



www.wbho.co.za

WBHO

AUDITED SUMMARY CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

WBHO

2017 HIGHLIGHTS

REVENUE

2017: R31,9 billion

2016: R30,7 billion

DIVIDEND

2017: 475 cents

2016: 448 cents

EPS

2017: 1 346 cents

2016: 1 322 cents

CASH

2017: R5,5 billion

2016: R5,8 billion

OPERATING MARGIN

2017: 3,1%

2016: 3,3%

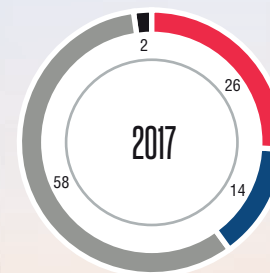
CASH GENERATED FROM OPERATIONS

2017: R1,1 billion

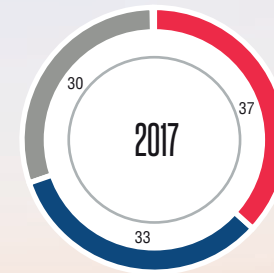
2016: R1,9 billion

Contribution by SEGMENT (%)

Revenue



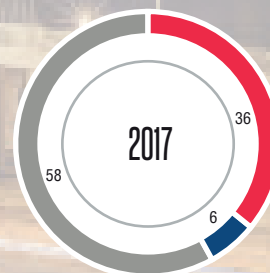
Operating profit



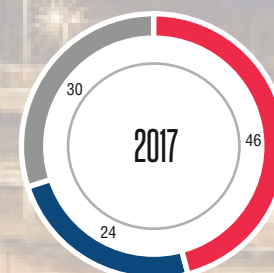
- Building and civil engineering
- Roads and earthworks
- Australia
- Construction materials

Contribution by GEOGRAPHY (%)

Revenue



Operating profit



- South Africa
- Rest of Africa
- Australia

CONTENTS

Basis of preparation	2
Independent auditor's report	3
Consolidated statement of financial performance and other comprehensive income	4
Consolidated statement of changes in equity	5
Consolidated statement of financial position	6
Consolidated statement of cash flows	7
Notes to the summary consolidated financial statements	8
Commentary	12
Notice to the annual general meeting	20
Annexure 1: Directors' CVs	27
Administration	28
Form of proxy	29
Notes to the form of proxy	31

BASIS OF PREPARATION

for the year ended 30 June 2017

The summary consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and at a minimum, contain the information required by IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa.

The accounting policies applied in the preparation of the annual consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements.

The summary consolidated financial statements have been compiled under the supervision of the Chief Financial Officer, Charles Henwood CA(SA) and were authorised by the board on 1 September 2017.

The directors take full responsibility for the preparation of the summary report and that the financial information has been correctly extracted from the underlying annual consolidated financial statements.

These summary consolidated financial statements for the year ended 30 June 2017 have been audited by BDO South Africa Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual consolidated financial statements.

The auditor's report does not necessarily report on all of the information contained in this summary consolidated financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report on the consolidated financial statements together with the accompanying financial information from the company's registered office or on the company's website at www.wbho.co.za.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2017

TO THE SHAREHOLDERS OF WILSON BAYLY HOLMES-OVCON LIMITED

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 30 June 2017, the summary consolidated statement of financial performance and other comprehensive income, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Wilson Bayly Holmes-Ovcon Limited for the year ended 30 June 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited's (JSE) requirements for summary financial statements, as set out in the "Basis of Preparation" note set out in the summary consolidated financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa in the preparation of the audited consolidated financial statements of Wilson Bayly Holmes-Ovcon Limited. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 4 September 2017. That report also includes:

- The communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.
- An Other information paragraph.

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in the 'Basis of preparation' note to the summary consolidated financial statements, and the requirements of the

Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard On Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Other information

The other information paragraph in our audit report dated 4 September 2017 states that as part of our audit of the consolidated financial statements for the year ended 30 June 2017, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date, for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the directors. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Other matter

We have not audited future financial performance and expectations by management included in the accompanying summary consolidated financial statements and accordingly do not express any opinion thereon.

