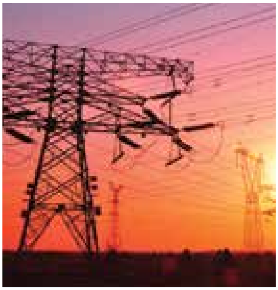
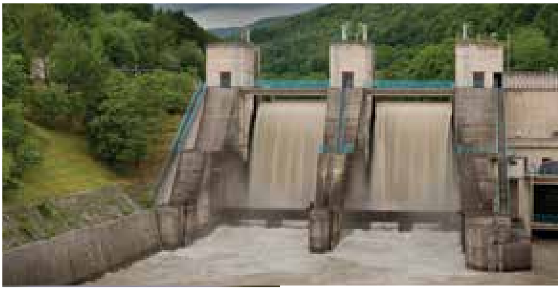
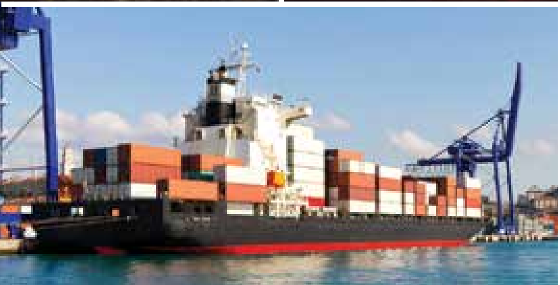
Consolidated Infrastructure Group Limited

CONSOLIDATED INFRASTRUCTURE UNAUDITED RESULTS

for the six months ended 28 February 2014

Revenue up 36% to **R1,3 BILLION**	EBITDA up 36% to **R169 MILLION**	HEPS up 50% to **88,5 CENTS PER SHARE**	Order book up 36% to **R2,85 BILLION**

Consolidated Infrastructure delivered strong profit growth over the six months ended 28 February 2014.

The improvement in profits was driven by the impressive performance and first time inclusion in our results from Angola Environmental Servicos Limitada ("AES"). During the period under review all the divisions enjoyed strong growth in top line revenues and managed to maintain their profit margins.

BUSINESS OVERVIEW

Consolidated Infrastructure, through its subsidiary Consolidated Power Projects Proprietary Limited ("Conco"), is a leading turnkey developer and installer of high-voltage electrical substations, overhead cables and renewable energy balance of plant electrical work in sub-Sahara Africa. The Building Materials division locally produces a range of aggregates and building products for the construction industry. Consolidated Infrastructure's joint venture, AES, is a leading services provider to the oil and gas sector in Angola.

FINANCIAL OVERVIEW

Revenue grew by 36% to R1,3 billion (2013: R970 million). Earnings before interest, taxation, depreciation and amortisation ("EBITDA") grew by R45 million to R169 million, a 36% increase over the prior year. EBITDA margins remained steady at 12,8%.

The power and electrification sector contributes 63% of the group's profit after tax, oil and gas contributes 22% and building materials 9%.

Profit for the six month period increased by 70% to R120 million from the prior year's R70 million.

Earnings and headline earnings per share of 88,6 cents and 88,5 cents respectively represent an increase of 50% over the corresponding six months.

The debt-to-equity ratio increased to 40,8% (2013: 29,6%) as R130 million was raised during the second half of the prior year through the medium-term note programme and in order to facilitate the on-shore payment to the shareholders of AES, an additional loan of R182 million was raised in Angola.

Interest cover as measured against EBITDA remained at a satisfactory level of 8,9 times. The group still has R100 million of unissued debt available as part of the medium-term note programme and a cash balance on hand of R542 million. R182 million has been collateralised to settle the Angolan obligation. After allowing for the settlement of the Angolan debt, the debt-to-equity ratio would reduce to 30,2%. It is anticipated that over the next 12 months the cash will be invested into Angola to repay the Angolan debt. The group has maintained a consistent Moody's Baa2.za credit rating.

The second half of the financial year has historically produced stronger earnings performance due to the December shut down period that occurs during the interim reporting period. The group expects this trend to continue in the current financial year.

