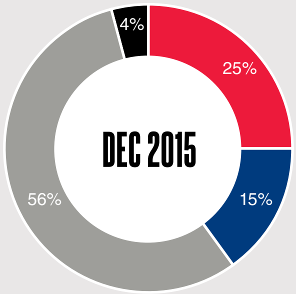
WBHO

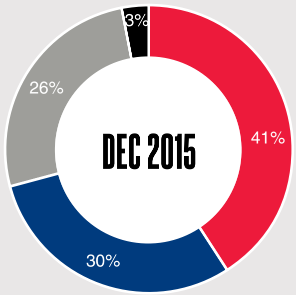
UNAUDITED INTERIM RESULTS 2016

HIGHLIGHTS

Contribution by Segment

REVENUE | OPERATING PROFIT

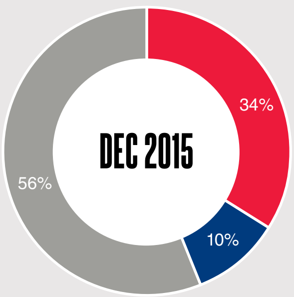


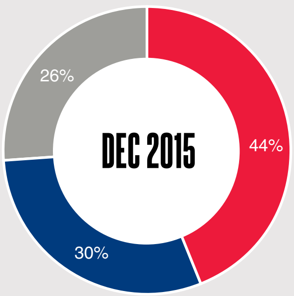


- Building and civil engineering (including property developments)
- Road and earthworks
- Australia
- Construction materials

Contribution by Geography

REVENUE | OPERATING PROFIT





- South Africa
- Rest of Africa
- Australia

Revenue

6,9% to R15,4 billion

2014: R14,4 billion

Operating margin

to 3,2%

2014: 2,7%

HEPS

Continuing operations

23,6% to 645 cents

2014: 522 cents

Cash

45% to R4,7 billion

2014: R3,2 billion

DIVIDEND

to 22,7% to 135 cents

2014: 110 cents

WILSON BAYLY HOLMES-OVCON LIMITED
Building and civil engineering contractor
(Registration number: 1982/011014/06)
ISIN number: ZAE 000009932 Sharecode: WBO

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 31 December 2015

CONTENTS

BASIS OF PREPARATION

The summary consolidated financial statements for the period ended 31 December 2015 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 2015.

The preparation of the summary consolidated financial statements was supervised by the chief financial officer and approved by the board of directors on 19 February 2016.

The information disclosed in these statements has not been reviewed nor reported upon the group's auditors.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME
for the six months ended 31 December 2015

	% change	Unaudited December 2015 R'000	Restated Unaudited December 2014 R'000	Restated Audited June 2015 R'000
Revenue	6,9	**15 405 407**	14 404 947	29 054 192
Operating profit before non-trading items	28,6	**494 515**	384 459	768 418
Impairment of goodwill		**–**	–	(115 982)
Impairment of property, plant and equipment		**–**	–	(53 926)
Gain on disposal of property		**–**	17 192	14 813
Share-based payment expense		**(25 386)**	(18 284)	(36 235)
Operating profit	22,4	**469 129**	383 367	577 088
Share of profits from associate		**20 081**	11 367	46 189
Net finance income		**69 537**	51 905	119 091
Profit before taxation		**558 747**	446 639	742 368
Taxation		**(170 307)**	(134 421)	(244 572)
Profit from continuing operations	24,4	**388 440**	312 218	497 796
(Loss)/profit from discontinued operations		**(12 016)**	14 913	109 490
Profit for the period		**376 424**	327 131	607 286
Other comprehensive income				
Translation of foreign entities		**238 719**	(91 308)	(269 854)
Share of associates' comprehensive income		**–**	–	7 018
Items that may be reclassified to profit or loss		**238 719**	(91 308)	(262 836)
Total comprehensive income for the period		**615 143**	235 823	344 450
Operating margin (%)		**3,2**	2,7	2,6
Profit from total operations attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**348 353**	315 403	568 680
Non-controlling interests		**28 071**	11 728	38 606
		376 424	327 131	607 286
Total comprehensive income attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**591 536**	249 059	304 868
Non-controlling interests		**23 607**	(13 236)	39 582
		615 143	235 823	344 450
Earnings per share – total operations				
Basic earnings per share (cents)	11,3	**634,1**	569,8	1 029,5
Diluted earnings per share (cents)	11,3	**634,1**	569,8	1 029,5
Headline earnings per share (cents)	16,9	**632,1**	540,9	1 175,2
Dividend per share (cents)		**135,0**	110,0	368,0

