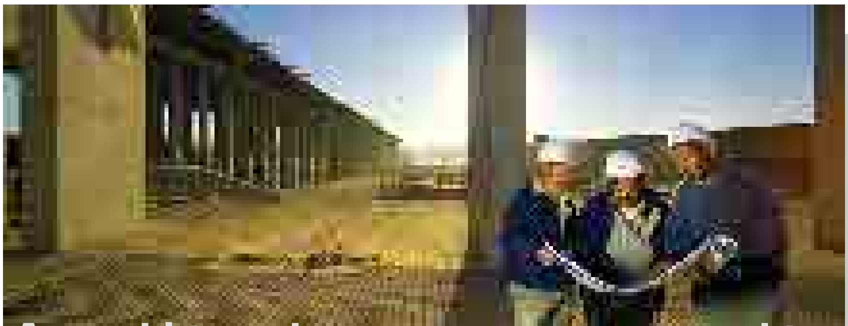

Audited group results

AVENG

"Building sustainable value"

for the year ended 30 June 2005

Consolidated balance sheet

	2005 Rm	2004 Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**1 858**	1 891
Goodwill and other intangibles	**763**	718
Investments	**691**	555
Deferred tax	**143**	66
	3 455	3 230
Current assets		
Inventories and contracts in progress	**1 345**	1 018
Trade and other receivables and prepayments	**3 293**	2 887
Cash and cash equivalents	**857**	746
	5 495	4 651
TOTAL ASSETS	**8 950**	7 881
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shareholders' funds	**2 921**	2 495
Minority interests	**9**	5
Total shareholders' funds	**2 930**	2 500
Non-current liabilities		
Interest-bearing borrowings	**1 418**	691
Deferred tax	**28**	28
	1 446	719
Current liabilities		
Trade and other payables	**3 900**	3 256
Short-term borrowings	**605**	1 406
Taxation payable	**69**	
	4 574	4 662
TOTAL EQUITY AND LIABILITIES	**8 950**	7 881

Cash flow statement

	2005 Rm	2004 Rm
Cash retained from operating activities	**288**	345
Net fixed assets purchased	**(313)**	(298)
Minorities acquired		(136)
Investments – other	**162**	135
Net long-term borrowings	**861**	(89)
Net increase/(decrease) in cash and cash equivalents	**998**	(43)
Cash and cash equivalents at beginning of the year	**(444)**	(401)
Cash and cash equivalents at end of the year	**554**	(444)

Other group information

	2005 Rm	2004 Rm	% change
Determination of headline earnings:			
Adjustment for amortisation of goodwill		46	
Net surplus on disposal of properties and equipment	**(24)**	(4)	
Net loss/(surplus) on disposal of investments	**1**	(15)	
	(23)	27	
Earnings	**387**	189	
Headline earnings	**364**	216	
Capital expenditure			
Expansion	**262**	245	7
Maintenance	**207**	168	23
	469	413	14
Goodwill, intangibles and amortisation (net)			
At beginning of the year	**719**	959	
Acquisition of subsidiaries		(33)	
Adjustment due to adoption of IFRS 3	**25**		
Foreign exchange movements	**20**	(162)	
Current year change – Goodwill		(45)	
– Intangibles	**(1)**	(1)	
At end of year	**763**	718	
Number of shares (millions)			
In issue	**396**	396	
Weighted average	**389**	389	
Net debt to equity ratio	**40%**	54%	

Consolidated income statement

	2005 Rm	2004 Rm	% change
Revenue	**13 535**	11 740	15
Operating income before depreciation	**711**	620	
Depreciation	**384**	393	
Operating income	**327**	227	44
Income from associates and joint ventures	**270**	184	
Income from investments	**82**	66	
Income before interest paid	**679**	477	42
Interest paid	**240**	281	
Income before goodwill and non-trading items	**439**	196	124
Amortisation of goodwill and other intangibles	**(2)**	(47)	
Non-trading items	**23**	20	
Income before taxation	**460**	169	172
Taxation	**72**	(19)	
Income after taxation	**388**	188	106
Minority interests	**1**	(1)	
Earnings	**387**	189	105
DETERMINATION OF HEADLINE EARNINGS			
Earnings	**387**	189	
Net adjustment for amortisation of goodwill and non-trading items	**(23)**	27	
Headline earnings	**364**	216	69
EARNINGS PER SHARE (cents)			
Earnings	**99,3**	48,5	105
Headline	**93,5**	55,3	69
NET ASSET VALUE PER SHARE	**737,4**	629,8	17
DIVIDEND PER SHARE		14,0	(100)