DIVISIONAL OVERVIEW

Power

Revenue up	EBITDA up	Order book up
39%	39%	36%
to R1,1 billion	to R137 million	to R2,85 billion

The rapid growth in turnover within Conco of R318 million, representing a year on year increase of 39%, was well managed during the period with efficient and effective project management. The strategic approach to the renewable sector projects to trade off extended payment milestones for lower levels of penalty and damages risk was successfully implemented. Contractual and operational challenges were surmounted in Round 1 of the Renewable Energy Independent Power Producer Programme ("REIPPP") and, although specific facilities were established to meet the expected working capital requirements, Conco could have better anticipated some of the project timing issues encountered to reach some of the project milestones. The contractual and operational experience gained through Round 1 will be used to improve contract terms within the risk framework of the upcoming Round 3 negotiations. Management will continue to minimise the penalty risk while improving the working capital absorption during the execution of these upcoming contracts.

Conco continued to successfully execute work in the Renewable Energy sector and has R400 million of orders still to execute. To date they have continued to deliver on time and without penalty. The risks associated with the execution of renewable projects continue to remain at the high end of the spectrum. The focus of the Renewable Energy Feed-In Tariff Programme ("REFIT") on local procurement has increased the risk of local suppliers being unable to deliver on time and to the required standards. This risk is requiring greater focus by the Conco team in managing supply chain issues and to ensure that there is no financial or reputational damage to the Conco brand.

The division won substantial work from South African municipalities who continue to award projects to alleviate the estimated R39,6 billion electrical infrastructure backlog. Conco recently secured the largest municipal contract in its history worth R800 million, which is to be executed over a three year period.

In sub-Sahara Africa, excluding SA, Conco won tenders to build and upgrade electrical substations and the order book remained constant in US Dollar terms. Conco completed benchmark projects in Kenya and Zambia and won its first project in Rwanda. This brings the countries we have successfully operated in to a total of 21. The African market demand for electrification remains robust and significant tenders were submitted to African utilities. The demand from global mining houses, traditionally a strong market segment for Conco, was however weak and projects for these companies were either shelved or delayed. This impacted the growth in Ghana and Democratic Republic of Congo. On balance there has not been a slowdown in the demand for Conco's services across the rest of the African continent.

The Operations & Maintenance company, rebranded as Consolidated Power Maintenance ("O&M"), was initially established to operate and maintain renewable energy projects for either the owner or original equipment manufacturer. The company did not contribute to trading profit for the period. Six short-term contracts were awarded in the period. O&M are confident that when they prove the quality of their offering they will convert these projects into long-term annuity based contracts. It is not anticipated that O&M will contribute to the group profitability this year. Structurally, O&M has been separated from Conco and established as a standalone CIG subsidiary.

The Protection & Automation division performed in line with expectations and the building blocks required for its expansion have been put in place, including the recruitment of key personnel and rental of a new facility required to handle the increase in volumes.

Building Materials

Revenue up
19%
to R171 million

EBITDA up
7%
to R28 million

The Building Materials division experienced a pickup in demand from the residential building sector. Additional operating costs were incurred at Laezonia to reconfigure the quarry, which will increase the availability and mix of product over time.

Oil & Gas Services

Profit attributable
to joint venture of
R26 million

AES is a service provider to the oil and gas rigs located off the coast of Angola. The primary service is to collect and recycle and dispose of waste generated in the oil drilling process.

Shareholders have previously been advised that the transaction to acquire an effective 30,5% became unconditional in all respects, as a consequence of which CIG became the effective holder of a 30,5% shareholding in AES. The shareholding in AES is currently held by an Angolan incorporated company controlled by CIG. As soon as the requisite approval of the transaction has been granted by the Angolan authorities in terms of the Angola Private Investment Law, Law 20/11, CIG will transfer its entire shareholding in AES to a CIG wholly owned subsidiary incorporated in Mauritius.

As planned the business experienced strong growth as a function of increased drilling, stricter environmental laws and growth in market share.

The profit attributable to the joint venture was for a five month period commencing 1 October 2013.

PROSPECTS

The Power division is well positioned, with a strong order book and sufficient tender awards across its core markets, to continue to deliver steady growth. Its prospects in South Africa within the municipalities and REFIT programme are expected to yield above average prospects. African utilities will however continue to offer above average growth prospects.

