WILSON BAYLY HOMLES-OVCON LIMITED
Building and civil engineering contractors
(Registration no: 1982/011014/06)
ISIN NO: 000009932 Sharecode WBO

UNAUDITED INTERIM SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

BASIS OF PREPARATION

The summary consolidated financial statements for the period ended 31 December 2014 have been prepared in compliance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the requirements of the International Accounting Standards (“IAS”) 34, Interim Financial Reporting, SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa.

The summary consolidated financial statements have been prepared on the historical cost basis, except for specific financial assets and derivative financial instruments which are measured at fair value through profit and loss. The accounting policies used in the preparation of these results are consistent in all material respects with those used in the audited annual financial statements for the year ended 30 June 2014.

The information disclosed in these statements has not been reviewed nor reported on by the group’s auditors.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME
for the six months ended 31 December 2014

	% Change	Unaudited December 2014 R’000	Restated unaudited December 2013 R’000	Restated audited June 2014 R’000
Revenue	11,1	14 675 871	13 206 037	25 721 683
Operating profit before non-trading items	(25,8)	397 243	535 303	1 029 446
Impairment of goodwill		-	-	(392)
Gain on bargain purchase option		-	37 166	-
Loss on deemed disposal of associate		-	(46 646)	(1 914)
Impairment of property, plant and equipment		-	-	(15 340)
Gain on disposal of investment		-	7 950	-
Net gain on disposal of property, plant and equipment		17 192	-	-
Share-based payment expense		(18 284)	(15 741)	(33 337)
Operating profit		396 151	18 032	978 463
Share of profits from associate		11 367	4 976	11 168
Net finance income		50 614	51 157	114 091
Profit before taxation		458 132	574 165	1 103 722
Taxation		(137 717)	(171 803)	(332 149)
Profit from continuing operations	(20,6)	320 415	402 362	771 573
Profit/(loss) from discontinued operations		6 716	(96 000)	(523 336)
Profit for the period		327 131	306 362	248 237
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Translation of foreign entities		(91 308)	2 595	(64 216)
Share of associate’s comprehensive income		-	-	6 967
Total comprehensive income for the period	(23,7)	235 823	308 957	190 988
Operating margin		2,7%	4,1%	4,0%
Profit attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		315 403	303 313	422 742
Non-controlling interests		11 728	3 049	(174 505)

		327 131	306 362	248 237
Total comprehensive income attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		249 059	315 252	401 252
Non-controlling interests		(13 236)	(6 295)	(210 264)
		235 823	308 957	190 988
Basic earnings per share (cents)	3,9	569,8	548,2	763,8
Diluted earnings per share (cents)	4,8	569,8	543,5	762,6
Headline earnings per share (cents)	(7,8)	540,9	586,4	1 172,6
Dividend per share (cents)	(18,5)	110,0	135,0	368,0
Profit from continuing operations attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		307 313	356 651	703 384
Non-controlling interests		13 102	45 711	68 189
		320 415	402 362	771 573
Earning per share – continuing operations				
Basic earnings per share (cents)	(13,9)	555,2	644,6	1 270,8
Diluted earnings per share (cents)	(13,1)	555,2	639,1	1 268,8
Headline earnings per share (cents)	(18,4)	529,9	649,8	1 278,4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 December 2014

	Unaudited December 2014 R'000	Restated unaudited December 2013 R'000	Restated audited June 2014 R'000
Stated capital and reserves at the beginning of the period	4 591 240	4 423 257	4 423 257
Profit for the period	315 403	303 313	422 742
Other comprehensive income	(66 343)	2 595	(21 490)
Dividends paid	(146 610)	(140 077)	(235 490)
Share-based payment expense	18 284	15 741	33 337
Treasury shares sold	-	(12 549)	-
Share-based payment settlement	7 536	-	12 496
Changes in shareholding	(32 618)	(13 200)	(43 612)
Stated capital and reserves at the end of the period	4 686 892	4 579 080	4 591 240