BDO South Africa Inc.

Per: **Jeanie Roberts**
Director

Registered Auditor

4 September 2017

22 Wellington Road
Parktown
2193

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
AND OTHER COMPREHENSIVE INCOME**
for the year ended 30 June 2017

	% change	Audited 2017 R'000	Audited 2016 R'000
Revenue	4,1	31 906 660	30 650 309
Operating profit before non-trading items	(1,8)	986 297	1 004 557
Settlement agreement expense		(170 274)	–
Profit on disposal of property		–	29 166
Profit on disposal of shares		12 726	–
Gain on loss of control of subsidiary		9 607	–
Share-based payment expense		(57 788)	(42 481)
Operating profit		780 568	991 242
Share of profits from associates		68 916	45 659
Net finance income		240 894	203 014
Profit before taxation		1 090 378	1 239 915
Taxation		(319 161)	(395 715)
Profit from continuing operations	(8,6)	771 217	844 200
Loss from discontinued operations		(1 671)	(122 350)
Profit for the year		769 546	721 850
Other comprehensive income			
<i>Items that may be or have been reclassified through profit or loss:</i>			
Translation of foreign entities		(256 522)	101 651
Translation of net investment in a foreign operation		(20 908)	–
Revaluation of a designated cash-flow hedge		(11 269)	–
Tax effect of above items		9 235	–
Share of associates' comprehensive income		(33 933)	28 618
Recycling of translation of foreign operations		–	284 086
Total comprehensive income for the year		456 149	1 136 205
Profit from total operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		722 064	725 533
Non-controlling interests		47 482	(3 683)
		769 546	721 850
Total comprehensive income attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		410 187	1 081 409
Non-controlling interests		45 962	54 796
		456 149	1 136 205
Earnings per share (cents)			
Basic earnings per share	1,8	1 345,6	1 322,3
Diluted earnings per share	1,7	1 345,1	1 322,3
Headline earnings per share	1,1	1 307,9	1 293,7
Dividend per share (cents)	6,0	475,0	448,0

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
AND OTHER COMPREHENSIVE INCOME** (continued)
for the year ended 30 June 2017

	% change	Audited 2017 R'000	Audited 2016 R'000
Profit from continuing operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		722 133	766 031
Non-controlling interests		49 084	78 169
		771 217	844 200
Earnings per share – continuing operations (cents)			
Basic earnings per share	(3,6)	1 345,7	1 396,1
Diluted earnings per share	(3,6)	1 345,3	1 396,1
Headline earnings per share	(2,5)	1 308,9	1 342,9

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY**
for the year ended 30 June 2017

	Audited 2017 R'000	Audited 2016 R'000
Shareholders' equity at the beginning of the year	5 428 429	4 565 742
Profit for the year	722 064	725 533
Other comprehensive income	(311 878)	355 876
Dividend paid	(277 410)	(242 864)
Share buy-back	–	(28)
Derecognition of non-controlling interest	–	(10 639)
Treasury shares acquired	(278 996)	–
Share-based payment expense	57 788	43 845
Share-based payment settlement	6 226	5 472
Transactions with owners	(45 718)	(14 508)
Shareholders' equity at the end of the year	5 300 505	5 428 429

**CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**
for the year ended 30 June 2017

	Audited 2017 R'000	Audited 2016 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	1 635 349	1 710 358
Goodwill	523 613	572 102
Investments in associates	650 246	347 171
Investments	298	201 942
Long-term receivables	446 626	96 193
Deferred taxation	631 799	558 840
Total	3 887 931	3 486 606
Current assets		
Inventories	258 858	210 314
Amounts due by customers	758 001	514 438
Trade and other receivables	5 635 000	5 111 251
Taxation receivable	148 534	294 687
Cash and cash equivalents	5 545 621	5 773 369
Total	12 346 014	11 904 059
Total assets	16 233 945	15 390 665
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	28 597	28 597
Reserves	5 271 908	5 399 832
Shareholders' equity	5 300 505	5 428 429
Non-controlling interests	139 895	258 421
Total	5 440 400	5 686 850
Non-current liabilities		
Long-term liabilities	192 637	34 581
Deferred taxation	57 211	24 253
Total	249 848	58 834
Current liabilities		
Excess billings over work done	1 673 161	1 917 491
Trade and other payables	6 931 937	5 595 564
Provisions	1 913 262	2 059 645
Taxation payable	25 299	51 106
Bank overdrafts	38	21 175
Total	10 543 697	9 644 981
Total equity and liabilities	16 233 945	15 390 665