A key priority of CIG remains the focus on geographic diversification. Consequently significant business development initiatives are underway in Nigeria, Angola, Mozambique and Oman. These initiatives are gaining momentum and will hopefully lead to a positive conclusion over the next twelve months. Conco has strategically diversified its risk base and will continue to manage downturns through successfully operating across multiple geographies while providing a variety of relevant product ranges.

It is expected that over the medium to longer term the biggest constraint to growth will remain the availability of suitably qualified engineers to execute on the expected increase in the technically complex work.

The AES business will continue to grow organically due to the increased oil drilling in Angola and legislated environmental requirements in the drill cutting law. The business is in the process of building a second site at Soyo, in the north of Angola, which will allow AES to relocate all volumes originating from the north to Soyo and free up approximately 30% of additional capacity in Luanda. In the short term there is a cost implication, as additional capital and operating expenditure ("capex") is incurred, but this capex spend will enable future operating capacity. The business has built a sound track record in providing specialised services of waste management to oil companies in Angola and is well positioned to be the supplier of choice given its performance history.

Despite financial headwinds to consumers' demands for housing, there have been no signs of a slowdown and it is expected that the Building Materials division should sustain its current growth trajectory.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited six months ended 28 February 2014 R'000	Unaudited six months ended 28 February 2013 R'000	Audited year ended 31 August 2013 R'000
Revenue	**1 314 580**	969 671	2 037 402
Cost of sales	**(1 000 008)**	(711 406)	(1 528 347)
Gross profit	**314 572**	258 265	509 055
Other income	**14 129**	7 000	22 589
Operating expenses	**(181 328)**	(145 516)	(290 359)
Foreign exchange gain	**21 129**	4 115	37 211
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	**168 502**	123 864	278 496
Depreciation	**(25 118)**	(20 630)	(44 646)
Profit before interest and taxation	**143 384**	103 234	233 850
Interest received	**9 514**	7 958	17 631
Interest paid	**(28 500)**	(14 211)	(33 758)
Profit before taxation	**124 398**	96 981	217 723
Taxation	**(30 932)**	(26 497)	(46 097)
Income from joint venture	**26 493**		
Profit for the period	**119 959**	70 484	171 626
Total profit for the period attributable to:			
Equity holders of the parent	**118 800**	70 135	170 832
Non-controlling interest	**1 159**	349	794
Other comprehensive income:			
Recyclable in profit and loss:			
Exchange rate differences on translating foreign operations	**12 343**	(1 328)	1 394
Total comprehensive income	**132 302**	69 156	173 020
Total comprehensive income attributable to:			
Equity holders of company	**131 568**	68 807	171 946
Non-controlling interest	**734**	349	1 074
Basic earnings per share (cents)	**88,6**	59,0	138,3
Diluted earnings per share	**87,8**	58,1	136,9
Fully diluted earnings per share (cents)	**87,7**	58,1	126,3
Reconciliation of headline earnings:			
Profit attributable to ordinary shareholders	**118 800**	70 135	170 832
Adjusted for:			
Profit on disposal of property, plant and equipment	**(213)**	(26)	(760)
Tax effect on adjustments	**38**	7	213
Headline earnings attributable to ordinary shareholders	**118 625**	70 116	170 285
Weighted average number of shares in issue (000's)	**134 040**	118 841	123 533
Diluted weighted average number of shares in issue (000's)	**135 322**	120 748	124 815
Fully diluted weighted average number of shares in issue (000's)	**135 402**	120 748	135 281
Headline earnings per share (cents)	**88,5**	59,0	137,8
Diluted headline earnings per share (cents)	**87,7**	58,1	136,4
Fully diluted headline earnings per share (cents)	**87,6**	58,1	125,9