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2014

	Unaudited December 2014 R'000	Restated unaudited December 2013 R'000	Restated audited June 2014 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2 096 230	2 696 948	2 163 442
Goodwill	615 151	599 353	644 936
Intangible assets	1 282	1 282	1 282
Investment in associates	119 195	103 998	97 847
Investments	133 777	73 116	96 997
Long-term receivables	442 441	296 907	292 345
Deferred taxation	381 626	397 166	365 903
Total non-current assets	3 789 702	4 168 770	3 662 752
Current assets			

Inventories	331 637	595 645	259 025
Amounts due by customers	800 798	745 454	929 688
Trade and other receivables	4 011 931	3 502 374	4 955 738
Taxation receivable	404 588	321 750	356 268
Cash and cash equivalents	3 282 603	3 048 278	2 756 700
Total current assets	8 831 557	8 213 501	9 257 419
Disposal group held-for-sale	305 625	-	477 642
Total assets	12 926 884	12 382 271	13 397 813
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	28 625	28 625	28 625
Non-distributable reserves	538 349	560 821	578 873
Distributable reserves	4 119 918	3 989 634	3 983 742
Shareholder’s equity	4 686 892	4 579 080	4 591 240
Non-controlling interests	289 873	430 129	273 776
Total equity	4 976 765	5 009 209	4 865 016
Non-current liabilities			
Borrowings	149 623	252 768	184 903
Deferred taxation	65 828	19 591	32 591
Total non-current liabilities	215 451	272 359	217 494
Current liabilities			
Excess billings over work done	1 904 001	1 405 820	1 417 028
Trade and other payables	3 908 849	3 270 607	4 697 296
Short-term portion of borrowings	170 167	233 400	149 645
Provisions	1 173 780	1 689 677	1 313 421
Taxation payable	51 519	102 866	66 552
Bank overdraft	63 114	398 333	115 605
Total current liabilities	7 271 430	7 100 703	7 759 547
Disposal group held-for-sale	463 238	-	555 756
Total equity and liabilities	12 926 884	12 382 271	13 397 813

CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 31 December 2014

	Unaudited December 2014 R’000	Restated unaudited December 2013 R’000	Restated audited June 2014 R’000
Operating profit before working capital requirements	261 734	835 531	1 344 045
Working capital changes	813 708	(424 447)	(546 938)
Cash generated from operations	1 075 442	411 084	797 107
Net finance income	47 402	34 465	61 005
Taxation paid	(168 589)	(360 966)	(548 071)
Dividends paid	(175 075)	(163 775)	(265 089)
Cash retained from/(utilised in) operations	779 180	(79 192)	44 952
Cash flow from investing activities			
Advances of long-term receivables	(141 044)	(125 189)	(211 166)
Additions to investments	(41 748)	(27 900)	(53 547)
Additional investments in associates	(14 050)	-	(27 524)
Changes in shareholding of subsidiaries	(11 483)	(44 800)	(54 787)
Repayment of receivables	7 835	7 892	15 753
Proceeds on disposal of businesses	114 274	-	29 052
Proceeds on disposal of property, plant and equipment	54 783	63 061	106 175
Purchase of property, plant and equipment	(95 368)	(144 763)	(302 143)
Net cash flow from investing activities	(126 801)	(271 699)	(498 187)

Cash flow from financing activities			
Advances/(repayment) of interest-bearing borrowings	38 933	-	(22 565)
Instalments in respect of capitalised finance leases	(106 295)	(86 192)	(163 494)
Net cash flow from financing activities	(67 362)	(86 192)	(186 059)
Net increase/(decrease) in cash and cash equivalents	585 017	(437 083)	(639 294)
Cash and cash equivalents at the beginning of the period	2 641 095	3 335 559	3 335 559
Net overdraft in respect of disposal group at the beginning of the period	(268 450)	-	-
Net overdraft acquired	-	(271 204)	(263 927)
Foreign currency translation effect	(33 592)	22 673	(59 693)
Net overdraft in respect of disposal group	295 419	-	268 450
Cash and cash equivalents at the end of the period	3 219 489	2 649 945	2 641 095

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
for the six months ended 31 December 2014

1. DISCONTINUED OPERATIONS, DISPOSAL GROUP HELD-FOR-SALE AND RESTATEMENT OF PRIOR PERIOD FIGURES

The results for the comparative period to 31 December 2013 have been restated to reflect the trading from those operations which met the requirements for classification as discontinued operations at 30 June 2014, (Capital Star Steel, Dywidag Systems International , Symo Steel and Krost Shelving) as well as Belabela, a quarry in Botswana, which met the classification requirements for discontinued operations in the current period. The results for the comparative period to 30 June 2014 have been restated to reflect the trading from Belabela only.

