



RESULTS

UNAUDITED INTERIM CONSOLIDATED FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

HIGHLIGHTS



2013

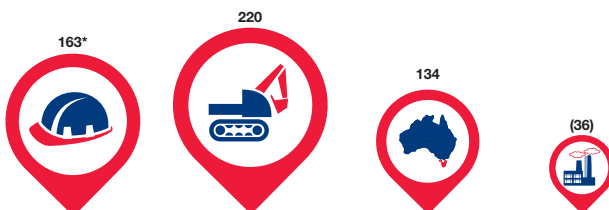
REVENUE CONTRIBUTION BY SEGMENT

Total revenue R13 377m



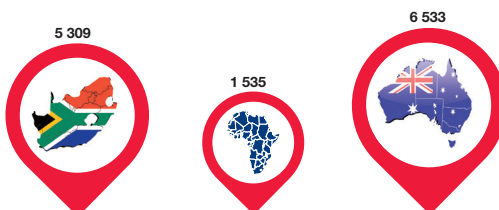
OPERATING PROFIT CONTRIBUTION BY SEGMENT

Total operating profit R481m



REVENUE CONTRIBUTION BY GEOGRAPHIC AREA

Total revenue R13 377m



* Includes property developments.

11,3%
up

Revenue

15,1%
down

Operating
profit

20,4%
down

Headline
earnings

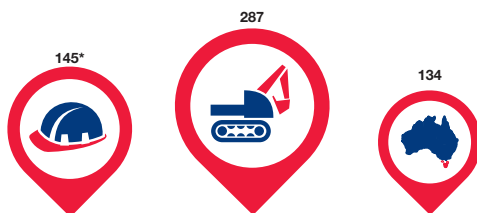
 Building and civil engineering  Roads and earthworks  Australia  Construction materials

2012

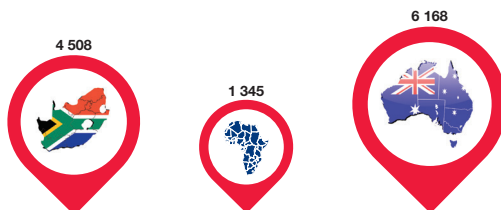
Total revenue R12 021m



Total operating profit R566m



Total revenue R12 021m



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	% change	Unaudited December 2013 R'000	Restated unaudited December 2012 R'000	Audited June 2013 R'000
Revenue	11,3	13 377 419	12 021 058	23 773 481
Operating profit before non-trading items	(15,1)	480 620	566 304	939 191
Impairment of goodwill		-	(9 112)	(9 112)
Gain on bargain purchase		37 166	-	-
Loss on deemed disposal of associate		(46 646)	-	-
Contingent consideration refunded		-	9 720	9 720
Fair value adjustments to investments		-	(5 000)	(6 429)
Impairment of property, plant and equipment		-	-	(536)
Net loss on disposal of investments		(17 917)	-	-
Share-based payment expense		(15 741)	(11 232)	(24 990)
Operating profit		437 482	550 680	907 844
Share of profits and losses from associates		7 072	(9 604)	(14 890)
Net finance income		33 254	55 469	115 623
Profit before taxation		477 808	596 545	1 008 577
Taxation		(171 446)	(184 150)	(333 672)
Profit for the period	(25,7)	306 362	412 395	674 905
Translation of foreign entities		2 595	43 387	125 374
Share of associates' comprehensive (loss)/income		-	(1 250)	28 873
Total comprehensive income for the period	(30,5)	308 957	454 532	829 152
Operating margin		3,6%	4,7%	4,0%
Profit attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		303 313	380 120	611 745
Non-controlling interests		3 049	32 275	63 160
		306 362	412 395	674 905
Comprehensive income attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		315 252	412 221	765 992
Non-controlling interests		(6 295)	32 275	63 160
		308 957	444 496	829 152
Earnings per share (cents)	(19,9)	548,2	684,0	1 104,3
Diluted earnings per share (cents)	(19,7)	543,5	677,2	1 093,3
Headline earnings per share (cents)	(20,4)	586,4	736,3	1 150,9
Diluted headline earnings per share (cents)	(20,2)	581,5	729,0	1 139,4
Dividend per share (cents)	-	135,0	135,0	368,0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited December 2013 R'000	Restated unaudited December 2012 R'000	Audited June 2013 R'000
ASSETS			
Non-current assets	4 168 770	3 333 016	3 384 834
Property, plant and equipment	2 696 948	1 874 988	1 949 689
Intangible assets	600 635	569 859	582 509
Investment in associates	103 998	409 122	442 123
Investments	73 116	47 575	43 624
Long-term receivables	296 907	169 406	166 064
Deferred taxation	397 166	262 066	200 825
Current assets	8 213 501	7 637 156	8 952 397
Inventories	595 645	208 787	190 727
Amounts due by customers	745 454	781 273	718 566
Trade and other receivables	3 502 374	3 507 131	4 435 912
Taxation receivable	321 750	137 118	271 633
Cash and cash equivalents	3 048 278	3 002 847	3 335 559
Total assets	12 382 271	10 970 172	12 337 231
EQUITY AND LIABILITIES			
Capital and reserves	5 009 209	4 400 594	4 575 365
Stated capital	28 625	28 625	28 625
Non-distributable reserves	560 821	492 128	556 084
Distributable reserves	3 989 634	3 687 289	3 838 548
Non-controlling interests	430 129	192 552	152 108
Non-current liabilities	272 359	174 017	172 485
Borrowings	252 768	142 557	160 747
Deferred taxation	19 591	31 460	11 738
Current liabilities	7 100 703	6 395 561	7 589 381
Excess billings over work done	1 405 820	1 825 307	1 630 676
Trade and other payables	3 270 607	2 974 876	4 195 987
Short-term portion of borrowings	233 400	170 499	136 343
Provisions	1 689 677	1 226 465	1 499 100
Taxation payable	102 866	198 414	127 275
Bank overdraft	398 333	-	-
Total equity and liabilities	12 382 271	10 970 172	12 337 231