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 28 February 2014 R'000	As at 28 February 2013 R'000	Audited year ended 31 August 2013 R'000
ASSETS			
Non-current assets	**1 188 439**	818 357	867 718
Property, plant and equipment	**375 354**	316 096	364 368
Goodwill	**462 220**	462 220	462 220
Intangible assets	**26 600**	30 084	28 342
Deferred tax	**4 559**	6 805	6 316
Investment in joint venture	**312 588**		
Financial assets	**7 118**	3 152	6 472
Current assets	**2 342 379**	1 477 028	1 910 571
Inventories	**94 142**	71 931	93 156
Trade and other receivables	**118 428**	55 701	94 786
Amounts due from contract customers	**1 587 446**	1 048 962	1 216 896
Taxation receivable	**292**	292	1 402
Cash and cash equivalents	**542 071**	300 142	504 331
Total assets	**3 530 818**	2 295 385	2 778 289
EQUITY AND LIABILITIES			
Equity	**1 715 562**	1 217 757	1 579 991
Issued capital	**13**	11	13
Share premium	**983 401**	726 892	982 572
Share based payment reserve	**18 776**	13 643	16 336
Foreign currency translation reserve	**10 808**	(4 401)	(1 960)
Non-controlling interest	**1 820**	361	1 086
Accumulated profits	**700 744**	481 251	581 944
Non-current liabilities	**551 419**	371 802	496 658
Other financial liabilities – interest bearing	**424 780**	308 711	428 774
Other financial liabilities – non-interest bearing	**60 694**		
Provisions	**8 331**	8 165	8 232
Instalment sale liabilities	**28 253**	10 114	27 552
Deferred tax	**29 361**	44 812	32 100
Current liabilities	**1 263 837**	705 826	701 640
Other financial liabilities	**231 456**	30 962	10 256
Trade and other payables	**567 633**	375 632	499 467
Amounts received in advance	**65 666**	78 302	22 755
Amounts due to contract customers	**125 098**	187 470	113 369
Bank overdraft	**228 420**	–	–
Instalment sale liabilities	**15 689**	10 490	16 985
Taxation payable	**29 875**	22 970	38 808
Total equity and liabilities	**3 530 818**	2 295 385	2 778 289
Number of shares in issue (000's)	**134 120**	118 841	133 999
Net asset value per share (cents)	**1 279**	1 025	1 179
Net tangible asset value per share (cents)	**915**	610	813

CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOW

	Unaudited six months ended 28 February 2014 R'000	Unaudited six months ended 28 February 2013 R'000	Audited year ended 31 August 2013 R'000
Cash flows from operating activities	**(115 961)**	(72 686)	(182 377)
Cash flows from investing activities	**(348 692)**	(21 280)	(60 928)
Cash flows from financing activities	**277 305**	(9 995)	343 257
Net (decrease)/increase in cash and cash equivalents	**(187 348)**	(103 961)	99 952
Effect on foreign currency translation reserve movement on cash balances	**(3 332)**	(286)	(10)
Cash and cash equivalents at beginning of period	**504 331**	404 389	404 389
Cash and cash equivalents at end of period	**313 651**	300 142	504 331

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Unaudited six months ended 28 February 2014 R'000	Unaudited six months ended 28 February 2013 R'000	Audited year ended 31 August 2013 R'000
Balance at beginning of the period	**1 579 991**	1 146 503	1 146 503
Issue of share capital and share issue expenses	**829**	–	255 677
Share based payment reserve	**2 440**	2 098	4 791
Total comprehensive income for the period	**131 568**	68 807	171 946
Non-controlling interest	**734**	349	1 074
Balance at end of period	**1 715 562**	1 217 757	1 579 991

SEGMENTAL ANALYSIS

	Unaudited 28 February 2014 R'000	Unaudited 28 February 2013 R'000	Audited 31 August 2013 R'000	**Unaudited 28 February 2014 %**	Unaudited 28 February 2013 %	Audited 31 August 2013 %
Revenue						
Building materials	**171 072**	144 279	309 923	**13**	15	15
Power	**1 143 508**	825 392	1 727 479	**87**	85	85
Total	**1 314 580**	969 671	2 037 402	**100**	100	100
EBITDA						
Building materials	**28 130**	26 344	61 865	**16**	21	22
Power	**137 123**	98 957	213 765	**81**	80	77
Corporate	**3 249**	(1 437)	2 866	**3**	(1)	1
Total	**168 502**	123 864	278 496	**100**	100	100
Profit after tax						
Building materials	**10 990**	8 402	29 162	**9**	12	17
Power	**75 006**	63 191	137 858	**63**	90	80
Oil & gas	**26 493**	–	–	**22**	–	–
Corporate	**7 470**	(1 109)	4 606	**6**	(2)	3
Total	**119 959**	70 484	171 626	**100**	100	100