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME (continued)
for the six months ended 31 December 2015

	% change	Unaudited December 2015 R'000	Restated Unaudited December 2014 R'000	Restated Audited June 2015 R'000
Profit from continuing operations attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**355 292**	302 759	493 605
Non-controlling interests		**33 148**	9 459	4 191
		388 440	312 218	497 796
Earning per share – continuing operations				
Basic earnings per share (cents)	18,2	**646,7**	547,0	893,6
Diluted earnings per share (cents)	18,2	**646,7**	547,0	893,6
Headline earnings per share (cents)	23,6	**644,7**	521,7	1 090,7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 December 2015

	Unaudited December 2015 R'000	Unaudited December 2014 R'000	Audited June 2015 R'000
Shareholders' equity at the beginning of the period	**4 612 718**	4 591 240	4 591 240
Profit for the period	**348 353**	315 403	568 680
Other comprehensive income	**243 183**	(66 343)	(263 812)
Dividend paid	**(160 975)**	(146 610)	(215 171)
Share buy-back	**(28)**	–	–
Treasury shares acquired	**–**	–	(52 079)
Share-based payment expense	**25 386**	18 284	32 117
Share-based payment settlement	**6 261**	7 536	845
Changes in shareholding	**(14 564)**	(32 618)	(49 102)
Shareholders' equity at the end of the period	**5 060 334**	4 686 892	4 612 718

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2015

	Unaudited December 2015 R'000	Unaudited December 2014 R'000	Audited June 2015 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	**2 002 385**	2 097 512	1 984 417
Goodwill	**585 405**	615 151	498 266
Investment in associates	**283 699**	119 195	203 923
Investments	**193 666**	133 777	148 465
Long-term receivables	**113 216**	442 441	118 943
Deferred taxation	**460 363**	381 626	462 279
Total non-current assets	**3 638 734**	3 789 702	3 416 293
Current assets			
Inventories	**201 063**	331 637	215 108
Amounts due by customers	**420 047**	800 798	1 058 957
Trade and other receivables	**4 357 730**	3 858 278	4 524 547
Short-term portion of long-term receivables	**605 855**	153 653	565 660
Taxation receivable	**429 128**	404 588	355 900
Cash and cash equivalents	**4 688 009**	3 282 603	3 995 089
Total current assets	**10 701 832**	8 831 557	10 715 261
Assets held-for-sale	**283 338**	305 625	237 610
Total assets	**14 623 904**	12 926 884	14 369 164
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	**28 597**	28 625	28 625
Non-distributable reserves	**569 710**	538 349	297 321
Distributable reserves	**4 462 027**	4 119 918	4 286 772
Shareholders' equity	**5 060 334**	4 686 892	4 612 718
Non-controlling interests	**247 505**	289 873	262 443
Total equity	**5 307 839**	4 976 765	4 875 161
Non-current liabilities			
Share scheme liability	**22 246**	22 734	22 734
Borrowings	**45 506**	126 889	112 530
Deferred taxation	**57 958**	65 828	47 708
Total non-current liabilities	**125 710**	215 451	182 972
Current liabilities			
Excess billings over work done	**1 988 825**	1 904 001	1 499 471
Trade and other payables	**4 714 642**	3 908 849	5 570 407
Short-term portion of borrowings	**135 685**	170 167	139 045
Provisions	**1 788 306**	1 173 780	1 619 749
Taxation payable	**7 939**	51 519	50 174
Bank overdraft	**4 710**	63 114	–
Total current liabilities	**8 640 107**	7 271 430	8 878 846
Liabilities associated with disposal group held-for-sale	**550 248**	463 238	432 185
Total equity and liabilities	**14 623 904**	12 926 884	14 369 164

CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 31 December 2015

	Unaudited December 2015 R'000	Unaudited December 2014 R'000	Audited June 2015 R'000
Operating profit before working capital requirements	**821 212**	261 734	1 410 626
Working capital changes	**131 511**	813 708	1 142 304
Cash generated from operations	**952 723**	1 075 442	2 552 930
Net finance income	**115 291**	47 402	69 531
Taxation paid	**(272 117)**	(168 589)	(363 767)
Dividends paid	**(183 384)**	(175 075)	(251 593)
Cash retained from operations	**612 513**	779 180	2 007 101
Cash flow from investing activities			
Advances of long-term receivables	**(77 283)**	(141 044)	(231 419)
Additions to investments	**(7 241)**	(41 748)	(58 127)
Additional investments in associates	**(57 086)**	(14 050)	(80 917)
Repayments from associates	**–**	–	13 785
Proceeds on disposal of businesses	**–**	114 274	161 106
Proceeds on disposal of property, plant and equipment	**53 492**	54 783	134 758
Purchase of property, plant and equipment	**(33 788)**	(95 368)	(202 436)
Net cash flow from investing activities	**(121 906)**	(123 153)	(263 250)
Cash flow from financing activities			
(Repayment)/advances of interest-bearing borrowings	**(5 250)**	38 933	(24 109)
Transactions with owners	**(28 267)**	(3 648)	(64 538)
Purchase of treasury shares	**–**	–	(52 079)
Instalments in respect of capitalised finance leases	**(88 228)**	(106 295)	(153 824)
Net cash flow from financing activities	**(121 745)**	(71 010)	(294 550)
Net increase in cash and cash equivalents	**368 862**	585 017	1 449 301
Cash and cash equivalents at the beginning of the period	**3 995 089**	2 641 095	2 641 095
Net overdraft at the beginning of the period in respect of disposal group	**(332 180)**	(268 450)	(268 450)
Cash and cash equivalents disposed of	**–**	–	(12 823)
Foreign currency translation effect	**231 697**	(33 592)	(146 214)
Net overdraft in respect of disposal group	**419 831**	295 419	332 180
Cash and cash equivalents at the end of the period	**4 683 299**	3 219 489	3 995 089

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 31 December 2015

1. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD-FOR-SALE

The results for the comparative periods to 31 December 2014 and 30 June 2015 have been restated to reflect the trading of 3Q Mahuma Concrete Holdings (Pty) Ltd, a company that supplies ready mix concrete for the mining and construction sectors, which met the classification requirements for discontinued operations in the current period. The statement of financial position has not been restated.

	Unaudited December 2015 R'000	Restated Unaudited December 2014 R'000	Restated Audited June 2015 R'000
Revenue	**224 130**	365 289	739 873
Operating (loss)/profit before non-trading items	**(3 667)**	26 780	122 491
Profit on sale of associate	**–**	4 435	4 435
Gain on disposal of operations	**–**	–	20 573
Operating (loss)/profit	**(3 667)**	31 215	147 499
Net finance costs	**(8 349)**	(12 363)	(20 932)
(Loss)/profit before tax	**(12 016)**	18 852	126 567
Taxation expense	**–**	(3 939)	(17 077)
(Loss)/profit from discontinued operations	**(12 016)**	14 913	109 490
(Loss)/profit from discontinued operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited	**(6 939)**	12 644	75 076
Non-controlling interests	**(5 077)**	2 269	34 414
	(12 016)	14 913	109 490

	Unaudited December 2015 R'000	Unaudited December 2014 R'000	Audited June 2015 R'000
Disposal group held-for-sale			
Property, plant and equipment	**260 704**	191 531	206 079
Inventories	**–**	56 229	5 000
Trade and other receivables	**404**	30 896	10 447
Cash and cash equivalents	**22 230**	26 969	16 084
Total assets	**283 338**	305 625	237 610
Short-term borrowings	**(108 187)**	(124 856)	(83 922)
Provisions	**–**	(15 994)	–
Bank overdraft	**(442 061)**	(322 388)	(348 263)
Total liabilities	**(550 248)**	(463 238)	(432 185)