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited December 2013 R'000	Restated unaudited December 2012 R'000	Audited June 2013 R'000
Stated capital and reserves at the beginning of the period	4 423 257	4 110 338	4 110 338
Profit for the period	303 313	380 120	611 745
Translation of foreign entities	2 595	42 137	154 247
Share of movement in associates' equity	-	(983)	-
Dividend paid	(140 077)	(143 324)	(241 619)
Treasury shares sold	(12 549)	(1 023)	-
Share-based payment expense	15 741	11 232	24 990
Share-based payment settlement	-	-	2 567
Changes in shareholding	(13 200)	(190 455)	(239 011)
Stated capital and reserves at the end of the period	4 579 080	4 208 042	4 423 257

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited December 2013 R'000	Unaudited December 2012 R'000	Audited June 2013 R'000
Operating income before working capital requirements	835 531	630 331	1 368 712
Working capital changes	(424 447)	7 250	215 516
Cash generated from operations	411 084	637 581	1 584 228
Finance income	65 762	59 045	135 237
Finance costs	(31 297)	(11 307)	(29 049)
Taxation paid	(360 966)	(93 685)	(408 079)
Dividends paid	(163 775)	(143 324)	(282 357)
Cash (utilised in)/retained from operations	(79 192)	448 310	999 980
Net cash flow from investing activities	(271 699)	(589 398)	(675 621)
Net cash flow from financing activities	(86 192)	75 051	(102 860)
Net (decrease)/increase in cash and cash equivalents	(437 083)	(66 037)	221 499
Cash and cash equivalents at the beginning of the period	3 335 559	3 068 884	3 068 884
Net overdraft acquired	(271 204)	-	-
Foreign currency translation effect	22 673	-	45 176
Cash and cash equivalents at the end of the period	2 649 945	3 002 847	3 335 559

SEGMENTAL INFORMATION

		Unaudited December 2013 R'000	Unaudited December 2012 R'000	Audited June 2013 R'000
Segment revenue				
Building and civil engineering		3 505 612	3 154 710	6 528 934
Roads and earthworks		2 513 175	2 683 731	5 073 998
Australia		6 532 872	6 168 007	12 141 346
Total construction revenue				
Property developments		23 008	14 610	29 203
Construction materials*		802 752	-	-
Total revenue				
		13 377 419	12 021 058	23 773 481
	% margin			
Segment operating profit				
Building and civil engineering	4,3	152 078	138 933	240 234
Roads and earthworks	8,8	220 376	287 579	505 162
Australia	2,1	134 412	133 821	184 202
Total construction operating profit				
Property developments	43,3	9 967	5 971	9 593
Construction materials*	(4,5)	(36 213)	-	-
Total operating profit				
	(3,6)	480 620	566 304	939 191
Geographical revenue contribution				
South Africa		5 309 645	4 508 023	8 736 057
Africa		1 534 902	1 345 028	2 896 078
Australia		6 532 872	6 168 007	12 141 346
		13 377 419	12 021 058	23 773 481