	Unaudited December 2014 R'000	Restated unaudited December 2013 R'000	Restated audited June 2014 R'000
Revenue	94 365	171 382	538 955
Cost of sales	(78 209)	(175 732)	(565 802)
Gross profit/(loss)	16 156	(4 350)	(26 847)
Operating expenses	(2 160)	(50 519)	(33 682)
Operating profit/(loss) before non-trading items	13 996	(54 869)	(60 529)
Impairment of property, plant and equipment	-	-	(360 014)
Profit on sale of associate	4 435	-	-
Loss on disposal of operations	-	(25 681)	(39 778)
Onerous contracts	-	-	(35 233)
Operating profit/(loss) before non-trading items	18 431	(80 550)	(495 554)
Share of profits from associate	-	2 096	5 223
Net finance costs	(11 072)	(17 902)	(32 195)
Profit/(loss) before tax	7 359	(96 356)	(522 526)
Taxation (expense)/credit	(643)	356	(810)
Profit/(loss)	6 716	(96 000)	(523 336)
Effect of restatement		96 000	(3 694)
As previously reported		-	(527 030)
Profit/(loss) attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited	8 089	(53 338)	280 642
Non-controlling interests	(1 373)	(42 662)	(242 694)
	6 716	(96 000)	(523 336)
Cash flow			
Net cash from operating activities	(131 108)	(46 643)	(130 406)
Net cash from investing activities	114 274	(574)	(16 350)
Net cash from financing activities	(10 135)	(8 261)	88 951
Disposal group held-for-sale			
Property, plant and equipment	191 531	-	178 000
Inventories	56 229	-	137 270

Trade and other receivables	30 896	-	44 722
Cash and cash equivalents	26 969	-	32 085
Total assets	305 625	-	392 077
Trade and other payables	(124 857)	-	(213 108)
Provisions	(15 993)	-	(42 113)
Bank overdraft	(322 388)	-	(300 535)
Total Liabilities	(463 237)	-	(555 756)
Non-current asset held-for-sale			
Investment in associate	-	-	85 565

2. RECONCILIATION OF HEADLINE EARNINGS

	Unaudited December 2014 R'000	Restated unaudited December 2013 R'000	Restated audited June 2014 R'000
Reconciliation of headline earnings from continuing operations			
Attributable profit - continuing operations	307 313	356 651	703 384
Adjusted for:			
Group:			
Impairment of goodwill	-	-	392
Gain on bargain purchase option	-	(37 166)	-
Loss on deemed disposal of associate	-	46 646	1 914
Impairment of property, plant and equipment*	-	-	14 825
Gain on disposal of investments	-	(7 950)	-
Net (gain)/loss on disposal of property, plantand equipment*	(17 192)	1 844	(12 213)
Tax effect thereof	3 177	(516)	-
Associates:			
Profit on disposal of property, plant and equipment	-	(4)	-
Impairment of property, plant and equipment*	-	23	-
Tax effect thereof	-	(5)	(731)
Headline earnings from continuing operations	293 298	359 523	707 571
Reconciliation of headline earnings from totaloperations			
Attributable profit	315 403	303 313	422 742
Adjusted for:			
Group:			
Impairment of goodwill	-	-	392
Gain on bargain purchase option	-	(37 166)	-
Loss on deemed disposal of associate	-	46 646	1 914
Net (gain)/loss on disposal of property, plantand equipment*	(17 192)	1 844	(12 213)
Gain on disposal of associate*	(2 464)	-	-
Net loss on disposal of operations*	-	10 349	22 101
Impairment of property, plant and equipment*	-	-	214 849
Tax effect thereof	3 632	(516)	(731)
Associates:			
Profit on disposal of property, plant and equipment	-	(4)	-
Impairment of property, plant and equipment	-	23	-
Tax effect thereof	-	(5)	-
Headline earnings	299 379	324 484	649 054