2. RECONCILIATION OF HEADLINE EARNINGS

	Unaudited December 2015 R'000	Restated Unaudited December 2014 R'000	Restated Audited June 2015 R'000
Continuing operations			
Attributable profit	**355 292**	302 759	493 605
Adjusted for:			
Impairment of goodwill*	**–**	–	99 283
Impairment of property, plant and equipment*	**–**	–	49 953
Net gain on disposal of property, plant and equipment*	**(1 523)**	(17 192)	(35 011)
Tax effect	**427**	3 177	(5 359)
Headline earnings from continuing operations	**354 196**	288 744	602 471
Total operations			
Attributable profit	**348 353**	315 403	568 680
Adjusted for:			
Impairment of goodwill*	**–**	–	99 283
Gain on disposal of associate*	**–**	(2 464)	(2 464)
Impairment of property, plant and equipment*	**–**	3 632	49 953
Net gain on disposal of property, plant and equipment*	**(1 523)**	(17 192)	(35 011)
Net gain on disposal of operations*	**–**	–	(26 418)
Tax effect	**427**	–	(4 904)
Headline earnings from total operations	**347 257**	299 379	649 119

** Net of non-controlling interests*

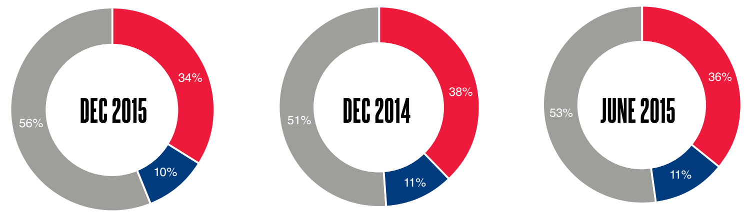
NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 31 December 2015

3. SEGMENTAL INFORMATION

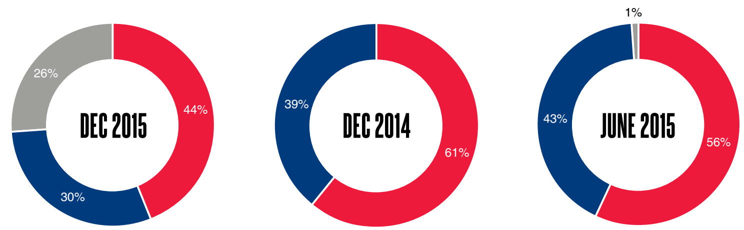
		Unaudited December 2015 R'000	Restated Unaudited December 2014 R'000	Restated Audited June 2015 R'000
Continuing operations				
Segment revenue	% change			
Building and civil engineering	2,2	**3 893 871**	3 810 298	7 385 199
Roads and earthworks	(16,8)	**2 362 034**	2 837 574	5 282 022
Australia	19,0	**8 683 576**	7 298 531	15 351 787
Total construction revenue	7,1	**14 939 481**	13 946 403	28 019 008
Property developments	(6,6)	**18 239**	19 537	50 730
Construction materials	2,0	**447 687**	439 007	984 454
Total revenue	6,9	**15 405 407**	14 404 947	29 054 192
Segment operating profit	% margin			
Building and civil engineering	4,8	**185 889**	167 906	351 685
Roads and earthworks	6,3	**149 302**	202 755	380 260
Australia	1,5	**127 671**	478	10 612
Total construction operating profit	3,1	**462 862**	371 139	742 557
Property developments	82,2	**14 998**	8 086	13 318
Construction materials	3,7	**16 655**	5 234	12 543
Total operating profit	3,2	**494 515**	384 459	768 418
Geographical revenue	% change			
South Africa	(4,2)	**5 228 039**	5 455 469	10 495 591
Rest of Africa	(9,5)	**1 493 792**	1 650 947	3 206 814
Australia	19,0	**8 683 576**	7 298 531	15 351 787
Total revenue	6,9	**15 405 407**	14 404 947	29 054 192
Geographical operating profit	% margin			
South Africa	4,2	**217 527**	233 233	427 698
Rest of Africa	10,0	**149 317**	150 748	330 108
Australia	1,5	**127 671**	478	10 612
Total operating profit	3,2	**494 515**	384 459	768 418

GEOGRAPHICAL ANALYSIS

REVENUE



OPERATING PROFIT



South Africa
Rest of Africa
Australia

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
for the six months ended 31 December 2015

4. ORDINARY SHARES

	Unaudited December 2015	Unaudited December 2014	Audited June 2015
Ordinary shares in issue ('000)	**63 190**	66 000	66 000
Weighted average number of shares ('000)	**54 939**	55 350	55 236
Diluted weighted average number of shares ('000)	**54 939**	55 350	55 236