**CONSOLIDATED STATEMENT
OF CASH FLOWS**
for the year ended 30 June 2017

	Audited 2017 R'000	Audited 2016 R'000
Operating profit before working capital requirements	1 084 403	1 681 906
Working capital changes	32 225	312 949
Cash generated from operations	1 116 628	1 994 855
Net finance income	259 765	141 641
Taxation paid	(252 139)	(487 234)
Dividends paid	(302 081)	(273 873)
Cash retained from operations	822 173	1 375 389
Cash flow from investing activities		
Advances of long-term receivables	(265 356)	(14 000)
Repayment of long-term receivables	90 765	500 284
Repayment of/(additions) to investments	152 211	(27 874)
Acquisition of associate	(202 962)	–
Disposal of associate	13 386	–
Loans advanced to associates	–	(68 353)
Proceeds on disposal of businesses	112 726	–
Proceeds from share buy-back in subsidiary	8 815	–
Restructuring of debt	–	(65 114)
Proceeds on disposal of property, plant and equipment	130 369	213 168
Purchase of property, plant and equipment	(220 402)	(116 206)
	(180 448)	421 905
Cash flow from financing activities		
Repayment of borrowings	(21 288)	(141 272)
Transactions with owners	(184 531)	(41 720)
Purchase of treasury shares	(278 996)	(28)
Instalments in respect of capitalised finance leases	(46 321)	(139 302)
	(531 136)	(322 322)
Net increase in cash and cash equivalents	110 589	1 474 972
Foreign currency translation effect	(167 054)	259 212
Overdraft in respect of disposal group at the beginning of the year	–	(332 180)
Cash and cash equivalents at the beginning of the year	5 752 194	3 995 089
Overdraft disposed of	–	355 101
Cash and cash equivalents acquired	12 451	–
Cash and cash equivalents derecognised	(162 597)	–
Cash and cash equivalents at the end of the year	5 545 583	5 752 194

**NOTES TO THE
FINANCIAL STATEMENTS**
for the year ended 30 June 2017

	Audited 2017 R'000	Audited 2016 R'000
1. RECONCILIATION OF HEADLINE EARNINGS		
Continuing operations		
Attributable profit	722 133	766 031
<i>Adjusted for:</i>		
Gain on loss of control of subsidiary	(9 607)	–
Profit on disposal of property, plant and equipment*	(13 944)	(41 215)
Tax effect	3 813	12 038
Headline earnings from continuing operations	702 395	736 854
Total operations		
Attributable profit	722 064	725 533
<i>Adjusted for:</i>		
Gain on loss of control of subsidiary	(9 607)	–
Profit on disposal of property, plant and equipment*	(14 611)	(41 755)
Loss on disposal of operations*	–	13 939
Tax effect	4 000	12 125
Headline earnings	701 846	709 842
<i>* Net of non-controlling interests</i>		
2. ORDINARY SHARES		
Ordinary shares in issue ('000)	63 190	63 190
Weighted average number of shares ('000)	53 663	54 870
Diluted weighted average number of shares ('000)	53 680	54 870

3. BUSINESS COMBINATION

On 30 June 2017, WBHO Construction (Pty) Ltd acquired 90% of the voting equity in Grindrod Rail Construction Company (Pty) Ltd for an amount of R62,3 million through the purchase of shares. The group has been rebranded as iKusasa Rail.