* Net of non-controlling interest

3. SEGMENTAL ANALYSIS – CONTINUING OPERATIONS

Segment revenue	% Change	Unaudited December 2014 R'000	Restated unaudited December 2013 R'000	Restated audited June 2014 R'000
Building and civil engineering	8,7	3 810 298	3 505 612	7 001 985
Roads and earthworks	12,9	2 837 574	2 513 175	5 001 508
Australia	11,7	7 298 531	6 532 872	12 437 970
Total construction revenue	11,1	13 946 403	12 551 659	24 441 463
Property developments	(15,1)	19 537	23 008	84 601
Construction materials	12,4	709 931	631 370	1 195 619
Total revenue	11,1	14 675 871	13 206 037	25 721 683
Segment operating profit				
	% margin			
Building and civil engineering	4,4	167 906	152 078	329 089
Roads and earthworks	7,1	202 755	220 376	413 888
Australia	-	478	134 412	250 040
Total construction operating profit	2,7	371 139	506 866	993 017
Property developments	41,4	8 086	9 967	28 057
Construction materials	2,5	18 018	18 470	8 372
Total operating profit	2,7	397 243	535 303	1 029 446
Geographical revenue contribution				
	%change			
South Africa	11,4	5 726 393	5 138 263	10 242 531
Rest of Africa	7,6	1 650 947	1 534 902	3 041 182
Australia	12,4	7 298 531	6 532 872	12 437 970
	11,1	14 675 871	13 206 037	25 721 683
Geographical profit contribution				
	% margin			
South Africa	4,3	246 017	229 016	495 022
Rest of Africa	9,1	150 748	171 875	284 381
Australia	-	478	134 412	250 043
	2,7	397 243	535 303	1 029 446

4. ORDINARY SHARES

	Unaudited December 2014 R'000	Unaudited December 2013 R'000	Audited June 2014 R'000
Ordinary shares in issue ('000)	66 000	66 000	66 000
Weighted average number of shares ('000)	55 350	55 331	55 350
Diluted weighted average number of shares ('000)	55 350	55 804	55 436

FINANCIAL REVIEW

Continuing operations

Revenue from continuing operations increased by 11% to R14,7 billion supported by moderate growth across all the group's business segments. The 9% growth achieved by the Building and civil engineering division continues to reflect the strength within local building markets. The Roads and earthworks division grew by 13%. In Australia, revenue in dollar terms increased by 6%, consisting of an 18% increase in revenue from the building divisions being partially offset by a 39% decline in revenues from the civil businesses. In rand terms Australian revenue increased by

12%. Revenue in respect of the continuing operations within the Construction materials segment, namely the reinforcing and ready-mix businesses, also achieved growth of 12%. In aggregate, operating profit from continuing operations before non-trading items decreased by 26% to R397 million, at a margin of 2,7%, compared to R535 million (restated to exclude the losses from discontinued operations) at a margin of 4,1% in the comparative period. The predominant reason behind the decrease in the overall margin for the current period relates to losses incurred within both Australian civil businesses as a result of three material loss-making contracts together with a particularly subdued market. The margin of 4,4% achieved by the Building and civil engineering division is in line with that of the prior period, while the Roads and earthworks margin continues to decline (7,1% at December FY15 compared to 8,8% at December FY14) due to competitive conditions across all markets and an under-performing project in Botswana. The margin of 2,5% achieved from continuing operations within the construction materials segments shows some improvement from the 1,1% achieved at 30 June 2014 but remains lower than the 3% achieved in the comparative period.

Discontinued operations and restatement of prior period figures

The respective results for the comparative periods to 31 December 2013 and to 30 June 2014 have been restated in accordance with IFRS to reflect the trading from those operations which met the requirements for classification as discontinued operations at 30 June 2014, (Capital Star Steel (CSS), Dywidag Systems International (DSI), Symo Steel and Krost Shelving) as well as a quarry in Botswana, which met the classification requirements for discontinued operations in the current period.

The statements of financial position has not been restated.

