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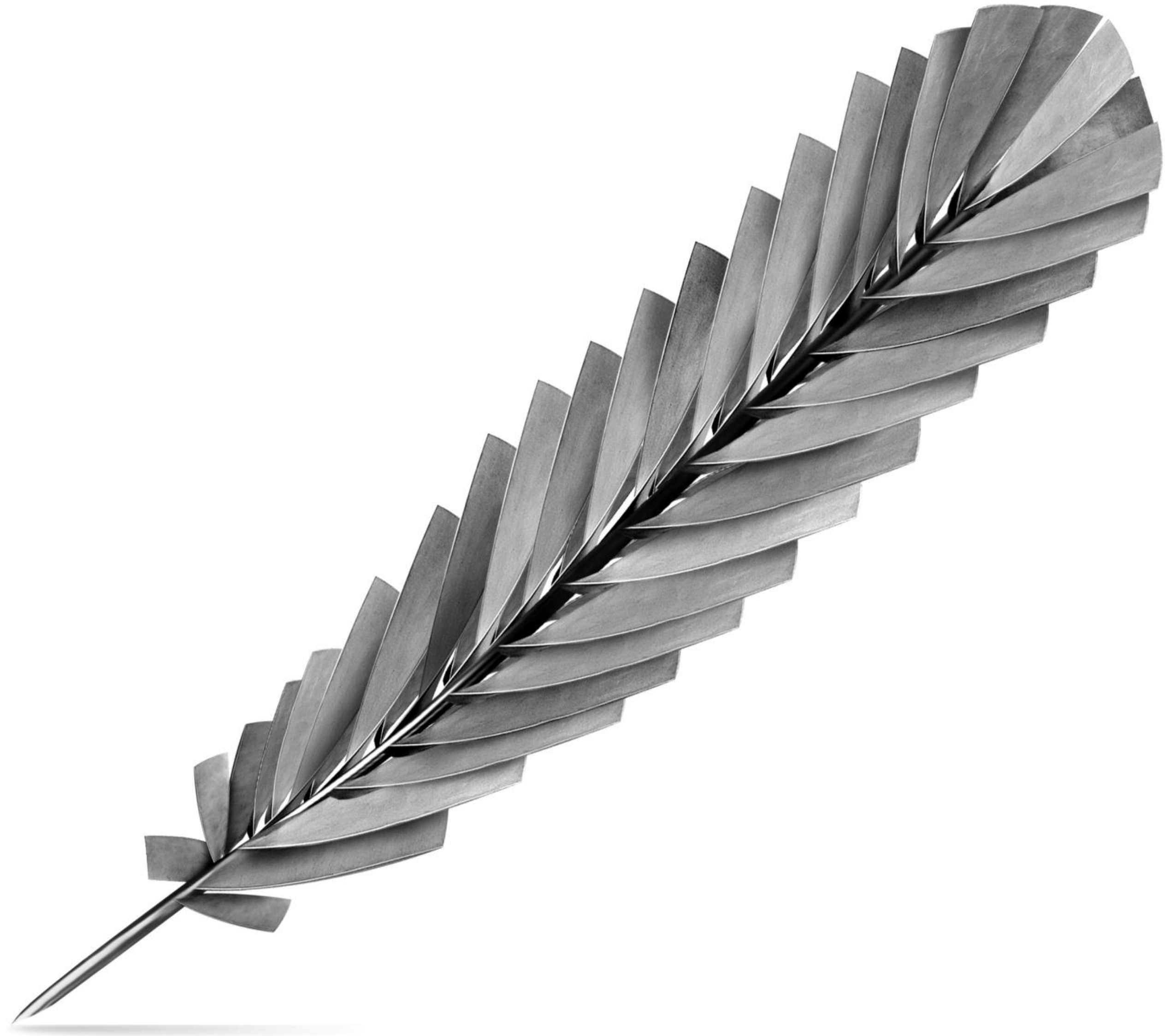

Supplementary Q & A from investor relations meeting held on 10 Sept 2015

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Q: Will the decrease in this year's (2015) order intake have an impact on next year's (2016) profits?

A: If order intake does not increase during H2 profits in 2016 may be impacted.

Q: What are the main reasons for the decrease in order intake and could this be related to competitor moves?

A: Howden Africa has maintained its market share. The Howden Africa group has however experienced delays which relate to customer order placement and execution. In addition there has been a decline in order in-take in our key power and mining sectors as customers implement cost saving measures due to challenging economic conditions.

Q: Are there any amounts outstanding from ArcelorMittal South Africa (AMSA)?

A: There are no amounts outstanding at this time.

Q: What impact will the AMSA Vereeniging Works impending closure have on the Company?

A: The possible closure would have a relatively small impact however opportunity will remain at the other AMSA plants.

Q: Has the Company lost any Eskom orders to any competitors or has Eskom simply not been placing orders?

A: We continue to hold our market share. There are two issues we face:

1. Lack of access to carry out site work; and
2. Spend is not the same due to funding constraints and cost reduction measures they have implemented.

Q: Does the Company still need to carry out any work in relation to the Eskom Medupi and Kusile power stations?

A: All equipment has been supplied. There is some commissioning work to be carried out.

Q: Should the record order intake (R753mil) experienced in late 2014 not have had a positive impact in H1 of 2015?

A: The issue relates to execution of the orders as customers have postponed orders. This has resulted in our inadvertent inability to convert orders into revenue. We are hope that the situation will improve during H2 of 2015.

Q: Historically Howden's performance has been good within 6 months to a year after the Company has experienced good order intake. Why has this not been the case as there was strong order intake during the 2nd half of 2014?

A: As mentioned access to carry out work has been limited by customers. It is noted that no orders have been cancelled apart from one mining related order where we have already completed 90% of the scope of work.

