STEFANUTTI & BRESSAN HOLDINGS LIMITED

(formerly Stefanutti & Bressan Civils (Pty) Limited)

(Incorporated in the Republic of South Africa)
(Registration number 1996/003767/06)
Share code: SFB ISIN: ZAE000101903
("Stefanutti & Bressan" or "the company")

PROSPECTUS

Prepared and issued in terms of the Listings Requirements ("the Listings Requirements") of the JSE Limited ("the JSE") relating to a private placement of shares by way of:

- **an offer for subscription of a maximum of 35 000 000 new ordinary shares in the share capital of Stefanutti & Bressan at a subscription price of between 1 000 cents and 1 200 cents per share;**
- **an offer for sale by certain existing shareholders of Stefanutti & Bressan of a maximum of 11 500 000 ordinary shares in the share capital of Stefanutti & Bressan at a purchase price of between 1 000 cents and 1 200 cents per share; and**
- **the subsequent listing of the shares of Stefanutti & Bressan on the JSE.**

Opening date of the private placement at 16:00 on	Wednesday, 25 July 2007
Last date for indications of interest from the invited institutional investors for the purposes of the bookbuild by 10:00 on	Thursday, 26 July 2007
Expected closing date of the private placement at 12:00 on	Thursday, 26 July 2007
Settlement and anticipated listing date on the JSE on	Friday, 3 August 2007

This prospectus is not an invitation to the general public to subscribe for or purchase shares in Stefanutti & Bressan, but is issued in compliance with the Listings Requirements and the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act"), for the purpose of providing information to the public with regards to Stefanutti & Bressan. The private placement is made to invited institutional and retail investors and selected private clients only.

At the date of listing, the authorised share capital of Stefanutti & Bressan will be R1 000 comprising 400 000 000 ordinary shares of 0.00025 cent each. After the private placement and at the date of listing, the issued share capital will be R385.47, consisting of 154 189 200 ordinary shares of 0.00025 cent each and a share premium account of R487 945 000 assuming the maximum number of shares will be issued.

The ordinary shares issued and sold in terms of the private placement will rank *pari passu* with all other ordinary shares issued by Stefanutti & Bressan. The JSE has granted a listing of Stefanutti & Bressan ordinary shares subject to compliance with its spread requirements.

The directors of Stefanutti & Bressan, whose names are set out in paragraph 6 of this prospectus, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this prospectus contains all information required by law and the JSE Listings Requirements.

An English copy of this prospectus, accompanied by the documents referred to under "Documents available for inspection" as set out in paragraph 44 of this prospectus, was registered by the Registrar of Companies on 25 July 2007 in terms of section 155(1) of the Act. The Registrar of Companies has scrutinised the information disclosed in this prospectus. The Registrar of Companies does not express any view on the risk for investors or the price of the shares.

Bookrunner, corporate advisor and sponsor	Reporting accountants and auditors	Attorneys
BRIDGE CAPITAL	Moores Rowland Geoktrooieerde Rekenmeesters (SA)	Webber Wentzel Bowens

Date of issue: 25 July 2007

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Private placement application form (white) – to be completed by Stefanutti & Bresson employees only	Attached

SALIENT FEATURES

This section is only a summary of the private placement and listing. For a full appreciation of the private placement and listing this prospectus should be read in its entirety.

The definitions commencing on page 9 of this prospectus apply *mutatis mutandis* to the salient features.

1. **THE BUSINESS**

   Stefanutti & Bressan was founded in 1971 in KwaZulu-Natal by Biagino Stefanutti and Ivo Bressan. Stefanutti & Bressan is a civil engineering and building construction business, with operations spanning the construction of industrial and petro-chemical plants, power stations, mines, dams, bridges, roads, water and effluent treatment plants and township infrastructure, all building work and geotechnical (including piling) works.

   The company has grown from a small Durban-based business to a leader in its industry with permanent offices and workshops in Johannesburg, Durban, Swaziland and Cape Town employing some 5 500 employees. The group also operates in Mozambique and Botswana. Management believes that the success of the business lies in its ability to execute strategic planning over a present and forward looking horizon and to share its skilled engineering resources effectively throughout sub-Saharan Africa.

   Over the last 36 years the company has progressed from initially executing projects on a labour-only sub-contract basis to independently taking on major projects under its own auspices throughout sub-Saharan Africa. Stefanutti & Bressan is capable of undertaking a range of operations from multi-million Rand projects to small contracts relating to such works as industrial maintenance.

   After operating in KwaZulu-Natal and Swaziland for 25 years, Stefanutti & Bressan established a full operating office in Johannesburg in 1996 and embarked on specialised power station cooling tower construction. The cooling towers at Eskom's Majuba Power Station are an excellent example of the expertise and resources available within the group.

   Within four years the Johannesburg operation had grown to become the group's largest operation. Its main focus is on petro-chemical and industrial plants, power stations, mine infrastructure, bridges, dams, waterproofing and rehabilitation of civil structures.

   Stefanutti & Bressan is today one of the largest civil engineering and building contractors in KwaZulu-Natal, active in the petro-chemical, paper, aluminum, ports, motor vehicle and general industries. The company is also involved in all general and specialised building work in the province.

   The company has recently expanded into piling, large earthworks, as well as road construction and rehabilitation. Its operations are diverse and include road and bridge works, repair and rehabilitation of structures, marine and jetty construction, demolition including underwater demolition, petro-chemical facility upgrades, earthworks and residential, commercial and industrial construction.

   Stefanutti & Bressan has further completed large expansion projects in Botswana on diamond and nickel mines, roadworks and, recently, a large water and effluent treatment facility in Francistown. Each project is run independently with certain equipment and material and limited skills sourced from Johannesburg.

   In Swaziland, Stefanutti & Bressan has been active in the industrial market including the construction of warehouses and concrete silos using the slipform principal for Swazi Sugar Association specifically, concrete structures at paper mills, dams, roadways, township drainage and road infrastructure and geotechnical work in the form of lateral support and road cuttings. Stefanutti & Bressan is equally active in Swaziland's building sector including hospitals, clinics, schools and improvements to the King's Palace.

   Stefanutti & Bressan's engineering skills are epitomised in the Fulton award-winning bridge that spans the Tugela River in Kwazulu-Natal, one of the company's award-winning structures. Attention to detail, extensive planning and exceptional quality have been integral in establishing the company as a recognised leader in its field.

2. **PROSPECTS**

The civil engineering and construction sector has been enjoying significant growth in recent years. There is an increasing demand for roads and railways, ports and reliable energy and telecommunication services. This is further strengthened by robust demand in the resources and commodities sector. The supply of skills to build and manage new infrastructure has not kept pace with this increase in demand. Stefanutti & Bressan has benefited from this and expects this trend to continue. A number of factors drive this growth: GFCF (Gross Fixed Capital Formation, previously GDFI) will rise from its present level of 18% of GDP to about 25% of GDP by 2014; public sector infrastructure spending is budgeted to exceed R150bn in 2009/2010; private sector expenditure continues to exceed this on an annual basis.

Stefanutti & Bressan has undertaken a number of significant projects for the key players in the GFCF cycle. Clients have included blue-chips, parastatals and the public sector: Anglo Gold Ashanti, Anglo Platinum, Assmang, Eskom, City of Johannesburg, City of Tswane, Impala Platinum, Johannesburg Roads Agency, Kumba Resources, Mittal South Africa, SANRAL, Sappi and Sasol. Eskom's largest projects include: new nuclear power plants R110bn, the Bravo coal-fired station (R84bn) and the Medupi coal-fired station (R70bn). Sasol's largest domestic projects include: Project Turbo – synfuels (R9.38bn), Project Turbo – Polymers (R5.37bn) and 3rd Octene train (R2bn). Sasol is also currently in the pre-feasibilty phase of a "second Secunda" estimated at $8bn at this stage. Transnet budgets to spend R38.9bn on Rail, R28.05bn on Ports and R9.96bn on Pipelines over the next five years. On current planning, Implats expects to spend R13.1bn on capital expenditure over the next five years.

Stefanutti & Bressan's committed order book amounts to R2.3bn for the 2008 financial year and a further R0.6bn secured the year thereafter. It has been shortlisted on a further R0.8bn of tenders.

A listing facilitates Stefanutti & Bressan's continued participation in this growth. It raises the profile of the group, assists in retaining and attracting key staff and provides access to capital with which to fund both organic and acquisitive growth.

3. **SUMMARY OF HISTORICAL AND FORECAST INCOME STATEMENTS**

A summary of the historical and forecast income statements of Stefanutti & Bressan and its subsidiaries for the years ended 28 February 2005, 2006 and 2007 and the year ending 29 February 2008, the preparation of which is the responsibility of the directors, are set out below:

R'000	**Historical Years ended 28 February 2005**	**2006**	**Year ended 28 February 2007**	**Forecast Year ended 29 February 2008**
Contract revenue	360 838	1 066 074	1 688 652	2 507 833
Growth (%)		*195.4*	*58.4*	*48.5*
Profit before tax	31 364	62 020	75 290	161 025
Profit before tax margin (%)	8.7	5.8	4.5	6.4
Profit after tax[1]	21 228	35 349	37 249	115 859
Earnings per share (cents)	15 860	23 095	14 461	832
Headline earnings per share (cents)	15 860	23 095	14 461	832
Pro forma earnings per share (cents)[2]	19.5	32.5	34.2	83.2
Pro forma headline earnings per share (cents)	19.5	32.5	34.2	83.2
Profit before tax excluding cost of BEE credentials[1]	31 364	62 020	105 290	161 025
Profit before tax excluding cost of BEE credentials margin (%)[1]	8.7	5.8	6.2	6.4
Profit after tax excluding cost of BEE credentials	21 228	35 349	67 249	115 859
Net profit margin (%) excluding cost of BEE credentials	*5.9*	*3.3*	*4.0*	*4.6*
Pro forma earnings per share excluding BEE cost (cents)[1]	19.5	32.5	61.7	83.2
Pro forma weighted average number of shares in issue (fully diluted)[2, 3]	108 882 934	108 882 934	108 882 934	139 326 186

Notes:

1. At the end of October 2006, the company successfully concluded a BEE transaction with Mowana Investments (Pty) Limited. The impact of obtaining these credentials amounted to a fair value adjustment of R30 million in the 2007 income statement in terms of the IFRS accounting standards adopted. This once-off adjustment is a non-operational cost which has been excluded above.
2. Calculation of *pro forma* earnings per share is based on the 400-for-1 share split.
3. The forecast period's weighted number of shares in issue is calculated on the assumption that the private placement will be fully subscribed and implemented at the beginning of August 2007.

4. THE PRIVATE PLACEMENT AND THE LISTING

4.1 Rationale for the private placement and listing

The purpose of the private placement and listing is to:

- raise capital and to have the flexibility of listed shares to allow the company to take advantage of potential growth opportunities in the construction sector. The proceeds of the private placement will be utilised to acquire targeted businesses, to finance the acquisition of ECMP and for other capital expenditure and working capital requirements;
- enhance investor and general public awareness of Stefanutti & Bressan;
- attract and retain intellectual capital through the incentive of meaningful equity participation;
- broaden Stefanutti & Bressan's shareholder base and to obtain the spread of shareholders required for the listing of Stefanutti & Bressan's shares on the JSE;
- afford qualifying investors the opportunity to participate directly in the income streams earned by Stefanutti & Bressan, as well as in the future capital growth of its assets.

4.2 Overview of the private placement

The private placement is made up of:

- an offer for subscription of a maximum of 35 000 000 new shares in the share capital of Stefanutti & Bressan at a subscription price of between 1 000 cents and 1 200 cents per share; and
- an offer for sale by certain existing shareholders of Stefanutti & Bressan of a maximum of 11 500 000 shares in the share capital of Stefanutti & Bressan at a purchase price of between 1 000 cents and 1 200 cents per share.

Therefore, a total amount of R465 million, before expenses, will be raised through the private placement to qualifying investors.

The proceeds of the private placement will first be applied to the offer for subscription (R350 million) which will allow the company to grow its market share through funding organic growth, facilitating the working capital requirements of the existing business as well as facilitating potential acquisition opportunities. Thereafter, the proceeds of the private placement will be applied to the offer for sale (R115 million), which will allow existing shareholders to partially realise approximately 10.5% of their current investment in the company and similarly to facilitate the shareholder spread required by the Listings Requirements.

4.3 Pricing and allocation

Qualifying investors that have been invited to apply for shares in Stefanutti & Bressan in terms of the private placement should do so by completing the attached private placement application form in accordance with the provisions of this prospectus and the instructions contained in the private placement application form. No offer will be made to the general public in terms of the private placement. Employees of Stefanutti & Bressan will be allocated shares in multiples of 250 with a minimum allocation of 250 shares.

The private placement price is expected to be between 1 000 cents and 1 200 cents per share. Allocations of shares will only be made in multiples of 1 000 shares with a minimum allocation size of 1 000 shares.

Invited institutional investors are required to give an indication to the bookrunner, Bridge Capital, of the quantum of shares they wish to acquire in terms of the private placement together with the price at which they wish to acquire such shares. The final private placement price will be determined based on market demand and will be released on SENS on Thursday, 26 July 2007 and published in the press on Friday, 27 July 2007.

The basis of allocation of the private placement shares will be determined by the bookrunner, in its sole discretion, after consultation with Stefanutti & Bressan. Notice of the allocations will be given on or from Thursday, 26 July 2007.

4.3 **Listing**

Subject to the achievement of the required spread of public shareholders, the JSE has formally approved the listing of a maximum of 154 189 200 shares in the share capital of Stefanutti & Bressan on the JSE with effect from commencement of business on Friday, 3 August 2007 in the "Construction & Materials – Heavy Construction" sector of the JSE lists. The shares will trade under the abbreviated name "S&B", with the share code "SFB" and ISIN ZAE000101903.

4.4 **Salient dates and times**

	2007
Abridged prospectus released on SENS on	Thursday, 26 July
Opening date of the private placement at 16:00 on	Wednesday, 25 July
Last date for indications of interest from the invited institutional investors for the purposes of the bookbuild by 10:00 on	Thursday, 26 July
Expected closing date of the private placement at 12:00 on	Thursday, 26 July
Private placement price released on SENS on	Thursday, 26 July
Final allocation of the private placement shares on	Thursday, 26 July
Private placement price published in the press on	Friday, 27 July
Settlement and anticipated listing date of Stefanutti & Bressan on the JSE at 9:00 on	Friday, 3 August

Note:

The above dates and times are subject to change. Any such change will be released on SENS and published in the press.

5. **COPIES OF THE PROSPECTUS**

Copies of the prospectus, in English only, may be obtained by qualifying investors during business hours (08:00 to 17:00), prior to the closing date of the private placement, from the registered office of Stefanutti & Bressan and from the office of Bridge Capital, details of which are set out in the "Corporate information" section of this prospectus.

DEFINITIONS

In this prospectus, the annexures hereto and the private placement application form, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa* and the words in the first column hereunder have the meanings stated opposite them in the second column, as follows:

"Act"	the Companies Act, 1973 (Act 61 of 1973), as amended;
"auditors" or **"independent reporting accountants"**	Moores Rowland, Chartered Accountants (SA) (Practice number 900222E);
"BEE"	as defined in the Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended, and which means the economic empowerment of all black people, including women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies;
"BEE share incentive scheme"	Stefanutti & Bressan BEE Share Incentive Trust, a summary of which is included in Annexure 8;
"BEE transaction"	the transaction concluded by Stefanutti & Bressan in October 2006, details of which are set out in paragraph 34, in terms of which Mowana acquired an effective 15% interest in the company;
"Bridge Capital" or **"bookrunner" or "Sponsor"**	Bridge Capital Advisors (Pty) Limited (Registration number 1998/016302/07), a company incorporated in accordance with the laws of South Africa and a Sponsor as contemplated in the Listings Requirements;
"business day"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"certificated shareholders"	shareholders who hold certificated shares;
"certificated shares"	shares which are not dematerialised in terms of Strate and title to which is represented by a share certificate or other physical document of title;
"common monetary area"	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
"Company Secretary"	MRM Financial Services (Pty) Limited (Registration number 1982/007554/07), a company incorporated in accordance with the laws of South Africa and the Security Services Act, 2004 (Act 36 of 2004), as amended;
"CSDP"	Central Securities Depository Participant accepted as a participant in terms of the Securities Services Act, 2004 (Act 36 of 2004), as amended, appointed by an individual shareholder for purposes of, and in regard to the dematerialisation of documents of title for purposes of incorporation into the Strate system;
"dematerialised shareholders"	shareholders who hold dematerialised shares;
"dematerialised shares"	shares that have been incorporated into the Strate system and which are held on the sub-register of members in electronic form in terms of the Securities Services Act, 2004 (Act 36 of 2004), as amended;

"directors" or **"board of directors"**	the directors of Stefanutti & Bressan, further details of whom appear in paragraph 6;
"documents of title"	share certificates, certified transfer deeds, balance receipts or any other documents of title acceptable to Stefanutti & Bressan in respect of shares;
"ECMP"	Environmental, Civil and Mining Projects (Pty) Limited (Registration number 1990/004983/07), a company incorporated in accordance with the laws of South Africa;
"ECMP acquisition"	the acquisition by Stefanutti & Bressan of 100% of the issued share capital of ECMP, details of which are set out in paragraph 34.2.1 of this prospectus;
"employee share incentive scheme"	Stefanutti & Bressan Share Incentive Scheme, a summary of which is included in Annexure 8;
"Exchange Control Regulations"	Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
"group" or **"Stefanutti & Bressan group"**	includes Stefanutti & Bressan and the trading activities of its subsidiaries;
"IFRS"	International Financial Reporting Standards;
"JSE"	JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004), as amended;
"last practicable date"	the last practicable date prior to the finalisation of this prospectus, being Friday, 13 July 2007;
"listing"	the proposed listing of the entire issued share capital of the company on the JSE, from commencement of trade on Friday, 3 August 2007 in the "Construction & Materials – Heavy Construction" sector of the JSE lists;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"Mowana"	Mowana Investments (Pty) Limited (Registration number 2002/023574/07), a company incorporated in accordance with the laws of South Africa;
"offer for sale"	an offer, forming part of the private placement, in terms of which existing shareholders of Stefanutti & Bressan are offering for sale a maximum of 11 500 000 shares at the private placement price;
"offer for subscription"	an offer, forming part of the private placement, in terms of which Stefanutti & Bressan is offering for subscription a maximum of 35 000 000 new shares at the private placement price;
"preference shares"	redeemable cumulative preference shares of 0.1 cent each created and issued to Mowana in terms of the BEE transaction and subsequently converted to ordinary shares in the capital of Stefanutti & Bressan on 2 July 2007;
"private placement"	the private placement of a maximum of 46 500 000 shares, in terms of the offer for sale and the offer for subscription, at the private placement price to qualifying investors for cash;

"private placement application form"	the application form in respect of the private placement, attached to and forming part of this prospectus;
"private placement price"	the price at which the private placement shares will be placed with qualifying investors, which is expected to be between 1 000 cents and 1 200 cents per share;
"private placement shares"	the maximum number of shares, being 46 500 000 shares, which will be placed with qualifying investors at the private placement price in terms of the private placement;
"prospectus"	this bound document, dated 25 July 2007, including all annexures and the private placement application form;
"qualifying investors"	invited institutional and retail investors and selected private clients;
"Rand" or **"R"** or **"cents"**	the official currency of South Africa;
"Registrar"	the Registrar of Companies in South Africa;
"restructuring"	the restructuring of the group which took place in October 2005, details of which are included in paragraph 34;
"SENS"	the Securities Exchange News Service of the JSE;
"shareholders"	registered holders of shares in Stefanutti & Bressan;
"Shareholders' Agreement"	the agreement entered into between Stefanutti & Bressan Holdings (Pty) Limited, Moputso Investments No. 25 (Pty), Mowana Investments (Pty) Limited, Biagino Stefanutti, Willem Meyburgh, John Jackson, Howard Schwegmann and Deryck White, at the time of concluding the BEE transaction and subsequently replaced by a new Shareholders' Agreement dated 19 July 2007;
"shares"	ordinary shares of 0.00025 cent each in the share capital of the company;
"share incentive schemes"	collectively, the employee share incentive scheme and the BEE share incentive scheme, salient details of which are set out in Annexure 8;
"South Africa"	the Republic of South Africa as constituted from time to time;
"Stefanutti & Bressan" or **"the company"**	Stefanutti & Bressan Holdings Limited (Registration number 1996/003767/06), formerly Stefanutti & Bressan Civils (Pty) Limited, a public company incorporated in accordance with the laws of South Africa on 27 March 1996;
"Strate"	the electronic settlement and clearing system used by the JSE, managed by Strate Limited (Registration number 1998/022242/06), a public company incorporated in accordance with the laws of South Africa; and
"transfer secretaries"	Computershare Investor Services 2004 (Pty) Limited (Registration number 2004/003647/07), a company incorporated in accordance with the laws of South Africa.

PART ONE: The business

1. **INCORPORATION AND HISTORY**

1.1 **The business**

Stefanutti & Bressan was founded in 1971 in KwaZulu-Natal by Biagino Stefanutti and Ivo Bressan. Stefanutti & Bressan is a civil engineering and building construction business, with operations spanning the construction of industrial and petro-chemical plants, power stations, mines, dams, bridges, roads, water and effluent treatment plants and township infrastructure, all building work and geotechnical (including piling) works.

The company has grown from a small Durban-based business to a leader in its industry with permanent offices and workshops in Johannesburg, Durban, Swaziland and Cape Town employing some 5 500 employees. The group also operates in Botswana and Mozambique. Management believes that the success of the business lies in its ability to execute strategic planning over a present and forward looking horizon and to share its skilled engineering resources effectively throughout sub-Saharan Africa.

Over the last 36 years the company has progressed from initially executing projects on a labour-only sub-contract basis to independently taking on major projects under its own auspices throughout sub-Saharan Africa. Stefanutti & Bressan is capable of undertaking a range of operations from multi-million Rand projects to small contracts relating to such works as industrial maintenance.

After operating in KwaZulu-Natal and Swaziland for 25 years, Stefanutti & Bressan established a full operating office in Johannesburg in 1996 and embarked on specialised power station cooling tower construction. The cooling towers at Eskom's Majuba Power Station are an excellent example of the expertise and resources available within the group.

Within four years the Johannesburg operation had grown to become the group's largest operation. Its main focus is on petro-chemical and industrial plants, power stations, mine infrastructure, bridges, dams, waterproofing and rehabilitation of civil structures.

Stefanutti & Bressan is today one of the largest civil engineering and building contractors in KwaZulu-Natal, active in the petro-chemical, paper, aluminum, ports, motor vehicle and general industries. The company is also involved in all general and specialised building work in the province.

Stefanutti & Bressan has further completed large expansion projects in Botswana on diamond and nickel mines, roadworks and recently a large water and effluent treatment facility in Francistown. Each project is run independently with certain equipment and material and limited skills sourced from Johannesburg.

In Swaziland Stefanutti & Bressan has been active in the industrial market including the construction of warehouses and concrete silos using the slipform principal for Swazi Sugar Association specifically, concrete structures at paper mills, dams, roadways, township drainage and road infrastructure and geotechnical work in the form of lateral support and road cuttings. Stefanutti & Bressan is equally active in Swaziland's building sector including hospitals, clinics, schools and improvements to the King's Palace.

Stefanutti & Bressan's engineering skills are epitomised in the Fulton award-winning bridge that spans the Tugela River in Kwazulu-Natal, one of the company's award-winning structures. Attention to detail, extensive planning and exceptional quality have been integral in establishing the company as a recognised leader in its field.

2. **NATURE OF BUSINESS**

Stefanutti & Bressan's business activities cover a large spectrum of the construction industry. There is no Government protection and any investment encouragement law affecting the businesses. The various services are structured into five key focus areas:

2.1 Concrete structures

This involves the construction of reinforced concrete works for mining, industrial and chemical plants, power stations, storage silos, marine works, effluent and water treatment plants:

Mining

Stefanutti & Bressan has a long association with the gold, diamond, platinum, iron and manganese mining industries. Surface mining projects have included ore crusher plants, flotation plants, tippler bins, patented pre-cast concrete systems for lining of incline/decline shafts, mill foundations and thickener tanks.

Power stations

Stefanutti & Bressan (Gauteng) is a leading specialist in cooling tower construction for power stations e.g. the Majuba Power Station near Standerton, Eskom's only power station not linked to a specific mine.

Silos

Stefanutti & Bressan has capacity to build high volume storage facilities. The group now has more than 20 years' experience in silo construction.

Waterworks, effluent and pipelines

The group facilitates efficient conveyance, storage and distribution of water to assist in urban development, and particularly in Southern Africa in the upliftment of rural communities.

Concrete rehabilitation

A large percentage of the division's revenue is generated by this niche capability. Services include: structural repairs, dam raising and bridge and structure jacking.

Bridges

The company is a leading specialist in the construction of bridges and related structures. It is one of a handful of companies in the industry with the technical expertise to design and construct incremental launch bridges.

2.2 Building

This division is responsible for the construction of industrial buildings including factories and warehouses and commercial buildings including office parks and shopping malls.