	Unaudited six months ended 28 February 2014 R'000	Unaudited six months ended 28 February 2013 R'000	Audited year ended 31 August 2013 R'000
ASSETS			
Building materials	**473 400**	446 227	486 636
Power	**1 679 440**	1 206 823	1 259 482
Oil & Gas	**312 588**		
Corporate	**1 848 711**	1 421 175	1 814 808
Total assets including group loan accounts	**4 314 139**	3 074 225	3 560 926
Inter-group elimination	**(783 321)**	(778 840)	(782 637)
Total	**3 530 818**	2 295 385	2 778 289
LIABILITIES			
Building materials	**360 235**	354 146	385 357
Power	**1 031 697**	699 110	676 214
Oil & Gas	**272 303**		
Corporate	**430 533**	280 564	422 400
Total liabilities including group loan accounts	**2 094 768**	1 333 820	1 483 971
Inter-group elimination	**(279 512)**	(256 192)	(285 673)
Total	**1 815 256**	1 077 628	1 198 298

DIVIDEND

The group's policy is for the board to consider a dividend on an annual basis after reviewing the annual results.

BASIS OF PREPARATION

These unaudited consolidated interim results for the six months ended 28 February 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), Interim Financial Reporting (IAS34), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and comply with the South African Companies Act (2008), as amended. The accounting policies applied are consistent with those applied in the annual financial statements for the year ended 31 August 2013. These results have not been audited or reviewed by the group's auditors.

These unaudited interim results have been prepared under the supervision of the group financial director I Klitzner CA(SA).

CHANGES TO COMPOSITION OF THE AUDIT COMMITTEE

Subsequent to the AGM held on 2 April 2014, Frank Boner has stepped down from the audit committee and was replaced by independent non-executive director Rob Horton. Frank will continue to attend meetings of the audit committee as an invitee.

APPRECIATION

The directors and management of Consolidated Infrastructure wish to thank all staff for their focused efforts and loyalty. We also thank our customers, business partners, advisors, suppliers and our shareholders for their ongoing support.

By order of the board

Frank Boner	**Raoul Gamsu**
Chairman	CEO

9 April 2014

DISCLAIMER

The group has in good faith made reasonable effort to ensure the accuracy and completeness of the information contained in this document, including all information that may be regarded as "forward-looking statements".

Forward-looking statements may be identified by words such as "believe", "anticipate", "expect", "plan", "estimate", "intend", "project", "target".

Forward-looking statements are not statements of fact, but statements by the management of the group based on its current estimates, projections, expectations, beliefs and assumptions regarding the group's future performance and no assurance can be given to this effect.

The risks and uncertainties inherent in the forward-looking statements contained in this document include but are not limited to changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political risks; and the effects of both current and future litigation.

The group does not undertake to update any forward-looking statements contained in this document and does not assume responsibility for any loss or damage and howsoever arising as a result of the reliance by any party thereon, including, but not limited to, loss of earnings, profits or consequential loss or damage.

Consolidated Infrastructure Group Limited

www.ciglimited.co.za

Consolidated Infrastructure Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2007/004935/06)
JSE share code: CIL
ISIN: ZAE000153888
("Consolidated Infrastructure" or "CIG" or "the group")

Independent non-executive directors
F Boner (Chairman), K Bucknor*, A Darko*, AD Dixon, R Horton, J Nwokedi
** Ghanaian*

Executive directors
RD Gamsu, IM Klitzner, B Berelowitz

There were no changes to the board of directors during the period.

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Company secretary
Probity Business Services Proprietary Limited

Transfer secretaries
Computershare Investor Services Proprietary Limited

Sponsor
Java Capital

Auditors
Grant Thornton (Jhb) Inc.