

**ESOR LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 1994/000732/06)

JSE code: ESR

ISIN: ZAE000133369

("Esor" or "the company")

**TRADING UPDATE**

Esor is currently finalising its interim results for the six months ended 31 August 2014 ("the interim period") and shareholders are advised that the company expects a basic loss per share of between 6.0 and 7.2 cents and a headline loss per share of between 6.2 and 7.4 cents for the interim period, compared to earnings per share of 0.6 cents and headline earnings per share of 0.01 cent in the previous corresponding interim period. The previous corresponding period includes the results of the Geotechnical business, which has since been sold.

The loss has largely resulted from the N4 contract which has incurred a further R50 million loss during the interim period. The loss on the N4 contract is mainly due to the late completion of the works compared to final estimates at February 2014. This contract has since been completed post the interim period end and the road has been opened. All costs to completion have been provided.

Esor's claim on the Eskom Kusile underground terraces contract has been finalised and settled. This settlement was insufficient to cover the amount traded and the company has incurred a R20 million loss on the settlement of this claim. There are still significant variations that are currently being substantiated. The balance of the cash, in excess of the R150 million that was previously paid on account, has been received. This removes the balance sheet risk associated with the advance payments.

Work on hand and future pipeline remain healthy, with a secured outstanding 2 year order book of R2.4 billion and imminent pending awards of approximately R500 million.

The financial information on which this trading update is based has not been reviewed or reported on by the company's auditors.

The company's interim results for the six months ended 31 August 2014 are expected to be released on SENS during the week ending 28 November 2014.

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14 November 2014

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