* A segment for construction materials has been created following the consolidation of Capital Africa Steel, a group of companies supplying the construction sector.

NUMBER OF SHARES

	Unaudited December 2013 '000	Unaudited December 2012 '000	Audited June 2013 '000
Ordinary shares in issue	66 000	66 000	66 000
Weighted average number of shares	55 331	55 574	55 397
Diluted weighted average number of shares	55 804	56 130	55 956

RECONCILIATION OF HEADLINE EARNINGS

	Unaudited December 2013 R'000	Unaudited December 2012 R'000	Audited June 2013 R'000
% change			
Attributable profit	303 313	380 120	611 745
Adjusted for:			
Group:			
Impairment of goodwill	-	9 112	9 112
Gain on bargain purchase	(37 166)	-	-
Loss on deemed disposal of associate	46 646	-	-
Fair value adjustments to investments	-	5 000	1 669
Net loss on disposal of investment (net of non-controlling interest)	10 349	-	-
Impairment of property, plant and equipment	-	-	536
Loss on disposal of property, plant and equipment	1 844	3 454	766
Tax effect thereof	(516)	(3 250)	(523)
Associates:			
Loss on dilution of interest in associate	-	-	1 802
Impairment of investments	-	14 669	-
Impairment of goodwill	-	-	2 855
Loss on disposal of investments	-	91	9 055
Profit on disposal of property, plant and equipment	(4)	-	-
Impairment of property, plant and equipment (net of non-controlling interest)	23	-	620
Tax effect thereof	(5)	-	(87)
Headline earnings (20,7)	324 484	409 196	637 550

RECONCILIATION OF TAXATION RATE

	Unaudited December 2013 %
Normal tax	28,0
Withholding tax on dividends	2,7
Deferred taxation not recognised on losses	5,5
Non-deductible expenses	0,2
Foreign tax rate differential	(0,2)
After tax profit from associates	(0,3)
Effective tax rate	35,9

BUSINESS COMBINATIONS

On 1 July 2013, Capital Africa Steel (CAS) acquired 10% of its share capital for an amount of R15,9m through a share buy-back transaction with the result that the group's shareholding increased to 55,5%.

The following summarises the deemed consideration transferred and received and the recognised amounts of identifiable assets acquired and liabilities assumed at the acquisition date. The values used to determine the calculations below are provisional.

	1 July 2013 R'000
ASSETS	
Property, plant and equipment	660 063
Intangible assets	2 093
Investments in associates	34 623
Long-term receivables	4 828
Deferred taxation	67 882
Inventory	397 411
Tax receivable	2 590
Trade and other receivables	401 215
Cash and cash equivalents	54 589
	1 625 294
LIABILITIES	
Borrowings	132 546
Deferred taxation	159
Provisions	2 294
Other financial liabilities	133
Current tax payable	438
Short-term portion of borrowings	14 435
Trade and other payables	457 981
Excess billings over work done	6 627
Bank overdraft	341 693
	956 306
NET IDENTIFIABLE ASSETS AND LIABILITIES	668 988
Fair value of previously held interest	334 493
Non-controlling interests recognised	297 327
Fair value of identifiable assets and liabilities	(668 987)
Gain on bargain purchase	(37 167)

Should new information be obtained within one year of the acquisition date which provides additional insight about facts and circumstances that existed at acquisition date and which affect adjustments to the identifiable assets and liabilities, then the acquisition accounting will be revised.

Included in the group's results to 31 December 2013 is revenue of R803m and after-tax losses of R72m which relate to CAS.