Segmental information

	2005 Rm	%	2004 Rm	%
Revenue				
Construction – Grinaker-LTA	**6 765**	**50**	5 657	48
– McConnell Dowell	**1 796**	**13**	1 928	17
Steel and Allied	**4 974**	**37**	4 155	35
	13 535	**100**	11 740	100
Operating income				
Construction – Grinaker-LTA	**(18)**	**(5)**	(126)	(54)
– McConnell Dowell	**(117)**	**(35)**	(51)	(23)
Steel and Allied	**462**	**140**	404	177
	327	**100**	227	100
Geographical revenue				
Republic of South Africa (CMA)	**8 825**	**65**	7 547	64
Africa and Middle East	**2 855**	**21**	2 415	21
Australasia and South East Asia	**1 855**	**14**	1 778	15
	13 535	**100**	11 740	100
Holcim (South Africa) (Proprietary) Limited – (100%)				
Revenue	**3 967**		3 062	
Operating income	**1 099**		723	

NOTE: *The financial information above relates to Holcim (South Africa) (Proprietary) Limited (100%) and not the equity accounted entity Altur. Aveng Limited holds its 45,65% stake in Holcim (South Africa) through Altur.*

NOTES

These results have been compiled in accordance with International Financial Reporting Standards ("IFRS"). The presentation of these results also conform to the Listings Requirements of the JSE Limited and Schedule 4 of the South African Companies Act. The accounting policies used in the preparation of the results are consistent in all material respects with those adopted in the annual financial statements from the year ended 30 June 2004, except for the effect of the adoption of IFRS 3: Business Combinations.

IFRS 3: Business Combinations

The group adopted IFRS 3: Business Combinations during the current financial reporting period. The adoption of this statement resulted in a change in the accounting policy for goodwill. An entity shall apply IFRS 3 prospectively from the beginning of the first annual period on or after 31 March 2004. In accordance with the provisions of this statement:

- effective 1 July 2004, the group discontinued amortising goodwill;
- effective 1 July 2004, the group eliminated the carrying amount of the related accumulated amortisation with the corresponding decrease in goodwill; and
- effective 1 July 2004, annually test the goodwill for impairment in accordance with IAS 36.

The adoption of this accounting policy resulted in goodwill amortisation of R45 million ceasing and the reversal of R25 million of negative goodwill. The impact of the adoption of IFRS 3 is reflected below.

IFRS 3: Business combinations: Impact on financials	Effect	2005 Rm	2004 Rm
Balance sheet			
Distributable reserves	Increase	**70**	
Goodwill	Increase	**70**	
Income statement			
Amortisation of goodwill	Decrease	**45**	
	Comparative unchanged		

IAS 17: Leases

In prior years, operating lease payments were recognised in the income statement in the year incurred. Circular 7/2005 issued in August 2005, by the South African Institute of Chartered Accountants, requires minimum lease payments that are subject to fixed escalations to be spread evenly over the life of the lease instead of as incurred.

IAS 17 Leases: Impact on financials **Payments spread evenly over life of lease**	Effect	2005 Rm	2004 Rm
Balance sheet			
Distributable reserves – current year	Decrease	**2**	3
Distributable reserves – prior year	Decrease	**17**	13
Trade and other payables	Increase	**19**	17
Income statement			
Operating expenses	Increase	**2**	3
	Comparatives restated		

IAS 17 Leases: Impact on financials **Lease reclassification**	Effect	2005 Rm	2004 Rm
Balance sheet			
Distributable reserves – current year	Decrease	**1**	1
Distributable reserves – prior year	Decrease	**8**	7
Property, plant and equipment	Increase	**39**	40
Interest-bearing borrowings	Increase	**48**	48
Trade and other payables	Increase	**6**	6
Trade and other receivables	Increase	**6**	6
Income statement			
Operating expenses	Increase	**(6)**	(6)
Depreciation	Increase	**1**	1
Interest paid	Increase	**6**	6
	Comparatives restated		

The annual financial statements have been prepared on a going-concern basis.

The results have been audited by Ernst & Young and the unqualified audit opinion is available on request from the company secretary at the company's registered office.

The group's annual financial report will be available by the end of September 2005.