Symo Steel and Krost Shelving were both disposed of in FY14 while DSI was disposed of in the first half of FY15. A sale agreement in respect of Belabela (Pty) Ltd has been concluded subject to conditions precedent which should be achieved in the first quarter of 2015. The process to conclude a sale of CSS did not result in a formal offer for the business. Two parties continue to negotiate a possible purchase with Capital Africa Steel. The closure of operations in the factory is almost complete.

Earnings per share and headline earnings per share

Overall earnings per share increased by 4% from 548 cents per share at 31 December 2013 to 570 cents per share at 31 December 2014, while overall headline earnings per share decreased by 8% to 541 cents per share from 586 cents per share. Earnings per share and headline earnings per share in respect of continuing operations decreased by 14% and 18% respectively over the comparative period due to the poor performance from Australia.

Cash

Since 30 June 2014 cash balances have increased by R578 million to R3,2 billion (excluding the overdraft within the disposal group held-for-sale). Cash generated from operations amounts to R1,1 billion compared to R411 million generated in the comparative period. This together with lower capital expenditure during the period was largely responsible for the 21% increase in the cash balances . Capital expenditure during the period amounted to R95 million and depreciation amounted to R170 million (2013: R170 million).

Contingent liabilities

Financial guarantees issued to third parties amount to R5,1 billion compared to R6,6 billion issued as at 30 June 2014.

OPERATIONAL REVIEW

Building and civil engineering

		December 2014 Rm	December 2013 Rm
Revenue	8,7% growth	3 810	3 506
Operating profit	4,4% margin	168	152

Building

The group’s local building divisions continue to perform well under the current favourable market conditions. In Gauteng, strong revenue growth was supported by construction at 8 different shopping centres and mixed-use developments, seven of which were completed and handed over in the current six month period. Construction at the Mall of Africa shopping centre in Waterfall, Midrand will continue well into FY16. Ongoing construction at various corporate office precincts contributed significantly during the period following the commencement of new phases at both Menlyn Maine and Alice Lane in Tshwane and Sandton respectively. Construction of the serviced accommodation for the Department of Statistics, secured through the group’s Projects division is progressing well.

In the Western Cape, activity over the current six months consisted of construction of a number of projects at the V&A Waterfront, including the new Museum of Contemporary African Art, a new hospital for Netcare and various apartments, retail and office developments. The group's Projects team together with the Western Cape division successfully achieved practical completion at the Kathu photovoltaic solar farm in the Northern Cape. In Kwa-Zulu Natal (KZN) various corporate office projects in Umhlanga, ongoing construction at both private and public hospitals and work for Transnet at the port all contributed toward good growth in the region.
Market conditions in the Eastern Cape have improved since the second half of FY14 and contributed toward the region's growth during the period supported by new work at the Coega Development Zone and extensions to the Greenacres shopping centre.

In Ghana, the West Hills and Junction malls were successfully completed and handed over during the period while construction at the Achimota mall, awarded toward the end of FY14, is on programme.

Civil engineering
Construction of the main civil works at the Kusile Power Station is nearing completion. This project continued to contribute strongly towards the division's revenue in the current six months. Mining opportunities remain scarce however further construction at Glencore's Tweefontein mine is progressing well along with a new malting plant for SAB. The division continues to maintain a presence in Zambia with a number of new smaller awards in the current period.

Roads and earthworks

		December 2014 Rm	December 2013 Rm
Revenue	12,9% growth	2 837	2 513
Operating profit	7,1% margin	203	220

In light of the depressed market conditions within the mining sector, opportunities for large-scale projects remain scarce, however the division has secured some medium-sized mining contracts as well as a number of smaller scale contracts and extensions to existing contracts locally, as well as in Ghana, Mozambique and Botswana.

Revenue from the SADC region was broadly in line with that of the comparative period, supported by ongoing construction of the ash dam and coal stock yard at Kusile Power Station and existing mining contracts at Glencore's Tweefontein mine, Sasol's Shondoni mine and the Husab Uranium mine in Namibia. In Botswana, the three-year long AK6 mining project is now complete while the North South Carrier Pipeline will only begin commissioning in FY16 following the award for the replacement of a 28km section of the existing pipeline to Gaborone. Various delays and co tively affected the profitability of this project. Revenue from Mozambique has shown good growth during the period due to the award of new mining infrastructure projects at the Vale mine and ongoing construction in respect of the Ressano Garcia Power Station and the EN4 road rehabilitation contracts. Both Edwin and Roadspan continue to perform satisfactorily in the road rehabilitation sector. In West Africa, a reduced team remains in Ghana to execute the smaller scale mining infrastructure contracts mentioned above.