2.3 Roads and earthworks

This division focuses on the construction of bridges, roads, bulk earthworks, landfill sites, river protection, terraces for new developments and municipal services.

2.4 Piling and geotechnical

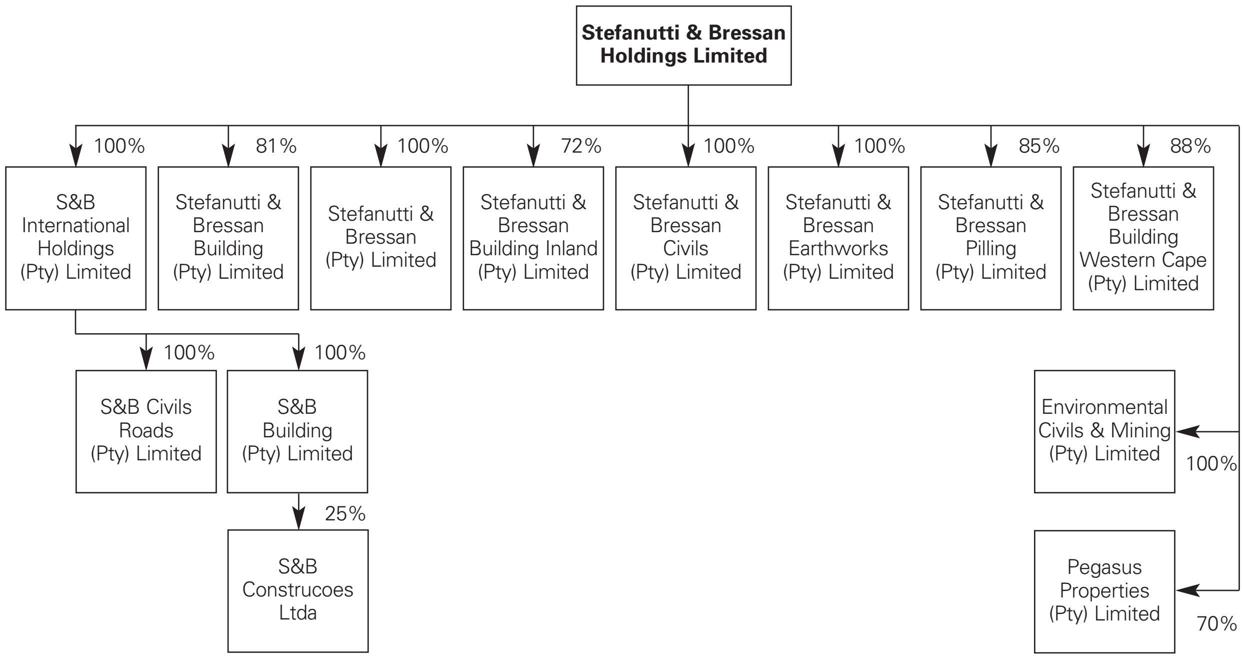
The division specialises in geotechnical surveys, lateral support, rock anchoring, shotcrete and the installation of concrete piles.

2.5 Mine residue disposal facilities and opencast contract mining

This division specialises in the design, construction and management of mine residue disposal facilities and opencast contract mining.

3. **GROUP OPERATING STRUCTURE**

Set out below is the group structure excluding all dormant companies. Refer to Annexure 11 for full details.



Note: Stefanutti & Bressan Holdings Limited was converted into a public company on 2 July 2007.

4. **INDUSTRY**

The civil engineering and construction sectors are enjoying unprecedented growth at present. Key drivers for demand are: Gautrain, 2010 FIFA World Cup, Eskom and Transnet expansions, the challenges of NEPAD, the Millennium Development Goals ("MDG") and private sector expansions, in particular the resources and commodities and energy sectors.

It is expected that growth will continue beyond 2010 to meet the demand for expansion of infrastructure, upgrading of basic services and maintenance of the much extended network.

Employment in the civil engineering industry has increased annually by more than 13% for three consecutive years since 2003. The consulting sector reports that the current workload and continued shortage of skilled civil engineers in the private sector has meant that capacity utilisation is now over 90% on average (SAICE publication "Numbers & Needs" 2007). It is estimated that in total South Africa will need between 3 000 and 6 000 additional civil engineers, technologists and technicians to meet the growing demand.

The skills shortage follows a 14% increase in turnover in the industry in 2006 and a 28% increase in the value of contracts awarded (Safcec 2007).

5. **PROSPECTS**

The civil engineering and construction sector has been enjoying significant growth in recent years. There is an increasing demand for roads and railways, ports and reliable energy and telecommunication services. This is further strengthened by robust demand in the resources and commodities sector. The supply of skills to build and manage new infrastructure has not kept pace with this increase in demand. Stefanutti & Bressan has benefited from this and expects this trend to continue. A number of factors drive this growth: GFCF (Gross Fixed Capital Formation, previously GDFI) will rise from its present level of 18% of GDP to about 25% of GDP by 2014; public sector infrastructure spending is budgeted to exceed R150bn in 2009/2010; private sector expenditure continues to exceed this on an annual basis.

Stefanutti & Bressan has undertaken a number of significant projects for the key players in the GFCF cycle. Clients have included blue-chips, parastatals and the public sector: Anglo Gold Ashanti, Anglo Platinum, Assmang, Eskom, City of Johannesburg, City of Tswane, Impala Platinum, Johannesburg Roads Agency, Kumba Resources, Mittal South Africa, SANRAL, Sappi and Sasol. Eskom's largest projects include: new nuclear power plants (R110bn), the Bravo coal-fired station (R84bn) and the Medupi coal-fired station (R70bn). Sasol's largest domestic projects include: Project Turbo – synfuels (R9.38bn), Project Turbo – Polymers (R5.37bn) and 3rd Octene train (R2bn). Sasol is also currently in the pre-feasibilty phase of a "second Secunda" estimated at $8bn at this stage. Transnet budgets to spend R38.9bn on Rail, R28.05bn on Ports and R9.96bn on Pipelines over the next five years. On current planning, Implats expects to spend R13.1bn on capital expenditure over the next five years.

Stefanutti & Bressan's committed order book amounts to R2.3bn for the 2008 financial year and a further R0.6bn secured for the year thereafter. It has been shortlisted on a further R0.8bn of tenders.

A listing facilitates Stefanutti & Bressan's continued participation in this growth. It raises the profile of the group, assists in retaining and attracting key staff and provides access to capital with which to fund both organic and acquisitive growth.

PART TWO: Directors and executive management

6. **DIRECTORS' DETAILS**

The full names, nationalities, ages, business addresses and functions of the directors are set out below:

Full name and age	Business address	Function
Executive directors		
Biagino Stefanutti (59)	Corner Zuurfontein and Oranjerivier Drive Protec Park, Kempton Park, Johannesburg	Chairman
Willem Meyburgh (53)	Corner Zuurfontein and Oranjerivier Drive Protec Park, Kempton Park, Johannesburg	Chief Executive Officer
Dermot Gregory Quinn (55)	14 Circuit Road, Westmead, Durban	Financial Director
Non-executive directors		
Nomhle Jacqueline Mbali Gcabashe Canca^ (41)	82 Dennis Road, Atholl, Johannesburg	CEO of BlueIQ Investment Holdings
Kevin Roy Eborall (62)	47 Smits Road, Dunkeld, Johannesburg	Consultant
Lemane Bridgman Sithole (43)	57 Buckingham Avenue, Craighall Johannesburg	Businessman
Mafika Edmund Mkwanazi^ (53)	74 Saddlebrook Estate, Kyalami, Midrand	Director of Companies
Alternate director to Lemane Bridgman Sithole		
Joseph Fizelle (36)	57 Buckingham Avenue, Craighall Johannesburg	Businessman

^Independent

All of the directors are South African citizens, with the exception of Dermot Quinn and Joseph Fizelle who are Irish.

In terms of the declarations lodged by the directors in accordance with Schedule 21 of the Listings Requirements, none of the following applies to any of the directors listed above for the 12 months preceding the date of this prospectus: bankruptcies, insolvencies or individual voluntary compromise arrangements; receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary liquidations, or any compromise or arrangement with creditors generally or any class of creditors of any company where such person is or was a director with an executive function of such company at the time of any such event; compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships of which the person is or was a partner at the time of such event; receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of such event; public criticisms of such person by statutory or regulatory authorities, including recognised professional bodies; disqualification by a Court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; and any offence involving dishonesty.

7. **EXPERIENCE OF DIRECTORS AND EXECUTIVE MANAGEMENT**

7.1 **Executive directors**

Biagino Stefanutti (N.D.T. Civil)

Biagino is Stefanutti & Bressan's Chairman and co-founder. He has 37 years' experience in the industry. Under his guidance, Stefanutti and Bressan has grown from a small Durban-based business to a 5 500-employee strong industry leader with permanent offices and workshops in Johannesburg, Durban, Swaziland and Botswana.

Willem Meyburgh (Higher National Diploma in Civil Engineering, B.Comm)

Willem is Stefanutti & Bressan's CEO. He started his career as a site engineer and has 28 years' experience mainly on projects involving surface concrete structures for mines in the Goldfields area, for Roberts Construction (Pty) Limited. In 1979 he joined C.M.G.M. Transvaal (Pty) Limited as site manager and was appointed as a director in 1983. In 1984 he joined SM Goldstein in Welkom as contracts manager and was appointed as a director in 1986. He was subsequently appointed as managing director of Glybeton (Pty) Limited (a subsidiary of Group Five) when Goldstein and Group Five merged in 1992. In 1996 he joined Stefanutti & Bressan as managing director to set up the group's businesses in Gauteng. He was appointed CEO in 2007.

Dermot Quinn (B. Sc Econ, CA(SA))

Dermot is Stefanutti & Bressan 's Financial Director. He qualified as a Chartered Accountant in 1984 with audit firm Arthur Young. Dermot joined Stefanutti & Bressan in 1992, after having spent five years with Grovewalk Holdings Limited as Financial Director. He was appointed as Financial Director of Stefanutti & Bressan (Pty) Limited in July 2000 and was then appointed to the board of the holding company in November 2005.

7.2 **Non-executive directors**

Nomhle Canca (B.A Political Science, B.A Economics (Emory University))

Nomhle has over 20 years' experience in the financial services industry, having started her career as a stockbroker in Atlanta, USA and was later registered with New York Stock Exchange Inc. She is a co-founder of Women Investment Portfolio Holdings (Wiphold). Nomhle has held various directorships at private companies and currently serves on the boards of AVI Limited, Pareto (Pty) Limited and Primedia Holdings Limited.

Kevin Eborall (Nat. Dip. Prod. Eng. (Industrial Eng) B. Comm)

Kevin graduated as an Industrial Engineer in 1965 and has since held senior positions at Dorbyl Limited, ICL South Africa (Pty) Limited and Fraser Alexander (Pty) Limited. He has served on the boards of various private and public companies. Kevin currently provides consulting services to a number of companies in the construction, manufacturing and security industries, with particular emphasis on the facilitation of BEE transactions.

Bridgman Sithole

Bridgman is currently executive chairman at Mowana, a black empowerment investment holding company. Prior to joining Mowana in 2005, Bridgman was an executive director for Strategy & Business Development at Business Connexion (Pty) Limited, a position he held since 2003. Prior to this, Bridgman has held various senior positions within the ANC, provincial governments and ABSA. He currently serves on the boards of numerous private companies.

Mafika Mkwanazi (B.Sc (Maths, Applied Maths); B.Sc (Electrical Engineering)

Mafika is currently a non-executive director of Nedbank Limited. He has previously worked in senior positions at South African Breweries as a Unit Manager, Bristol Myers (Pty) Limited as a production manager for the consumer division and BMW as an Engine Plant Manager. He has served on the boards of various companies including Transnet, Western Areas Limited, Industrial Development Corporation, Letseng Diamonds and Metrorail.

7.3 **Alternate director to Bridgman Sithole**

Joseph Fizelle (FCA (Ireland))

Joseph is an executive director of Mowana, a black empowerment investment company. Prior to establishing Mowana Investments, Joseph was involved in corporate finance at JP Morgan and Standard Bank for a total of six years.

7.4 **Executive management**

Antonio Cocciante (37) B. Comm (Acc) *(cum laude)*, B. Comm (Hons), CA(SA) CTA)

Antonio is the finance director of Stefanutti & Bressan Civils (Pty) Limited and has been with the group since 2006. He started his career in 1992 at Deloitte & Touche where he moved to the corporate finance division after completing his articles. In 1998 he joined Pharmacare (Pty) Limited as the finance director in their international division. In July 1999 Antonio joined EOH Holdings Limited as the finance director, where he spent six years prior to joining Stefanutti & Bressan.

Russell Crawford (43) (Higher National Diploma Civil Engineering)

Russell is currently the managing director of Stefanutti & Bressan Earthworks (Pty) Limited ("Earthworks"). Russell joined the group as a site agent in 1990, prior to which he was a site engineer at Group Five. He then moved through the ranks to contracts manager, then manager of Stefanutti & Bressan Civils (Pty) Limited, then contracts manager of Earthworks and ultimately managing director of Earthworks.

Derek du Plessis (49) (B. Comm)

Derek is a director at S&B Civil Roads (Pty) Limited Swaziland. He joined the group in 2004, prior to which he was self-employed at Agricon Limited Swaziland. He has 25 years' experience as a contracts manager with a number of construction companies.

Martin du Rand (52) (National Diploma Civil Engineering)

Martin is a director of Stefanutti & Bressan Civils (Pty) Limited. He has been with the group for 13 years. He has 34 years' construction experience as a civil engineer in marine work, 13 of which were spent as a contracts manager with Cementation Africa Contracts (Pty) Limited and 18 of which he spent as contracts director at Stine (Pty) Limited.

John Jackson (58) (National Diploma Civil Engineering Technician, Programme Management Development)

John is currently the managing director of Stefanutti & Bressan (Pty) Limited and S&B Building (Pty) Limited (Swaziland) as well as a director of seven other companies in the group and a member of the group's Executive Committee. He has been with the group for 16 years prior to which he spent 20 years with Grinaker Construction (six of those as a director). John has 36 years' experience in total in construction, contracting, engineering and company management, covering bridges, roads, slip-forming, heavy industrial, petro-chemical, building and marine disciplines.

Shaun Nell (42) (B. Eng (Civil))

Shaun is managing director of Stefanutti & Bressan Piling (Pty) Limited. He joined the group in 1996 as a site agent and progressed to contract director. In 2005 Shaun became the managing director of the group's newly formed piling company. Prior to joining Stefanutti & Bressan, Shaun spent three years in the consulting engineering environment.

John Robbertze (61) (Pr (Tech) Eng (SA))

John is a director of Environmental, Civil and Mining Projects (Pty) Limited ("ECMP"), a position he has held since 1991. From 1969 to 1974 he worked in the design office of Frankipile Soiltech and Bird & Robertson Consulting Engineers. From 1974 to 1991 John was employed at SRK Consulting Engineers.

Howard Schwegmann (46) (National Higher Diploma Construction Supervision)

Howard has been with the group since 2005 and is the managing director of Stefanutti & Bressan Building (Pty) Limited. He was previously employed by Group Five where he spent 20 years working his way up from foreman to contracts director. Howard is a member of the Executive Committee.

Michael Smith (57) (Pr Eng BSc. (Eng) MSAICE FSAIMM)

Michael is a director of ECMP. He has served 17 years at ECMP in the design, construction, management and operations of mine tailings, coal discards and slurry, power stations ash, municipal landfill, effluent, waste disposal systems and open pit mining operations. Prior to joining ECMP, Michael was with SRK Consulting Engineers for 17 years after starting his career in 1972 at Concor Construction.

Andrea Patrick Nassi (43)

Andrea is currently the acting Managing Director of Stefanutti & Bressan Building Inland (Pty) Limited. He has 25 years' experience in building, civils and earthworks. He joined Stefanutti & Bressan in August 2000 as contracts manager in Swaziland. In 2005 he relocated to Gauteng as operations director for external operations. In March 2006 he was appointed as operations director for Stefanutti & Bressan Building Inland (Pty) Limited.

Deryck White (58)

Deryck is a managing director of Stefanutti & Bressan Earthworks (Pty) Limited. He started his career as a site agent on earthworks contracts for Grinaker Natal (Pty) Limited in 1968. In 1978 he was promoted to a director, after which he continued with the company for a further 10 years. In 1988 he joined Stefanutti & Bressan as a managing director of Earthworks. He is also a member of the Stefanutti & Bressan Group Executive Committee.

8. QUALIFICATION, APPOINTMENT, REMUNERATION AND BORROWING POWERS OF DIRECTORS

8.1 The relevant provisions of the articles of association of Stefanutti & Bressan relating to qualification, appointment, remuneration and borrowing powers of directors are set out in Annexure 2. The borrowing powers may only be varied by special resolution.

8.2 The remuneration and benefits paid to directors for the year ended 28 February 2007 are set out in note 26 to the annual financial statements contained in Annexure 3.

8.3 Remuneration for the newly appointed non-executive directors will be determined by the Remuneration Committee. It is envisaged that the non-executive directors will be paid approximately R25 000 per meeting attended up to a maximum of R150 000 per annum.

8.4 There will be no variation in the remuneration receivable by any of the directors as a direct consequence of the private placement and listing.

8.5 No fees were paid or accrued as payable within the three years preceding the date of this prospectus to a third party *in lieu* of directors' fees.

8.6 No sums were paid or agreed to be paid within the three years preceding the date of this prospectus to any director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director (the "associate company"), or to any partnership, syndicate or other association of which he is a member (the "associate entity"), in cash or securities or otherwise, by any person either to induce him to become or to qualify him as a director, or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of Stefanutti & Bressan.

8.7 No promoter has any material beneficial interest, direct or indirect, in the promotion of Stefanutti & Bressan and in any material property to be acquired or proposed to be acquired by Stefanutti & Bressan out of the proceeds of the private placement or during the three years preceding the date of this prospectus.

8.8 **Borrowing powers of Stefanutti & Bressan subsidiaries**

The powers of the directors of each subsidiary in the group, to borrow, mortgage, bind the property and undertaking of such subsidiary and to issue securities shall be limited to the amount authorised by the company.

9. DIRECTORS' SHAREHOLDINGS

9.1 The directors will, at the last practicable date, before and after the private placement hold, directly and indirectly the following shares in Stefanutti & Bressan. Other than to facilitate the staff participation as discussed in paragraph 33.1 below, there have been no changes in the interests of directors between the end of 28 February 2007 and the date of the prospectus.

Before the private placement

Director	Number of shares held				
	Direct		Indirect		Percentage
	Beneficial	**Non-beneficial**	**Beneficial**	**Non-beneficial**	
B Stefanutti	53 368 451	–	–	–	44.8
W Meyburgh	11 289 719	–	–	–	9.5
D Quinn	620 000	–	–	–	0.5
B Sithole	–	–	–	5 240 443	4.4
J Fizelle	–	–	–	1 651 632	1.4
	65 278 170	–	–	6 892 075	60.6

***After the private placement*[1]**

Director	Number of shares held				
	Direct		Indirect		Percentage
	Beneficial	**Non-beneficial**	**Beneficial**	**Non-beneficial**	
B Stefanutti	47 368 451	–	–	–	30.7
W Meyburgh	514 486	–	9 775 233	–	6.7
D Quinn	120 000	–	500 000	–	0.4
B Sithole	–	–	–	5 240 443	3.4
J Fizelle	–	–	–	1 651 632	1.1
	48 002 937	–	10 275 233	6 892 075	42.3

Note:

The percentage shareholdings after the private placement are based on the assumption that the private placement will be fully subscribed and the maximum number of shares will be issued.

9.2 Other than as disclosed in paragraphs 32.2 and 34 below, no other director has any material beneficial interest, whether direct or indirect, in any transactions which were effected by the company during the current or immediately preceding financial year or during an earlier financial year and remain in any respect outstanding or unperformed.

10. DIRECTORS' SERVICE AGREEMENTS

The directors' service agreements require a month's notice period and contain no unusual or onerous provisions. They are available for inspection in terms of paragraph 44 below.

11. HISTORICAL FINANCIAL INFORMATION

The audited and reviewed consolidated historical financial information for Stefanutti & Bressan and its subsidiaries for the three years ended 28 February 2007, 2006 and 2005, the preparation of which is the responsibility of the directors, is presented in Annexure 3. Annexure 5 contains the independent reporting accountants' report on the audited and reviewed consolidated historical financial information of Stefanutti & Bressan and its subsidiaries. The independent reporting accountants have given and have not withdrawn their written consent to the issue of the prospectus, containing the reports in the form and context in which they appear.

12. *PRO FORMA* FINANCIAL INFORMATION

The unaudited *pro forma* income statement and balance sheet after the private placement, as set out in Annexure 4, are provided for illustrative purposes only to provide information about how the private placement may have impacted on the group's results and financial position. Due to the nature of the unaudited *pro forma* financial information, it may not give a fair presentation of the group's results and financial position after the private placement. The unaudited *pro forma* income statement and balance sheet should be read in conjunction with the independent reporting accountants' report thereon as set out in Annexure 4. The directors of Stefanutti & Bressan are responsible for the preparation of the unaudited *pro forma* financial information.

The *pro forma* financial effects of a R30 million Section 90 Distribution, the acquisition of ECMP and the private placement are set out below:

BALANCE SHEET

R'000	Audited 28 February 2007[1]	After Section 90 Distribution[2]	% change	After the ECMP acquisition[3; 4]	% change	Unaudited *Pro forma* After the private placement[5]	% change
Net asset value per share (cents)	193.7	166.5	(14)	166.5	Nil	317.9	91
Net asset value per share (fully diluted) (cents)	179.1	153.9	(14)	153.9	Nil	299.4	95
Net tangible asset value per share (cents)	140.1	112.9	(19)	86.0	(24)	256.9	199
Net tangible asset value per share (fully diluted) (cents)	129.5	104.4	(19)	79.6	(24)	241.9	204
Shares in issue (post-split) (cents)	110 214 200	110 214 200		110 214 200		145 214 200	
Shares in issue (post-split)[5] (fully diluted) (cents)	119 189 200	119 189 200		119 189 200		154 189 200	29

13. **PROFIT FORECAST**

The consolidated profit forecast of the group for the year ending 29 February 2008, the preparation of which is the responsibility of the directors, is set out below. The forecast should be read in conjunction with the independent reporting accountants' report thereon as set out in Annexure 8.

	Audited for the year ended 28 February 2007 R'000	**Profit forecast for the year ending 28 February 2008[(1)] R'000**
Contract revenue	1 688 652	2 507 833
Contract costs	(1 505 787)	(2 208 898)
Gross profit	182 865	298 935
Other income	6 053	2 300
Operating costs[(2)]	(88 585)	(135 168)
Operating profit	100 333	166 067
Cost of BEE credentials	(30 000)	–
Investment income[(5)]	12 779	(13 754)
Finance costs	(7 822)	(18 796)
Profit before taxation	75 290	161 025
Taxation	(38 041)	(45 166)
Net profit for year	37 249	115 859
Pro forma earnings per share (cents)	34.2	83.2
Pro forma headline earnings per share (cents)	34.2	83.2
Pro form headline earnings per share excluding BEE costs (cents)	61.7	83.2
Weighted average number of shares in issue (duly diluted)	108 882 934	139 326 186

Notes:

1. Forecast revenue is based on existing contracts that have not yet been completed and an estimate of revenue from contracts that the company has a high probability of being awarded. Forecast growth is much in line with historical performance to date and the company's past successes in key client and contract acquisition. The growth rate forecasted reflects the position of the company in its business life cycle as well as the high growth rate expected in the construction sector in the medium term.
2. The expenditure was forecast on a line-by-line basis and it reflects the current budgeted expenditure. No material changes are anticipated in the trading margins as all new contracts must meet minimum hurdles.
3. Should any performance forecast from current contracts or any potential contracts not materialise, the financial results for the periods referred to above may differ from those forecast and those variations may be material.
4. In accordance with IFRS 3: Business Combinations, the effective date of the ECMP acquisition is 2 April 2007 and hence the forecast only includes 11 months of ECMP. No other acquisitions have been included in the profit forecast.
5. Investment income does not take into account interest earned on cash raised during the private placement.
6. No dividend will be declared in 2008.
7. The accounting policies applied in the forecasts are consistent with those applied by the company during the past financial year.

14. **DIVIDENDS**

There will be no dividend declared in respect of the financial year ending 29 February 2008. However, in the financial year ending 28 February 2009, a final dividend will be paid and thereafter the company's dividend policy will be to distribute bi-annually, an interim and final dividend, up to a maximum of one-third of net profit after tax, taking into account distributable reserves and cash available for distribution.

Any dividends not claimed for a period of not less than three years from the date on which such dividends became payable may be forfeited for the benefit of the company. There is no arrangement under which future dividends will be waived or have been waived.

15. **MATERIAL CHANGES**

The directors report that there have been no material changes in the financial or trading position of Stefanutti & Bressan and its subsidiaries since 28 February 2007.