5. SUBSEQUENT EVENTS

Discontinued operations

The documentation required to finalise the sale of Capital Star Steel (CSS), the pipe factory in Mozambique has been agreed and signature thereof is imminent. Had the disposal occurred at 31 December 2015, the estimated effect would have been as follows:

	R'000
Effect on comprehensive income	
Gain on disposal of CSS	277 597
Less: cost of debt restructure	(62 160)
Net gain on disposal of CSS	215 437
Foreign currency translation reserve recycled through profit and loss	(281 672)
Net loss on disposal of CSS	(66 235)
Effect on basic earnings per share from total operations (cents)	(67,0)
Effect of disposal on financial position of the group	
Disposal group held-for-sale:	
Property, plant and equipment	(260 164)
Short-term borrowings	95 700
Cost of debt restructure	(62 160)
Bank overdraft	442 061
Net liability disposed of	215 437
Effect on cash flows	
Cash and cash equivalents disposed of	442 061

COMMENTARY

FINANCIAL REVIEW

CONTINUING OPERATIONS

Revenue from continuing operations increased by 7% from R14,4b to R15,4b largely due to growth of 19% from Australia. Revenue from the African operations declined by 5%. Significantly lower activity experienced within civil engineering markets continues to affect the group across all its geographies. The impact is most evident in the 17% decline in revenue from the Roads and earthworks division. The current high volumes of local building work assisted in lessening this effect on the Building and civil engineering division which achieved growth of 2%. Similarly, strong growth of 38% in building revenue in Australia offset declining civil engineering related revenue which was impacted by both market conditions and the restructuring of the civil division in the prior year. Revenue from construction materials, which now consists only of the steel reinforcing business within Capital Africa Steel (Pty) Ltd (CAS), increased by 2%.

Operating profit before non-trading items at 31 December 2015 increased by 29% to R495m from R384m in the prior period. This is largely attributable to an improved performance from Australia following the losses recognised on three civil engineering contracts in FY15. The margin of 3,2% achieved continues to be impacted by the heavier weighting of lower margin building and road work within the group's overall project portfolio. The devaluation of the Rand in December 2015 resulted in unrealized currency gains improving overall profitability by R30m, a large portion of which was attributable to Australia. The Australian margin was negatively affected by the cost of the WBHO Infrastructure strategy implementation. The margin within the Building and civil engineering division has improved from 4,4% achieved in the comparative period but remains consistent with the 4,8% achieved at 30 June 2015 and reflects the strength in the building market. Margins within the Roads and earthworks division remain under pressure having declined further to 6,3% in the current six month period when compared to the 7,2% margin achieved in the previous financial period. A sustained lack of mining activity and increased competition in other lower margin sectors remain key factors behind the decline in margin.

DISCONTINUED OPERATIONS AND RESTATEMENT OF PRIOR PERIOD FIGURES

During the period under review management concluded an agreement for the sale of 3Q Mahuma Concrete Holdings (Pty) Ltd (3Q), a subsidiary of CAS. The agreement remains subject to certain conditions precedent and will likely only be finalised toward the end of the second six months of the financial year. The respective results for the comparative periods to 31 December 2014 and 30 June 2015 have been restated in accordance with IFRS to reflect the classification of 3Q as a discontinued operation. The statement of financial position has not been restated.

EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

Overall earnings per share increased by 11% from 570 cents per share at 31 December 2014 to 634 cents per share at 31 December 2015. Total headline earnings per share increased by 17% to 632 cents per share.

Earnings per share and headline earnings per share in respect of continuing operations increased by 18% and 24% respectively from the restated earnings of 547 cents and 522 cents per share achieved in the comparative period. The increase is primarily due to the normalised performance from Australia.

SHARE-BASED PAYMENT EXPENSE

Of the R25m share-based payment expense recognised in the six months to 31 December 2015, R11m relates to the WBHO Share Plan for executive management with the balance of R14m relating to the existing Akani (the group's broad-based share scheme initiative) and management share schemes in place.

ASSOCIATED COMPANIES

In the current period further equity of R57m has been invested within the two concession companies, Gigawatt Power, the concession company providing electricity generated from a new gas-fired power station in Mozambique and Dipalopalo, a concession company responsible for the serviced accommodation of the new building for the Department of Statistics. The income from associate of R20m relates to the group's share of profits in respect of Gigajoule International.