Statement of changes in equity

for the year ended 30 June 2005	Share capital Rm	Share premium Rm	Non distri-butable reserves Rm	Retained income Rm	Total Rm
Balance at 1 July 2003	19	930	(100)	1 974	2 823
Accounting policy IAS 17				(20)	(20)
Dividends paid				(124)	(124)
Earnings for the year				189	189
Equity accounted reserve movements			(15)		(15)
Foreign currency translation			(358)		(358)
Balance at 30 June 2004	19	930	(473)	2 019	2 495
Dividends paid				(55)	(55)
Earnings for the year				387	387
Equity accounted reserve movements			(6)		(6)
Foreign currency translation			42		42
Negative goodwill transfer				25	25
Revaluation reserve			33		33
Transfers			(1)	1	
Balance at 30 June 2005	19	930	(405)	2 377	2 921

Commentary

Directors are pleased to report that the first step in Aveng's recovery programme has been successfully completed, as demonstrated by the 69% growth in headline earnings. This marginally exceeds the growth indication announced to the market in January this year.

With a return on average equity of 13,4% the group is just short of its target to achieve a real return of 10% for shareholders. Most encouraging is the 10% decline in net debt and the associated reduction in the net debt to equity ratio to 40%, the lowest in five years and fast approaching the Aveng target of 35%.

The group successfully raised R1 billion in the form of a seven year, 6,125% convertible bond early in 2005. The interest on the bond is payable semi-annually in arrears in rands.

Operations

Safety is of paramount importance in our business. The past year DIFR (lost time injuries per 200 000 man hours worked) was an outstanding 0,69 (2004: 0,62) in the construction cluster compared to a South African industry average recorded by the compensation commissioner of 8,6.

Grinaker-LTA Construction, the largest of the Grinaker-LTA operating groups, generated revenue of R5 billion in 2005 and made a small profit before head office overhead cost allocations. *Building and Property Development* contributes approximately 36% of construction's revenue. These businesses have performed well. *Civils, Roads and Earthworks and Underground Contracting* (38% of construction revenue) was primarily responsible for last year's large losses in construction. While not yet profitable, Roads and Earthworks is at

TRIDENT STEEL

Holcim

Targeting construction in the developing world supported locally by steel and cement

Directors: R B Savage* *(Chairman)*, P L Erasmus* *(Deputy Chairman)*, C Grim (Chief Executive), D R Gammie *(Finance)*, B P J Fourie, L Gcabashe*, J R Hersov*, H D K Jones, W E Lucas-Bull*, K W Meissner-Roloff*, V Z Mntambo*, D G Robinson *(Australian)*, B P Steele*
**Non-executive director*

Company secretary: C M Bishop

Registrars: Computershare Investor Services 2004 (Pty) Limited (Registration number 2004/003647/07)), 70 Marshall Street, Johannesburg, 2001; PO Box 61051, Marshalltown, 2107, Telephone (011) 370-5000, Telefax (011) 688-7717

Aveng Limited: Registration number 1944/018119/06 **Share code:** AEG **ISIN code:** ZAE 000018081 **Registered office:** Block B, 204 Rivonia Road, Morningside, 2057

breakeven and is set to make a positive contribution in 2006. Civils and underground contracting continue to perform well. *Mechanical and Electrical* (26% of construction revenue) had a difficult year, largely because of some large loss-making contracts in the Middle East. It disposed of a number of its smaller non-core operations during the year.

Grinaker-LTA Opencast Mining (Moolmans) generated revenue of around R1,5 billion. It has yet to resolve its difficulties with Aquarius Platinum where it is contracted to provide mining services to the Marikana Mine. Independent auditors are completing their analysis of the 'rise and fall' escalation dispute. While the settlement of this matter will undoubtedly go to arbitration. Management are actively trying to find a workable solution going forward.

Grinaker-LTA Process Engineering's annual revenue of approximately R340 million, has significant growth potential. Its activities are upstream of construction on the project value chain and it uses its niche skills to engineer and project manage solutions principally for mining, refining and energy clients.

McConnell Dowell generated revenue of R1,8 billion for the year, and operating profits of R55 million, including R17 million of joint venture contract contributions. Unfortunately there were a number of negative once-off adjustments, including the Walter Bau AG liquidation write-off of R41 million, the settlement of a number of quarantined projects at a cost of R25 million and the reversal of R90 million of previously recognised revenue on contracts currently in dispute, to bring McConnell Dowell into line with Aveng's revenue recognition guidelines. These adjustments resulted in an operating loss of R117 million for the year. During the year a shareholders loan of R195 million was converted into equity. McConnell Dowell is focused mainly in the areas of Civil and Marine Contracting (54% of revenue), Mechanical and Pipelines (23% of revenue) and Electrical Maintenance (23% of revenue).