RESTATEMENT

During the financial year ended 30 June 2013 an error arising from the consolidation of Probuild Constructions (Australia) (Pty) Ltd in 2004, together with the fact that non-controlling interests had been incorrectly translated at the closing rate, was identified. At the time of publishing the Unaudited Interim Consolidated Financial Statements for the six months ended 31 December 2012, the restatement had not been performed. The amounts below reflect the effect of the restatement on the 31 December 2012 unaudited results. Full disclosure of the restatement is included in the Audited Consolidated Financial Statements for the year ended 30 June 2013.

The effect of the change on the figures reported at 31 December 2012 is as follows:

	Previously reported R'000	Restated R'000
Statement of financial position		
Intangible assets	469 361	569 859
Stated capital and reserves	4 043 449	4 110 338
Non-controlling interest	256 647	192 552
Statement of comprehensive income		
Translation of foreign entities	33 351	43 387

BASIS OF ACCOUNTING

The unaudited interim consolidated financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting Standards (IFRS), the information required by International Accounting Standard 34: Interim Financial Reporting, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee, the JSE Listing Requirements and the South African Companies Act 71 of 2008.

The accounting policies adopted in the preparation of these financial statements are consistent with those used to prepare the annual financial statements for the year ended 30 June 2013 with the exception of various new standards and amendments to existing standards which are effective from 1 January 2013. These standards include IFRS 10: *Consolidated Financial Statements*, IFRS 11: *Joint Arrangements* and IAS 28: *Investments in Associates and Joint Ventures (Revised)*. The standards have not had a material impact on the group's figures in the current period and comparative figures have not been restated.

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

OPERATIONAL REVIEW**Building and civil engineering**

The growth of 11% in revenue achieved by the division is largely attributable to the sustained improvement within the local building sector most notably in Gauteng. Revenue growth was further assisted by increased revenues from West Africa as the division's projects in Ghana progress.

Operating profits increased to R152m from R139m in the prior period with an operating margin of 4,3% (2012: 4,4%).

Building

Good growth of 18% in Gauteng and the surrounding regions was achieved in line with the improved market conditions. The division is currently constructing six shopping centres in the region together with two major mixed-use developments, namely Newtown Junction in Johannesburg and the Menlyn precinct in Tshwane. In the coastal regions, markets remained stable and the divisions performed largely in line with management's expectations. Revenue from the Western Cape increased 29% supported strongly by revenue from the Kathu solar farm as well as ongoing projects at the V&A Waterfront and a number of residential apartments. In KwaZulu-Natal (KZN), provincial hospital work at Empangeni, commercial offices in Umhlanga and the Transnet pipe rack project at the harbour were the significant contributors towards revenue in the six-month period. In the Eastern Cape construction of the FAW truck assembly plant is nearing completion, while the construction of the business school for the NMMU is progressing well. Internationally, in Ghana, construction of the West Hills Mall continues to progress well, however, ensuring delivery of a high quality fit-out by the subcontractors is crucial to the project's success. Work has also now commenced on a second shopping centre in joint venture with a local construction company.

Civil engineering

Revenue from the Civil engineering division was static when compared to the prior period although the impact of subdued mining activity on the market has been noticeable in the number of available projects on which to tender. The operational and contractual complexity of large civil projects together with a lengthy claims resolution process has prompted a more conservative approach by management towards profit recognition on projects of this nature.

COMMENTARY (continued)

Roads and earthworks

Both revenue and profit from the Roads and earthworks division were negatively affected by the impact of subdued mining activity in West Africa and, as a result, overall revenue decreased by 6% and operating profit decreased by 23% at a margin of 8,8% (2012: 10,7%). The effects were, however, partially offset by 15% growth from the South African businesses, while revenue from both Botswana and Mozambique was broadly in line with the comparative period. Despite subdued mining activity, the division has a number of current mining projects in South Africa, Botswana and Namibia as well as various small works contracts being executed in Mozambique, Ghana and Sierra Leone following the completion of the major works on those particular mines. Various roadwork projects also continued to contribute towards revenue in the period. Roadspan continues to be profitable and generated some improvement in the margin. WBHO Pipelines recently secured the Mooi Umgeni contract in KZN, while production at the North South Carrier pipeline in Botswana was hampered by strong rains and flooding over December and January. The project team is working to an accelerated programme to ensure the delays are caught up. The cost of the damage caused by the flooding is covered by insurance.

