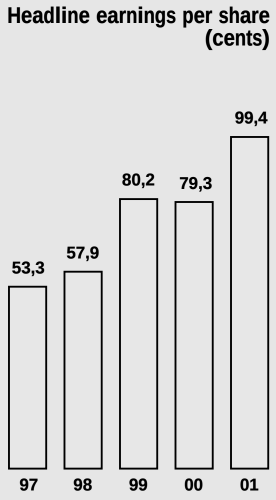
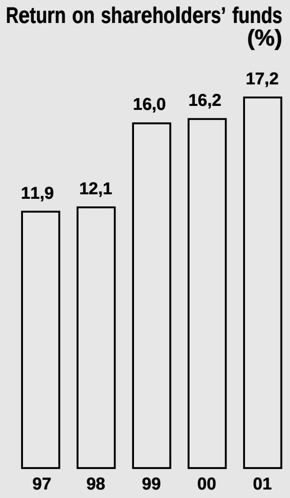
GROUP RESULTS FOR THE YEAR ENDED 30 JUNE 2001

- Headline earnings per share up 25%
- Operating income up 72%
- Order book up to R8,2 billion





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Consolidated income statement

	2001 Rm	2000 Rm	% Change
Turnover	**10 317,1**	4 926,1	109,4
Operating income before depreciation	**722,9**	332,5	
Depreciation	**292,1**	81,4	
Operating income	**430,8**	251,1	71,6
Income from associates	**99,9**	74,9	
Income from investments	**67,2**	82,8	
Income before interest paid	**597,9**	408,8	
Interest paid	**178,5**	28,5	
Income before exceptional items	**419,4**	380,3	10,3
Exceptional items	**(58,6)**	(21,4)	
Income before taxation	**360,8**	358,9	
Taxation	**78,6**	78,8	
Income after taxation	**282,2**	280,1	
Minority interests	**14,3**	16,4	
Earnings	**267,9**	263,7	1,6
Adjustment for exceptional items, net of attributable taxation and minority interests	**58,6**	13,9	
Headline earnings	**326,5**	277,6	17,6
EARNINGS PER SHARE (cents per share)			
Headline	**99,4**	79,3	25,3
Diluted headline	**86,8**	72,4	19,9
Earnings	**81,6**	75,4	8,2
Diluted earnings	**71,5**	68,9	3,8
Dividend per share (cents)	**22,5**	18,5	21,6

Other group information

	2001	2000
Weighted average number of shares (millions)		
In issue (reduced by share buy-back)	**328,5**	349,9
In issue, debentures and allocated incentive shares	**383,4**	392,0
Exceptional items:	**Rm**	Rm
(Net surplus)/loss on disposal and write-down of investments, subsidiaries and properties	**(7,5)**	(8,7)
Rationalisation and restructuring costs		16,8
Goodwill written off	**65,9**	10,0
Other	**0,2**	3,3
	58,6	21,4
Attributable taxation credit		(4,5)
	58,6	16,9
Attributable to minority interests		(3,0)
Net	**58,6**	13,9

Cash flow statement

	2001 Rm	2000 Rm
Cash retained from operating activities	**315,6**	401,5
Net fixed assets purchased	**(492,3)**	(111,8)
Acquisitions net of disposals	**(1 550,2)**	(45,4)
Investments – other	**17,8**	73,4
Net long-term borrowings	**529,0**	33,8
Net capital restructuring		(10,2)
Net increase/(decrease) in cash and cash equivalents	**(1 180,1)**	341,3
Cash and cash equivalents at beginning of the year	**694,9**	353,6
Net increase/(decrease) in cash and cash equivalents	**(1 180,1)**	341,3
Cash and cash equivalents at end of the year	**(485,2)**	694,9

Consolidated balance sheet

	2001 Rm	2000 Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**1 464,4**	505,1
Intangible assets	**1 050,5**	
Investments	**618,5**	440,3
	3 133,4	945,4
Current assets		
Inventories and contracts in progress	**1 724,1**	986,9
Trade, other receivables and prepayments	**923,5**	588,5
Cash and cash equivalents	**368,0**	755,6
	3 015,6	2 331,0
TOTAL ASSETS	**6 149,0**	3 276,4
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shareholders' funds	**2 012,9**	1 787,5
Minority interests	**173,7**	90,3
Total shareholders' funds	**2 186,6**	1 877,8
Non-current liabilities		
Interest-bearing borrowings	**632,3**	33,7
Deferred taxation	**76,5**	64,1
	708,8	97,8
Current liabilities		
Trade and other payables	**2 247,7**	1 172,4
Short-term borrowings	**930,3**	91,4
Taxation	**75,6**	37,0
	3 253,6	1 300,8
TOTAL EQUITY AND LIABILITIES	**6 149,0**	3 276,4

Note: The 2000 comparatives have been restated with the adoption of the alternative method of accounting for joint ventures on the equity accounting method (AC 418).