There have been no material changes to the business of Stefanutti & Bressan and its subsidiaries during the past five years. The business of Stefanutti & Bressan or its subsidiaries or any part thereof is not managed or proposed to be managed by a third party under any contract or arrangement.

16. **PRELIMINARY AND SHARE ISSUE EXPENSES**

The estimated expenses of the private placement and the listing, exclusive of Value-Added Tax, are as follows:

	Rand
Printing, publication, distribution and advertising expenses	250 000
JSE documentation fees	64 502
JSE listing fees	232 137
Sponsor – Bridge Capital Advisors (Pty) Limited	825 000
Capital raising fees – Bridge Capital Advisors (Pty) Limited	6 975 000
Reporting accountants – Moores Rowland	600 000
Attorneys – Webber Wentzel Bowens	300 000
Contingency	753 361
Estimated total	10 000 000

The abovementioned estimated expenses, which will not exceed the share premium, will be written-off against the share premium account to the extent permissible by the Act.

17. **CAPITAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES**

The company had no material capital commitments, lease payments and contingent liabilities at 28 February 2007, except as disclosed in Notes 10, 15, 21 and 22 of the audited financial information for Stefanutti & Bressan in Annexure 3. There have been no material changes to the capital commitments, lease payments and contingent liabilities of the company since that date.

18. **BORROWINGS AND LOANS RECEIVABLE**

Details of material loans made to the group and/or any of its subsidiaries are disclosed in Note 10 of the audited financial information in Annexure 3. The loans arose from the purchase of plant and equipme 24 months will be repaid from cash generated from operations during the ordinary course of business.

Subsequent to 28 February 2007, funds distributed to shareholders in terms of the Section 90 Distribution were re-advanced to the company in the form of interest free shareholders' loans. These funds were utilised to fund the ECMP acquisition. The balance of the ECMP purchase consideration (R11.08 million) and the funds advanced by shareholders (R30 million) will be settled from the proceeds of the private placement.

No material loans have been made by Stefanutti & Bressan, including loans made, cash or security furnished by Stefanutti & Bressan to or for the benefit of any promoter, director or manager or any associate of any promoter, director or manager of Stefanutti & Bressan and its subsidiaries within the preceding three years.

No debentures or debenture stock have been issued by way of conversion or replacement of debentures previously issued.

No loan capital is outstanding.

19. **ADEQUACY OF WORKING CAPITAL**

The directors are of the opinion that the working capital available to Stefanutti & Bressan prior to, and, following the private placement, is sufficient for the group's present requirements, that is, for at least the next 12 months from the date of issue of this prospectus.

PART FOUR: The private placement and listing

20. PURPOSE OF THE PRIVATE PLACEMENT AND LISTING

20.1 Subject to the achievement of the required spread of public shareholders, the JSE has formally approved the listing of a maximum of 154 189 200 shares in the share capital of Stefanutti & Bressan on the JSE with effect from commencement of business on Friday, 3 August 2007 in the "Construction & Materials – Heavy Construction" sector of the JSE lists. The shares will trade under the abbreviated name "S&B", with the share code "SFB" and ISIN ZAE000101903.

20.2 Stefanutti & Bressan has a subscribed capital, including reserves but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, of at least R25 million. The company will have a public shareholding of at least 500 shareholders that will hold a minimum of 20% of the shares on the day of listing. This will be achieved through a private placement immediately prior to listing to select individuals, corporations and institutions of a maximum of 46 500 000 ordinary shares, which will represent at least 20% of the company's issued share capital, post the private placement.

20.3 A total amount of R350 million, before expenses, will be raised by the issue of a maximum of 35 000 000 new shares by the company for cash, and a total amount R115 million, before expenses raised from the sale of a maximum of 11 500 000 shares by the existing shareholders for cash, to qualifying investors. The proceeds received in terms of the private placement will first be applied to the offer for subscription and thereafter to the offer for sale. The proceeds from the offer for subscription will be utilised to grow the company's market share in the construction business, through potential acquisition opportunities and facilitate the working capital requirements of the existing business. At present, the company is in discussions with possible acquisition targets.

20.4 The purpose of the private placement and the listing are to:

- raise capital and to have the flexibility of listed shares to allow the company to take advantage of growth opportunities in the construction sector. The proceeds of the private placement will be utilised to acquire targeted businesses, to finance the acquisition of ECMP and for other capital expenditure and working capital requirements;
- enhance investor and general public awareness of Stefanutti & Bressan, its activities and specialised skills;
- attract and retain intellectual capital through the incentive of meaningful equity participation;
- broaden Stefanutti & Bressan's shareholder base and to obtain the spread of shareholders required for the listing of Stefanutti & Bressan's shares on the JSE;
- afford qualifying investors the opportunity to participate directly in the income streams earned by Stefanutti & Bressan, as well as in the future capital growth of its assets.

20.5 The purpose of the offer for sale is to allow existing shareholders to partially realise approximately 10.5% of their current investment in the company and to comply with the Listing Requirements regarding shareholder spread.

21. PRICING

The private placement price is expected to be between 1 000 cents and 1 200 cents per share. Allocations of shares to retail and institutional investors will only be made in multiples of 1 000 shares with a minimum allocation size of 1 000 shares, and allocations to Stefanutti & Bressan employees will only be made in multiples of 250 with a minimum allocation size of 250. Fractions of shares in Stefanutti & Bressan will not be issued. The private placement will be payable in full in Rand without deduction or set-off.

Bridge Capital, the bookrunner, is seeking indications of interest from invited institutional investors to acquire the placing shares as part of a "bookbuilding" process. The final private placement price will be determined based on an analysis of market demand and will be released on SENS on Thursday, 26 July 2007 and published in the press on Friday, 27 July 2007.

22. **SALIENT DATES**

The offer opens at 16:00 on Wednesday, 25 July 2007 and is expected to close at 12:00 on Thursday, 26 July 2007. Indications of interest for the purposes of the bookbuilding process referred to above will be received up until 10:00 on Thursday, 26 July 2007.

	2007
Abridged prospectus released on SENS on	Wednesday, 25 July
Opening date of the private placement at 16:00 on	Wednesday, 25 July
Last date for indications of interest from the invited institutional investors for the purposes of the bookbuild by 10:00 on	Wednesday, 25 July
Expected closing date of the private placement at 12:00 on	Thursday, 26 July
Private placement price released on SENS on	Thursday, 26 July
Final allocation of the private placement shares on	Thursday, 26 July
Private placement price published in the press on	Friday, 27 July
Settlement and anticipated listing date of Stefanutti & Bressan and commencement of dealings on the JSE at 9:00 on	Friday, 3 August

Note:

The above dates and times are subject to change. Any such change will be released on SENS and published in the press.

23. **PARTICIPATION IN THE PRIVATE PLACEMENT**

Invited institutional and retail investors and selected private clients, together "qualifying investors", may participate in the private placement.

Invited institutional investors

Invited institutional investors are to provide Bridge Capital, the bookrunner, with their irrevocable indications of interest by 10:00 on Thursday, 26 July 2007. Invited institutional investors will be informed of their allocated shares, if any, on or from Thursday, 26 July 2007, when the collated applications will be provided to the transfer secretaries and Strate. Invited institutional investors must make the necessary arrangements to enable their CSDP to make payment for the allocated shares on the settlement date. The allocated shares will be transferred, on a "delivery versus payment" basis, to successful institutional applicants on the settlement date, which is expected to be Friday, 3 August 2007.

Invited retail investors and selected private clients

Invited retail investors are to provide Bridge Capital, the bookrunner, with their completed private placing application forms by 12:00 on Thursday, 26 July 2007. Invited retail investors will be informed of their allocated shares, if any, on or from Thursday, 26 July 2007. Invited retail investors must make the necessary arrangements to enable their CSDP or broker, as the case may be, to make payment for the allocated shares on settlement date. The allocated shares will be transferred, on a "delivery versus payment" basis, to successful retail applicants on the settlement date, which is expected to be Friday, 3 August 2007.

Employees

Employees are to provide Bridge Capital, the bookrunner, with their completed private placing application forms by 12:00 on Thursday, 26 July 2007. Employees will be informed of their allocated shares, if any, on or from Thursday, 26 July 2007. Employees must make the necessary arrangements to enable their CSDP or broker, as the case may be, to make payment for the allocated shares on settlement date. The allocated shares will be transferred, on a "delivery versus payment" basis on the settlement date, which is expected to be Friday, 3 August 2007.

24. APPLICATIONS

24.1 Acceptance

No applications will be accepted after 12:00 on Thursday, 26 July 2007.

24.2 Applications irrevocable

Applications submitted by qualifying investors shall constitute irrevocable offers and may not be withdrawn once received by Bridge Capital, the bookrunner.

24.3 Copies of applications

Copies or reproductions of the application form will be accepted at the discretion of the directors.

24.4 Alterations to application

Any alterations on the application form must be authenticated by full signature.

24.5 Evidence of capacity to apply

No documentary evidence of capacity to apply need accompany an application but the company reserves the right to call upon any applicant to submit such evidence for noting, which evidence will be held on file with the transfer secretaries or returned to the applicant at the applicant's risk.

24.6 Reservation of rights

The directors reserve the right to refuse any application(s), either in whole or part, or to pro rate any or all application(s) (whether or not received timeously) in any manner as they may, in their sole and absolute discretion, determine.

The directors reserve the right to accept or reject, either in whole or part, any private placement application form should the terms contained in this prospectus, and the instructions herein, not be properly complied with.

25. ISSUE AND ALLOCATION OF THE PRIVATE PLACEMENT SHARES

All shares applied and subscribed for in terms of this prospectus will be issued at the expense of the company.

All shares placed in terms of this prospectus will be allotted subject to the provisions of the articles of association and will rank *pari passu* in all respects with any existing issued shares.

Allocations of shares will only be made in multiples of 1 000 shares with minimum allocation size of 1 000 shares for retail and institutional investors and in multiples of 250 shares with a minimum allocation size of 250 shares for Stefanutti & Bressan employees.

The bases of allocation of the shares, based on irrevocable indications of interest and applications accepted by the company in accordance with paragraph 23 above, will be determined by the bookrunner in its sole discretion, after consultation with the company. Applicants may receive fewer than the number of shares applied for.

It is intended that notice of the allocations will be given on or from Thursday, 26 July 2007. Successful applicants' accounts with their CSDP, or broker will be credited with the allocated shares on the listing date on a "delivery versus payment" basis.

26. PAYMENT AND DELIVERY OF THE PRIVATE PLACEMENT SHARES

No payment should be submitted with the private placement application form delivered to the bookrunner, Bridge Capital. Applicants must make the necessary arrangements to enable their CSDP or broker to make payment for the allocated shares on the settlement date, which is expected to be Thursday, 2 August 2007, in accordance with each applicant's agreement with their CSDP or broker.

The allocated shares will be transferred, on a "delivery versus payment" basis, to successful qualifying investors on the settlement date, which is expected to be Friday, 3 August 2007.

The applicant's CSDP or broker must commit to Strate to the receipt of the applicant's allocation of shares against payment on Friday, 3 August 2007.

On the listing date, the applicant's allocation of shares will be credited to the applicant's CSDP or broker against payment during the Strate settlement runs, prior to the opening of the market.

The CSDP or broker concerned will receive and hold the dematerialised shares on the applicant's behalf.

27. REPRESENTATION

Any person applying for or accepting the shares shall be deemed to have represented to the company that such person was in possession of a copy of this prospectus at that time. Any person applying for or accepting the shares on behalf of another:

- shall be deemed to have represented to the company that such person is duly authorised to do so and warrants that such person and the purchaser for whom such person is acting as a agent is duly authorised to do so in accordance with all relevant laws;
- guarantees the payment of the private placement price; and
- warrants that a copy of this prospectus was in the possession of the purchaser for whom such person is acting as agent.

28. STRATE AND TRADING OF SHARES ON THE JSE

Shares of Stefanutti & Bressan may only be traded on the JSE in electronic form (dematerialised shares) and will be trading for electronic settlement in terms of Strate immediately following the listing. The allocated shares will be transferred to successful qualifying investors in dematerialised form only. Accordingly, all successful qualifying investors must appoint a CSDP directly, or through a broker, to receive and hold the dematerialised shares on their behalf. Should a shareholder require a physical share certificate for its shares, it will have to materialise its shares following the listing and should contact its CSDP or broker to do so.

Strate is a system of "paperless" transfer of securities. If you have any doubt as to the mechanics of Strate, please consult your CSDP, broker or other appropriate advisor. You are also referred to the Strate website at www.strate.co.za for more information. Some of the principal features of Strate are as follows:

- electronic records of ownership replace share certificates and physical delivery of certificates;
- trades executed on the JSE must be settled within five business days;
- all investors owning dematerialised shares or wishing to trade their securities on the JSE are required to appoint either a CSDP or a broker to act on their behalf and to handle their settlement requirements; and
- unless investors owning dematerialised shares specifically request their CSDP to register them as an "own name" dematerialised shareholder (which entails a fee), the nominee company of their CSDP or broker holding the shares on their behalf, will be the shareholder (member) of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or broker, the investor is entitled to instruct the CSDP or broker (or the company of their CSDP or broker), as to how it wishes to exercise the rights attaching to the shares and/or to attend and vote at shareholders' meetings.

29. EXCHANGE CONTROL REGULATIONS

The following summary is intended as a guide and is therefore not comprehensive. If you are in any doubt regarding the Exchange Control Regulations, please consult your professional advisor.

29.1 Emigrants from the common monetary area:

- a former resident of the common monetary area who has emigrated, may use emigrant blocked funds to subscribe for shares in terms of this prospectus;
- all payments in respect of subscriptions of shares by an emigrant, using emigrant blocked funds, must be made through the authorised dealer in foreign exchange controlling the blocked assets;

- any shares issued pursuant to the use of emigrant blocked funds, will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios;
- shares subsequently rematerialised and issued in certificated form, will be endorsed "Non-Resident" and will be sent to the authorised dealer in foreign exchange through whom the payment was made; and
- if applicable, refund monies payable in respect to unsuccessful applications, or partly successful applications, as the case may be, for shares in terms of this prospectus, emanating from emigrant blocked accounts, will be returned to the authorised dealer in foreign exchange through whom the payments were made, for credit to such applicant's blocked accounts.

29.2 **Applicants resident outside the common monetary area:**

- a person who is not resident in the common monetary area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any formality must be observed to enable a subscription to be made in terms of the private placement;
- this prospectus is not an offer in any area or jurisdiction in which it is illegal to make such an offer. In such circumstances, this prospectus and any private placement application form have been sent for information purposes only; and
- applicants that are resident outside the common monetary area should note that, where shares are subsequently rematerialised and issued in certificated form, such share certificates will be endorsed "Non-Resident" in terms of the Exchange Control Regulations.

PART FIVE: Share capital

30. **SHARE CAPITAL**

30.1 **Authorised and issued share capital**

The authorised and issued share capital of Stefanutti & Bressan, taking into account the private placement and listing costs as set out in paragraph 16 above which are to be offset against the share premium, are set out below:

	R
Authorised	
400 000 000 shares of 0.00025 cent each	1 000
Issued, before the private placement	
119 189 200 shares of 0.00025 cent each	297.97
Share premium	147 945 000
Issued, after the private placement (assuming a private placement price of 1 000 cents per share and and the Section 90 Distribution implemented prior to listing)	
154 189 200 shares of 0.00025 cent each	385.47
Share premium	487 945 000

30.2 All the authorised and issued shares are of the same class and rank *pari passu* in every respect.

30.3 Save as set out in paragraph 32.1 below, there has been no sub-division or consolidation of shares during the three years prior to the date of issue of this prospectus.

30.4 Save as provided for in paragraph 32.2 below, no offer has been made for the subscription or sale of shares during the three year period preceding the date of issue of this prospectus.

30.5 The company sub-divided its authorised share capital from 1 000 000 shares of 0.1 cent each into 400 000 000 shares of 0.00025 cent each on 2 July 2007. The special resolution to alter the authorised share capital was registered on 20 July 2007.

31. **MAJOR SHAREHOLDERS**

31.1 The shareholders, other than directors, who are, directly or indirectly, beneficially interested in 5% or more of the issued share capital of Stefanutti & Bressan at the last practicable date are as follows:

Name of shareholder	Number of shares		Percentage held	
	Before the private placement	After the private placement	Before the private placement	After the private placement[1]
Mowana	16 224 282	16 224 282	13.6	10.5
J Jackson	11 289 719	8 789 719	9.5	5.7
D White	8 897 063	7 897 063	7.5	5.1

Note:

1. The "After the private placement" column assumes that the private placement will be fully subscribed at 1 000 cents per share.

31.2 No other shareholder, other than the directors and as set out in the table above, will, as far the directors of Stefanutti & Bressan are aware, directly or indirectly, hold 5% or more of the issued share capital of Stefanutti & Bressan following the private placement. The company will have a public shareholding of at least 500 shareholders that will hold a minimum of 20% of the shares on the day of listing. There will be no controlling shareholder in Stefanutti & Bressan after the private placement.

31.3 There will be a change in the status of Biagino Stefanutti's controlling shareholding status as a result of the private placement and he will therefore no longer be the controlling shareholder.

31.4 There have been no changes in the trading objects of Stefanutti & Bressan and its subsidiaries during the last five years.

32. ALTERATIONS TO SHARE CAPITAL

32.1 Alterations to authorised share capital

Stefanutti & Bressan was incorporated with an authorised share capital of 1 000 ordinary shares with a par value of 100 cents each. On 30 September 2005, the company sub-divided its 1 000 authorised ordinary shares of 100 cents each into 1 000 000 ordinary shares of 0.1 cent each. On 31 October 2005, the company issued 43 889 cumulative redeemable preference shares of 0.1 cent each to facilitate the BEE transaction. On 2 July 2007, the preference shares were converted into ordinary shares and all the ordinary shares, then in issue were split on a 400-for-1 basis in order to facilitate the private placement and listing.

32.2 Issue/Sale of shares

On incorporation, Stefanutti & Bressan issued and allotted 100 ordinary shares of 100 cents each.

The following issues of shares took place in Stefanutti & Bressan in the preceding three years:

32.2.1 *Restructuring*

On 31 October 2005, a group restructuring was implemented resulting in the structure as depicted in section 4. The restructuring was implemented in order to bring the various companies owned by the shareholders of Stefanutti & Bressan Civils (Pty) Limited at the time being, Stefanutti & Bressan Civils (Pty) Limited, Stefanutti & Bressan Earthworks (Pty) Limited and S&B International (Pty) Limited into a formal, simplified structure which would not only facilitate the maximisation of internal and external resources, but was also done in anticipation of the BEE transaction concluded the following year. The restructuring resulted in the following share issues by the company:

- 37 198 shares of 0.1 cent nominal value per share, were issued to B Stefanutti and D White at R763.45 per share for the acquisition of 50% of Stefanutti & Bressan Earthworks (Pty) Limited. Stefanutti & Bressan Earthworks (Pty) Limited was valued at R56.8 million at the time;
- 109 626 shares of 0.1 cent nominal value per share, were issued to Biagino Stefanutti, John Jackson, W Meyburgh, G Perry and H Schwegmann at R763.52 per share for the acquisition of 100% of Stefanutti & Bressan (Pty) Limited. Stefanutti & Bressan (Pty) Limited was valued at R83.7 million at the time; and
- 12 360 shares of 0.1 cent nominal value per share, were issued to B Stefanutti and D White at R763.53 per share for the acquisition of 30% of Stefanutti & Bressan International (Pty) Limited. S&B International (Pty) Limited was valued at R31.5 million at the time.

The values of shares and or businesses acquired or disposed of during the restructuring process was negotiated between the various shareholders of the respective companies. The values were primarily based on the individual value and contribution of the respective companies to the overall value of the group as determined by Bridge Capital during the course of negotiating the BEE transaction. The negotiated value of the restructured group for purposes of the BEE transaction was R200 million at the time. The value of net assets of the group on finalising the restructuring was R145.6 million.

32.2.2 ***Issued share capital***

The changes to the issued share capital as a result of the restructuring are set out below:

Shares in issue	**Opening balance**	**Stefanutti & Bressan Earthworks (Pty) Limited**	**Stefanutti & Bressan International (Pty) Limited**	**Stefanutti & Bressan (Pty) Limited**	**Shares in issue after restructuring**
B Stefanutti	60 000	18 599	6 180	65 776	150 555
J Jackson	15 000			16 444	31 444
W Meyburgh	15 000			16 444	31 444
H Schwegmann	5 000			5 482	10 482
D White		18 599	6 180		24 779
G Perry	5 000			5 481	10 481
	100 000	37 198	12 360	109 626	259 185

32.2.3 ***Other transactions***

On 1 March 2006, 5 380 shares were issued to H Schwegmann at R933.46 per share for the acquisition of the remaining 15% interests in Stefanutti & Bressan Building (Pty) Limited and Stefanutti & Bressan Building Inland (Pty) Limited.

On 25 June 2006, 10 481 shares were repurchased from G Perry at R792.99 per share and were cancelled. This was the only share repurchase implemented by the company during the preceding three years. The value of this transaction was based on the same value at which the BEE transaction was negotiated and implemented.

32.2.4 ***BEE transaction***

As mentioned in paragraph 37.1.2 above, the group concluded a BEE transaction with Mowana on 31 October 2006. As a result of the BEE transaction, 43 889 preference shares were issued to Moputso, a wholly-owned subsidiary of Mowana, at R683.54 per share. On 2 July 2007, the preference shares were converted into ordinary shares on a 1-for-1 basis.The Mowana shareholders are: Lemane Bridgman Sithole, Leetile Benjamin Mophatlane, Joseph William Leo Fizelle, Lenamile Isaac Mophatlane, John Michael Poluta, Nkenke Kekana and Investec Bank Limited. The directors comprise of two non-executive directors, Benjamin Mophatlane and Isaac Mophatlane, and four executive directors, Lemane Bridgman Sithole, Nkenke Kekana, John Poluta and Joseph Fizelle.

As an integral part of the BEE transaction and *in lieu* of the dilution suffered by shareholders, it was resolved that the proceeds received (R30 million) from the BEE transaction would be distributed to the then shareholders. This distribution was implemented in terms of section 90 of the Act on 27 June 2007.

32.2.5 ***Section 90 Distribution***

It was resolved with effect from 27 June 2007 that the Section 90 Distribution as contemplated in terms of the BEE transaction be implemented. This reduced the company's share premium by R30 million.

Set out below is a summary of the abovementioned share issues/repurchases in the last three years, including the "BEE transaction" and the "Section 90 Distribution", all of which occurred before the share split in July 2007 of 400-for-1:

	Ordinary share capital		Preference share capital		Share premium	Total
	Number	**R'000**	**Number**	**R'000**	**R'000**	**R'000**
Opening balance	100 000	–	–	–	–	–
Restructuring	159 185	–	–	–	121 538	121 538
As at 28 February 2006	259 185	–	–	–	121 538	121 538
Post-share split (weighted)*	*103 674 000*	*(61 224 667)**				
BEE transaction	–	–	43 889	–	60 000	60 000
Other transactions	(5 101)	–	–	–	(3 289)	(3 289)
Share issue costs written-off in the restructuring	–	–	–	–	(304)	(304)
At 28 February 2007	254 084	–	43 889	*(5 851 867)*	177 945	177 945
Post-share split (weighted)*	*101 633 600*	*(103 031 067)**	17 555 600			
43 889 preference shares converted to ordinary shares	43 889	–	(43 889)	–	–	–
Section 90 Distribution	–	–	–	–	(30 000)	(30 000)
At last practicable date	297 973	–	–	–	147 945	147 945
Post-share split *(weighted*)*	*119 189 200*	*(108 882 934)**	–		147 945	147 945

32.2.6 The ordinary resolutions to approve the above issues of shares were implemented at the time of issue. In terms of an ordinary resolution approved by a 75% majority of shareholders passed on 2 July 2007, the directors have the power to allot and issue shares of the company for cash, subject to the following conditions:

- compliance with the provisions of the Act, the Listings Requirements and the memorandum and articles of association of Stefanutti & Bressan;
- that the securities be of a class already in issue;
- that securities be issued to public shareholders and not to related parties;
- that an announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of securities in issue prior to the issue/s;
- that issues in the aggregate in any one financial year shall not exceed 15% of the company's issued share capital of that class;
- that, in determining the price at which an issue of securities will be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of those securities over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors; and
- that the approval will be valid until the next annual general meeting or for 15 months from the date of the resolution, whichever period is the shorter.

32.3 **Issues or offers of shares by subsidiaries**

Other than as disclosed in the restructuring of the Stefanutti & Bressan group detailed in paragraph 32.2.1, no shares were offered or issued by subsidiaries of Stefanutti & Bressan.

32.3.1 ***S&B International (Pty) Limited***

In terms of the restructuring of the Stefanutti & Bressan group, S&B International (Pty) Limited issued 43 522 shares to B Stefanutti and D White at R216.84 per share for the acquisition of their 50% interest in S&B Civils Roads (Pty) Limited. The shares acquired by B Stefanutti and D White in S&B International (Pty) Ltd were subsequently acquired by the company at the same issued value (per 12 360 shares issued by the company to effect this leg of the restructuring).

