals & other current liabilities	957 433	(5,4%)	1 012 033
	2 079 542	(6,9%)	2 232 473

- Short term loans includes interest bearing liabilities of R329m (Feb 2016: R328m)

** Including Settlement Agreement's one-off charge*
***Including interest*

Extracts from Statement of Financial Position

	Reviewed 28 Feb 2017		Audited 29 Feb 2016
Current Liabilities			
Other current liabilities	2 079 542	(6,9%)	2 232 473
Excess billings over work done	1 197 743		740 216
Provisions	420 400		488 996

	28 Feb 2017		29 Feb 2016
Excess billings over work done	1 197 743	61,8%	740 216
Provisions	420 400	(14,0%)	488 996

- Reduction in trade accounts payable
- Creditors days reduced slightly to 36 (Feb 2016: 37)
- Increased level of advances received during the period of R458m – positively affecting cash
- Contracting provisions decreased by R69m from Feb 2016

Abridged statement of cash flows

28 Feb 2017 (Rm)		29 Feb 2016 (Rm)
851	Opening cash balance	815
342	Cash generated from operations	470
274	Working capital changes	-440
35	Net investment and dividend income	16
-102	Taxation paid	-133
-84	Investing activities	-126
87	Proceeds from assets held for sale	119
-165	Financing activities	55
-80	Exchange rate effects and other	75
1 158	Closing balance	851

No dividend has been declared

37

Summary & Conclusion

38

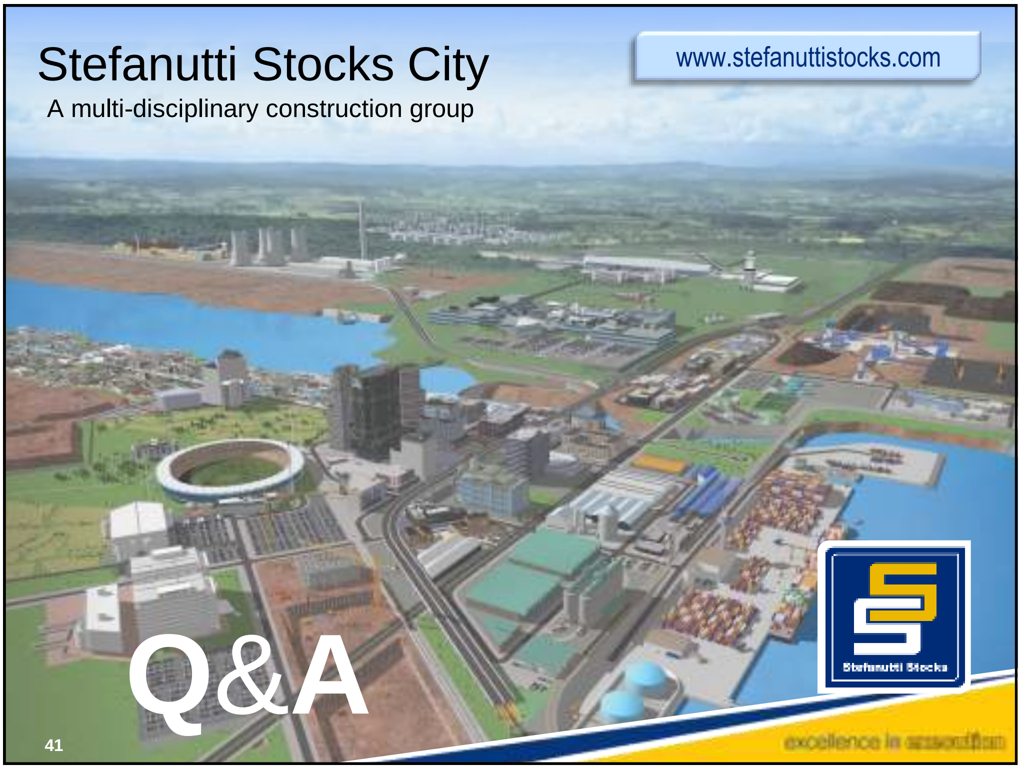
Work prospects for the next 24 months

Sectors	Value R billion
Mining & Mining Infrastructure	16
Transport Infrastructure (Rail, Road & Marine)	19
Industrial Plants	4
Oil & Gas	7
Energy generation	4
Water & Sanitation	15
Building	20
Total	**R85 billion***

** 35% cross-border*

Conclusion

- The Group is well positioned to improve our financial performance
- A critical success factor will be to return the Building Business Unit to profitability
- The Group is adequately capitalised to execute on current market opportunities
- With the better returns from sub-Saharan Africa, we will continue to expand our cross-border operations
  - Especially in countries where we already have a footprint
  - Maintaining a blend between public and private sector work



Disclaimer

This presentation may contain forward-looking statements, which include all statements other than statements of historical facts, which have not been reviewed or reported on by the group's auditors, and may reflect the current views or expectations of the group with respect to, among other things, future events, strategy, the economic outlook for the industry, the group's liquidity, capital resources, expenses and financial and operational performance.

Words, including but not limited to, "aim", "believe", "anticipate", "expect", "intend", "could", "would", "should", "estimates", "project", "plan", "may", "potential", "targets" or similar words and phrases or the negative thereof are used to identify such statements. Forward-looking statements, by their very nature, contain known and unknown risks, uncertainties, assumptions and other important factors, because they relate to events and depend on circumstances that may occur in the future, whether or not outside the control of the company.

Such factors may cause the company's actual results, performance or achievements to be materially different from future results, performance, developments or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the company's present and future business strategies and the environment in which it will operate in the future.

No assurance can be given that forward-looking statements will prove to be correct. These forward-looking statements speak only as at the date of this presentation. In addition, no obligation is undertaken by the group to update or revise any forward-looking statements contained within this presentation to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any of such statements are based, and investors are cautioned not to place any reliance thereon.