Australia

		December 2014 Rm	December 2013 Rm
Revenue	11,7% growth	7 299	6 533
Operating profit	0% margin	-	134

Probuild
Revenue from Probuild increased by 18% in dollar terms, where good growth across most of the building divisions was partially offset by a decline in revenue from Probuild Civils. Entry into the Brisbane building market and the commencement of work on three major shopping centre projects awarded in the previous period, supported the growth in the building divisions.

Three problematic contracts within Probuild Civils had a significant impact on the overall margin achieved by Probuild, however all expected losses have been accounted for in the current period and these projects will be completed in the six months to June FY15.

WBHO Civil

Revenue from WBHO Civil declined by 18% as a result of declining commodity prices negatively affecting the Australian mining sector. Completion of the Burrop Technical Ammonia Nitrate Facility in the Pilbara and the Nyngan photovoltaic solar farm in New South Wales (NSW) have been problematic with significant losses incurred in the current period. Both projects will be completed in the six months to June FY15.

Property

	December 2014 Rm	December 2013 Rm
Revenue	20	23
Operating profit	8	10

Revenue from Property developments represents the transfer of all but three of the remaining stands at the Simbithi Eco Estate near the King Shaka International Airport in KZN.

Capital Africa Steel

	December 2014 Rm	December 2013 Rm
Continuing operations		
Revenue	710	631
Operating profit	18	18
Discontinued operations		
Revenue	94	171
Operating profit/(loss)	14	(55)

Revenue from continuing operations increased by 12%. Margins for the first six months within the reinforcing business were impacted by the steel strikes in July FY14, while the ready-mix business performed reasonably well having secured supply contracts on various large building projects. Manufacturing within CSS has ceased with all contractual obligations satisfied and the bulk of the inventory sold.

ORDER BOOK AND OUTLOOK

	%	December 2014 Rm	%	December 2013 Rm
Order book by segment				
Building and civil engineering	21	8 039	23	8 207
Roads and earthworks	10	3 935	14	5 064
Australia	69	26 157	63	22 880
Total	100	38 131	100	36 151
Order book by geography				
South Africa	28	10 634	31	11 363
Rest of Africa	3	1 340	6	1 908
Australia	69	26 157	63	22 880
Total	100	38 131	100	36 151

The 5% increase in the order book at 31 December 2014 to R38,1 billion from R36,2 billion at 30 June 2014 reflects a 14% increase in the Australian book, while the Roads and earthworks book has declined by 22%. This has resulted in further dilution of the contribution from Africa (including South Africa) to 31% (30 June 2014: 37%).

Africa (including South Africa)
The strength currently being experienced within the local building market is expected to continue over the short to medium-term. The building and civil engineering division's order book which has grown significantly over the last two years has been maintained at R8 billion. New offices for Discovery as well the Rosebank Towers were awarded during the current six months while negotiations for new offices at Waterfall in Gauteng, a shopping centre in KZN and additional work at the V&A Waterfront in Cape Town are at an advanced stage. The International building division has been awarded a contract for a new shopping centre in Pemba, Mozambique and two further shopping centres in Ghana are under negotiation.

The effect of persistently low commodity prices on the mining sector is resulting in planned projects being cancelled or delayed. This together with the release of resources from the main civil works at Kusile has resulted in over-capacity within the civil engineering division and management have re-sized the division accordingly. The current mining sector environment together with the reduced activity within the road sector have seen a decline in the Roads and earthworks order book in the current six months, however a number Reya-Vaya bus rapid transport contracts in both KZN and Gauteng will provide work from this sector into FY16. Roadspan and Edwin Construction, both of which rely heavily on the road sector have sufficient work on hand for the current year, however replacement of these contracts is a concern. Activity levels in Botswana have been low for some time, although the pipeline sector in the region will continue to offer opportunities and as mentioned above the division secured a further phase on the North South Carrier Pipeline. Prospects in the mining, rail and road sectors in Mozambique are limited and the current low level of the oil price may potentially delay the start-up of projects from the oil and gas sector. In West Africa, the division is able to find sufficient work to keep the remaining resources there occupied.