32.3.2 ***Stefanutti & Bressan Civils (Pty) Limited***

In completing the restructuring, Stefanutti & Bressan Civils (Pty) Limited (*Newco*), acquired the business of Stefanutti & Bressan Holdings (Pty) Limited through an issue of 100 ordinary shares at a price of R341 782.15 per share. The acquisition price of R34.2 million was based on book value of assets as reflected in the Effective Date Management Accounts. This transaction resulted in Stefanutti & Bressan Civils (Pty) Limited being 100% owned by the company.

32.4 **Unissued shares**

In terms of the resolution passed at a general meeting of Stefanutti & Bressan on 27 June 2007, after the allotment and issue of the private placement shares, the authorised but unissued shares in the company will be under the control of the directors of Stefanutti & Bressan until its next annual general meeting, subject to the provisions of sections 221 and 222 of the Act and the Listings Requirements.

32.5 **Voting, rights and variation of rights**

The extracts of the company' s articles of association relating to voting, rights and variation of rights are as set out below:

'Subject to any special terms as to voting upon which any Share may be issued and subject to the Act, every person entitled to vote and present in person, and, if the person is a body corporate its representative, shall on a show of hands have one vote only, but upon a poll every person entitled to vote and present in person or by Proxy, and if the person is a body corporate its representative, shall have one vote for every Share held or represented by him. On a poll taken at any such meeting a person entitled to more than one vote need not if he votes use all his votes, or cast all the votes he uses in the same way.

If at any time the Capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights, privileges or conditions attached to any class of Shares may, subject to the Statutes or unless otherwise provided by the terms of issue of that class, be varied or modified in any way or abrogated either:

- with the consent in writing of the holders of at least three-fourths of the issued Shares of that class; or
- with the sanction of a resolution passed in the manner prescribed by the Act for the passing of special resolutions at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting all the provisions of the Articles relating to general meetings of the Company shall *mutatis mutandis* apply, except that the quorum shall be not less than three persons holding or representing by Proxy not less than 51% of the issued Shares of that class, provided that at any adjourned meeting such quorum is not present the Members present shall form a quorum."

32.6 **No other listings**

The issued shares of Stefanutti & Bressan will be listed on the JSE. No other shares of Stefanutti & Bressan are listed on any stock exchange.

33. SHARE INCENTIVE SCHEMES

Save as disclosed in the share incentive schemes, there are no contracts or arrangements, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any shares in the company or its subsidiaries.

Share incentive schemes

The directors of the company have established two share incentive schemes for the benefit of employees of the group. Individual shareholders have made available a total of 8 975 000 shares at an average price of 689 cents per share (R61.8 million) to the Staff Trust created to facilitate this transaction. Beneficiaries have been identified and offers have been made in terms of the share scheme. The salient features of the share incentive schemes are set out in Annexure 8.

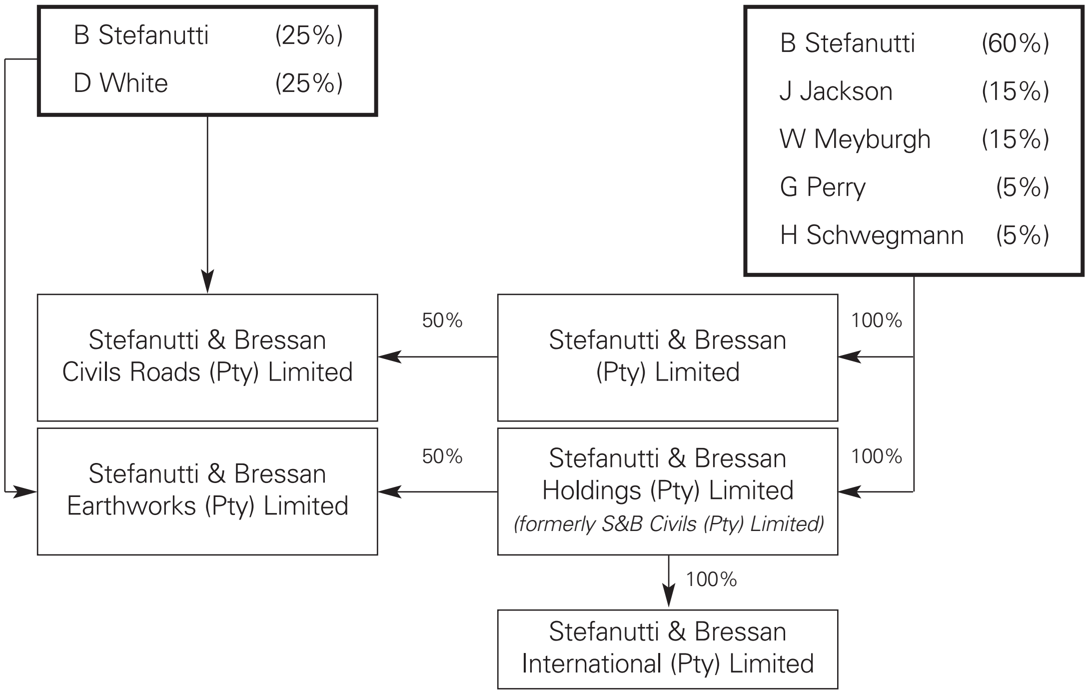
34. **MATERIAL TRANSACTIONS**

34.1 **Restructuring of the group**

Also refer to to disclosure made regarding the group restructuring implemented on 31 October 2005 as set out in paragraphs 32.2.1 and 37.1.1 above. To facilitate the creation of the group as depicted in PART FOUR, and to facilitate the BEE transaction as discussed in paragraph 32.2.4 above, a restructuring of the group interests was undertaken.

34.1.1 ***Diagrammatic representation of the restructuring***

Prior to the restructuring, the individual shareholders of Stefanutti & Bressan Holdings (Pty) Limited (prior to the the private placement contemplated in this prospectus) had interests in various operating companies as depicted below:



To facilitate the creation of the company, the following transactions were implemented:

1. B Stefanutti and D White sold their interests in Stefanutti & Bressan Earthworks (Pty) Limited to Stefanutti & Bressan Holdings (Pty) Limited for 37 198 shares and their interests in Stefanutti & Bressan Civils Roads (Pty) Limited to Stefanutti & Bressan International (Pty) Limited for 43 522 Stefanutti & Bressan International (Pty) Limited shares. The shares received from this transaction were subsequently swapped for additional shares in Stefanutti & Bressan Holdings (Pty) Limited.

2. In implementing the transaction Stefanutti & Bressan Civils (Pty) Limited was utilised as a vehicle to facilitate the restructuring and in anticipation of this process was renamed Stefanutti & Bressan Holdings (Pty) Limited. Prior to the restructuring of the group, Stefanutti & Bressan Civils (Pty) Limited already held interests in the following companies:

• S&B Botswana (Pty) Limited	(100%)
• Stefanutti & Bressan Earthworks (Pty) Limited	(50%)
• Stefanutti & Bressan UK (Pty) Limited	(60%)
• Stefanutti & Bressan Piling (Pty) Limited	(85%)
• Stefanutti & Bressan Building Inland (Pty) Limited	(55%)

3. Individual shareholders further disposed of their interest in Stefanutti & Bressan (Pty) Limited and Stefanutti & Bressan International (Pty) Limited to Stefanutti & Bressan Holdings (Pty) Limited. The aggregated businesses and interests so acquired by Stefanutti & Bressan Holdings (Pty) Limited were disposed to Stefanutti & Bressan Civils (Pty) Limited (Newco) resulting in Stefanutti & Bressan Holdings (Pty) Limited now being an investment holding company only. The diagram below shows the resultant structure:

   Stefanutti & Bressan (Pty) Limited had interests in the following companies:

   - S&B Buildings (Pty) Limited (100%)
   - Stefanutti & Bressan Building (Pty) Limited (60%)
   - S&B Civils Roads (Pty) Limited (50%)
   - S&B Zambia (Pty) Limited (100%)

   Stefanutti & Bressan International (Pty) Limited was used as a a vehicle to aggregate interested in companies based outside South Africa;

   See PART THREE for a complete group structure (excluding dormant companies). Executive management of the various subsidiaries holds the minority shareholders' interests in these respective companies.

   There has been no change in the controlling shareholder status as a result of the restructuring of the group.

34.1.2 *Vendor details*

The vendors in respect of the above mentioned transactions were B Stefanutti, D White and W Meyburgh from 9 Palala Street, Protea Park, Zuurfontein Road, Kempton Park and J Jackson, G Perry and H Schwegmann from 14 Circuit Road, Westmead, Pinetown.

The goodwill resulting from this restructuring was R54 million being the difference between the net transaction value and net asset value of companies acquired.

Other than for warranties pertaining to the ownership of shares, no warranties were provided, and any taxes accrued by the companies acquired are payable in the ordinary course of business.

34.2 **ECMP acquisition**

34.2.1 *Salient features of the ECMP acquisition*

With effect from 3 April 2007, Stefanutti & Bressan acquired a 100% shareholding interest in ECMP, a civil engineering company specialising in waste, civil mining and environmental engineering. ECMP's strength lies in applying leading edge technology and innovative solutions appropriate to African conditions. ECMP's experience in mining waste has encompassed the full range of tailings within the mining industry (coal, gold, platinum, copper, chrome, gypsum, kimberlite, zinc, etc). ECMP's specialist engineers have therefore unique experience in the design, construction and operation of mine residue deposits. ECMP has worked for most of the major mining houses in the field of mining waste, offering a variety of services. ECMP has also recently entered the open-cast mining arena, and have signed a significant contract to muck and haul ore and overburden at the Nkomati mine.

The key terms of the ECMP acquisition were as follows:

- Stefanutti & Bressan acquired all the shares (being 60 ordinary par value shares of R1.00 each) from the vendors, M Smith and J Robbertze, who were also the founders of ECMP;
- an acquisition price of R42.7 million payable in two tranches: R31.6 million paid in cash on implementation and the balance R11.1 million was to be paid on the third anniversary of the transaction. This remaining amount will now be settled in cash on listing; and
- on the 3rd anniversary of the effective date, being 31 March 2009, a final payment will be made based on the average earnings after tax of the previous three years times at a multiple of 1.375 times less R9 625 000.

- Goodwill paid amounted to R29 548 000, being the difference between the acquisition price and ECMP's net asset value on acquisition. The goodwill is disclosed in the *pro forma* balance sheet set out in Annexure 4 to the prospectus.
- B Stefanutti, W Meyburgh, J Jackson, D White and H Schwegmann advanced R30 million to the company to fund the initial payment.

34.2.2 ***Vendor details***

Details pertaining to the vendors of ECMP are set out below:

- names and addresses: M Smith and J Robbertze ("the vendors"), of Stratford Office Park, Block 6, c/o Cedar and Valley Roads, Broadacres;
- the vendors have provided extensive warranties, which are normal for a transaction of this nature. Book debts were not specifically guaranteed;
- in terms of the vendors' ongoing employment obligations, they have signed individual restraint of trade agreements which preclude them from being involved in a business similar to that of ECMP for a period of two years after they leave the employ of ECMP;
- accrued taxes will be settled by ECMP in the ordinary course of business;
- the shares in ECMP were transferred to Stefanutti & Bressan in May 2007 and have not been pledged; and
- ECMP has not been disposed of or purchased during the three years preceding the date of the prospectus.

34.2.3 ***Property details***

ECMP operates from buildings managed by Mijov Developments (Pty) Limited, a company owned by Messrs M Smith and J Robbetze. Stefanutti & Bressan has a first right of refusal over the property. Monthly rentals as per Annexure 11 were entered into at arm's length and are market related.

Other than as disclosed in this paragraph 34, Stefanutti & Bressan and its subsidiaries have not entered into any other material transactions during the preceding three years.

35. PRINCIPAL IMMOVABLE PROPERTIES OWNED AND LEASED

Details of the principal immovable properties held or occupied by the Stefanutti & Bressan group are set out in Annexure 11.

36. DETAILS OF SUBSIDIARIES

Details of the group's subsidiaries are set out in Annexure 10.

37. MATERIAL CONTRACTS

37.1 Details of the material contracts entered into in writing by the company or any of its subsidiaries during the two years preceding the date of this prospectus, being a contract entered into otherwise than in the ordinary course of business carried on or proposed to be carried on by Stefanutti & Bressan or any of its subsidiaries, are as follows:

37.1.1 ***Restructuring***

In anticipation of the BEE transaction concluded on 31 October 2006, the group of companies (Refer to PART THREE and paragraphs 32.2.1 and 37.1.1) now known as Stefanutti and Bressan Holdings Limited was created through the consolidation of various shareholders' interests in Stefanutti & Bressan (Pty) Limited, Stefanutti & Bressan Civils (Pty) Limited and S&B International (Pty) Limited.

Through a series of transactions, G Stefanutti, J Jackson, W Meyburgh, D White, G Perry and H Schwegmann consolidated their respective interests in the abovementioned companies into Stefanutti & Bressan Holdings (Pty) Limited.

Other than for warranties regarding ownership of shares disposed of in terms of this restructuring, no other warranties were provided, no restraints of trade were implemented and no promoters' fees were paid or are payable. Accrued taxation liabilities were paid by the acquired company in the ordinary course of business.

The following agreements were concluded during the course of the restructuring, and were all signed on 30 September 2005:

Type of agreement:	Between:	and	In respect of:
Sale of Shares	B Stefanutti	Stefanutti & Bressan Holdings (Pty) Ltd	Stefanutti & Bressan Earthworks (Pty) Ltd
Sale of Shares	D White	Stefanutti & Bressan Holdings (Pty) Ltd	Stefanutti & Bressan Earthworks (Pty) Ltd
Sale of Shares	B Stefanutti; J D Jackson; W Meyburgh; G W Perry; and H F Schwegmann	Stefanutti & Bressan Holdings (Pty) Ltd	Stefanutti & Bressan (Pty) Ltd
Sale of Shares	Stefanutti & Bressan (Pty) Ltd	S&B International (Pty) Ltd	S&B Building (Pty) Ltd
Sale of Shares	B Stefanutti	S&B International (Pty) Ltd	S&B Civils Roads (Pty) Ltd
Sale of Shares	D White	S&B International (Pty) Ltd	S&B Civils Roads (Pty) Ltd
Sale of Shares	S&B Building (Pty) Ltd	S&B International (Pty) Ltd	S&B Civils Roads (Pty) Ltd
Sale of Shares	B Stefanutti	Stefanutti & Bressan Holdings (Pty) Ltd	S&B International (Pty) Ltd
Sale of Shares	D White	Stefanutti & Bressan Holdings (Pty) Ltd	S&B International (Pty) Ltd
Sale of Shares	Stefanutti & Bressan Holdings (Pty) Ltd	S&B International (Pty) Ltd	Stefanutti & Bressan UK Ltd
Sale of Shares	Stefanutti & Bressan Holdings (Pty) Ltd	S&B International (Pty) Ltd	S&B Botswana (Pty) Ltd
Sale of Shares	B Stefanutti; J D Jackson; W Meyburgh; and G W Perry	S&B International (Pty) Ltd	S&B Civils (Pty) Ltd
Sale of Business and Subscription	Stefanutti & Bressan Holdings (Pty) Ltd	Stefanutti & Bressan Civils (Pty) Ltd	Business as going concern

37.1.2 ***BEE transaction***

On 31 October 2006, the group concluded a BEE transaction with Mowana in terms of which 43 889 preference shares were issued to Mowana, at a price of R683.54 per share. The preference shares afforded Mowana an effective 15% interest in the group. Immediately prior to listing, the preference shares were converted into ordinary shares.

Any restrictions on the company or covenants imposed as a result of the BEE transaction have been waived or cancelled in anticipation of the listing of the company, including any special majority provisions contemplated in the initial transaction agreements.

37.1.3 ***Shareholders' Agreement***

In terms of a Shareholders' Agreement signed between Stefanutti & Bressan, Moputso, Mowana, B Stefanutti, W Meyburgh, J Jackson, H Schwegmann and D White:

- B Stefanutti is precluded from selling shares, other than as may be required to facilitate the listing for the three-year period ending 31 October 2009;

- Mowana is precluded from selling shares acquired in the BEE transaction for a five-year period ending 31 October 2011;
- No waiver of any right shall be effective unless reduced to writing and signed by or on behalf of the parties.

37.1.4 ***ECMP acquisition***

Refer to paragraph 34.2 for details of the ECMP acquisition.

38. OTHER

38.1 The company has not paid any material technical or secretarial fees during the three years preceding the issue of this prospectus.

38.2 No amount has been paid or has accrued as payable, or was proposed to be paid within the preceding three years, to any promoter, or to any partnership, syndicate or other association of which he/she/it is or was a member.

38.3 The company has not disposed of any material property during the past three years, nor proposes to dispose of, at the date of this prospectus.

38.4 Other than as disclosed in paragraph 16 above, there have been no commissions, discounts, brokerages or other special terms granted during the three years preceding the date of the prospectus in connection with the issue or sale of any shares, stock or debentures in the capital of Stefanutti & Bressan.

38.5 Other than as disclosed in paragraph 34 above, the company and its subsidiaries have not entered into any contract, either verbally or in writing, containing an obligation or settlement that is material and it has no royalties or any settlements of similar nature payable in any regard.

39. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened of which Stefanutti & Bressan is aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the group's financial position.

40. ADVISORS' INTERESTS

None of the advisors, whose particulars are set out in the "Corporate information" section of this prospectus, hold any shares in the company or have agreed to acquire any shares in the company at the date of this prospectus.

41. EXPERTS' CONSENTS

Each of the company's advisors, commercial bankers and the transfer secretaries have consented in writing to act in the capacities stated and to their names appearing in this prospectus and have not withdrawn their consent prior to the registration of this prospectus.

42. KING CODE

The company's Corporate Governance Report is set out in Annexure 9.

43. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out in paragraph 6, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this prospectus contains all information required by law and the Listings Requirements.

44. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents, will be available for inspection at the registered office of the company at any time during normal business hours from 08:00 to 17:00 for a period of 14 days from the date of this prospectus:

- the memoranda and articles of association of the Stefanutti & Bressan and its subsidiaries;
- the signed reports by the reporting accountants;
- the written consents of the company's advisors, commercial bankers and transfer secretaries to act in those capacities, which consents have not been withdrawn prior to registration;
- the company's share incentive schemes;
- the executive directors' service agreements;
- the audited annual financial statements of Stefanutti & Bressan for the financial years ended 28 February 2005, 2006 and 2007;
- the reviewed *pro forma* consolidated financial results for Stefanutti & Bressan for the year ended 28 February 2007;
- copies of the material contracts referred to in paragraph 37 above;
- the latest valuations relative to movable and immovable property;
- copies of the Shareholders' Agreement; and
- a copy of this prospectus.

45. PARAGRAPHS OF SCHEDULE 3 TO THE ACT WHICH ARE NOT APPLICABLE

The numbers of the paragraphs in Schedule 3 to the Act, which are not applicable, are:1(b), 2(d), 6(a)(iii), 6(d), 6(e)(ii), 6(g), 6(h), 8(b), 8(d), 12, 13, 14, 17(c), 18(b), 20(b), 21, 24, 26, 27, and 29 to 56.

Signed at Johannesburg by Jacques Peters on behalf of all the directors of the company on 23 July 2007, he being duly authorised in terms of a power of attorney granted to him by such directors.

SGD

SGD

For: Biagino Stefanutti, herein represented by Jacques Peters under and in terms of a power of attorney executed on 5 July 2007.

SGD

For: Willem Meyburgh, herein represented by Jacques Peters under and in terms of a power of attorney executed on 5 July 2007.

SGD

For: Dermot Gregory Quinn, herein represented by Jacques Peters under and in terms of a power of attorney executed on 20 July 2007.

SGD

For: Nomhle Jacqueline Mbali Gcabashe Canca, herein represented by Jacques Peters under and in terms of a power of attorney executed on 5 July 2007.

SGD

For: Kevin Roy Eborall, herein represented by Jacques Peters under and in terms of a power of attorney executed on 5 July 2007.

SGD

For: Lemane Bridgman Sithole, herein represented by Jacques Peters under and in terms of a power of attorney executed on 27 June 2007.

SGD

For: Mafika Edmund Mkwanazi, herein represented by Jacques Peters under and in terms of a power of attorney executed on 5 July 2007.

OTHER DIRECTORSHIPS HELD BY DIRECTORS

Set out below are the names of all the companies and partnerships of which the directors have been a director or partner at any time during the previous five years, indicating whether or not the individual is still a director or partner:

Director	Directorships/Partnerships
Biagino Stefanutti	8 Newton Road, (Pinetown) (Pty) Limited
	B&I Properties C.C.
	B. Stefanutti & Bressan Namibia (Pty) Limited
	Begane Mobile Crushers (Pty) Limited
	Gralio Precast (Pty) Limited, Empangeni*
	Monte Vista Valley View C.C.
	New Horizons Construction (Pty) Limited
	Pegasus Properties (Pty) Limited
	Phambili Earthworks (Pty) Limited
	Phambili Plant Hire (Pty) Limited
	S&B Botswana (Pty) Limited
	S&B Building (Pty) Limited, Swaziland
	S&B Civil Roads (Pty) Limited, Swaziland
	S&B Civils (Pty) Limited
	S&B Civils Roads and Plant Hire (Pty) Limited
	S&B Construcoes Mozambique Lda
	S&B Construction C.C
	S&B Earthworks (Swaziland) Limited
	S&B Geotechnical & Civil Contractors (Pty) Limited
	S&B International Holdings (Pty) Limited
	S&B Properties (Pty) Limited
	Stefanutti & Bressan (Civil Eng Cont) (Swd) Limited
	Stefanutti & Bressan (Pty) Limited
	Stefanutti & Bressan (UK) Limited
	Stefanutti & Bressan Building (Pty) Limited
	Stefanutti & Bressan Building Inland (Pty) Limited
	Stefanutti & Bressan Building Western Cape (Pty) Limited
	Stefanutti & Bressan Civils (Pty) Limited
	Stefanutti & Bressan Earthworks & Planthire (Pty) Limited
	Stefanutti & Bressan Earthworks (Pty) Limited
	Stefanutti & Bressan Equipment (Pty) Limited
	Stefanutti & Bressan Holdings (Pty) Limited
	Stefanutti & Bressan Piling (Pty) Limited
	Stefanutti & Bressan Zambia (Pty) Limited
	Stefanutti Construction (Pty) Limited
	Stefanutti Properties C.C
	Tavanna C.C
	Ukumba Brick and Quarry (Pty) Limited
	Whittlesea & Scott (Pty) Limited
	43 Victoria Road Camps Bay C.C.
	Erf 115 Inanda C.C.