COMMENTARY (CONTINUED)

CHANGES IN SHAREHOLDING
A further 1,3% interest was acquired in Probuild at a cost AU$1,3m in terms of the shareholder agreements, while an additional 12,5% interest was acquired in Renniks Construction (Pty) Ltd at a cost of R6m.

CASH
Since 30 June 2015, cash balances have increased by a further R688m to R4,7b (excluding the overdraft within the disposal group held-for-sale). Cash generated from operations amounts to R953m compared to R1,1b generated in the comparative period. This, together with the effects of the significant devaluation of the Rand in December 2015 and lower capital expenditure during the period, was largely responsible for the 17% increase in the cash balances in the six month period to 31 December 2015. Capital expenditure during the period amounted to R62m and depreciation amounted to R128m (2014: R170m).

CONTINGENT LIABILITIES
Financial guarantees issued to third parties amount to R6,5b compared to R5,1b in issue as at 30 June 2015.

OPERATIONAL REVIEW

BUILDING AND CIVIL ENGINEERING

		Dec 2015 Rm	Dec 2014 Rm
Revenue	2,2% growth	**3 894**	3 810
Operating profit	4,8% margin	**186**	168

Building
The group's building division delivered another strong set of results both locally as well as in Ghana.

In Gauteng the high activity levels achieved in FY15 were sustained through the first six months of FY16, underpinned by major retail and commercial office developments and further supported by various projects from within the healthcare, leisure and entertainment sectors. Focus remained on the execution of these contracts which included new phases at Menlyn Maine in Tshwane and Alice Lane in Sandton, serviced accommodation for the Department of Statistics, the Rosebank Towers and new offices for Discovery in Sandton and Price Waterhouse Coopers in Waterfall, Midrand. The Mall of Africa shopping centre, also located in Waterfall, is nearing completion and is due to open in April 2016.

In the coastal regions lower revenue in the Eastern Cape was offset by good growth in KwaZulu-Natal (KZN) and a vastly improved performance from the Western Cape. Activity in the Western Cape remains centred at the V&A Waterfront in Cape Town. In the city centre the construction of the structure for the new hospital is practically complete, and the contract with Netcare for the fit-out has commenced. The division is also constructing three apartment blocks due for completion in FY16. In KZN, the Ballito Junction shopping centre as well as the development of the Umhlanga Ridge remained strong sources of revenue with various commercial offices having been handed over in the six months under review. Projects in the Eastern Cape included the completion of the English Literary Museum in Grahamstown, the new offices for SANRAL at the Baywest precinct and further construction at the Greenacres shopping centre.

In Ghana, the Achimota Mall was successfully completed and construction of the Kumasi City Mall and Accra Mall extensions is well underway.

Civil engineering
The successful completion of the main civil works at Kusile Power Station, together with either delays or shelving of targeted projects within the oil and gas, energy and mining sectors resulted in lower than expected revenue being reported by the civil division.

At Kusile, the re-access works following behind the mechanical and electrical contractors is now well under way while construction of new offices for Transnet at the Ngqura Harbour, a new malting plant for South African Breweries in Alrode, the Cullinan Mill Extention and a parkade for Nedbank in Sandton are progressing well. The latter three are due for completion in 2016.

The division continues to maintain a presence in Zambia with a number of smaller projects contributing toward revenue.

In Mozambique, the construction of the Ressano Garcia gas-fired power station, in conjunction with the group's Projects and Roads and earthworks divisions, achieved practical completion in December 2015.

ROADS AND EARTHWORKS

		Dec 2015 Rm	Dec 2014 Rm
Revenue	16,8% decline	**2 362**	2 838
Operating profit	6,3% margin	**149**	203

Given the challenging market conditions within the mining sector and increased competition experienced in the road sector, the division has produced a credible result.

Locally, work remains heavily weighted toward roadwork and energy related projects. In respect of roadwork, the bus rapid transport projects in KZN and Sandton as well as the N2 in Grahamstown and R24 in Rustenburg were the main contributors toward revenue. At Kusile, the ash dam and coal stock yard are progressing well and are due for completion within the next six months. Both Edwin Construction and Roadspan, which are reliant on work from government, have experienced declining revenue in an extremely competitive environment.