The renewable energy sector remains a focus for the group's Projects team as well as opportunities in Africa. Further to the Competition Commission Fast Track Settlement Process which was finalised in July 2013, WBHO had previously advised that five alleged prohibited practices (that WBHO believes are not contraventions of the Competition Act) were not settled as part of this Fast Track Settlement Process. The Commission has subsequently confirmed non-referral of two of these alleged prohibited practices.

The Commission has referred one of the above cases, the 2006 "World Cup Stadia meeting" matter to the Tribunal. On considered legal advice, WBHO had refused to settle this matter as part of the Fast Track Settlement Process as WBHO is firmly of the opinion that this meeting was not collusive in nature. WBHO is also in receipt of a civil claim from the City of Cape Town in relation to the Competition Commission Fast Track settlements on the Cape Town stadium. WBHO believes that the City of Cape Town suffered no damage.

WBHO is confident that it can defend the above cases and has not made a provision in this regard.

Australia
The building sectors in Melbourne, Sydney and Brisbane continue to provide a significant number of work opportunities for the construction industry. A growing population is driving residential growth, and the largescale residential towers market, which has been particularly strong in Melbourne, is now spreading to Brisbane and Sydney as well. Probuild secured two new major tower projects in Melbourne in the current six months and having only recently entered the Brisbane building market will be selective on which projects to bid. Residential opportunities with Asian developers have also grown in Sydney and Probuild is carefully entering this market as it grows its teams and capacity in the region. Retail remains a good source of projects in Melbourne and is now showing signs of improving in Sydney as well. Activity within the Perth building market, which has leveraged off the mining boom in the region in recent years, has slowed due to the difficult conditions currently facing this sector.

The traditional civil market in Western Australia is in decline following the mining boom over recent years, while in Queensland the completion of all flood related works has resulted in a declining market. Both WBHO Civils and Probuild Civils are in a process of restructuring in order to right-size the businesses for the current environment. It is anticipated that future infrastructure spend is likely to be directed toward Sydney and Melbourne and a new managing director to lead a repositioning of the civil businesses has been recently appointed.

SAFETY
The group's LTIFR continues to improve and now stands at 0,84 down from 0,94 at 30 June 2014. This remains within the group's target of less than one. There were improvements across all the groups segments where Australia demonstrated further improvement in its LTIFR which decreased from 1,60 at 30 June 2014 to 1,47 in the current period. Sadly the group experienced two work-related fatalities in the period, one of which was a subcontractor. One further non-work related fatality was recorded. We extend our sincere condolences to their families, friends and colleagues.

APPRECIATION
The directors and management again thank our employees, clients and all other stakeholders for their contribution and ongoing support and loyalty.

DIVIDEND DECLARATION

Notice is hereby given that the directors have declared an interim gross dividend of 110 cents per share (2013: 135 cents) payable to all shareholders recorded in the register on 17 April 2015.

In terms of the dividends tax legislation the following information is disclosed:
The dividend is made from income reserves and is subject to dividend withholding tax of 15% which results in a net dividend of 93.50 cents per share. The company has no STC credits to be utilised.

The number of shares in issue at date of declaration amount to 66 000 000 (55 350 001) exclusive of treasury shares) and the company’s tax reference numberis 9999597710.

In order to comply with the requirements of Strate, the following details are relevant:

Last date to trade cum dividend:	Friday 10 April 2015
Trading ex dividend commences:	Monday 13 April 2015
Record date:	Friday 17 April 2015
Payment date:	Monday 20 April 2015

Shares may not be dematerialised or re-materialised between Monday, 13 April and Friday 17 April 2015, both dates inclusive.

Mike Wylie	Louwtjie Nel	Charles Henwood
Chairman	Chief Executive Officer	Chief Financial Officer

20 February 2015

Sponsor

Investec Bank Limited