Director	Directorships/Partnerships
Willem Meyburgh	New Horizons Construction (Pty) Limited
	S&B Botswana (Pty) Limited
	S&B International Holdings (Pty) Limited
	Stefanutti & Bressan (Pty) Limited
	Stefanutti & Bressan (UK) Limited
	Stefanutti & Bressan Building Inland (Pty) Limited
	Stefanutti & Bressan Building Western Cape (Pty) Limited
	Stefanutti & Bressan Civils (Pty) Limited
	Stefanutti & Bressan Earthworks (Pty) Limited
	Stefanutti & Bressan Equipment (Pty) Limited
	Stefanutti & Bressan Holdings (Pty) Limited
	Stefanutti & Bressan Piling (Pty) Limited
	331 Ukhwakha Projects (Pty) Limited
	Ams Haven 140 CC
	F Sturwig Education Projects (Pty) Limited
	Pro Liberis (Association incorporated under section 21)
Dermot Quinn	Begane Mobile Crushers (Pty) Limited
	Gralio Precast (Pty) Limited*
	S&B Building (Pty) Limited
	S&B Civil Roads (Pty) Limited
	S&B Civils (Pty) Limited
	S&B Earthworks (Swaziland) Limited
	S&B International Holdings (Pty) Limited
	S&B Properties (Pty) Limited
	Stefanutti & Bressan (Pty) Limited
	Stefanutti & Bressan (UK) Limited
	Stefanutti & Bressan Building Inland (Pty) Limited
	Stefanutti & Bressan Building Western Cape (Pty) Limited*
	Stefanutti & Bressan Earthworks Coastal (Pty) Limited
	Stefanutti & Bressan Holdings (Pty) Limited
	Ukumba Brick and Quarry (Pty) Limited
	B&Q Plant C.C
Nomhle Canca	Pareto (Pty) Limited
	AVI Limited
	Primedia Holdings Limited
	Land Bank (Pty) Limited*
	Sentech (Pty) Limited*
	South Africa National Parks*
	WIPHOLD (Pty) Limited*
	Investment for Women*
	Motor Investment for Women (Pty) Limited*
	Women's Development Bank (Pty) Limited*
	Afrocentric Holdings limited
Kevin Eborall	SMS Cellular Services (Pty) Limited*
	Acongagua 24 Share Block Company (Pty) Limited
	African Maritime Logistics (Pty) Limited
	Barnato Exploration Limited
	Bioclones (Pty) Limited
	Consolidated Mining Management Services Limited

Director	Directorships/Partnerships
Kevin Eborall (continued)	Cueincident (Pty) Limited
	Free State Development and Investment Corporation
	Hill and Delamain (Pty) Limited*
	JCI Gold Limited
	JCI Technology (Pty) Limited
	JCI-Secure (Pty) Limited
	Kovacs Investments 620 (Pty) Limited
	LEQ-Leadership Enterprise In (Pty) Limited
	LEQ-Leadership Enterprise Intelligence (Pty) Limited
	Miri Forestry (Pty) Limited
	Mvela Trade (Pty) Limited
	Mvelaphanda Security Investments (Pty) Limited
	Mvelaphanda Services Investments (Pty) Limited
	Ribotech (Pty) Limited
	Skygistics (Pty) Limited
	South Atlantic Fisheries
	Tavlands (Pty) Limited*
	Cradock Corporate Services CC
Lemane Bridgman Sithole	Mowana Investments (Pty) Limited
	Moputso Investments No. 25 (Pty) Limited
	Business Connexion (Pty) Limited
	Gadlex Holdings (Pty) Limited
	Gadlex (Pty) Limited
	Venn Diagnostics (Pty) Limited
	Insight Advisors (Pty) Limited
	Mowana Printing Solutions (Pty) Limited
	Katlego Solutions (Pty) Limited
	Mowana Financial Services (Pty) Limited
	Experian South Africa (Pty) Limited
	Bottom Line Analytics – South Africa (Pty) Limited
	Mowana Industrial Investments (Pty) Limited
	Shinkansen Investment (Pty) Limited
	Mowana Media Investments (Pty) Limited
	Dinkwe Investments (Pty) Limited
	Leruo Investments (Pty) Limited
	Grey Jade Trade and Investment 90 (Pty) Limited
	Amakhosi Stadium (Pty) Limited
	Business Connexion Solutions (Pty) Limited
	Business Connexion Asset Management (Pty) Limited
	C and MA Shelf Camera (Pty) Limited
	Gauteng Tourism Authority*
	Gauteng Economic Development Agency (GEDA)
	Cordless Security Camera (Pty) Limited
	Dibata Bata Investments (Pty) Limited
	Mephato Investments (Pty) Limited
	Transmobility (Pty) Limited
	Accete Investments cc

Director	Directorships/Partnerships
Edmund Mafika Mkwanazi	Erf 74 Saddlebrook Estates CC Before the Wind Investments 53 Marble Gold 237 (Pty) Limited MLZZ Family Trust Mkwanazi Investments Holdings (Pty) Limited MSC Logistics MSC Depots MSC (Pty) Limited Nedbank Limited Nedbank Group Limited Saatchi and Saatchi (Pty) Limited South Africa America's Cup Challenge Born Free Investments 402 Hulamin Limited
Joseph Fizelle	Mowana Investments (Pty) Limited Mowana Investments (Pty) Limited Tidimalo Investments (Pty) Limited Mowana Financial Services (Pty) Limited Mowana Holdings (Pty) Limited Mowana Media Investments (Pty) Limited Chateau Lalique Homeowners Association

*Resigned

RELEVANT PROVISIONS OF THE ARTICLES OF ASSOCIATION

Extracts from the articles of association of Stefanutti & Bressan are set out below:

APPOINTMENT AND RETIREMENT OF DIRECTORS

"53. **Age limit**

Any provision of the Statutes which, subject to the provisions of these Articles would have the effect of rendering any person ineligible for appointment or election as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any Director over a specified age, shall not apply to the Company.

54. **Rotation of Directors**

54.1 At the annual general meeting held in each year one-third of the Directors, or if their number is not a multiple of three then the number nearest to, but not less than one-third, shall retire from office, provided that in determining the number of Directors to retire no account shall be taken of any Director who by reason of the provisions of Articles is not subject to retirement. The Directors so to retire at each annual general meeting shall be those who have been longest in office since their last election or appointment. As between Directors of equal seniority, the Directors to retire shall, in the absence of agreement, be selected from among them by lot; provided that notwithstanding anything herein contained, if, at the date of any annual general meeting any Director will have held office for a period of three years since his last election or appointment, he shall retire at such meeting, either as one of the Directors to retire in pursuance of the foregoing or additionally thereto. A retiring Director shall act as a Director throughout the meeting at which he retires. The length of time a Director has been in office shall, save in respect of Directors appointed or elected in terms of the provisions of Articles be computed from the date of his last election or appointment.

54.2 If at any annual general meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled, he shall, if willing, continue in office until the dissolution of the annual general meeting in the next year, and so on from year to year until his place is filled, unless it shall be determined at such meeting not to fill such vacancy.

55. **Re-election of retiring Directors**

Retiring Directors shall be eligible for re-election. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting unless, not less than six days nor more than 14 days before the day appointed for the meeting, there shall have been given to the Secretary notice in writing by some Member duly qualified to be present and vote at the meeting for which such notice is given, of the intention of such Member to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected."

BORROWING POWERS

"70.1 From time to time the Directors may borrow or raise for the purposes of the Company such sums as they deem fit.

70.2 The Directors may raise or secure the payment or repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit, whether by the creation and issue of Debentures, mortgage or charge upon account or any of the property or assets of the Company, including its uncalled or unpaid Capital.

70.3 The Directors shall cause a proper register to be kept in accordance with the Statutes of all mortgages and charges specifically affecting the property of the Company, and they shall cause to be entered in such register in respect of each mortgage or charge a short description of the property mortgaged or charged, the amount of the charge created, the name of the mortgagee or person entitled to such charge and such further particulars as the Statutes require."

POWERS ENABLING A DIRECTOR TO VOTE ON A PROPOSAL, ARRANGEMENT OR CONTRACT IN WHICH HE IS MATERIALLY INTERESTED

"58.1 No Director or intending Director shall be disqualified by his office from contracting with the Company, whether with regard to such office or as vendor or purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company, in which any Director shall in any way be interested, be or be liable to be avoided; nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relationship thereby established, but the nature of his interest shall be declared by him in accordance with the Statutes.

58.2 Notwithstanding anything contained in the Articles, the Company shall not make any loan to a Director or enter into any guarantee or provide any security in connection with a loan made to a Director by any other person if and so far as any such loan, guarantee or provision of security is at any time prohibited by the Act.

58.3 No Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid, and if he does so vote, his vote shall not be counted, nor for the purpose of any resolution regarding the same shall he be counted in the quorum present at the meeting, but these prohibitions shall not apply to:

58.3.1 any contract or dealing with a company of which the Directors of the Company or any of them may be Directors, Members, managers, officials or employees or otherwise interested;

58.3.2 the giving of any security or indemnity to a Director in respect of money lent or obligations or other liabilities incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

58.3.3 any contract to underwrite or sub-underwrite any Shares or obligations of the Company or any shares in or debentures or obligations of any company in which the Company may be in any way interested;

58.3.4 any proposal concerning an offer of Shares or Debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer a Director is or is to be interested directly or indirectly in the underwriting or sub-underwriting thereof, or any allotment or issue complying with the provisions of section 222 of the Act;

58.3.5 any resolution determining the remuneration of the Directors in terms of Article 49 or 50;

58.3.6 any contract for the payment of commission in respect of the subscription for Shares or obligations of the Company;

58.3.7 the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee of indemnity or by the giving of security;

58.3.8 any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which a Director may benefit and which has been approved by or is subject to and conditional upon approval by the relevant revenue authorities for taxation purposes.

The above prohibitions may at any time be suspended or relaxed to any extent by the Company in general meeting.

58.4 Any notice given to the Directors by a Director to the effect that he is a member of a specified company or firm shall comply with the Statutes.

58.5 For the purpose of this Article, an alternate Director shall not be deemed to be interested in any contract or arrangement merely because the Director for whom he is an alternate is so interested.

58.6 Nothing in this Article contained shall be construed so as to prevent any Director as a Member from taking part in and voting upon all questions submitted to a general meeting whether such Director shall be personally interested or concerned in such question or not."

REMUNERATION OF DIRECTORS

"49. **Directors' fees**

The remuneration of the Directors shall be such sum as may from time to time be determined by the Directors or by the Company in general meeting. Such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine."

"50.1 A Director may be employed by or hold any office of profit under the Company or under any subsidiary or holding company in conjunction with the office of Director, other than that of auditor of the Company or of any subsidiary company, and upon such terms as to appointment, remuneration and otherwise as a disinterested quorum of the Directors may determine, and any remuneration so paid may be in addition to the remuneration payable in terms of Article 49."

HISTORICAL FINANCIAL INFORMATION

COMMENTARY ON THE HISTORICAL FINANCIAL INFORMATION

The following commentary is based on the group's audited consolidated financial statements for the years ended 28 February 2005, 28 February 2006 and 28 February 2007. The 2005 and 2006 financial statements were audited by MRM Registered Accountants & Auditors without qualification. The 2007 financial statements were audited by Moores Rowland, Registered Auditors, Chartered Accountants (SA) without qualification. The independent accountants' report on the historical financial information is set out in Annexure 5 to this prospectus

In 2005 the group comprised Stefanutti & Bressan Holdings (Pty) Limited, a civil engineering and investment holding company, and its two subsidiaries Stefanutti & Bressan Earthworks (Pty) Limited and S&B Botswana (Pty) Limited.

At the end of October 2006 the company successfully concluded a BEE transaction with Mowana Investments (Pty) Ltd. The impact of obtaining these BEE credentials amounted to a fair value adjustment of R30 million in the 2007 income statement in terms of IFRS 2. This once-off adjustment is a non operational cost which has been excluded from the operational results commented on below.

The increase in trading activities from 2005 to 2006 was due to continued internal growth together with the reorganisation of all the various Stefanutti & Bressan companies into a formal grouping. The 58% growth in revenue from 2006 to 2007 was purely organic and resulted in a profit before taxation of R105.3 million, representing an increase over the previous year of 40%. However, the large increase in turnover was accompanied with larger than anticipated start-up costs of various operations, necessary to meet the increasing demand within the construction sector.

Evidence of the continuing benefit to shareholders of the past expansion within the group, is reflected in capital and reserves having increased from R51.9 million at 28 February 2005 to R215.7 million at 28 February 2007. Net cash on hand at 28 February 2007 was R205.6 million (2006: R101.2 million). The group's debt equity ratio has increased to 33.8% (2006: 14.0%) after taking into account the R30 million IFRS adjustment in respect of the cost of BEE credentials.

BALANCE SHEETS

	Notes	2007 R'000	2006 R'000	2005 R'000
ASSETS				
Non-current assets		**213 136**	**148 660**	**36 670**
Property, plant and equipment	2	151 084	94 166	36 670
Investment property		–	–	–
Goodwill	4	59 091	54 413	–
Deferred tax	5	2 961	81	–
Current assets		**573 319**	**368 512**	**121 357**
Investment in associate company	3	–	653	791
Loans receivable		3 209	6 670	6 460
Inventories	6	24 327	21 027	3 110
Contracts in progress	7	5 217	4 734	3 868
Trade and other receivables	8	323 036	229 754	93 176
Taxation		12	342	371
Bank balances		217 518	105 332	13 581
Total assets		**786 455**	**517 172**	**158 027**
EQUITY AND LIABILITIES				
Capital and reserves		**215 683**	**159 453**	**51 905**
Share capital and premium	9	177 945	121 234	–
Translation and revaluation reserves		3 493	2 778	1 082
Retained income		32 035	33 430	44 658
Equity attributable to equity holders of the holding company		213 473	157 442	45 740
Minority interest		2 210	2 011	6 165
Non-current liabilities		**55 674**	**36 487**	**14 748**
Other financial liabilities	10	30 399	8 714	2 498
Deferred tax	5	25 275	27 773	12 250
Current liabilities		**515 098**	**321 232**	**91 374**
Other financial liabilities	10	74 160	46 818	9 323
Loans payable		5 856	–	–
Trade and other payables	11	269 588	246 183	60 416
Provisions	12	112 268	11 272	7 112
Bank overdraft	13	11 958	4 087	13 582
Taxation		26 013	12 872	941
Shareholders for dividends		15 255	–	–
Total equity and liabilities		**786 455**	**517 172**	**158 027**
Net asset value per share (Rand)		848,86	615,21	519,05
Net tangible asset value per share (Rand)		616,30	405,27	519,05

INCOME STATEMENTS

	Notes	2007 R'000	2006 R'000	2005 R'000
Contract revenue	14	1 688 652	1 066 074	360 838
Contract costs		(1 505 787)	(934 759)	(302 713)
Gross profit		182 865	131 315	58 125
Other income	15	6 053	5 428	1 614
Operating costs	15	(88 585)	(79 022)	(30 230)
Cost of BEE credentials		(30 000)	–	–
(Loss)/Profit from associate		–	(64)	51
Investment income	16	12 779	5 852	2 309
Finance costs	17	(7 822)	(1 489)	(505)
Profit before taxation		75 290	62 020	31 364
Taxation	18	(38 041)	(26 671)	(10 136)
Net profit for the year		37 249	35 349	21 228
Net profit for the year attributable as follows:				
Equity holders of the company		36 275	23 298	15 860
Minority shareholders		974	12 051	5 368
		37 249	35 349	21 228
Earnings per share (Rand)		144.61	230.95	158.60
Headline earnings per share (Rand)		144.61	230.95	158.60
Diluted earnings per share (Rand)		123.56	230.95	158.60
Diluted headline earnings per share (Rand)		138.84	230.95	158.60
Earnings per share excluding BEE credentials (Rand)		261.08	230.95	158.60
Diluted headline earnings per share excluding BEE credentials		247.05	230.95	158.60
Dividend per share (Rand)		148.26	123.39	25.00

Earnings per share is calculated by dividing earnings attributable to ordinary equity holders of the company of R37 249 000 (2006: R35 349 000; 2005: R15 860 000) by the weighted average number of ordinary shares in issue of 257 578 (2006: 153 062; 2005: 100 000).

Earnings per share excluding BEE credentials is calculated by adding back the cost of R30 000 000 to the earnings attributable to ordinary equity holders and dividing by the weighted average number of ordinary shares in issue. The BEE credentials cost incurred relates to the difference between the fair value of the transaction and the issue price of the preference shares at grant date.

STATEMENTS OF CHANGES IN EQUITY

	Issued capital and premium R'000	Translation and revaluation reserve R'000	Distributable reserve R'000	Minority shareholder interest R'000	Total R'000
Balance at 1 March 2004		(55)	31 298	3 297	34 540
Foreign currency translation reserve		1 137			1 137
Net profit for the year			15 860	5 368	21 228
Dividends paid			(2 500)	(2 500)	(5 000)
Balance at 1 March 2005		1 082	44 658	6 165	51 905
Premium on issue of ordinary shares	121 538				121 538
Share issue costs written-off	(304)				(304)
Acquisition of minority				(12 235)	(12 235)
Disposal of minority				750	750
Disposal of foreign subsidiary		(1 082)	(2 546)		(3 628)
Net profit for the year			23 298	12 051	35 349
Revaluation of land and buildings		2 778			2 778
Dividends paid			(31 980)	(4 720)	(36 700)
Balance at 1 March 2006	121 234	2 778	33 430	2 011	159 453
Premium on issue of ordinary shares	5 022				5 022
Premium on issue of preference shares	60 000				60 000
Net profit for the year			36 275	974	37 249
BEE					
Share buy-back	(8 311)				(8 311)
Acquisition of minority				(643)	(643)
Revaluation of land and buildings		793		103	896
Translation of foreign subsidiary		(78)		(235)	(313)
Dividends paid			(37 670)		(37 670)
Balance at 28 February 2007	177 945	3 493	32 035	2 210	215 683

CASH FLOW STATEMENTS

	Notes	2007 R'000	2006 R'000	2005 R'000
Cash flows from operating activities		93 428	85 788	(20 893)
Cash receipts from customers		1 798 069	1 056 183	356 974
Cash paid to suppliers and employees		(1 656 247)	(930 590)	(359 633)
Cash generated by operating activities	19.1	141 822	125 593	(2 659)
Interest received		12 779	5 852	2 309
Interest paid		(7 822)	(1 489)	(505)
Dividends paid		(23 665)	(36 700)	(5 000)
Taxation paid	19.2	(24 648)	(2 568)	(14 413)
Secondary Tax on Companies paid	19.3	(5 038)	(4 900)	(625)
Cash flows from investing activities		(68 312)	(148 406)	(12 427)
Expenditure to maintain operating capacity				
Property, plant and equipment acquired		(72 213)	(69 882)	(12 493)
Proceeds of disposals of property, plant and equipment		2 414	19 981	806
Advances from joint ventures		6 509	–	–
Expenditure for expansion				
Net investment in subsidiaries		(5 022)	(54 413)	–
Acquisition of cash on subsidiaries acquired		–	(44 166)	–
Decrease/(Increase) in associates		–	74	(740)
Cash flows from financing activities		79 199	163 864	737
Proceeds from issue of shares		35 022	121 234	–
Repurchase of shares		(8 311)	–	–
Shareholder's loan raised		9 233	–	–
Long and short-term liabilities raised/(repaid)		43 255	43 712	(400)
Foreign currency translation reserve		–	(1 082)	1 137
Increase/(Decrease) in cash and cash equivalents		104 315	101 246	(32 583)
Cash and cash equivalents at beginning of year		101 245	(1)	32 582
Cash and cash equivalents at end of year	19.4	205 560	101 245	(1)

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and have been applied consistently to all periods presented as well as in preparing the opening International Financial Reporting Standards (IFRS) balance sheet at 1 March 2005.

1. PRESENTATION OF FINANCIAL STATEMENTS

The annual financial statements and group annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP) and International Financial Reporting Standards and the Companies Act of South Africa.

The annual financial statements have been prepared using a combination of the historical cost and fair value bases of accounting. Those categories to which the fair value basis of accounting has been applied are indicated in the individual accounting policy notes below.

In the current year, the group has adopted all of the new and revised Standards and Interpretations issued by the IASB and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operation and effective for the period ending 28 February 2007.

The principle accounting policies are set out below. The comparative figures in respect of 2005 and 2006 have been restated to incorporate these accounting policies. A reconciliation of the effect of the transition to IFRS is given in Note 25.

1.1 Significant judgements

In the process of applying the company's accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the annual financial statements:

Investment property

The company owns land and building that it partly uses for administration purposes and partly uses to earn rental income. The areas used for these purposes cannot be individually separated and sold or leased under a finance lease. It proved difficult to determine the classification of the property as owner-occupied or investment property. The directors ultimately decided the property should be classified as owner-occupied because the overriding reason the property was purchased, was to use it for administration purposes.

1.2 Property, plant and equipment

Property, plant and equipment is initially recognised at cost. The cost of property, plant and equipment includes amounts incurred initially to acquire or construct an item of property, plant and equipment and amounts incurred subsequently to add to, or replace part of the asset. Replacement costs include the cost of major inspections. If the replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. Day-to-day servicing costs, such as labour and consumables, are expensed in the income statement.

Property, plant and equipment, other than land and buildings, are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are carried at a revalued amount, being the fair value of the property at the date of revaluation, less any subsequent accumulated depreciation on buildings and any accumulated impairment losses subsequent to the date of the revaluation. Should the residual value exceed the revalued amount then no depreciation on buildings is recognised.

Where assets are carried at revalued amounts, the valuations are performed with sufficient regularity to ensure that the fair value of the revalued assets do not differ materially from their carrying amounts. Any increase in the assets' carrying amounts, as a result of a revaluation, is credited directly to equity in the revaluation surplus. The increase is recognised in the income statement to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any decrease in the assets' carrying amounts, as a result of a revaluation, is recognised in the income statement in the year in which it arises. However, the decrease is debited directly against the revaluation surplus in equity to the extent that it reverses any revaluation previously credited to this reserve for a specific asset.

Depreciation is provided on all property, plant and equipment to write down the cost, less residual value, on the straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Aircraft	32 years
Motor vehicles	5 years
Long-term plant and equipment	10 years
Medium-term plant and equipment	8 years
Short-term plant and equipment	5 years
Furniture and fittings	8 years
Office and computer equipment	3 years

Land is not depreciated as it is deemed to have an indefinite useful life.

Where a part of an item of property, plant and equipment is significant in relation to the cost of the item, that part is depreciated separately. The depreciation charge is recognised as an expense in the income statement. The residual values, useful lives and depreciation methods applied to property, plant and equipment are reviewed, and adjusted if necessary, on an annual basis. These changes are accounted for as a change in estimate.

An item of property, plant and equipment is derecognised upon disposal or where no future economic benefits are expected from its use or disposal. The gain or loss arising form the derecognition of an item of property, plant and equipment is included in the income statement and is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the date of derecognition.

1.3 **Goodwill**

Goodwill arises from business combinations and is initially measured at cost. Cost represents the excess of the purchase consideration over the fair value of the company's and group's share of the identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Subsequently, goodwill is measured at cost less any accumulated impairment losses.

Where the fair value of the company's and group's share of the identifiable assets, liabilities and contingent liabilities acquired in a business combination is greater than the cost of the combination, the difference is recognised in the income statement immediately.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

At the acquisition date, goodwill is allocated to each of the cash-generating units expected to benefit from a business combination. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which goodwill relates. The recoverable amount is determined as the value in use of each cash-generating unit by estimating the expected future cash flows in each unit and choosing a suitable discount rate in order to calculate the present value of those cash flows.

Where the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, an impairment loss is recognised in the income statement beginning with the write-off of the goodwill allocated to such cash-generating unit. Where the goodwill is insufficient to cover the amount of the impairment adjustment, the remaining assets in the cash-generating unit are impaired on a *pro rata* basis.

An impairment loss recognised for goodwill is not subsequently reversed.

Internally generated goodwill is not recognised as an asset.

1.4 **Investments in subsidiaries**

Group annual financial statements

The group annual financial statements comprise the consolidated annual financial statements of the company and its subsidiaries. The annual financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses are eliminated in full in the consolidated annual financial statements.

Subsidiaries are consolidated from the date of acquisition, which is the date on which the group obtains control of the subsidiary, and continue to be consolidated until the date that control ceases.

Minority interests included on the balance sheet represent the portion of profit or loss and net assets in subsidiaries not held by the group. Minority interests are presented separately in the income statement and within equity in the consolidated balance sheet.

Company annual financial statements

Investments in subsidiaries in the company's separate annual financial statements are initially recognised at cost. The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, shares issued and the direct costs attributable to the acquisition of the subsidiary.

Investments in subsidiaries are subsequently measured at cost less accumulated impairment.

1.5 **Investments in joint ventures**

Group annual financial statements

Investments in jointly controlled operations are accounted for using the proportionate consolidation method. Under the proportionate consolidation method the group's share of each of the assets, liabilities, income and expenses of the investments are combined line-by-line with similar items in the group annual financial statements. The use of proportionate consolidation is discontinued from the date on which it ceases to have joint control over a jointly controlled operation.

1.6 **Investments in associates**

Group annual financial statements

Investments in associates are accounted for using the equity method. Associates are entities in which the group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investments are initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the profits or losses of the associates after their acquisition dates. The use of the equity method is discontinued from the date on which the group ceases to have significant influence over an associate.

Company annual financial statements

Investments in associates in the company's separate annual financial statements are initially recorded at cost. Investments in associates are subsequently measured at cost less any accumulated impairment.

1.7 **Financial instruments**

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Loans to/(from) group companies

These include loans to/(from) holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

The initial fair value of such loans is the cash consideration given or received.

Loan payables where there are no determinable terms of repayment are included in current liabilities and are repayable on demand.

Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for estimated irrecoverable amounts is recognised in the income statement when there is objective evidence that the asset is impaired.

Trade and other payables

Trade and other payables are recognised and carried at original invoice amount less repayments.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand. These are initially and subsequently recorded at fair value.

For purposes of the cash flow statement, cash and cash equivalents comprise cash and cash equivalents defined above, net of outstanding bank overdrafts.

Bank overdrafts and borrowings

Bank overdrafts and borrowings are initially measured at fair value, which is the cash consideration received plus transaction costs. Subsequently, bank overdrafts and borrowings are measured at amortised cost using the effective interest rate method. The amortised cost method results in the accrual of interest in each period by applying the effective interest rate implicit to the outstanding balance on the borrowings. Borrowings are reduced when repayments are made.

Share capital and premium

Share capital and premium issued by the company is recorded at the proceeds received, net of issue costs.

Derecognition of financial assets and liabilities

Financial liabilities are derecognised when the obligation under the liability, is discharged or cancelled or expires.

1.8 Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a tax payable in the balance sheet. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a tax receivable in the balance sheet.

Current tax liabilities and current tax assets are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction, affects neither accounting profit (accounting loss) nor taxable profit/(tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction, affects neither accounting profit (accounting loss) nor taxable profit/(tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses (and unused Secondary Taxation on Companies credits) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and Secondary Taxation on Companies credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax assets and liabilities reflect the tax consequences that would follow from the manner in which the company expects to recover or settle the carrying amounts of its asset and liabilities at the balance sheet date.

The carrying amount of deferred tax assets in the balance sheet are reviewed annually and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset for presentation in the balance sheet where the company has a legally enforceable right to do so and the income taxes relate to the same tax authority.