Australia

Revenue from Probuild decreased by 6% in dollar terms in the six months to 31 December 2013, however, this was fully offset by a solid performance from WBHO Civil which grew revenue by 67%. Revenue streams from civil engineering grew to 28% of total revenue compared to 19,5% in the prior period. Operating profit decreased by 7% in dollar terms, but was essentially flat in rand terms as a result of currency translation gains. The operating margin has pleasingly recovered to 2,1%, up from the margin of 1,5% reported at 30 June 2013 with no further material losses recognised on the three problem contracts reported on within Probuild at that time.

Probuild

In Melbourne, construction of various large multi-storey residential towers together with ongoing work at the Woodgrove shopping centre, Shrine of Remembrance and Wairn Ponds shopping centre contributed towards revenue in the period. Furthermore work has commenced on the \$365m Eastland Shopping Centre and the \$67m offices for South Eastern Water for which Probuild was preferred contractor on both contracts at 30 June 2013. In Perth, Cloisters on Hay, a mixed-use development, St Georges Terrace, an office block and the completion of the QE II Medical Centre car park were the major projects under construction, while in Sydney delays in the commencement of new projects and delays arising from insufficient construction documentation on a project for local government, affected revenue. A new building division has now also been set up in Brisbane.

WBHO Civil

Revenue from WBHO Civil was supported by the \$113m civil and earthworks project at the Burrop Technical Ammonia Nitrate Facility in the Pilbara. Revenues from the Karatha, Geraldton and Kwinana regions were all in line with expectations. WBHO Civil successfully set up a new roads division during the period.

PROPERTY

Sales at the Simbithi Eco Estate near the King Shaka International Airport in KZN continue to sell well with a number of stands transferred in the six-month period. Sales at the golf course development at St Francis in the Eastern Cape remain lacklustre. No improvement is anticipated by management in the short term.

CAPITAL AFRICA STEEL

Revenue from Capital Africa Steel (CAS) was flat year-on-year, however, overall profitability was severely hampered by a poor performance from the pipe factory in Mozambique. The poor performance at the pipe factory was the result of production issues arising from one particular contract which is nearing completion. The performance from the long steel and aggregate businesses was satisfactory. CAS disposed of Symo, the group's shelving division as a result of increased foreign competition and the high capital expenditure required to remain competitive.

FINANCIAL REVIEW

Revenue increased by 11% from R12b to R13,4b for the six months to December 2013, approximately 6% of which related to the full consolidation of Capital Africa Steel in the period. The Building and civil engineering division achieved moderate growth despite the effects of a three week strike in August. Revenue from the Roads and earthworks division decreased in the absence of an anchor project in West Africa, which also hampered the division's profitability. Revenue from the Australian businesses was static in dollar terms, but increased by 364m in rand terms following further currency weakness in the six-month period.

Operating profit before non-trading items decreased from R566m to R481m as a result of a loss of R36m from Capital Africa Steel (Pty) Ltd (CAS) and the decrease in operating profit from the Roads and earthworks division. Consequently the overall operating margin decreased from 4,7% to 3,6%. When excluding the performance of CAS the operating margin increases to 4%, which is in line with the margin achieved at 30 June 2013. The net loss on disposal of investments consists of a R26m loss on the disposal of the Symo shelving division and an R8m profit on the disposal of 5% of 3Q Holdings to an empowerment partner, both within CAS. Net finance income decreased from R55m to R33m primarily due to interest on the bank overdraft and related currency losses within the pipe factory in Mozambique now being consolidated.

The effective tax rate is particularly high at 36% as a result of deferred tax assets, which have not been recognised in respect of losses within certain CAS companies as well as withholding taxes levied on dividends repatriated during the period.

Earnings per share decreased by 19,9% to 548 cents per share (2012: 684 cents per share) and headline earnings per share decreased by 20,4% to 586 cents per share (2012: 736 cents per share).

Capital expenditure during the period amounted to R234m against an authorised budget of R430m. Capital expenditure in respect of CAS amounted to R53m during the period. Total depreciation amounted to R170m (2012: R144m).

Cash generated from operations amounts to R411m compared to R638m generated in the comparative period. The decrease in cash balances of R686m at 31 December 2013 is attributable to the consolidation of a net overdraft of R271m within the CAS group of companies, the working capital utilisation of R424m and taxation paid of R361m.