The principal activities of iKusasa Rail includes the construction and maintenance of railway lines, overhead track equipment, track related civil works and the supply of related concrete products.

The primary reason for the acquisition is to optimise the synergies in rail related construction by allowing the group to provide the full scope of services relating to rail construction.

All identifiable assets and liabilities are recognised at fair value and where necessary a valuation has been performed by external experts.

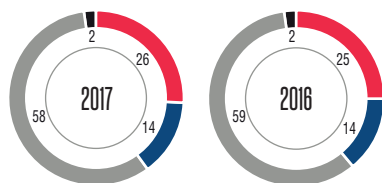
The following provisional information summarises the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date:

	R'000
Assets	
Property, plant and equipment	33 596
Other non-current assets	4 418
Inventory	28 129
Other current assets	65 783
Cash and cash equivalents	12 451
Total	144 377
Liabilities	
Non-current liabilities	(2 785)
Current liabilities	(72 415)
Total	(75 200)
Identifiable assets and liabilities	69 177
Fair value of consideration payable	62 259
Fair value of non-controlling interests recognised	6 918
Fair value of identifiable assets and liabilities	(69 177)
No revenue or losses have been included in the group's results. The amounts below illustrate the impact on the group's results had the acquisition been effective at 1 July 2016.	
Revenue	151 884
Loss after tax	(29 150)

**NOTES TO THE
FINANCIAL STATEMENTS** (continued)
for the year ended 30 June 2017

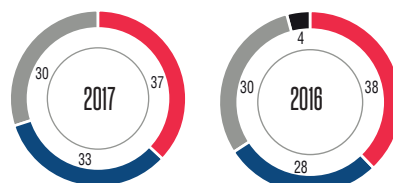
	Audited 2017 R'000	Audited 2016 R'000
4. SEGMENTAL INFORMATION		
Segment revenue		
Building and civil engineering	8 135 777	7 536 471
Roads and earthworks	4 589 881	4 333 788
Australia	18 599 977	18 112 931
Total construction revenue	31 325 635	29 983 190
Property developments	2 301	18 880
Construction materials	578 724	648 239
Total revenue	31 906 660	30 650 309
Segment operating profit before non-trading items		
Building and civil engineering	384 943	369 585
Roads and earthworks	341 737	283 422
Australia	312 586	300 392
Total construction operating profit	1 039 266	953 399
Property developments	(1 472)	14 656
Construction materials	2 103	36 502
Total operating profit	1 039 897	1 004 557
Equity-accounted development profit from Caulfield	(53 600)	–
Total operating profit before non-trading items	986 297	1 004 557

SEGMENT REVENUE



- Building and civil engineering
- Roads and earthworks
- Australia
- Construction materials

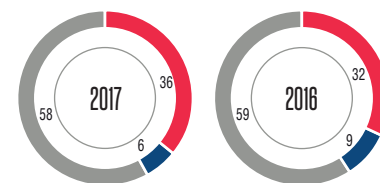
SEGMENT OPERATING PROFIT



4. SEGMENTAL INFORMATION (continued)

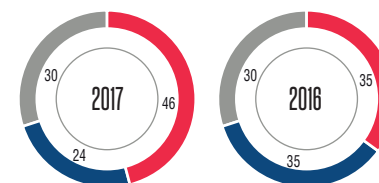
Geographical revenue		
South Africa	11 453 907	9 739 222
Rest of Africa	1 852 776	2 798 156
Australia	18 599 977	18 112 931
	31 906 660	30 650 309
Geographical operating profit		
South Africa	475 720	346 354
Rest of Africa	251 591	357 811
Australia	312 586	300 392
	1 039 897	1 004 557
Equity-accounted development profit from Caulfield	(53 600)	–
Total operating profit before non-trading items	986 297	1 004 557
Geographical non-current assets excluding deferred tax		
South Africa	1 642 474	1 437 288
Rest of Africa	466 851	378 755
Australia	943 845	1 111 723
United Kingdom	202 962	–
	3 256 132	2 927 766