Deferred tax assets and deferred tax liabilities arising in the group annual financial statements from different subsidiaries are not offset because there is no allowance in South African tax law that allows income tax from different entities to be offset.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in the income statement. The current tax payable is based on taxable profit. Taxable profit differs from profit reported in the income statement where there are items of income or expense that are taxable or deductible in other years and it also excludes items that are never taxable or deductible under existing tax legislation.

Secondary Taxation on Companies is provided in respect of declared dividends, net of dividends received or receivable, and is recognised as a taxation charge in the income statement in the year the related dividend is declared.

1.9 Leases

Leases of assets where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Finance leases – lessee

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the terms of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease liability. This liability is not discounted.

Operating lease – lessor

Operating lease income is recognised as income on a straight-line basis over the lease term. The difference between the amounts recognised as income and the contractual income are recognised as an operating lease asset. This asset is not discounted.

Income from leases is disclosed under revenue in the income statement.

The underlying leased asset is not derecognised from the company's balance sheet and is depreciated in accordance with the accounting policy for property, plant and equipment.

1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all the cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Spare parts are classified as inventory and accounted for using the measurement principles in this accounting policy. The cost of these spare parts is recognised in the income statement when consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completing and the estimated costs necessary to make the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Construction contracts and receivables

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology, and functions, or their ultimate purpose or use.

A group of contracts are treated as a single construction contract when the group of contracts are negotiated as a single package, the contracts are so interrelated that they are, in effect part of a single project with an overall profit margin and the contracts are performed concurrently or in a continuous sequence.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recovered. Contract costs on these contracts are recognised when incurred.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised by using the percentage of completion method as set out in note 1.18. Costs are recognised in net profit as incurred. However, costs incurred in the year in connection with future activity on a contract are excluded and shown as contracts in progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where recognised revenue using the percentage of completion method exceeds billed work, the balance is also shown under contracts in progress. Where billed work exceeds recognized revenue using the percentage of completion method, the balance is shown as excess billings over work done, under trade and other payables.

1.12 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also tests goodwill acquired in a business combination for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual year and at the same time every year.

The accounting policy that deals with the impairment of intangible assets with an indefinite useful life and goodwill are included in the respective accounting policy notes for those assets.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits such as medical aid, cars and housing), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of accrued leave is recognised as an expense as the employee render service that increase their entitlement or, in the case of non-accumulating leave, when the absence occurs. Accrued leave is measured as the amount that the company expects to pay as a result of unused entitlement that has accumulated to the employee at the balance sheet date.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to a defined contribution retirement plan are charged as an expense as they fall due.

1.14 Provisions and contingencies

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the best estimate of the expenditure required to settle the obligation. The amount of the provision is discounted using a pre-tax discount rate when the effect of the expected future cash outflow related to the provision is not expected to occur soon after the balance sheet date and the effect of discounting is material. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligation.

The company raises a provision for warranties for the best estimate of the costs of warranty claims. The company uses past history to estimate the volume of claims and expected costs of repair under the warranty clause.

Contingent assets and contingent liabilities are not recognised, but are disclosed in the notes to the annual financial statements.

1.15 Revenue

Revenue from construction contracts is recognised in accordance with the accounting policy for construction contracts and receivables.

Revenue from rental agreements is recognised in accordance with the accounting policy for operating leases.

Dividend revenue is recognised in the income statement when the company's right to receive payment has been established. This normally coincides with the declaration of the dividend.

1.16 Revenue recognition

Subsidiaries, which are those entities in which the group has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies are consolidated. The results of the subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal. Intra-group transactions are eliminated on consolidation.

Revenues relating to long term contracts are accounted for using the percentage of completion method and are measured at the fair value of the consideration received or receivable and include variations and claims; the stage of completion is measured by reference to the survey of work performed significant activity achieved to date for work performed bears to the total significant activity of the contract. Property sales are recognized upon delivery of products and customer acceptance, if any, or performance of services, net of value added taxes and trade discounts, and after eliminating sales within the group.

Other income, which is not included in revenue, earned by the group is recognised.

1.17 **Borrowing costs**

Borrowing costs arise on the borrowing of funds and are recognised as an expense in the income statement, in the finance costs line item, in the period in which they are incurred.

1.18 **Dividends**

Dividends declared by the company to holders of the company's shares are recognised in the statement of changes in equity. Dividends that have not been declared at the balance sheet date are not accounted for in the current period. Such dividends are disclosed where the declaration occurred after the balance sheet date, but before these annual financial statements are approved for issue.

1.19 **Translation of foreign currencies**

The functional currency of the company is South African Rand.

In the group annual financial statements, the results and financial position of a foreign operation are translated into Rand using the following procedures:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at exchange rates at the dates of the transactions or, where exchange differences did not fluctuate significantly, at the average exchange rates for the period; and
- all resulting exchange differences are recognised as a separate component of equity and included in the foreign currency translation reserve.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially in the foreign currency translation reserve in the group annual financial statements and recognised in the income statement on disposal of the net investment. These exchange differences are recognised in the income statement in the company's annual financial statements or in the financial statements of the foreign operation.

1.20 **Segmental reporting**

A geographical segment is engaged in providing services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The group's primary format for reporting segmental reporting is determined in accordance with reference to the geographical location of the operations.

2. PROPERTY, PLANT AND EQUIPMENT

	Cost/ Valuation R'000	Accumulated depreciation R'000	Carrying value R'000
2.1 2007			
Owned assets			
Land	11 371	–	11 371
Buildings	12 095	(207)	11 888
Aircraft	600	–	600
Transport and motor vehicles	51 761	(10 398)	41 363
Plant and equipment	105 309	(24 483)	80 826
Furniture and fittings and office and computer equipment	11 467	(6 538)	4 929
Leasehold improvements	142	(35)	107
	192 745	(41 661)	151 084

The carrying amount of property, plant and equipment can be reconciled as follows:

Group	Carrying value at beginning of year R'000	Revaluations R'000	Transfers R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying value at end of year R'000
Owned assets							
Land	9 616	1 365	–	390	–	–	11 371
Buildings	10 621	(1 003)	–	2 510	(216)	(24)	11 888
Aircraft	600	–	–	–	–	–	600
Transport and motor vehicles	26 072	–	(233)	19 494	(531)	(3 439)	41 363
Plant and equipment	44 066	–	464	46 191	(846)	(9 049)	80 826
Furniture and fittings and Office and computer equipment	3 191	–	1	3 486	(156)	(1 593)	4 929
Leasehold improvements	–	–	–	142	–	(35)	107
	94 166	362	232	72 213	(1 749)	(14 140)	151 084

	2007 R'000	2006 R'000
Details of property		
Property 1 – Land portion		
Land at valuation:		
Property situate on Erven 1450, 1451, 1452, 1453, 1454 and 1455 in the township of Terenure Extension 42.		
At cost	2 152	2 152
Additions, at cost	210	210
Revaluation	2 910	2 615
	5 272	4 977
Property 1 – Building portion		
Building at valuation:		
Property situate on Erven 1450, 1451, 1452, 1453, 1454 and 1455 in the township of Terenure Extension 42.		
At cost	8 139	8 139
Additions, at cost	1 510	–
Revaluation	384	384
Impairment	(1 005)	–
	9 028	8 523
Property 2 – Land portion		
Land at valuation:		
Property situate on portion 100 of Farm 12 Klipfontein.		
At cost	513	513
Additions, at cost	267	267
Impairment	(60)	(60)
	720	720
Property 3 – Land and building		
Land and building at valuation:		
Property situate on Erf 2395, portion 15 in the township of van Riebeeck Park Ext 4.		
Land at cost August 2006	299	–
Building at cost August 2006	1 001	–
	1 300	–

	2007 R'000	2006 R'000
Property 4 – Land and building		
Land at valuation:		
Property situate on Erf 5170, Pinetown Ext 55 situated at 12 Circuit Road, Westmead.		
At cost	650	650
Revaluation	2 102	2 013
Impairment	–	(193)
Additions, at cost	632	–
	3 384	2 470
Property 5 – Land and building		
Land and building at valuation:		
Section 7 of building known as Le Terrace, Meer en See, Richards Bay.		
At cost	239	239
Revaluation	427	361
	666	600
Property 6 – Land and building		
Land and building at valuation:		
61 Honeysuckle, Veldenvlei, Richards Bay.		
At cost	262	262
Revaluation	768	588
	1 030	850
Property 7 – Land and building		
Lot 7160/A of Zimpeto, Maputo, Mozambique	1 859	2 097

Details of valuation

The effective date of the valuations for property 1, 2 and 3 was 23 February 2007. Revaluations were performed by an independent valuer, Mr D Henning, of i-Val Consultants (Pty) Ltd.

i-Val Consultants (Pty) Ltd are not connected to the company and have experience in the location and category of the properties being valued. The valuations were based on open market value for existing use.

The effective date of the valuations for property 4, 5 and 6 was 28 February 2007. Revaluations were performed by an independent valuer, Mr A Ventress, of Lock Sloane Partners.

Lock Sloane Partners are not connected to the company and have experience in the location and category of the properties being valued. The valuations were based on open market value for existing use.

		Cost/ Valuation R'000	Accumulated depreciation R'000	Carrying value R'000
2.2	**2006**			
	Owned assets			
	Land	9 616	–	9 616
	Buildings	10 804	(183)	10 621
	Aircraft	600	–	600
	Transport and motor vehicles	34 649	(8 577)	26 072
	Plant and equipment	61 411	(17 345)	44 066
	Furniture and fittings and office and computer equipment	8 263	(5 072)	3 191
		125 343	(31 177)	94 166

The carrying amount of property, plant and equipment can be reconciled as follows:

Group	Carrying value at beginning of year R'000	Revaluations R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying value at end of year R'000
Owned assets						
Land	2 665	2 555	4 396	–	–	9 616
Buildings	–	3 346	7 321	–	(46)	10 621
Aircraft	–	–	600	–	–	600
Transport and motor vehicles	12 283	–	18 360	(531)	(4 040)	26 072
Plant and equipment	21 165	–	34 149	(5 043)	(6 205)	44 066
Furniture and fittings and office and computer equipment	557	–	3 909	(7)	(1 268)	3 191
	36 670	5 901	68 736	(5 581)	(11 559)	94 166

		Cost/ Valuation R'000	Accumulated depreciation R'000	Carrying value R'000
2.3	**2005**			
	Owned assets			
	Land	2 665	–	2 665
	Buildings	–	–	–
	Aircraft	–	–	–
	Transport and motor vehicles	15 690	(3 407)	12 283
	Plant and equipment	26 215	(5 050)	21 165
	Furniture and fittings and office and computer equipment	3 223	(2 666)	557
		47 793	(11 123)	36 670

The carrying amount of property, plant and equipment can be reconciled as follows:

Group	**Carrying value at beginning of year R'000**	**IFRS Revaluations R'000**	**Additions R'000**	**Disposals R'000**	**Depreciation R'000**	**Carrying value at end of year R'000**
Owned assets						
Land	1 949		716			2 665
Buildings	–					–
Aircraft	–					–
Transport and motor vehicles	2 672	4 268	6 474	(389)	(742)	12 283
Plant and equipment	7 989	10 391	4 785	(206)	(1 794)	21 165
Furniture and fittings and Office and computer equipment	1 146	(256)	517	(30)	(820)	557
	13 756	14 403	12 492	(625)	(3 356)	36 670

	2007 R'000	**2006 R'000**	**2005 R'000**
3. **INVESTMENT IN ASSOCIATE COMPANY**			
At fair value			
Associate			
32% interest in unlisted Ukumba Brick & Quarry (Pty) Ltd			
Carrying value of investment:			
Shares, at cost	–	–	–
Loan account	1 419	–	–
Accumulated impairment	(1 419)	–	–
30% interest in unlisted Begane Mobile Crushers (Pty) Ltd			
Carrying value of investment:			
Shares, at cost	–	–	–
Loan account	666	666	740
Accumulated (loss)/profit	(13)	(13)	51
Accumulated impairment	(653)	–	–
	–	653	791
4. **GOODWILL**	59 091	54 413	–

The carrying amount of goodwill can be reconciled as follows:

	Carrying value at beginning of year R'000	**Additions R'000**	**Carrying value at end of year R'000**
2007			
Goodwill acquired	54 413	4 678	59 091
2006			
Goodwill arising on formation of the group	–	54 413	54 413

		2007 R'000	2006 R'000	2005 R'000
5.	**DEFERRED TAX**			
5.1	**Deferred tax assets**			
	The balance comprises:			
	– Property, plant and equipment	742	45	–
	– Other provisions	34	36	–
	– Assessed losses	2 185	–	–
		2 961	81	–
	Balance at beginning of year			
	Movements during year attributable to:			
	– Temporary differences	81	81	–
	– Change in tax rate	2 880	–	–
	Balance at end of year	2 961	81	–
5.2	**Deferred tax liabilities**			
	The balance comprises:			
	– Property, plant and equipment	6 485	10 210	5 601
	Provisions	(14 979)	–	(1 874)
	– Provision for bad debts	(479)	(1 876)	(778)
	Retentions	5 537	6 220	3 123
	Future expenditure allowances	30 954	21 561	7 736
	Income overclaimed	(5 134)	(8 512)	(1 558)
	– Capital allowances	(144)	170	–
	– Fair value adjustments	3 035	–	–
		25 275	27 773	12 250
	Balance at beginning of year	27 773	12 250	10 278
	Movements during year attributable to:			
	– Temporary differences	(2 498)	6 716	1 972
	– Arising from acquisitions	–	8 975	–
	– Change in tax rate	–	(168)	–
	Balance at end of year	25 275	27 773	12 250

		2007 R'000	2006 R'000	2005 R'000
6.	**INVENTORIES**			
	The amounts attributable to the different categories is as follows:			
	Consumables	24 327	21 027	3 110
7.	**CONTRACTS IN PROGRESS**			
	Costs incurred plus profits recognised *less* estimated losses relating to contracts in progress at year-end	162 858	66 565	9 802
	Progress billings	(157 641)	(61 831)	(5 934)
		5 217	4 734	3 868

	2007 R'000	2006 R'000	2005 R'000
8. TRADE AND OTHER RECEIVABLES			
Accounts receivable include:			
Retention debtors	34 768	18 257	10 322
Amounts owing by joint venture partners	10 566	5 865	–
Pre-payments	2 504	206	144
Contract debtors	272 711	185 629	74 845
Trade debtors:			
Other receivables	2 487	19 797	7 865
	323 036	229 754	93 176

The carrying value of accounts receivable approximates their fair value due to the short-term nature of these instruments. Refer to Note 18 for details on credit, currency and interest rate risk.

9. SHARE CAPITAL AND PREMIUM

	2007 R'000	2006 R'000	2005 R'000
Authorised			
– 1 000 000 ordinary shares of 0.1 cent each	1	1	1
– 100 000 cumulative redeemable preference shares of 0.1 cent each	–	–	–
	1	1	1
Issued			
– 254 084 ordinary shares of 0.1 cent each			
– 43 889 cumulative convertible preference shares of 0.1 cent each	–	–	–
Share premium	177 945	121 234	–
– Arising on issue and repurchase of 5 380 and 10 481 ordinary shares, respectively	117 945	121 234	–
– Arising on issue of 43 889 preference shares	60 000	–	–
	177 945	121 234	–

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

The share premium arose during the year as a result of the issue and repurchase of shares:

- issue of 5 380 ordinary shares to acquire an additional net 4% in a subsidiary;
- repurchase of 10 481 ordinary shares from a minority shareholders; and
- issue of 43 889 convertible preference shares in respect of the BEE transaction.

	2007 R'000	2006 R'000	2005 R'000
10. OTHER FINANCIAL LIABILITIES			
10.1 **Long term loans**			
Secured loan bearing interest at 10.2% per annum (2006: R Nil) repayable in monthly instalments of R12 954 (2006: R Nil). Secured by a mortgage bond on the company's freehold land and buildings	1 300	–	–
Loan agreement (Nedbank Limited) Unsecured loan bearing interest at prime less 2.2%, repayable in monthly instalements of R199 378	1 535	–	–
10.2 **Instalment sale agreements (Nedbank Limited and WesBank, a division of FirstRand Bank Limited)**			
Various financial institutions:			
The company purchased plant, equipment, transport, motor vehicles under instalment sale agreements payable over 2 to 3 years at an effective interest rate ranging from 10.3% to 10.8%. All instalment sale agreements have a fixed monthly repayment basis	59 316	22 357	7 005
Less: Current portion of lease liability	(31 752)	(13 643)	(4 507)
All instalment sale agreements are denominated in Rand.			
The company's obligations under instalment sale agreements are secured by certain assets (refer Note 2).			
These assets have a net book value at year-end amounting to R76 801 000 (2006: R30 629 000; 2005: R14 107 000).			
Non-current liabilities	30 399	8 714	2 498
10.3 **Loans payable**			
Loans from shareholders:			
Loans payable are unsecured, bear interest at prime less 2% and are repayable on demand	42 408	33 175	4 816
10.4 **Current portion of lease liability**	31 752	13 643	4 507
Current liabilities	74 160	46 818	9 323

11. TRADE AND OTHER PAYABLES

	2007 R'000	2006 R'000	2005 R'000
Accounts payable include:			
– Advance payments received	31 533	28 796	4 896
– Trade and other creditors	215 330	180 498	45 184
– Accrued expenses	18 336	24 602	6 875
– Retention creditors	4 389	12 287	3 461
	269 588	246 183	60 416

The carrying value of accounts payable approximates their fair value due to the short-term nature of these instruments.

	Carrying value at beginning of year R	Additional provisions R	Used during the year R	Carrying amount at end of year R
12. **PROVISIONS**				
Leave pay provision	3 090	777	(3 090)	777
Bonus provision	6 430	6 430	(6 430)	6 430
Contracting provision	–	85 392	–	85 392
Warranty provision	–	12 528	–	12 528
Self insurance provision	–	5 286	–	5 286
Other provision	1 752	1 855	(1 752)	1 855
	11 272	112 268	(11 272)	112 268

Leave pay benefits and bonus

Leave pay and bonus benefits relate to the entitlements accrued to employees of the company at the year-end.

Contracting and warranty provisions

The contracting and warranty provisions relate to contracting costs accured at year-end as well as a provision for potential warranty claims on contracts.

The increase in contracting and warranty provisions in 2007 is in line with the increase in general contracting activity.

13. **BANK OVERDRAFT**

Credit extended by bankers amounts to a total group facility for various applications of R100 million.

The banking facilities of the companies and group are secured by way of unlimited cross-deeds of suretyship provided by all group companies.

The overdrafts are repayable on demand.

	2007 R'000	2006 R'000	2005 R'000
14. **CONTRACT REVENUE**			
Contract revenue comprises turnover, which excludes Value-Added Tax and represents the invoice value of goods and services supplied.			
Contract revenue	1 688 652	1 066 074	360 838

	2007 R'000	2006 R'000	2005 R'000
15. OPERATING PROFIT			
Operating profit is stated after:			
Income:			
Profit on disposal of property, plant and equipment	614	–	60
Profit on foreign exchange	636	–	–
Rent received	2 956	374	1 007
Project management fee	1 748	499	220
Depreciation recouped	99	1 490	327
Other	–	3 065	–
	6 053	5 428	1 614
Expenditure:			
Auditors' remuneration			
– Audit fee	1 006	371	110
– Prior year under provision			
Depreciation			
– Property, plant and equipment	14 140	11 559	3 356
Impairment losses			
– Buildings	668	–	–
– Loans	2 072	–	487
Loss on disposal of property, plant and equipment	(48)	–	–
Operating lease rentals			
– Premises	2 338	1 096	–
– Property, plant and equipment	46	–	–
– Office equipment	–	21	15

16. **INVESTMENT INCOME**

	2007 R'000	2006 R'000	2005 R'000
Interest income:			
Interest received	12 779	5 852	2 309
Dividend income:			
Dividends received from unlisted companies	–	–	–

17. **FINANCE COSTS**

	2007 R'000	2006 R'000	2005 R'000
Bank overdrafts instalment	1 754	126	21
Sale agreements	3 452	1 363	467
Long-term loans	–	–	17
Shareholders	2 616	–	–
	7 822	1 489	505

	2007 R'000	2006 R'000	2005 R'000
18. **TAXATION**			
18.1 **South African normal tax**			
– Current tax	32 802	13 725	7 539
– Deferred tax	(5 116)	6 145	1 972
– current year	(5 116)	6 141	1 972
– increase due to rate change	–	4	–
Secondary Tax on Companies ("STC")	5 038	4 900	625
Withholding tax on dividends	2 129	300	–
South Africa normal tax	34 853	25 070	10 136
18.2 **Swaziland normal tax**			
– Current tax	3 098	1 184	–
– Deferred tax	–	327	–
Swaziland normal tax	3 098	1 511	–
18.3 **Mozambiquan normal tax**			
– Current tax	90	90	–
Total taxation	38 041	26 671	10 136
18.4 **Reconciliation of tax charge**			
South African normal tax rate	30 534	20 269	9 408
Mozambique normal tax rate	90	90	–
Swaziland normal tax rate	3 098	1 504	–
Adjusted for:			
– Disallowable expenditure/(exempt income)	(2 848)	(392)	126
– Deferred tax – prior year adjustment	–	–	(23)
STC	5 038	4 900	625
Withholding taxes	2 129	300	–
Effective tax	38 041	26 671	10 136

	2007 R'000	2006 R'000	2005 R'000
19. NOTES TO THE CASH FLOW STATEMENT			
19.1 Cash generated by operating activities			
Net profit before taxation	75 290	62 020	31 364
Adjustments for:			
Cost of BEE credentials	30 000	–	–
Depreciation	14 140	11 559	3 356
Impairment losses	668	–	–
Interest received	(12 779)	(5 852)	(2 309)
Finance costs	7 822	1 489	505
Movement in provisions	100 996	–	–
Profit on disposals of property, plant and equipment	(665)	(1 490)	(387)
Profit/(Loss) of associate	–	64	(51)
Loss on investment	–	–	487
Other non cash flow items	10	15 172	(36)
	215 482	82 962	32 929
Movements in working capital:			
Increase in inventories	(3 783)	(18 783)	(812)
Increase in accounts receivable	(93 282)	(128 377)	(54 238)
Increase in accounts payable	23 405	190 001	11 416
Associated companies	–	(210)	8 046
	141 822	125 593	(2 659)
19.2 Reconciliation of taxation paid during year			
Charge in income statement	38 041	26 671	10 136
Adjustment for deferred tax and STC	78	(11 372)	(2 597)
Arising from acquisitions	–	(771)	–
Movement in taxation balance	(13 471)	(11 960)	6 874
Payments made	24 648	2 568	14 413
19.3 Reconciliation of STC paid during year			
Charge in income statement	5 038	4 900	625
Payments made	5 038	4 900	625
19.4 Cash and cash equivalents			
Cash and cash equivalents consists of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:			
Cash and cash equivalents	217 518	105 332	13 581
Bank overdraft	(11 958)	(4 087)	(13 582)
	205 560	101 245	(1)

Related party and nature of transaction	Directors of holding company or subsidiaries	Direct/ Indirect interest	Value R'000
20. RELATED PARTY TRANSACTIONS			
Related parties where control existed during the year, are as follows:			
G-Ko Tech CC – electrical contractors	J H Saayman	50% member	2 416
Begane Mobile Crusher (Pty) Limited – mobile crushing plant	D G Quinn	10% shareholder	1 611
Ukumba Brick & Quarry (Pty) Limited – quarry	D G Quinn	5% shareholder	643
Piazza Trust – property owning trust	B Stefanutti	Family trust	261
The DW Trust – property owning trust	D White	Family trust	310

Details of directors' emoluments and inter-company investments and balances are set out elsewhere in these annual financial statements.

	2007 R'000	2006 R'000	2005 R'000
21. CONTINGENT LIABILITIES			
Total financial institution guarantees given to third parties on behalf of group companies amounted to:			
The guarantees have been provided by Lomdards Insurance Company Limited and Nedbank Limited	376 363	232 782	128 208
It is the opinion of the directors that the possibility of any loss is improbable and it is not anticipated that any material liabilities will arise.			
22. CAPITAL COMMITMENTS			
Approved by the directors, contracted and not provided in the balance sheet	36 023	–	–
Approved by the directors not yet contracted for	82 788	85 000	20 000
	118 811	85 000	20 000

Capital expenditure will be financed from internal resources and existing facilities.

The capital commitments relate primarily to the acquisition of project related capital expenditure.

23. **FINANCIAL INSTRUMENTS**

23.1 **Fair values**

At 28 February 2007, the carrying amounts of bank balances and cash, trade receivables and trade payables approximate their fair values due to the short term maturity of these assets and liabilities. The net fair value of the company's financial instruments are stated below:

	Carrying value 2007 R'000	**Fair value 2007 R'000**
Financial assets		
Bank balances and cash	217 518	217 518
Accounts receivable	323 036	323 036
Financial liabilities		
Bank overdraft	11 958	11 958
Accounts payable	282 240	282 240
Receiver of Revenue	26 013	26 013
Short-term loans	80 016	80 016
Long-term loans	30 399	30 399

Exposure to interest rate and credit risk arises in the normal course of the company's business.