Financial guarantees issued to third parties amount to R5,4b compared to R4,7b issued as at 30 June 2013.

Changes in shareholding

On 1 July 2013, CAS acquired 10% of its share capital for an amount of R15,9m through a share buy-back transaction, with the result that the group's shareholding increased to 55,5%. In accordance with IFRS 3: *Business combinations*, a loss of R46m has been recognised on the deemed disposal of the group's 50% share in CAS, and a gain on bargain purchase of R37m was accounted for on the re-acquisition of the 55% interest as a subsidiary.

Probuild also repurchased equity from minority shareholders in the period under review resulting in an increase in the group's interest from 78,51% to 80,03% at a cost of R25m. Debit amounts of R13m were recognised in equity.

SAFETY

The group's LTIFR has further improved from 1,35 at 30 June 2013 to 1,12 at 31 December 2013 with good progress being made in Australia, which improved from 5,31 at 30 June 2013 to 3,08 at 31 December, as well as within the group's building divisions.

COMMENTARY (continued)

ORDER BOOK AND PROSPECTS

The order book at 31 December 2013 has increased 16% to R25,3b from R21,9b.

Order book by segment (Rm)	%	31 December 2013	%	30 June 2013
Building and civil engineering	31	7 857	33	7 253
Roads and earthworks	15	3 670	17	3 817
Australia	54	13 752	50	10 806
Total	100	25 279	100	21 876

Order book by geography (Rm)	%	31 December 2013	%	30 June 2013
South Africa	42	10 599	49	9 783
Africa	4	928	6	1 287
Australia	54	13 752	45	10 806
Total	100	25 279	100	21 876

SOUTH AFRICA AND THE REST OF AFRICA

Subdued mining activity is impacting both the Civil engineering and Roads and earthworks divisions with no new significant awards in this sector since 30 June 2013. However, Exxaro was recently awarded the mining licence for its Mayoko mine in the Congo, for which WBHO remains the preferred contractor. In Ghana, WBHO is pursuing opportunities in the mining sector as well further shopping centre prospects. Locally, the strong building market in Gauteng continues to provide various opportunities in the short term, while the recent award of the new Nedbank offices in KZN has filled the order book in that region. In the Western Cape the V&A Waterfront continues to be a good source of projects.

AUSTRALIA

Following the conversion of the Eastland shopping centre and South East Water projects to secured work, Probuild's order book has increased significantly with good revenue visibility through to 2016. Probuild are the preferred contractor for a further six contracts amounting to \$729m. These projects are expected to start in the current financial year. The bid for the new Perth Stadium was submitted in December 2013 and the announcement of the preferred bidder is expected in March 2014. WBHO Civil has a strong book till the end of the financial year, but its future order book is impacted by reduced mining spend in Australia.

COMPETITION COMMISSION

The transgression to be settled with the Commission outside of the fast-track settlement process was agreed with the Commission on 11 February 2014 and requires approval of the Tribunal.

CHANGES TO THE BOARD

On the 23 January 2014, Mr JP Botha resigned from the board and Mr R Gardiner was appointed as an independent non-executive director. These changes to the board restore the composition of the board to a majority of non-executive directors. The board thanks Mr Botha for his contribution over the years and welcomes Mr Gardiner and the knowledge and experience he brings with him.

APPRECIATION

The directors and management would like to thank all stakeholders especially our employees for their continuous support and loyalty.

DIVIDEND DECLARATION

Notice is hereby given that the directors have declared an interim dividend of 135 cents per share (2012: 135 cents) payable to all shareholders recorded in the register on 11 April 2014.

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 resulted 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 66 000 000 (55 331 430 exclusive of treasury shares) and the company's tax reference number is 9999597710.

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

Last date to trade cum dividend:	4 April 2014
Trading ex dividend commences:	7 April 2014
Record date:	11 April 2014
Payment date:	14 April 2014

Shares may not be dematerialised or rematerialised between 7 April 2014 and 11 April 2014, both dates inclusive.

By order of the board

MS Wylie
Chairman
Johannesburg
21 February 2014

EL Nel
Chief Executive Officer

CV Henwood
Chief Financial Officer

WBHO