Steel & Allied, which is made up of Trident Steel, Grinaker-LTA Manufacturing and the Aveng corporate office, increased revenues by 20% to R5 billion, 37% of Aveng's revenue. Operating income increased by 15% to R463 million, after expensing R35 million in respect of the convertible bond and R31 million relating to the executive incentive schemes.
Trident Steel generated just over 60% of the Steel & Allied revenue with approximately one third of its sales going to each of the automotive and manufacturing sectors. Construction absorbed 22% of sales and exports about 9%. A number of capital investments were completed during the year to enhance the cluster's service capability. The most important was a large laser cutting bed and extensions to Trident Sterling Tube which supported the consolidation of all its operations into a single facility at Alrode.
Grinaker-LTA Manufacturing contributed close to 40% of Steel & Allied's revenue, up from 33% in the prior year. Its Steeledale and Infraset businesses have been particularly active as they benefited indirectly from the current housing boom. Duraset will recover as mining investment picks up and Lennings Rail will benefit from infrastructure spending in Transnet, South Africa's rail utility.

Holcim (South Africa) revenue of R4 billion for the year was 30% higher than the prior year while operating income of R1,1 billion reflected a 52% increase. This enabled the company to practically eliminate its debt. Capital expenditure was relatively low at R145 million as the R165 million upgrade to the precipitators, and related work on Dudfield Kiln No.2, to bring emission levels to international standards, had to be postponed due to high cement demand. In spite of its adding 500 000 tons of additional capacity in January 2004, the company is now running close to capacity. The board is currently reviewing the situation.

Prospects

The next few years will be important for the South African construction industry. The low interest rate led consumer boom that benefited the housing, cement and associated industries during the past two years is moving to the upstream supply chain, principally retail, logistics and manufacturing. Our building and property development companies are experiencing increases in activity.

Other important macro variables in our target markets are the rand/dollar exchange rate, commodity prices activity in China and the oil price. While the rand has remained strong and is expected to remain so for the foreseeable future, it has also been relatively stable. Industry is adapting to the stronger currency and we are seeing signs of increased investment from exchange rate sensitive mining clients. In addition, high oil and commodity prices are stimulating investment across the globe. This augers well for group companies, all of which are keenly focused on serving the mining and energy industries. Activity in China and the associated demand for resources is of particular benefit to McConnell Dowell. Finally, we have seen a definite change in the public sector infrastructure investment climate in South Africa. While implementation capacity remains a challenge, there is an increased level of urgency.

Because Grinaker-LTA construction held back resources to execute the Gautrain project, its order book, excluding Opencast Mining and Process Engineering, is a relatively low 79% of the prior year's revenue. It therefore has valuable excess capacity to respond to the growing construction requirements of its important clients and benefit from the increased level of work available. Grinaker-LTA Process Engineering has a two-year order book of 99%, Grinaker-LTA Opencast Mining of 194% and McConnell Dowell's order book is 99%. We are confident that the Steel & Allied businesses and Cement will continue to deliver solid performances although it would be unrealistic to expect substantial improvements off the current high levels in the year ahead.

Aveng will deliver on its three corporate objectives in 2006:
- a growth in headline earnings per share of CPIX +10%
- a return on shareholder equity of CPIX + 10%
- a net debt to equity ratio of 35%

Dividend declaration 2005

Dividend No 6 of 23,0 cents per share, being the total dividend in respect of the financial year ended 30 June 2005 (2004: 14,0 cents per share) has been declared payable to shareholders recorded in the share register at close of business on Friday, 21 October 2005.

The salient dates are:

Last date to trade shares cum dividend	Friday, 14 October 2005
Shares trade ex dividend from	Monday, 17 October 2005
Record date	Friday, 21 October 2005
Payment date	Monday, 24 October 2005

No dematerialisation or rematerialisation of shares may take place for the period from 17 October 2005 to 21 October 2005, both days inclusive.

On Monday, 24 October 2005, the dividend will be electronically transferred to the bank accounts of all certificated shareholders unless this has not been requested by or is not available to them. If electronic funds transfer is not applicable cheques dated 24 October 2005 will be posted on that date. Transfers will be made to the dematerialised shareholder accounts at their CSDP or broker on 24 October 2005.

By order of the board

RB Savage *Chairman*
C Grim *Chief Executive*
DR Gammie *Director Finance*

Sandton, 9 September 2005

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