Segmental information

	%	2001 Rm	2000 Rm	%
Turnover				
Construction	**70,5**	**7 270,1**	2 692,5	54,6
Steel and allied	**29,5**	**3 047,0**	1 673,1	34,0
Bearings			560,5	11,4
	100,0	**10 317,1**	4 926,1	100,0
EBIT				
Construction	**58,1**	**250,3**	54,3	21,6
Steel and allied	**41,9**	**180,5**	142,7	56,8
Bearings			54,1	21,6
	100,0	**430,8**	251,1	100,0
Geographical turnover				
Republic of South Africa (CMA)	**64,5**	**6 654,8**	4 122,9	83,7
Africa and Middle East	**21,5**	**2 217,3**	803,2	16,3
Australasia and South East Asia	**14,0**	**1 445,0**		
	100,0	**10 317,1**	4 926,1	100,0

Statement of changes in equity

Rm	Share capital	Non distributable reserves	Automatically covertible subordinated debentures	Retained income	Total
Balance at 30 June 2000	601,2	26,0	171,2	989,1	1 787,5
Foreign currency translation		16,0			16,0
Earnings for the year				267,9	267,9
Dividends paid				(60,7)	(60,7)
Transfer of equity accounted earnings					
Increase in share premium as a result of the issue of shares to LTA Limited shareholders and share scheme participants	2,9				2,9
Transfers arising on consolidation					
Transfers		(6,9)		6,9	
Other		(0,7)			(0,7)
Balance at 30 June 2001	**604,1**	**34,4**	**171,2**	**1 203,2**	**2 012,9**

Financial review

The acquisition of LTA and the Baldwins automotive business boosted revenue for the year to R10,3 billion, double that of the prior year, despite the sale of Bearing Man and the change to equity accounting Alpha.

Headline earnings per share of 99 cents are 25% up on last year after taking into account the shares bought back during June 2000. Operating income increased by 72% and headline earnings by 18% compared to the prior year. In line with Aveng's policy of a four times dividend cover, the board has declared an annual dividend of 22,5 cents. As the annual dividend now exceeds 22,2 cents per share, the convertible debentures will convert, simplifying the group's share structure. At the fully diluted level, which takes account of the impact of converting the Aveng debentures as well as the future vesting of all options issued to management, the year on year growth in earnings per share is 20%.

These financial results are most encouraging when viewed within the context of the significant rationalisation costs and write-offs associated with the above acquisitions.

When announcing the LTA acquisition, Aveng management projected a net debt-to-equity ratio of 55% by 30 June 2001. This important target has been achieved. Management will continue to assign a high priority to the paying down of debt and is projecting to reduce this ratio to the long-term target of 40% within two years. Aveng believes that the broad geographical spread of its construction business and the stable cash generating capacities of its cement and steel businesses make this level of debt appropriate for its business mix.

Operational review

Construction

A detailed operational review by management concluded that the two construction companies needed to be fully integrated if Aveng were to realise its primary objective of being globally competitive. Grinaker-LTA was born and Frank Crowley was appointed managing director with Howard Jones as his deputy.

The past six months have been devoted largely to the integration of these two companies. While the rationalisation/integration task has been substantially completed, management believes that another eighteen months will be needed to finalise the strategic repositioning of the group.

The repositioning initiative is being driven by three imperatives:

(i) To streamline support structures, shorten communication channels and minimise costs

(ii) To redeploy resources to best meet the changing needs of clients

(iii) To assemble complementary skills into flexible strategic units that are able to respond appropriately to specific opportunities in niche markets

Grinaker-LTA has not attempted to create a centralised technical skills resource, believing that specialised skills add most value when deployed within their respective operating entities.