Interest rate risk

As part of the process of managing the company's interest rate risk, interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rate. Full details of interest rates relating to borrowings are detailed in Note 13.

Credit risk

Trade accounts receivable comprise a widespread customer base, ongoing credit evaluation of the financial position of customers is performed, and where appropriate.

24. **JOINT VENTURES**

A proportion of the group's operations are performed through joint ventures as unincorporated arrangements such as partnerships and contracts.

The group's aggregate proportionate share of joint ventures included in the consolidated balance sheet is as follows:

	2007 R'000
Current assets	54 193
Current liabilities	(44 884)
Net assets	9 309
The group's aggregate proportionate share of joint ventures included in the consolidated income statement is as follows:	
Revenue	301 154
Profit after tax	3 054

Details of significant joint venture operations:

		Group's percentage interest
Trencon Construction (Pty) Limited – Standard Bank joint venture	Building	65
CA Brand Civil Engineering Company (Pty) Limited – Houghton Village and Sanridge joint venture	Building	50
Concor Holdings (Pty) Limited, Trencon Construction (Pty) Limited – Acsa Pier joint venture	Building	20
Concor Holdings (Pty) Limited – PFG joint venture	Construction	50
Concor Holdings (Pty) Limited – Retrofit joint venture	Construction	50
Murray & Roberts Construction (Pty) Limited – Secunda joint venture	Construction	50
Sibathathu Construction (Pty) Limited – Sibathathu joint venture	Construction	60
Group Five KwaZulu-Natal (Pty) Limited, Grinaker-LTA Limited – Amakhulu Civils joint venture	Building	25
Group Five KwaZulu-Natal (Pty) Limited – G5/Stefanutti joint venture	Building	50
Basil Read (Pty) Limited – Stefanutti/Basil Read joint venture	Construction	33

25. RECONCILIATION OF TRANSITION TO IFRS

Reconciliation of equity at 28 February 2005	Previously stated R'000	Changes in accounting policy R'000	Restated R'000
Property, plant and equipment	17 477	19 193	36 670
Retention debtors	10 695	(373)	10 322
Total assets	**28 172**	**18 820**	**46 992**
Retention creditors	3 657	(196)	3 461
Negative goodwill	573	(573)	–
Deferred tax	6 735	5 515	12 250
Total liabilities	10 965	4 746	15 711
Total assets *less* total liabilities	**17 207**	**14 074**	**31 281**
Retained income	31 387	13 271	44 658
Minority shareholder interest	5 362	803	6 165
Total equity	**36 749**	**14 074**	**50 823**
Reconciliation of equity at 28 February 2006			
Property, plant and equipment	57 018	37 148	94 166
Retention debtors	19 062	(805)	18 257
Inventory	21 233	(155)	21 078
Goodwill	78 971	(24 558)	54 413
Deferred tax	–	81	81
Total assets	**176 284**	**11 711**	**187 995**
Retention creditors	5 194	(345)	4 849
Deferred tax	17 370	10 403	27 773
Total liabilities	22 564	10 058	32 622
Total assets *less* total liabilities	**153 720**	**1 653**	**155 373**
Retained income	32 606	824	33 430
Revaluation reserve	1 949	829	2 778
Total equity	**34 555**	**1 653**	**36 208**

26. **DIRECTORS' EMOLUMENTS**

Executive directors

The remuneration of executive directors for the years ended 28 February 2007 were as follows:

2007	**Salary R'000**	**Retirement fund contributions R'000**	**Other benefits R'000**	**Bonus R'000**	**Total R'000**
B Stefanutti	1 156	237	313	110	1 816
W Meyburgh	1 049	218	265	–	1 532
D G Quinn	656	130	196	206	1 188
	2 861	585	774	316	4 536
2006					
B Stefanutti	810	167	309	229	1 515
W Meyburgh	727	162	227	161	1 277
D G Quinn	526	108	150	84	868
	2 063	437	686	474	3 660
2005					
B Stefanutti	584	135	231	–	950
W Meyburgh	523	122	235	–	880
D G Quinn	397	93	189	50	729
	1 504	350	655	50	2 559

27. **SEGMENTAL ANALYSIS**

Primary reporting Geographical segments At 28 February 2007	**Gauteng R'000**	**KwaZulu-Natal R'000**	**Western Cape R'000**	**Outside South Africa R'000**	**Consolidated R'000**
Segment revenue	1 049 737	392 192	5 919	240 804	1 688 652
Segment profit after tax	49 445	12 013	(2 609)	8 400	67 249
Segment depreciation	8 811	1 468	244	3 627	14 150
Segment assets	335 356	275 274	7 592	104 135	822 357
Segment liabilities	322 521	173 099	10 201	100 853	606 674

Secondary reporting segments At 28 February 2007	**Building and Piling R'000**	**Civils and Earthworks R'000**	**Consolidated R'000**
Segment revenue	667 779	1 010 873	1 688 652
Segment assets	211 267	611 090	822 357
Capital additions	29 794	42 419	72 213

Segmental profit after tax exclude the cost of the BEE transaction of R30 million.

28. **FINANCIAL INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES**

Name	Aggregate profit/(loss) after tax 2007 R'000	2006 R'000
S&B International Holdings (Pty) Limited	–	–
Stefanutti & Bressan Building (Pty) Limited	10 210	6 916
Stefanutti & Bressan (Pty) Limited	190	7 372
Stefanutti & Bressan Building Inland (Pty) Limited	(2 301)	(48)
Stefanutti & Bressan Civils (Pty) Limited	21 474	3 093
Stefanutti & Bressan Earthworks (Pty) Limited	25 303	17 336
Stefanutti & Bressan Piling (Pty) Limited	5 748	1 163
Stefanutti & Bressan Building Western Cape (Pty) Limited	(2 609)	–
Pegasus Properties (Pty) Limited	(24)	–

S&B International (Pty) Limited has subsidiary companies incorporated in Swaziland, Botswana, Mocambique and the United Kingdom

29. **POST-BALANCE SHEET EVENTS**

On 2 March 2007 the company entered into a purchase agreement with Michael Edward Smith and John Benjimen Robbertze to acquire 100% of their shareholding in the issued share capital of Environmental Civil and Mining Projects (Proprietary) Limited ("ECMP"). The acquisition price of R42.7 million to be settled in cash excludes an "agterskot" which will be finalised based on the average results for the three years ended 31 March 2009 at a multiple of 1.375 times less R9.6 million. Of the purchase price, R31.6 million has subsequent to year-end been paid and part of the balance is supported by two guarantees issued by the company's banker to the vendors of R5.5 million each. All the suspensive conditions to the agreement were met on 2 April 2007 enabling the company to take control of the operations. ECMP will, therefore, be consolidated as from 2 April 2007 and has not been included in the current year's consolidated results.

PRO FORMA FINANCIAL INFORMATION

The unaudited *pro forma* consolidated financial results for Stefanutti and Bressan group for the year ended 28 February 2007 are presented for illustrative purposes only, to provide information about how the acquisition of ECMP as well as the private placement, may have impacted on the group's financial position and results, had the acquisition and the private placement been effective on 1 March 2006 for income statement purposes, and 28 February 2007 for balance sheet purposes, respectively. Due to the nature of the unaudited *pro forma* financial information, it may not give a fair presentation of the group's financial position and the results of its operations after the acquisition and private placement.

The unaudited *pro forma* financial information is based on the audited results of ECMP for the year ended 28 February 2007. Moores Rowland audited the ECMP financial results for the 11 months ended 31 March 2007 and presented a clean audit report. The unaudited *pro forma* financial information should be read in conjunction with the reporting accountants' report thereon as set out in Annexure 7. The directors of Stefanutti and Bressan group are responsible for the preparation of the unaudited *pro forma* financial information and have adopted uniform accounting policies which have been applied consistently throughout the year. The ECMP accounting policies are fully aligned to those of the company.

The definitions commencing on page 9 of this prospectus have been used in this report.

PRO FORMA BALANCE SHEET

	Audited 28 February 2007[1] R'000	S90 Distri-bution R'000	After S90 Distri-bution R'000	ECMP acquisi-tion[3][4] R'000	After the ECMP acquisi-tion R'000	Private place-ment[7] R'000	Unaudited *Pro forma* After the private placement R'000
ASSETS							
Non-current assets	**213 136**	**–**	**213 136**	**85 173**	**298 309**	**–**	**298 309**
Property, plant and equipment	151 084	–	151 084	55 625	206 709	–	206 709
Goodwill	59 091	–	59 091	29 548	88 639	–	88 639
Deferred tax	2 961	–	2 961	–	2 961	–	2 961
Current assets	**573 319**	**–**	**573 319**	**28 300**	**601 619**	**237 067**	**838 686**
Loans receivable	3 209	–	3 209	6	3 215	–	3 215
Inventories	24 327	–	24 327	–	24 327	–	24 327
Contracts in progress	5 217	–	5 217	–	5 217	–	5 217
Trade and other receivables	323 036	–	323 036	29 038	352 074	–	352 074
Taxation	12	–	12	–	12	–	12
Bank balances	217 518	–	217 518	(744)	216 744	237 067	453 841
Total assets	**786 455**	**–**	**786 455**	**113 473**	**899 928**	**237 067**	**1 136 995**

PRO FORMA BALANCE SHEET (continued)

	Audited 28 February 2007[1] R'000	S90 Distribution R'000	After S90 Distribution R'000	ECMP acquisition[3][4] R'000	After the ECMP acquisition R'000	Private placement[7] R'000	Unaudited *Pro forma* After the private placement R'000
EQUITY AND LIABILITIES							
Capital and reserves	**215 683**	**(30 000)**	**185 683**	**–**	**185 683**	**278 150**	**463 833**
Share capital and premium[2][5]	177 945	(30 000)	147 945	–	147 945	340 000	487 945
Treasury shares acquired by the Staff Share Trust[6]	–	–	–	–	–	(61 850)	(61 850)
Translation and revaluation reserves	3 493	–	3 493	–	3 493	–	3 493
Retained income	32 035	–	32 035	–	32 035	–	32 035
Equity attributable to equity holders of the holding company[1]	213 473	–	183 473	–	183 473	278 150	461 623
Minority interest	2 210	–	2 210	–	2 210	–	2 210
Non-current liabilities	**55 674**		**55 674**	**19 131**	**74 805**		**74 805**
Other financial liabilities	30 399	–	30 399	18 609	49 008	–	49 008
Deferred tax	25 275	–	25 275	522	25 797	–	25 797
Current liabilities	**515 098**	**–**	**545 098**	**94 342**	**639 440**	**(41 083)**	**598 357**
Other financial liabilities	74 160	–	74 160	20 765	94 925	–	94 925
Loans payable[2][6]	5 856	30 000	35 856	11 083	46 939	(41 083)	5 856
Trade and other payables	269 588	–	269 588	30 575	300 163	–	300 163
Provisions	112 268	–	112 268	8 123	120 391	–	120 391
Bank overdraft	11 958	–	11 958	–	11 958	–	11 958
Taxation	26 013	–	26 013	8 796	34 809	–	34 809
Shareholders for dividends	15 255	–	15 255	15 000	30 255	–	30 255
Total equity and liabilities	**786 455**	**–**	**786 455**	**113 473**	**899 928**	**237 067**	**1 136 995**
Net asset value per share (cents)	193.7		166.5		166.5		317.9
Net asset value per share (cents) (fully diluted	179.1		153.9		153.9		299.4
Net tangible asset value per share (cents)	140.1		112.9		86.0		256.9
Net tangible asset value per share (cents) (fully diluted	129.5		104.4		79.6		241.9
Shares in issue (post-split)[5] (cents)	110 214 200		110 214 200		110 214 200		145 214 200
Shares (cents) in issue (post-split)[5] (cents) (fully diluted)	119 189 200		119 189 200		119 189 200		154 189 200

Notes:

1. Extracted from the audited results for the year ended 28 February 2007.
2. Funds received from shareholders (Section 90 Distribution) and the outstanding purchase consideration of the ECMP acquisition to be settled on listing.
3. Extracted from the audited results of ECMP for the year ended 31 March 2007.
4. Based on the following assumptions:
   - the ECMP acquisition was effected on 28 February 2007;
   - an acquisition consideration of R42.7 million, payable in cash; and
   - goodwill of R29.5 million.
5. Share premium calculation based on the following assumptions:
   - private placement of R350 million (assuming a maximum of 35 000 000 shares will be issued): and
   - R10 million in listing expenses written off against share premium.
6. Funds raised in the private placement will be partially applied in advancing funds to the Staff Trust to settle share purchase obligations of R61.85 million as well as to settle outstanding funding obligations regarding the ECMP acquisition of R41.7 million.
7. Calculation of fully diluted shares in issue assumes that 8 975 000 shares acquired by the Share Trust have vested and are not treated as treasury shares at that time.

PRO FORMA INCOME STATEMENT

	Audited 28 February 2007[(1)] R'000	ECMP acquisition[(2)(3)] R'000	After the ECMP acquisition R'000	Private placement R'000	Unaudited *Pro forma* After the private placement R'000
Contract revenue	1 688 652	169 745	1 858 397	–	1 858 397
Contract costs	(1 505 787)	(111 067)	(1 616 854)	–	(1 616 854)
Gross profit	182 865	58 678	241 543	–	241 543
Other income	6 053	334	6 387	–	6 387
Operating costs	(88 585)	(34 931)	(123 516)	–	(123 516)
Cost of BEE credentials	(30 000)	–	(30 000)	–	(30 000)
Investment income	12 779	(2 620)	10 159	–	10 159
Finance costs[(4)]	(7 822)	(2 538)	(10 360)	10 360	–
Profit before taxation	75 290	18 923	94 213	10 360	104 573
Taxation	(38 041)	(7 358)	(45 399)	(3 004)	(48 403)
Net profit for year	37 249	11 565	48 814	7 356	56 170
Pro forma earnings per share (cents	34.2	–	44.8	–	43.1
Pro forma earnings per share (cents) (fully diluted)	34.2	–	44.8	–	40.3
Pro forma headline earnings per share (cents)	34.2	–	44.8	–	43.1
Pro forma headline earnings per share (cents) (fully diluted)	34.2	–	44.8	–	40.3
Pro forma headline earnings per share excluding BEE costs (cents)[(5)]	61.7	–	72.4	–	66.1
Pro forma headline earnings per share excluding BEE costs (cents)[(5)] (fully diluted)	61.7	–	72.4	–	61.9
Weighted average number of shares in issue	108 882 934	–	108 882 934	–	130 351 186
Weighted average number of shares in issue (fully diluted)[(6)]	108 882 934	–	108 882 934	–	139 326 186

Notes:

1. Extracted from the audited results of the group for the year ended 28 February 2007.
2. Extracted from the audited results of ECMP for the year ended 31 March 2007.
3. Based on the following assumptions regarding the ECMP acquisition:
   – the ECMP acquisition was effected on 1 March 2006; and
   – interest foregone on the acquisition consideration of R42.725 million at an effective after-tax interest rate of 5.68% per annum.
4. The benefit of interest saved as a result of cash raised during the private placement is calculated based on available cash on hand, limited to total interest paid.
5. *Pro forma* earnings per share excluding cost of BEE credentials is calculated by adding back the cost of the empowerment transaction of R30 million.
6. Calculation of fully diluted shares in issue assumes that 8 975 000 shares acquired by the Share Trust have vested and are thus not treated as treasury shares. Shares deemed treasury shares were not owned by the Share Trust prior to the private placement, hence no adjustment is made for prior periods.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE AUDITED HISTORICAL FINANCIAL INFORMATION

"The Directors
Stefanutti & Bressan Holdings Limited
Protec Park
Corner Zuurfontein and Oranjerivier Drives
Kempton Park
1618

20 July 2007

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE AUDITED HISTORICAL FINANCIAL INFORMATION OF STEFANUTTI & BRESSAN HOLDINGS LIMITED

Introduction

The definitions commencing on page 9 of the prospectus have been used in this report. Stefanutti & Bressan Holdings Limited intends to apply for a JSE listing.

Purpose of this report

At your request and for the purposes of the prospectus to be dated on or about 25 July 2007 in complying with the Listings Requirements, we present our report on the historical financial information of Stefanutti & Bressan Holdings Limited.

Responsibility

The directors of Stefanutti & Bressan Holdings Limited are responsible for the compilation, contents and preparation of the prospectus and for the accuracy of the information contained therein. The directors of Stefanutti & Bressan Holdings Limited are also responsible for the financial information to which this report on the historical financial information of the company relates, and from which the report has been prepared.

Our responsibility is to express an audit opinion on the historical financial information of Stefanutti & Bressan Holdings Limited and its subsidiaries.

Historical financial information for the years ended 28 February 2005, 28 February 2006 and 28 February 2007

We have audited the historical financial information of Stefanutti & Bressan Holdings Limited and its subsidiaries relating to the financial year ended 28 February 2007 set out in the report of historical information attached as Annexure 3 to the prospectus. We have reviewed the historical financial information for the years ended 28 February 2005 and 28 February 2006. The 28 February 2005 and 28 February 2006 financial statements were previously audited and reported upon by MRMA Chartered Accountants CA(SA).

Basis of the review opinion for the years ended 28 February 2005 and 28 February 2006

We conducted our review of Stefanutti & Bressan Holdings Limited and its subsidiaries in accordance with the International Standard on Review Engagements 2400. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Basis of audit opinion as at 28 February 2007

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the historical financial information as at 28 February 2007 is free from material misstatement.

An audit includes:

– examining on a test basis, evidence supporting the amounts and disclosures in the historical financial information;
– assessing the accounting principles used and significant estimates made by management; and
– evaluating the overall historical financial information presentation.

We believe that our audit work provides a reasonable basis for our opinion.

Review opinions for the years ended 28 February 2005 and 28 February 2006

Based on our review, nothing has come to our attention that causes us to believe that the historic information included in the report of historical financial information for the years ended 28 February 2006 and 28 February 2007 set out in Annexure 3 does not give a true and fair view in accordance with International Financial Reporting Standards and the Listings Requirements.

Audit opinion at 28 February 2007

In our opinion, the financial information for the purposes of the prospectus, fairly present, in all material respects, the financial position of Stefanutti & Bressan Holdings Limited and its subsidiaries at 28 February 2007 in accordance with International Financial Reporting Standards and in the manner required by the Act and the Listings Requirements.

Yours faithfully

Moores Rowland
Registered Auditors
Chartered Accountants (SA)

PO Box 6697
Johannesburg
2000

20 July 2007

Per: **MARK SNOW**"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

"The Directors
Stefanutti & Bressan Holdings Limited
Protec Park
Corner Zuurfontein and Oranjerivier Drives
Kempton Park
1618

20 July 2007

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF STEFANUTTI & BRESSAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in Annexure 4 to the prospectus dated 25 July 2007 issued in connection with the intended listing that is the subject of this prospectus of Stefanutti & Bressan Holdings Limited. The *pro forma* financial information has been prepared in accordance with the requirements of the JSE Listings Requirements, for illustrative purposes only, to provide information about how the listing might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* financial information being reported on. The definitions commencing on page 9 of the prospectus have been used in this report.

Directors' responsibility

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the prospectus and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Stefanutti & Bressan Holdings Limited and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the Listings Requirements

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the prospectus to Stefanutti & Bressan Holdings Limited shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on *Pro Forma* Financial Information issued by SAICA.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Stefanutti & Bressan Holdings Limited, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the company in respect of the corporate actions that are the subject of the prospectus.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Stefanutti & Bressan Holdings Limited and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

– the *pro forma* financial information has not been properly compiled on the basis stated;

– such basis is consistent with the accounting policies of the issuer;

– the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed in terms of Sections 8.17 and 8.30 of the Listings Requirements.

Yours faithfully

Moores Rowland
Registered Auditors
Chartered Accountants (SA)

PO Box 6697
Johannesburg
2000

20 July 2007

Per: **MARK SNOW**"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE PROFIT FORECAST

"The Directors
Stefanutti & Bressan Holdings Limited
Protec Park
Corner Zuurfontein and Oranjerivier Drives
Kempton Park
1618

20 July 2007

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE PROFIT FORECAST OF STEFANUTTI & BRESSAN HOLDINGS LIMITED

We have examined the consolidated profit forecast and the related assumptions of Stefanutti & Bressan Holdings Limited for the year ending 29 February 2008, as set out in paragraph 13 of the main body of the prospectus to be dated on or about 25 July 2007.

This report and the conclusion contained herein are provided solely for the benefit of the board of directors and prospective shareholders of Stefanutti & Bressan Holdings Limited for the purpose of their consideration of the listing of Stefanutti & Bressan Holdings Limited. This report is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

The definitions commencing on page 9 of the prospectus have been used in this report.

Directors' responsibility

The directors of Stefanutti & Bressan Holdings Limited are responsible for the forecast, including the assumptions set out in the notes to the forecast information from which it has been prepared. This responsibility, arising from compliance with the Listings Requirements includes: determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast; whether the forecast has been properly compiled on the basis stated; and whether the forecast is presented on a basis consistent with the accounting policies of the company or group in question.

Reporting accountants' responsibilities

Our responsibility is to provide a limited assurance report on the forecast prepared for the purpose of complying with the Listings Requirements and for inclusion in the prospectus to Stefanutti & Bressan Holdings Limited's shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the Examination of Prospective Financial Information. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the forecast is based are not unreasonable and are consistent with the purpose of the information;
- the forecast is properly prepared on the basis of the assumptions;
- the forecast is properly presented and all material assumptions are adequately disclosed;
- the forecast is prepared and presented on a basis consistent with the accounting policies of the company or group in question for the company or the group concerned.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;
- the forecast has not been properly compiled on the basis stated;
- the forecast has not been properly presented and all material assumptions are not adequately disclosed;
- the forecast, is not presented on a basis consistent with the accounting policies of the company or group in question.

Actual results are likely to be different from the forecast, since anticipated events frequently do not occur as expected and the variation may be material; accordingly, no assurance is expressed regarding the achievability of the forecast.

Yours faithfully

Moores Rowland
Registered Auditors
Chartered Accountants (SA)

PO Box 6697
Johannesburg
2000

20 July 2007

Per: **MARK SNOW***"*

SALIENT FEATURES OF THE SHARE INCENTIVE SCHEMES

Set out below are the salient features of the share incentive schemes:

1. An employee share incentive scheme and a BEE share incentive scheme have been established in terms of which the trustees of the share incentives schemes may make offers to employees and directors to acquire shares in the company in such form as stipulated by the directors.
2. The first trustees of the trust and the BEE trust are Maitland Trust Limited.
3. Employees and executive and non-executive directors will be eligible to participate in the employee share incentive scheme only if and to the extent that offers are made to them.
4. All employees and executive and non-executive directors who are Black People (as defined in the Broad-Based Black Economic Empowerment Act, 2003) will be eligible to participate in the BEE share incentive scheme only if and to the extent that offers are made to them.
5. The trusts, collectively, may not hold shares in the company representing more than 20% of the company's issued share capital from time to time.
6. The number of shares each employee is entitled to acquire under the share incentive schemes may not exceed 5% of the company's issued share capital from time to time.
7. A trustee may not be a participant under the share incentive schemes.
8. When shares are acquired by the trusts they become "scheme shares" and if they are not already listed on the JSE, an application will be made for a listing. Scheme shares and any linked capitalisation shares participate in all rights and capitalisation issues, reductions of capital and dividends.
9. When shares are allotted to the trustees or whenever they propose to acquire any shares for the purpose of the share incentive schemes, an amount equal to the total consideration payable on account of the shares may be lent and advanced to the trustees by the company which employs the grantee of an offer or option or of which he is a director. Any amounts owing by the trusts to the company or its subsidiaries may bear interest if so agreed between the trustees and the company or its subsidiaries.
10. Ownership of shares purchased in terms of the share incentive schemes, together with the benefit and risk, passes on delivery of the shares.
11. Where shares are purchased by the acceptance of an offer, the purchase price is payable in accordance with the directions contained in the unique offer. The trustees are empowered, at any time, and from time to time, to charge interest on any payment outstanding from the participant at such a rate and on such conditions as the directors may direct. The shares are, unless otherwise agreed by the trustees and the participant, transferred to the participant who pledges them to the trustees as security for his indebtedness.
12. The trustees shall only be entitled to release the shares referred to in clause 7 in accordance with the terms and conditions of the unique offer made to the participant, which offer shall provide for the release of the shares over a period of between two and five years from the offer date, which period shall be determined by the directors, acting reasonably and taking several relevant factors into account.
13. Provisions are made for the participation by participants in capitalisation and rights issues and reductions of share capital. The voting rights attaching to the scheme shares sold to the participants in terms of the share incentive schemes shall vest in the trustees until the shares are released to the beneficiaries.
14. If any amount of the purchase price of any scheme shares which has become payable is not paid by the due date, the trustees are entitled to cancel the sale, effect transfer thereof to the trust and they shall become unreserved shares. The participant shall be liable to the trust for any damages suffered in consequence of such failure to pay.

