

Annexure 3 – Group segmental report

All monetary amounts are expressed
in millions of Rand

The Group's primary format for reporting segmental information is determined in accordance with the nature of business and its secondary format is determined with reference to the geographical location of the operations.

Segmental revenue and expenses

All segment revenue and expenses are directly attributable to the segments. Segment revenue and expenses are allocated to the geographic segments based on the location of the operating activity.

Segmental assets

All operating assets used by a segment, principally property, plant and equipment, investments, inventories, contracts in progress, and receivables, net of allowances. Cash balances are excluded. Segment assets are allocated to the geographic segments based on where the assets are located.

	Construction & engineering	Construction materials & services	Fabrication & manufacture	Corporate*	Group
2006					
Revenue – external	6 966	4 032	968	–	11 966
Continuing operations	6 966	3 986	968	–	11 920
Discontinued operations	–	46	–	–	46
Revenue – internal	133	69	7	(209)	–
Results					
Earnings before exceptional items and interest	324	538	86	(147)	801
Continuing operations	324	537	86	(147)	800
Discontinued operations	–	1	–	–	1
Exceptional items	(60)	(15)	(11)	1	(85)
Earnings before interest and taxation	264	523	75	(146)	716
Net interest income/(expense)	13	(11)	(13)	33	22
Earnings before taxation	277	512	62	(113)	738
Taxation	(78)	(141)	(19)	45	(193)
Earnings after taxation	199	371	43	(68)	545
Income from associates	1	1	–	(1)	1
Profit for the year from discontinued operations	–	–	16	–	16
Minority shareholders' interest	(10)	(39)	–	–	(49)
Earnings attributable to ordinary shareholders	190	333	59	(69)	513

* Corporate includes the elimination of inter-segment revenue

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Segmental liabilities

All operating liabilities of a segment, principally accounts payable, subcontractor liabilities and external interest-bearing borrowings.

Primary reporting – business segments

For management purposes, the Group is organised on a world wide basis into four main business segments. These segments are the basis on which the Group reported its primary segment information. The composition of these segments is set out in Annexure 1.

	Construction & engineering	Construction materials & services	Fabrication & manufacture	Corporate*	Group
2005					
Revenue – external	6 230	3 420	1 023	1	10 674
Continuing operations	6 230	3 172	869	1	10 272
Discontinued operations	–	248	154	–	402
Revenue – internal	29	129	6	(164)	–
Results					
Earnings before exceptional items and interest	239	345	94	(122)	556
Continuing operations	239	326	101	(122)	544
Discontinued operations	–	19	(7)	–	12
Exceptional items	(3)	–	(146)	223	74
Earnings before interest and taxation	236	345	(52)	101	630
Net interest income/(expense)	5	(23)	(23)	37	(4)
Earnings before taxation	241	322	(75)	138	626
Taxation	(104)	(133)	–	79	(158)
Earnings after taxation	137	189	(75)	217	468
Income from associate	16	–	–	61	77
Loss for the year from discontinued operations	–	–	(53)	–	(53)
Minority shareholders' interest	(5)	(19)	(6)	–	(30)
Earnings attributable to ordinary shareholders	148	170	(134)	278	462

* Corporate includes the elimination of inter-segment revenue

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Primary reporting – business segments

	Notes	Construction & engineering	Construction materials & services	Fabrication & manufacture	Corporate*	Group
2006						
Balance sheet						
Segmental assets	1	5 412	2 577	946	(410)	8 525
Segmental liabilities	2	4 118	1 403	555	500	6 576
Investment in associate company		777	6	–	1	784
Loans to associate companies		14	–	–	79	93
Non-current assets held-for-sale		11	–	–	–	11
Other information						
Capital expenditure of property, plant and equipment		196	119	53	1	369
Capital expenditure of other intangible assets		40	2	1	1	44
Depreciation		113	69	45	3	230
Amortisation of other intangible assets		12	3	–	1	16
Impairment of property, plant and equipment		4	–	–	–	4
Reversal of impairment of property, plant and equipment		–	–	3	–	3
Impairment of receivables		17	18	1	6	42
Number of employees		17 074	4 939	1 754	100	23 867
2005						
Balance sheet						
Segmental assets	1	3 757	1 969	718	(305)	6 139
Segmental liabilities	2	2 699	1 130	376	192	4 397
Investment in associate company		504	–	–	1	505
Other information						
Capital expenditure of property, plant and equipment		132	93	69	5	299
Capital expenditure of other intangible assets		9	1	3	2	15
Depreciation		121	57	51	1	230
Amortisation of other intangible assets		1	1	–	–	2
Impairment of property, plant and equipment		–	4	23	–	27
Impairment of receivables		15	33	1	8	57
Number of employees		18 056	4 025	1 740	83	23 904

* Corporate segmental assets include the inter-segment eliminations of group loans and receivables.

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2006

Restated
2005

NOTES

1. RECONCILIATION OF SEGMENTAL ASSETS

Total assets	10 385	8 104
Bank balances and cash	(1 808)	(1 931)
Deferred taxation assets	(52)	(34)
Segmental assets	8 525	6 139

2. RECONCILIATION OF SEGMENTAL LIABILITIES

Current liabilities	6 163	4 050
Bank overdrafts	(166)	(197)
Current taxation liabilities	(152)	(94)
Non-current liabilities	1 028	890
Deferred taxation liabilities	(297)	(252)
Segmental liabilities	6 576	4 397

SECONDARY REPORTING FORMAT – GEOGRAPHICAL SEGMENTS

The group operates in the following geographic areas of the world.

	South Africa	Africa – other	Europe	The Americas	Pacific Rim / South East Asia	Middle East	Group
2006							
Revenue	8 564	716	–	657	153	1 876	11 966
Percentage	72	6	–	5	1	16	
Segmental assets	5 167	391	1 006	205	621	1 135	8 525
Percentage	61	5	12	2	7	13	
Capital expenditure	296	6	–	30	13	24	369
Percentage	80	2	–	8	4	7	
Number of employees	20 452	2 010	5	733	79	588	23 867
Percentage	86	8	–	3	–	2	
2005							
Revenue	8 108	721	5	547	206	1 087	10 674
Percentage	76	7	–	5	2	10	
Segmental assets	4 098	357	829	114	111	630	6 139
Percentage	67	6	14	2	2	10	
Capital expenditure	275	5	2	4	5	8	299
Percentage	92	2	1	1	2	3	
Number of employees	19 030	3 708	5	632	80	449	23 904
Percentage	80	16	–	3	–	2	