Construction comprises three operating entities:

- Construction and Development, consisting of civil and earthworks, building, property development and concessions. In addition there are specialised companies focused on railway maintenance, concrete rehabilitation and ground engineering.
- Engineering and Mining Services, consisting of opencast and underground mining, process engineering, and MEIP (mechanical, electrical, instrumentation and piping).
- McConnell Dowell, the Australian and New Zealand listed construction company, with its major divisions being civil engineering (largely heavy marine structures), major pipelines, mechanical and electrical.

Aveng's construction business generates an annual turnover of R7,3 billion and houses 65% of group assets.

Steel and Allied

Steel and Allied consists of the steel and manufacturing businesses in Aveng. The following are the most important business units:

- Trident service centres, beneficiating steel for the motor, engineering and construction industries
- Trident Midrand Steel, providing specialised and 3CR12 steel to the engineering and construction industries
- Trident Sterling Tube, a manufacturer of steel tubing
- Amalgamated Steele; manufacturers of concrete reinforcing and wire products, structural steel supply and erection, mining products and systems.
- Infrastructure and mining products; manufacturers of railway sleepers, storm water culverts and mine support systems.

In addition, Steel and Allied includes a number of smaller non-core businesses and Aveng's small corporate office.

Steel processes over 650 000 tons of steel per annum, contributes R3 billion to Aveng's turnover and houses 35% of its assets.

Cement

Following the significant decline in the early months of 2000 as a result of high rainfall, cement volume growth has been good. Industry domestic cementitious volumes were up by 4,3% in the year ended June 2001 compared to a decline of 2,6% in the prior year. Alpha's volume growth was marginally ahead of that of the industry during the year, largely as a result of the re-establishment of sales in flood-damaged areas where many Alpha customers reside.

While average achieved cement prices have shown reasonable growth in rand terms over the past year, these prices have declined 7% in US dollar terms. The current at mill net price of $37 per ton is one of the lowest in the world. This has serious implications for the modernisation of South Africa's cement capacity as the business is capital intensive and the cost of manufacturing plant is largely US dollar based.

Alpha continues to operate a quarrying and ready mixed concrete business that is complementary to its cement interests. This business has performed reasonably well over the past year.

The three-year Alpha 2000 revenue enhancement/cost reduction project comes to an end in December 2001. A recent audit of the results achieved to date compared to the original objectives reported that the programme was on track.

Holcim (formerly Holderbank), one of the world's leading cement companies and holder of a 54% interest in Alpha, regularly benchmarks cement kiln performance against that of other kilns in its group. Alpha measures up well being consistently placed in the upper quartile across a broad range of performance standards.

Prospects

Locally, prospects look good.

The order book has continued to grow and now stands at R8,2 billion, including McConnell Dowell which has a good order book of Aus$460 million.

Cement demand is coming off a low base with year-to-date volume growth 4% up on last year. This trend is expected to continue, possibly at a slightly lower level, into the new year.

Steel demand in our sector, which is influenced by purchases from the motor manufacturing industry, is showing similar tendencies.

Internationally, prospects look tough. However, there are still some interesting opportunities in niche markets which the group hopes to be able to capitalise on. The biggest concern is that the international slowdown will negatively affect projects in southern Africa.

Nevertheless, Aveng looks forward to a year of solid real earnings growth.

Dividend

A final dividend, No. 2 of 22,5 cents per ordinary share, has been declared payable on 26 October 2001 to shareholders registered on 28 September 2001.

Strate

The Company's shares will be dematerialised on 3 December 2001 with electronic trading commencing on 24 December 2001, and the first electronic settlements on 3 January 2002. Relevant information will be mailed to shareholders with the Annual Report.

By order of the board

Richard Savage
Chairman

Carl Grim
Managing director

4 September 2001

Targeting construction in the developing world supported by steel and cement

DIRECTORS R B Savage*†‡ *(chairman)*, P L Erasmus*‡ *(deputy chairman)*, C Grim†‡ *(managing director)*, E A Behr, C V Campbell*†, P F Crowley, A Dawson, M M Doyle, D R Gammie†, J R Hersov*, H D K Jones, V Z Mntambo*, P J Owen*†°, M Taback*, W Wassermeier
**Non-executive director †Member of Audit Committee, ‡Member of Remuneration Committee °Australian,* COMPANY SECRETARY P H Hansen, TRANSFER SECRETARIES Mercantile Securities Banking, a division of Mercantile Bank Limited, 10th Floor, 11 Diagonal Street, Johannesburg 2001, PO Box 1053, Johannesburg 2000, Telephone (011) 370-5000, Telefax (011) 370-5560
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