GEOGRAPHICAL REVENUE



- South Africa
- Rest of Africa
- Australia

GEOGRAPHICAL OPERATING PROFIT



COMMENTARY

The group delivered a positive set of results in a year where market sentiment in Australia was upbeat while locally, the year was characterised by low-growth, a volatile rand exchange rate and political events which impacted South African business confidence. Nonetheless, within this climate the Building and civil engineering division delivered record revenue at solid margins and the Roads and earthworks division had a strong second six months with an improved order intake, particularly in West Africa. In Australia, the record activity levels achieved in previous years have been maintained. The construction materials division endured difficult market conditions, however on an exciting note, the group entered the United Kingdom (UK) construction market through the acquisition of a 40% interest in an established frame contractor based in London.

FINANCIAL REVIEW

Revenue and operating profit

In FY17 revenue increased by 4% to R31,9 billion compared to R30,7 billion the previous year. Strong growth from the group's local building divisions and an improved performance from the Roads and earthworks division resulted in 18% growth in South Africa. This increased the contribution from South Africa toward group revenue from 32% to 36%. Revenue from the rest of Africa declined by 33%, primarily due to lower activity in Mozambique and Botswana while revenue of R18,6 billion from Australia, which comprised 58% of group revenue, was largely in line with the comparative period of R18,1 billion. Revenue from construction materials of R893 million before the elimination of inter-company sales was also essentially flat.

Increased profitability from the Roads and earthworks division negated lower profitability from Australia which was impacted by a single loss-making project in Queensland and unrealised currency losses. As a result, operating profit before non-trading items amounting to R986 million was below that of the prior year while the overall margin dropped from 3,3% to 3,1%.

Non-trading items

Included in non-trading items is an amount of R170 million in respect of the annual amounts of R21,5 million to be made to the Tirisano Trust over a period of 12 years arising from the Settlement Agreement signed with the Government of South Africa on 11 October 2016.

IFRS dictates that the present value of the full liability be recognised in the period in which it is incurred.

In June 2017 the group reduced its interest in Edwin Construction from 57% to 49%. A gain of R9,6 million was recognised on the loss of control transaction. Capital Africa Steel disposed of the shares it received from PPC Cement Ltd in respect of the sale of 3Q Mahuma Concrete Holdings (Pty) Ltd in the prior year, resulting in a profit of R12,7 million.

The share-based payment expense of R57,8 million recognised relates to the WBHO Share Plan for executive management and the existing broad-based and management share schemes in place.

Earnings per share and headline earnings per share – continuing operations

The effect of the liability recognised in terms of the Settlement Agreement resulted in earnings per share from continuing operations decreasing by 3,6% from 1 396,1 cents per share at 30 June 2016 to 1 345,7 cents per share at 30 June 2017 and headline earnings per share decreasing by 2,5% to 1 308,9 cents per share from 1 342,9 cents per share.

Adjusting the group's earnings for this once-off expense, earnings per share and headline earnings per share would have increased by between 13% and 15% as reflected in the table below.

	% change	June 2017	June 2016
Adjusted earnings per share – continuing operations (cents)			
Basic earnings per share	12,7	1 574,1	1 396,1
Diluted earnings per share	12,7	1 573,6	1 396,1
Headline earnings per share	14,5	1 537,4	1 342,9

Associated companies

The group now has an interest in six associated companies: Gigajoule International, a shareholder in the Matola Gas Company which sells and distributes gas in Mozambique; Gigawatt Power, a concession company providing electricity generated from a gas-fired power station in Mozambique; Dipalopalo, a concession company responsible for providing serviced accommodation to the Department of Statistics; Edwin Construction, previously a subsidiary; Caulfield, a property development in Australia; and the Byrne Group, a frame contractor in the United Kingdom in which the group acquired a 40% interest this year for a consideration of £12 million.

Income from associates of R69 million relates to the group's share of after tax income in respect of gas supplied by the Matola Gas Company, the sale of electricity by Gigawatt Power and the profit from the development sales of the first precinct of the Caulfield development.

The total equity invested in associated companies amounts to R339 million.