Q: In relation to the aforesaid cancelled order - Has Howden claimed payment for work already carried out?

A: The Customer has already largely paid for work which has been completed.

Supplementary Q&A from IR meeting held on 10 Sept 2015

Howden

Q: Can you comment the Eskom situation in relation to planned and emergency maintenance work?

A: Planned maintenance/service work is postponed from time to time.

Q: Considering Eskom's historic spending patterns and trend do you think Eskom are doing everything that they usually do to maintain their plants or are they deferring most tasks?

A: Eskom is a well organised operator but may be deferring certain maintenance tasks in order to-maintain power supply. We have not experienced any cancelations.

Q: With the onset of spring/summer, what are the chances are that Eskom will escalate the maintenance work in the next 6 or 7, 8 months so that they will be in a stronger position to do a lot more maintenance work during the winter months?

A: That has been the trend in previous years of this.

Q: You just mentioned trade debtors – I know you kind of dealt with it on a year on year basis but since December roughly an extra R200 million has gone to trade debtor. When you mentioned the seasonality of orders coming through – when does that normally come through and you see the change in the mix?

A: Soon.

Q: With Eskom deferring some maintenance, is there a risk or a possibility that they defer work so long that perhaps equipment which may only require maintenance now needs to be replaced?

A: Taking into account the size of the plant and related equipment it is more likely that additional maintenance work will be required.

Q: Does the company have a long term contract with Eskom or is the company contracted on an order by order basis?

A: The Company carries out regular online maintenance work on many Eskom sites and we are issued task orders in accordance with a fixed price and scope agreement. It is noted that certain task orders are planned 3 to 12 months ahead of the scheduled maintenance.

Q: Why have the margins within the fans and heater exchange division decreased from 24.5% to 18.5%?

A: There have been some product mix changes as well as price pressure from customers in the form of price discounts.

Q: Does management expect the margins to increase back to prior levels or do they expect the margins to remain at the 18.5% level?

A: We will continue to work on improving our supply chain management to make up for the discounts and improve margins.

Q: Are the majority of your sales are in aftermarket and do you have more pricing power within aftermarket?

A: Yes it is 59%. The competitiveness is similar in aftermarket as it is in new build.

Q: If a competitor services your installed base would the customer then lose the warranty on the equipment?

A: Normally yes. We guarantee our work and workmanship. We do not guarantee competitors work and workmanship.

Supplementary Q&A from IR meeting held on 10 Sept 2015

Q: Has the decline in the Rand influenced the decline in the profit margins?

A: Profit margins have declined as a result of customer discount requirements product mix not the Rand.

Q: Who are your major competitors?

A: Well, we have many, due to the wide product range we have.

Q: In the fan area who are your main competitors?

A: There are several local competitors.

Q: The profit margins in the environmental division have increased. Why is this as revenues were not as strong in H1 of 2015 when compared to 2014? How sustainable are these higher profit margins?

A: The margins improved, due to supply chain management and cost savings which flowed from design improvements. In addition to this volumes increased. When volumes increase we improve the bottom line because our overheads and other indirect costs remain constant. We will endeavor to maintain these increased margins.

Q: Does the company pass down customer discount requests to its suppliers?

A: Yes. There are however limitations. For instance you cannot discount labour rates. We continue to endeavor to improve manufacturing efficiency and sourcing of materials in order to be more cost effective.

Q: You mentioned that you have retained the cash on the balance sheet for acquisitions and share buy backs. Taking the current share price level into account, should the Company not be considering buybacks now?

A: We are considering acquisitions, buybacks and dividends.

Q: Has the Company repurchased any shares as yet?

A: No

Q: Historically the Company has not appeared to be an acquisitive company – has the strategy changed?

A: Yes, historically we did not consider acquisitions; however we are looking for opportunities.

Q: Are there any acquisition opportunities currently?

A: There are a few opportunities. We are targeting companies with products and skills which are adjacent to ours.

Q: Are there opportunities available now?

A: We do have an opportunity/acquisition pipeline, which we monitor frequently.

Q: Would you need cash for the BEE transaction?

A: Yes, but it would not be a large amount.

Q: Has the Company lost any orders as a result of BEE credentials and what is your black shareholding?

A: No we have not. We have good BEE credentials at level 3. We do have above 10% black shareholding.

Supplementary Q&A from IR meeting held on 10 Sept 2015

Q: What percentage of your cost are foreign currency (dollar/Euro)?

A: Very little we virtually design, build and source all our products in South Africa. Our local purchases are Rand based, but of course steel and many commodities are world price adjusted.

Q: The BEE related advisor costs are mentioned have been mentioned. Is it correct to assume that the impact of these costs will disappear when the BEE transaction has been finalized? Can you say more or less how much these costs amounted to?

A: The costs in H1 in relation to legal and tax advice are approximately R5million.

Q: The tax rate in 2014 was low (17%) – Could you explain why and do you expect to see something similar in 2015?

A: This was a once off exceptional change in the tax at the end of last year; we expect the tax rate to be around 28% in 2015.

Additional Questions and Answers from the investor relation meeting held on 14 September 2015 in Cape Town.

Q. What is a sustainable working capital level for the business?

The business is a good cash generator and management target approximately 100% of operating profit to cash over a two to three year period as a target. We require approximately R150m in working capital but this could change depending on our intake for large capital projects which could require additional funding.

Q. The company has no gearing and I would expect it should be able to sustain circa R300-400m of debt?

We agree that the business could be geared and take on debt and we are not adverse this idea. We regularly meet with our bank and have a good idea of the levels of gearing we could obtain and sustain.

Q. Did you use a bidding process when evaluating your BEE partners?

Yes. The company did use a bidding process and has been using PwC and ENS as respective advisors.