Likewise, the Pipelines division has struggled to find replacement work following the completion of phase one of the North south Carrier Pipeline in Botswana. Mining projects in Botswana also remain scarce due to the current low commodity and diamond prices. Despite this, the division secured a number of smaller contracts which have been executed well.

A number of mining projects have been secured in both West Africa and Northern Mozambique resulting in an increase in revenue in both geographies for the six month period.

AUSTRALIA

		Dec 2015 Rm	Dec 2014 Rm
Revenue	19% growth	**8 684**	7 299
Operating profit	1,5% margin	**128**	0

Building
Building revenue in Australia grew by 38% in dollar terms as a result of sustained strength within Australian building markets. Activity in Victoria remains at record levels contributing 68% of the division's revenue. The Victorian business continues to take advantage of the investment in retail and is building four of Victoria's largest retail projects as well as some of Melbourne's tallest residential towers, including the 92 storey Aurora project. In Queensland, construction of the Toowoomba Shopping Centre is progressing well and the business is now firmly established, having secured a further two large projects. As expected, building activity in Western Australia has softened and the teams have been restructured accordingly. Probuild's presence in New South Wales is slowly strengthening with four projects currently under construction following the award of a AU$60m apartment block in the current period.

Infrastructure
The repositioning of the Australian infrastructure business in the Western and Eastern regions has progressed well. The Western region was awarded a number of small projects which along with annuity maintenance work resulted in a profitable six months. The restructuring of the Eastern region is complete with the team actively bidding for projects in its target markets. No awards have been achieved to date, but the division is currently the lowest bidder on three road infrastructure projects. The cost of the restructure is in line with expectation.

COMMENTARY (CONTINUED)

PROPERTY

		Dec 2015 Rm	Dec 2014 Rm
Revenue	7% decline	**18**	20
Operating profit	82% margin	**15**	8

Trading from Property developments represents the transfer of the three remaining stands at the Simbithi Eco Estate near the King Shaka International Airport in KZN as well as a profit share from a mezzanine financing arrangement in respect of a development in the Western Cape.

CAPITAL AFRICA STEEL

		Dec 2015 Rm	Restated Dec 2014 Rm
Continuing operations			
Revenue	2% growth	**448**	439
Operating profit	3,7% margin	**17**	5
Discontinued operations			
Revenue	39% decline	**224**	365
Operating profit/(loss)	(1,6%) margin	**(4)**	27

Continuing operations
Trading from the reinforcing business within CAS has shown some improvement over the current six months with margins increasing to 3,7%.

Discontinued operations
The documentation required to finalise the sale of Capital Star Steel (CSS), the pipe factory in Mozambique, has been agreed and signature thereof is imminent. The effect of the sale, had it been accounted for at 31 December 2015, is disclosed in note 5 of the summary consolidated financial statements.

The results of CSS to 31 December 2015 included under discontinued operations include losses in respect of holding costs to maintain the pipe factory. Revenue in respect of 3Q is in line with that of the prior year, however operating profit is lower than expected as the market remains extremely competitive, particularly in the urban areas.

ORDER BOOK AND OUTLOOK

	%	Dec 2015 Rm	%	June 2015 Rm
Order book by segment (Rm)				
Building and civil engineering	26	**9 290**	24	9 136
Roads and earthworks	9	**3 141**	11	3 789
Australia	65	**22 990**	65	24 507
Total	100	**35 411**	100	37 432
Order book by geography (Rm)				
South Africa	31	**10 936**	29	11 005
Rest of Africa	4	**1 495**	6	1 920
Australia	65	**22 990**	65	24 507
Total	100	**35 411**	100	37 432

The 5% decrease in the order book at 31 December 2015 to R35,4b from R37,4b at 30 June 2014 reflects a 6% decrease in the Australian order book and a 17% decrease in the Roads and earthworks order book, with the Building and civil engineering order book essentially remaining static. Probuild remains the preferred contractor for the Christchurch Convention Centre contract in New Zealand, however the project has been delayed due to the government review process. It is expected that the project will still proceed, but value and timing are currently uncertain. The reduction in the Australian order book arises primarily from the exclusion of this contract which had previously been included in the order book at 30 June 2015.