15. Provision is made for adjustments when there is a re-organisation of the company's share capital and also to cover participants if there is a takeover of the company or a scheme of arrangement is proposed between the company and its shareholders, or any class of them, by virtue of which control in the company would pass to another party.

16. The trustees may also, from time to time, offer or grant options to employees or directors of the company and its subsidiaries to purchase shares in the company, the trustees shall only be entitled to release the shares in accordance with the terms and conditions of the unique offer made to the participant, which offer shall provide for the release of the shares over a period of between two and five years from the date which period shall be determined by the directors, acting reasonably and taking several factors into account.

17. The price at which shares are offered, sold or any option is granted will be equal to the weighted average trading price for the shares measured over the 30 business days prior to the offer date, or if for any reason that price is not available, an amount per share equal to the middle market price of the shares (as shown by the official price list published by the JSE), on the most recent trading day on the JSE immediately preceding the offer date or, in either case, the par value of a scheme share, whichever is the greater, or any discount of such purchase price as determined by the directors, up to a maximum of 10%.

18. The trustees may, if they consider that the circumstances warrant such action, with the consent of a participant, cancel a transaction resulting from the acceptance of an offer or the exercise of an option without any resultant claim against the participant or repurchase any shares so purchased by a participant for a purchase price not exceeding the cost to the participant of those shares.

19. The trust deeds may be amended from time to time by the directors and the trustees but the terms or conditions of allotment of any shares or capitalisation shares or any offer may not be altered without the consent of the beneficiaries concerned (treated as a separate class). Further, no amendment may be made to the trust deeds without prior approval of the JSE and no amendment in respect of the following matters shall operate unless the amendment has received the approval of the shareholders of the company in general meeting, namely eligibility under the share incentive schemes and the voting, dividend and other rights attaching to scheme shares.

CORPORATE GOVERNANCE

The directors endorse, and accept full responsibility for, the application of the principles necessary to ensure that effective corporate governance is practised consistently throughout the group. In discharging this responsibility, the intention is to comply with the requirements of the Code of Corporate Practices and Conduct ("the Code") as set out in the second King Report on Corporate Governance ("King II") in both letter and spirit. The group's approach to corporate governance strives to be stakeholder inclusive, based on good communication and integrated into every aspect of the group's business. One of the important objectives of the board would be to find the correct balance between conforming within the parameters of the Code of King II and performing in an entrepreneurial way.

The directors are pro-actively taking steps to ensure that all the elements required to make the group fully compliant with the recommendations incorporated in the Code have been implemented.

Chairperson and Chief Executive Officer

The board is chaired by Biagino Stefanutti, an executive director. The Chairperson is responsible for providing leadership to the board and overseeing its efficient operation.

The Chief Executive Officer ("CEO"), Willem Meyburgh, is responsible for proposing and continuously updating, implementing and maintaining the strategic direction of the group, as well as ensuring that the day-to-day affairs of the group are appropriately supervised and controlled.

Board

The board comprises three executive directors and four non-executive directors, two of whom are independent.

The board's responsibilities include providing the group with clear strategic direction, ensuring that there is adequate succession planning at board and senior management levels, overseeing operational performance and management, determining policies and processes which seek to ensure the integrity of Stefanutti & Bressan's risk management and internal controls, implementing and maintaining the group's communications policy and overseeing director selection, orientation and evaluation.

The board will retain full and effective control over the business of the group. The board has defined levels of materiality through a written delegation of authority, which sets out decisions the board wishes to reserve for itself. The delegation will be regularly reviewed and monitored.

Non-executive directors will bring vast experience and balanced skills to the board's decision-making.

The three executive directors have fixed terms of appointment and the non-executive directors are subject, by rotation, to retirement and re-election by shareholders at least every three years, in accordance with the company's articles of association.

The Remuneration and Nomination Committee is responsible for vetting the individuals proposed for directorship and making recommendations to the full board for approval. Before nomination, appropriate background checks are performed on proposed new directors. New directors will be taken through a formal induction programme and be provided with all the necessary background information to familiarise themselves with issues affecting the company.

The board intends to meet at least four times a year with additional meetings called, if necessary or desirable. Information relevant to a meeting will be supplied on a timely basis to the board ensuring directors can make informed decisions. The directors have unrestricted access to the group information and management and, where appropriate, may seek the advice of independent professionals on matters concerning the affairs of the group, at the expense of the group.

Board Committees

The responsibilities delegated to the committees are being formally documented into terms of reference for that committee, which will be approved by the board and will be reviewed annually. It is intended that the effectiveness of the committees will be reviewed annually by the board.

Audit Governance and Risk Committee

The Audit Governance and Risk Committee ("the Audit Committee") will be chaired by an independent non-executive director, Nomhle Canca and comprise of two other non-executive directors, Bridgman Sithole and Kevin Eborall.

It is intended that the committee will meet at least twice a year and will be responsible for assisting the board in fulfilling its responsibilities in respect of financial reporting issues, internal and external audit management, ensuring compliance with laws and regulations, risk management and procedures, and the development/maintenance of an effective internal control system. The committee will assist with identifying, evaluating and managing significant risks faced by the group.

Committee members will have unrestricted access to information and management of the group and, where appropriate, may seek the advice of independent professionals on matters concerning the affairs of the committee, at the expense of the group.

One of the major functions of the committee shall be reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process, taking into account relevant South African professional and regulatory requirements.

The Audit Committee will also set the principles for recommending to the board the use of the external auditors for non-audit purposes.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee will consist of two non-executive directors, Mafika Mkwanazi, an independent Chairperson and Kevin Eborall. The committee will meet at least once a year and will be responsible for assisting the board in fulfilling its responsibilities in respect of maintaining an appropriate performance-related remuneration strategy, ensuring the group's directors and senior management are fairly rewarded, providing for succession planning and assessing the effectiveness of the composition of the board.

Company Secretary

The Company Secretary acts as advisor to the board and plays a pivotal role in ensuring compliance with statutory regulations and the Code, the induction of new directors, tabling information on relevant regulatory and legislative changes, and giving guidance to the directors regarding their duties and responsibilities. The directors have unlimited access to the advice and services of the Company Secretary.

DETAILS OF SUBSIDIARY COMPANIES

Set out in the table below are details of the subsidiary companies, all of which are unlisted:

Name, registration number, date, place of incorporation and length of time in business	**Date became a subsidiary**	**Issued share capital**	**Percentage of issued share capital held by Stefanutti & Bressan group**	**Nature of business and full names of directors of each subsidiary**
Stefanutti & Bressan (Pty) Limited (1971/011533/07) 13 October 1971 Pretoria 36 years	October 2005	R100	100%	Construction (civil/concrete) B Stefanutti W Meyburgh D Quinn D White W Leaf (alternate L N Ellingson C Reucassel J Jackson H Schwegmann K Gibbs M du Rand D Salzmann
Stefanutti & Bressan Civils (Pty) Limited (2005/017899/07) 30 May 2005 Pretoria 2 years	October 2005	R200	100%	Construction (civil/concrete) B Stefanutti W Meyburgh S Butler M du Rand J Jackson E Hewitt S Nell R Santimicone H Schwegmann J Saayman A Cocciante P Watt A Fordyce
Stefanutti & Bressan Piling (Pty) Limited (2005/013010/07) 4 May 2005 Pretoria 2 years	October 2005	R200	85%	Construction (piling) B Stefanutti W Meyburgh J S Nell P van Straten J Jackson
S&B Geotechnical & Civil Contractors (Pty) Limited (1994/002306/07) 29 March 1994 Pretoria 12 years	October 2005	R100	100%	Construction (geotechnical, dormant) B Stefanutti

Name, registration number, date, place of incorporation and length of time in business	Date became a subsidiary	Issued share capital	Percentage of issued share capital held by Stefanutti & Bressan group	Nature of business and full names of directors of each subsidiary
Stefanutti & Bressan Building (Pty) Limited (1994/009129/07) 10 November 1994 Pretoria 13 years	October 2005	R100	81%	Construction (building) B Stefanutti V Flavio J Jackson H Schwegmann M Wragg G Carver N Pousson (alternate)
Stefanutti & Bressan Building Inland (Pty) Limited (2005/012764/07) 3 May 2005 Pretoria 2 years	October 2005	R200	72%	Construction (building) B Stefanutti W Meyburgh D Quinn W Retief V Flavio A Nassi J Jackson H Schwegmann
Stefanutti & Bressan Building Western Cape (Pty) Limited (2005/005800/07) 14 February 2007 Pretoria 2 years	June 2006	R200	87.5%	Construction (building) B Stefanutti W Meyburgh J Jackson M Wragg H Schwegmann P Leppan
S&B Building (Pty) Limited (530/1991) 4 October 1991 Mbabane, Swaziland 15 years	October 2005	E100	100%	Construction (building) B Stefanutti W Meyburgh J Jackson D Quinn
Stefanutti & Bressan Earthworks (Pty) Limited (2003/005676/07) 11 March 2003 Pretoria 4 years	October 2005	R100	100%	Construction (earthworks) B Stefanutti R Crawford D White M Welsch J Swanepoel W Meyburgh J Jackson
Stefanutti & Bressan Earthworks Coastal (Pty) Limited (2007/007146/07) 6 March 2007 Pretoria 5 months	March 2007	R100	100%	Construction (dormant) D Quinn J Jackson D White

Name, registration number, date, place of incorporation and length of time in business	Date became a subsidiary	Issued share capital	Percentage of issued share capital held by Stefanutti & Bressan group	Nature of business and full names of directors of each subsidiary
Environmental, Civil and Mining Projects (Pty) Limited (1990/004983/07) 23 August 1990 Pretoria 17 years	April 2007	R120	100%	Mine residue disposal facilities and contract mining J Robbetze M Smith K Eborall D White
S&B Civils Roads (Pty) Limited (1277/02) 31 October 2002 Mbabane, Swaziland 5 years	October 2005	E100	100%	Construction (earthworks) B Stefanutti D Quinn R Crawford
S&B Contruccoes (Pty) Limited (7891) 5 December 1996 Maputo, Mozambique 11 years	October 2005	Met 10 000 000	25%	Construction (general) B Stefanutti
Pegasus Properties (Pty) Limited (2006/003599/07) 7 February 2006 Pretoria 1.5 years	February 2006	R100	70%	Developer (property) B Stefanutti D Ramsay D White
S&B International Holdings (Pty) Limited (2005/015885/07) 19 May 2005 Pretoria 2 years	October 2005	R100	100%	Holding (investment) B Stefanutti W Meyburgh D Quinn D White J Jackson
Stefanutti & Bressan UK Limited (4411133) 8 April 2002 Cardiff, UK	October 2005	GBP100	60%	Construction (dormant) B Stefanutti W Meyburgh D Quinn L Ellingson
S&B Botswana (Pty) Limited (91/1075) 23 May 1991 Gaberone, Botswana	October 2005	BWP100	99%	Construction (dormant) B Stefanutti W Meyburgh
Stefanutti & Bressan Namibia (Pty) Limited (90/168) 9 April 1990 Windhoek, Namibia	October 2005	N$100	100%	Construction (dormant) B Stefanutti

PRINCIPAL IMMOVABLE PROPERTIES OWNED AND LEASED

Details of the principal immovable properties held or occupied by the Stefanutti & Bressan group are set below:

Owned

Property	**Area (m^2)**
9 Palala Street, Protec Park, Kempton Park. See Annexure 3, Note 2.1 (Property 1)	19 170
18 Bedford Place, Intokoza. See Annexure 3, Note 2.1 (Property 2)	35 122
14 Circuit Road, Westmead, Pinetown. See Annexure 3, Note 2.1 (Property 4)	1 200
Av De Mozambique, Parcela 7160/A, Km13, # EN 1, Bairro, Zimpeto. See Annexure 3 Note 2.1 (Property 7)	20 000

Leased

Landlord	**Property description**	**Period of lease (years)**	**Area (m^2)**	**Monthly rental (Rand)**
Chemcent CC	14 Circuit Road Westmead, Pinetown	24	13 345	85 384
Piazza Trust	10–12 Edison Road Marian Industrial Park Pinetown	17	10 000	48 640
BMD Properties (Pty) Limited	108 de Waal Road Diep Rivier, Cape Town	2	4 025	45 711
Mijov Developments (Pty) Limited	Buildings 6 and 7, Stratford Way Office Estate Broadacres, Randburg	3	1 350	100 551

DETAILS OF DIRECTORS AND SENIOR MANAGEMENT OF MATERIAL SUBSIDIARIES

The details of full names, ages, qualifications, business addresses of senior management and directors of the Stefanutti & Bressan material subsidiaries are set below:

Name, age, nationality and qualification	Function and experience	Business address	Other directorships within the previous five years
John Jackson (58) (National Diploma Civil Engineering Technician, Programme Management Development)	John is currently the managing director of Stefanutti & Bressan (Pty) (Limited and S&B Building (Pty) Limited and a member of the group's Executive Committee. He has been with the group for 16 years prior to which he spent 20 years with Grinaker Construction (six of those as a director). He has 36 years' experience in total in construction, contracting, engineering and company management, covering bridges, roads, slip-forming, heavy industrial, petrochemical, building and marine.	14 Circuit Road Westmead Pinetown 3610	Stefanutti & Bressan (Pty) Limited Stefanutti & Bressan Piling (Pty) Limited Stefanutti & Bressan Earthworks (Pty) Limited Stefanutti & Bressan Building Inland (Pty) Limited
Antonio Cocciante (37) B. Comm (Acc) *(cum laude)* B. Comm (Hons) CA(SA), CTA)	Antonio is the finance director of Stefanutti & Bressan Civils (Pty) Limited and has been with the group since 2006. He started his career in 1992 at Deloitte & Touche where he moved to the corporate finance division after completing his articles. In 1998 he joined Pharmacare as the finance director in their international division. In July 1999 Antonio joined EOH Holdings Limited as the finance director, where he spent six years prior to joining Stefanutti & Bressan.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	EOH Holdings Limited* Alpal Investments CC Alpal Investments 2003 CC
Martin du Rand (52) (National Diploma Civil Engineering)	Martin is a director of Stefanutti & Bressan Civils (Pty) Limited. He has been with the group for 13 years. He has 34 years' construction experience as a civil engineer in marine work, 13 of which were spent as a contracts manager with Cementation Africa Contracts (Pty) Limited and 18 of which he spent as contracts director at Stine (Pty) Limited.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Bressan (Pty) Limited Stefanutt & Bressan Civils (Pty) Limited Villa Owners Association S&B Geo Technical & Civil Constructors (Pty) Limited Protec Park Property Owners Associations Stine (Pty) Limited

Name, age, nationality and qualification	Function and experience	Business address	Other directorships within the previous five years
Shaun Nell (42) (B. Eng (Civil))	Shaun is managing director of Stefanutti & Bressan Piling (Pty) Limited. He joined the group in 1996 as a site agent and progressed to contract director. In 2005 Shaun became the managing director of the group's newly formed piling company. Prior to joining Stefanutti & Bressan, Shaun spent three years in the consulting engineering environment.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Bressan Civils (Pty) Limited Stefanutti & Bressan Piling (Pty) Limited
Howard Schwegmann (46) (National Higher Diploma Construction Supervision)	Howard has been with the group since 2005 and is the managing director of the Buildings division. He was previously employed by Group Five where he spent 20 years working his way up from foreman to contracts director.	14 Circuit Road Westmead Pinetown 3610	S&B Civils (Pty) Limited Stefanutti & Bressan (Pty) Limited Stefanutti & Bressan Building (Pty) Limited Stefanutti & Bressan Building Inland (Pty) Limited Stefanutti & Bressan Building Western Cape (Pty) Limited JT Ross Building (Pty) Limited*
John Robbertze (61) (Pr (Tech) Eng (SA))	John is a director of ECMP, a position he has held since 1991. From 1969 to 1974 he worked in the design office of Frankipile Soiltech and Bird & Robertson Consulting Engineers. From 1974 to 1991 John was employed at SRK Consulting Engineers.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	ECMP (Pty) Limited Mijov Developments (Pty) Limited
Michael Smith (57) (Pr Eng BSc. (Eng) MSAICE FSAIMM)	Michael is a director of ECMP. He has served 17 years at ECMP in the design, construction, management and operations of mine tailings, coal discards and slurry, power stations ash, municipal landfill, effluent, waste disposal systems and open pit mining operations. Prior to joining ECMP, Michael was with SRK Consulting Engineers for 17 years after starting his career in 1972 at Concor Construction.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	ECMP (Pty) Limited Mijov Developments (Pty) Limited

Name, age, nationality and qualification	Function and experience	Business address	Other directorships within the previous five years
Russell Crawford (43) (Higher National Diploma Civil Engineering)	Russell is currently the managing director of Stefanutti & Bressan Earthworks (Pty) Limited ("Earthworks"). Russell joined the group as a site agent in 1990, prior to which he was a site engineer at Group 5. He then moved through the ranks to contracts manager, then manager of Stefanutti & Bressan Civils (Pty) Limited, then contracts manager of Earthworks and ultimately managing director of Earthworks.	PO Box 12394 Aston Manor 1630	S&B Civil Roads (Pty) Limited* Stefanutti & Bressan Earthworks (Pty) Limited
Michael Welsch (33) (S4)	Michael is a director of the Stefanutti & Bressan Earthworks (Pty) Limited. After completing his studies, Michael worked at H&B Civil Engineering and then as a site agent at Prima Earthwork.	PO Box 12394 Aston Manor 1630	Kla Props 403 (Pty) Limited Stefanutti & Bressan Earthworks (Pty) Limited
Deryck White (58) (Civil Engineer)	Deryck is a managing director of Stefanutti & Bressan Earthworks (Pty) Limited. He started his career as a site agent on earthworks contracts for Grinaker Natal (Pty) Limited in 1968. In 1978 he was promoted to a director, after which he continued with the company for a further 10 years. In 1988 he joined Stefanutti & Bressan as a managing director of Earthworks. He is also a member of the Stefanutti & Bressan Group Executive Committee.	PO Box 12394 Aston Manor 1630	Stefanutti & Bressan Earthworks Plant Hire (Pty) Limited Stefanutti & Bressan Earthworks (Pty) Limited Phambili Plant Hire (Pty) Limited
Larry Neil Ellingson (44) NHD Civil Engineering	Larry has 24 years' working experience in the construction industry. He worked at CMGM as a trainee Engineer then Site Agent, Arthur Construction as a Site Agent, Stefanutti & Bressan (Pty) Ltd as a Site Agent, Design & Construct as a Contracts Manager/Director, Afriscan Construction as a Contracts Manager. Currently he is a contracts director at Stefanutti & Bressan (Pty) Limited.	14 Circuit Road Westmead Pinetown 3610	Stefanutti & Bressan UK (Pty) Limited
Retief Willem (47) NHD Civil Engineering	Willem is a contracts director at Stefanutti & Buildings Inland (Pty) Limited. Willem holds a National Diploma in Civil Engineering.	9 Palala Street, Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Buildings Inland (Pty) Limited

Name, age, nationality and qualification	Function and experience	Business address	Other directorships within the previous five years
Jan Swanepoel (35) NHD Civil Engineering (S4)	Jan is an alternate director responsible for administration, tendering and earthworks sites. He has 12 years' experience in civil engineering and holds a higher national diploma in Civil Engineering.	PO Box 12394 Aston Manor 1630	Stefanutti & Bressan Earthworks (Pty) Limited DKT Builders & Construction Botswana (Pty) Limited Slope Civils Botswana (Pty)* Limited UGU Trade 51 Cc
Petrus Francois van Straten (32) NHD Civil Engineering, BSc (Hons) Applied Sciences	Petrus is a technical director at Stefanutti & Bressan Piling (Pty) Limited. He attained a National Diploma in Civil Engineering, B. Tech Geotechnical Engineering and BSc (Hons) in Applied Sciences. He is also a director at Stefanutti & Bressan Civils (Pty) Limited.	9 Palala Street, Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Bressan Piling (Pty) Limited
Andrea Patrick Nassi (43)	Andrea is an operations director at Stefanutti & Bressan Building Inland (Pty) Limited. He was previously a partner at Roots Construction Swaziland.	9 Palala Street, Protec Park Terenure Ext 42 Kempton Park 1618	Roots Construction Swaziland Stefanutti & Bressan Building Inland (Pty) Limited
Clive Reucassel (51) (PR Techni Eng)	Clive is a professional engineering technician with 37 years' experience in civil engineering construction management.	14 Circuit Road Westmead Pinetown 3610	Stefanutti & Bressan (Pty) Limited
Wade Leaf (41) (National Higher Diploma Civil Engineering)	Wade is currently the contracts manager and alternate director at Stefanutti & Bressan (Pty) Limited. He has held various positions within the group as a building supervisor, foreman and senior site agent.	14 Circuit Road Westmead Pinetown 3610	Stefanutti & Bressan (Pty) Limited
Vito Flavio (44) (National Higher Diploma Civil Engineering)	Vito is the managing director at Stefanutti & Bressan Building Inland (Pty) Limited. After graduating he worked for Concor Limited as a site manager, where he spent fifteen years at Concor progressing from to contracts manager and then to contracts director.	9 Palala Street, Protec Park Terenure Ext 42 Kempton Park 1618	Concor Building (Pty) Limited Stefanutti & Bressan Building Inland (Pty) Limited
Michael Wragg (51) B.Sc. Mining	Michael has 24 years' experience in quantity surveying and project management in building, civils, roads, mechanical and electrical construction. He has previously worked at Group Five and Building Budget Management (Pty) Limited where he held positions of Mine Captain, Section Manager and Site Manager.	14 Circuit Road Westmead Pinetown 3610	Group Five (Commercial Director)* Building Budget Management (Pty) Limited (Partner) Stefanutti & Bressan Building (Pty Limited

Name, age, nationality and qualification	Function and experience	Business address	Other directorships within the previous five years
Alexander Gordon Fordyce (49) Civil Engineering Certificate	Alexander is currently a Contracts Director at Stefanutti & Bressan Civils (Pty) Limited. He has over 30 years' contracting experience gained during his previous employment at Group Five Civils (Pty) Limited.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Bressan Civils (Pty Limited
Robert Domenico Antonio Santamicone (48) NHD Civil Engineering	Robert started his career in 1979 with Group Five Civils (Pty) Limited and progressed though various positions to Contracts Manager in 1996. He joined Majuba Construction (Pty) Limited in 1996 and worked as a Contracts Manager until 1998, thereafter he joined Stefanutti & Bressan Civils (Pty) Limited and is a director.	9 Palala Street, Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Bressan Civils (Pty) Limited
Peter Chesney Watt (49) PrEng, B.Sc, MSAICE, B.Sc Civil Eng (Hons)	Peter is a Contracts Director responsible for construction operations. He started his career in 1983 with Murray & Roberts Limited and joined Hwange Colliery Company Limited in 1985. He also held senior positions at Goldstein Civils Transvaal (Pty) Limited and Stocks Civil Engineering (Pty Limited where he worked between 1988 and 2002.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Bressan Civils (Pty) Limited
Shaun Butler (36) NHD Civil Engineering	Shaun is an alternate director at Stefanutti & Bressan Civils (Pty) Limited. He has held various positions in the company and has an aggregate 4 years' experience in civil engineering.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Bressan Civils (Pty) Limited. (alternate)
Jacobus Hendrik Saayman (43) NHD Civil Engineering, CA(SA)	Jacobus is a director responsible for finance, administration and risk management. He has held senior positions at Sun International Limited as an Internal Audit Manager, Avis (Pty) Limited as Financial Manager and G-ko (Pty) Limited as Business Manager.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Bressan Civils (Pty) Limited G-Ko Tech CC
Edmond James Andrew Hewitt (45) NHD(Civil Engineering)	Edmond is currently a director at Stefanutti & Bressan Civils (Pty) Limited. He started his career in 1993 as a trainee engineer at Murray & Roberts and progressed to Site Engineer, Site Agent, and Estimator. He also served as an Estimator at Sturrock Construction (Pty) Limited and Group Five Civils (Pty) Limited for 5 years.	9 Palala Street Protec Park Terenure Ext 42 Kempton Park 1618	Stefanutti & Bressan Civils (Pty) Limited Compubuild CC (dormant)
Pierre Maurice Nicolas Pousson (36) NHD Building Surveying	Pierre is currently a Commercial Director at Stefanutti & Bressan Building (Pty) Limited. He has 15 years' experience in quantity surveying and commercial management.	14 Circuit Road Westmead Pinetown 3610	Stefanutti & Bressan Building (Pty Limited (alternate) Gordon Vepadef & Prauge (Pty) Limited*

Name, age, nationality and qualification	Function and experience	Business address	Other directorships within the previous five years
Graham Carver (52) NHD Construction Supervision	Graham is an operations director in charge of sites. He has 30 years' experience in commercial, residential and industrial building, 8 of which he was an Operations Director.	Number 6 Usavolo Road Kloof 3610	Stefanutti & Bressan Building (Pty) Limited Group Five Building (Pty) Limited (Contracts Director)*

Notes: With the exception of Dermot Quinn, all directors are South Africa citizens.

*Resigned

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