Africa (including South Africa)
Locally, a healthy project pipeline for building work continues to exist across all sectors and regions. Significant new awards for the Building division over the past six months include the Time Square Casino and Hotel in Tshwane, Thavani Mall, a regional shopping centre in Thohoyandou and the Cornubia Retail Centre in Umhlanga. All of which are due for completion in 2018.

In Ghana, the Building division is the preferred contractor for three large projects which are currently under negotiation while also having identified further projects in both Ghana and Zambia.

Conditions within the mining sector are not expected to improve in the short term and will continue to impact activity levels within the group's Civil engineering and Roads and earthworks divisions with revenue expected to decline further in the second half of the year. Nonetheless, during the period the Civil engineering division was awarded the contract to build a new furnace at Northam Platinum. Subsequent to 31 December 2015 the division was also appointed as the preferred contractor on a large civil contract for the construction of new oil tanks for MOGGS in Saldanha which will be executed together with the group's Roads and earthworks division. Also in Saldanha, the Roads and earthworks pipelines division secured a contract for the construction of the LPG Import Terminal. A number of roadwork opportunities continue to exist and the heavier weighting of the Roads and earthworks division to this sector will persist over the short to medium term.

Smaller scale mining projects will continue to be targeted across Africa in order to maintain a presence in the various geographies.

Australia
Building markets in Australia remain buoyant, particularly in the residential sector where Asian demand continues to be strong. Institutional grade investment in retail also remains buoyant. New awards in Victoria include two residential towers in the CBD of Melbourne. The Queensland business has secured a $200m contract for a new hotel and casino. In addition to the order book reflected above the Australian building division is the preferred contractor on a further 8 projects to the value of $900m where negotiations are being finalised. Monaco Hickey has successfully gained entry to the sub $50m residential and commercial markets which forms part of the strategy implemented in the prior period to mitigate declining activity within the pharmaceutical and healthcare sectors.

In both the Eastern and Western Regions, WBHO Infrastructure began the calendar year in strong positions on numerous bids and is now well placed across various sectors to bid competitively on key contracts in coming months. The Eastern division is currently the lowest bidder on three road infrastructure projects and has identified further key projects to bid on over the next 6 months. The Western region is well positioned to secure a number of small road upgrades and maintenance projects and is the preferred tenderer on the Allawuna Farm Landfill project.

INDUSTRY MATTERS
With regard to the outstanding Competition Tribunal matters previously reported on, we advise that one further case against WBHO was referred to the Tribunal. This relates to alleged standardisation of trading terms for a 2006 tender, which according to WBHO did not occur. WBHO remains confident that it can defend these cases at the Tribunal, as well as any civil claims which might arise and has not made a provision in this regard.

SAFETY
Regrettably the group's LTIFR increased to 1,0 from 0,75 at 30 June 2015 following a spate of injuries over the period under review. Having investigated the root causes for these injuries a number of initiatives were implemented across the group to mitigate the possibility of further accidents. Sadly the group experienced one work-related fatality in respect of a subcontractor in the period and we extend our sincere condolences to family, friends and colleagues.

COMMENTARY (CONTINUED)

APPRECIATION

The directors wish to extend their sincere appreciation to those loyal clients who continue to place their faith in our ability to deliver quality products on their behalf, particularly in the current challenging economic environment. This wouldn't be possible without the full commitment and dedication of our employees and we acknowledge and thank them for continuously giving their best.

DIVIDEND DECLARATION

Notice is hereby given that the directors have declared an interim gross dividend of 135 cents per share (2014: 110 cents) payable to all shareholders recorded in the register on 15 April 2016.

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 114,75 cents per share. The company has no STC credits to be utilised.

The number of shares in issue at date of declaration amount to 63 190 064 (54 938 587 exclusive of treasury shares) and the company's tax reference number is 9999597710.

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

Last date to trade cum dividend:	Friday 8 April 2016
Trading ex dividend commences:	Monday 11 April 2016
Record date:	Friday 15 April 2016
Payment date:	Monday 18 April 2016

Shares may not be dematerialised or re-materialised between Monday, 11 April and Friday 15 April 2016, both dates inclusive.

MS Wylie
Chairman

EL Nel
Chief Executive Officer

CV Henwood
Chief Financial Officer

19 February 2016

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