During the year the group received a dividend of R25 million from Gigajoule International and R32 million distribution of the profits from the Caulfield development.

Changes in shareholding

In terms of the shareholder agreements, Probuild Constructions (Probuild) acquired a further 2,1% interest from minority shareholders during the period at a cost AU\$3,6 million, while WBHO Australia acquired a further 0,8% from minority shareholders at a cost of AU\$1,4 million. In June 2017, Probuild sold 1,6 million shares to management. The combined effect of these transactions resulted in the group's interest in Probuild reducing from 83,0% to 80,7%.

The remaining 17,5% interest in Renniks Construction and 44,4% interest in Capital Africa Steel were also acquired from minority shareholders during the year at a cost of R99 million.

Acquisitions

In addition to the 40% interest acquired in the Byrne Group, the group acquired a controlling interest in iKusasa Rail (formerly Grindrod Rail) for a consideration of R63 million.

Cash

Cash balances decreased by R206 million since 30 June 2016 to R5,5 billion largely due to the de-recognition of R163 million in cash following the loss of control in Edwin Construction. Cash generated from operations remained healthy amounting to R1,1 billion compared to R2 billion generated in the comparative period. Capital expenditure increased from R127 million to R309 million, of which R220 million was acquired for cash and R89 million was financed. Depreciation amounted to R212 million (2016: R258 million). Additional cash outflows included R203 million in respect of acquisitions, R184 million in respect of the changes in shareholding discussed above and R279 million in respect of treasury shares acquired.

Contingent liabilities

Financial guarantees issued to third parties amount to R10,6 billion compared to R9,5 billion in issue at 30 June 2016.

COMMENTARY (continued)

OPERATIONAL REVIEW BUILDING AND CIVIL ENGINEERING

	30 June 2017	30 June 2016
Revenue (8,0% growth)	8 136	7 536
Operating profit (4,7% margin)	385	370
Capital expenditure	67	49
Depreciation	43	66

The Building and civil engineering division achieved record levels of revenue this year as a strong performance from the local building divisions offset lower activity in the rest of Africa and activity within the civil engineering division remained static. The decrease in the margin from 4,9% to 4,7% reflects lower revenue from higher-margin design and construct projects in the current year and a lower margin return from the civil engineering division where industry conditions within the sector remain constrained.

Building

Locally, the Gauteng and KwaZulu-Natal (KZN) building divisions delivered exceptional performances, while in the Western Cape activity levels dropped off following the completion of a number of large projects and a lower order intake in the first half of the year. In the Eastern Cape the division produced a satisfactory performance.

The retail, commercial office and entertainment sectors continue to underpin activity levels. Activity within the hotel and entertainment sector spiked this year following the completion of the Times Square Casino in Tshwane and the conversion of the grain silos precinct at the V&A Waterfront in the Western Cape into a hotel and the Zeits Museum of Contemporary Art Africa. Activity from this sector was further supported by smaller projects for the Hilton hotel group in KZN and Mount Nelson Hotel in Cape Town.

Retail activity in Gauteng reduced significantly during the year following the completion of the Menlyn Maine Central Square project in Tshwane and Thavhani Mall in Limpopo. Overall activity levels from the sector were however maintained due to the ongoing construction of the Ballito and Cornubia shopping centres in KZN and, to a lesser extent, the completion of a new Virgin Active and refurbishment at the Greenacres Centre in the Eastern Cape.

The commercial office space remained highly active with projects concentrated in Gauteng around Sandton, Rosebank, Midrand and Tshwane. Activity from existing projects within this sector included: completion of Phase 3 of the Alice Lane precinct in the second half of the year; the ongoing construction of new head offices for Discovery and PriceWaterhouseCoopers scheduled for completion in the first half of next year and new office developments at 92 Rivonia, the Rosebank Towers and Loftus Park. In the coastal areas, commercial projects included Sable Park in the Western Cape which includes a new regional office for Discovery, a new regional head office for ABSA in KZN and completion of new offices for Transnet and the South African National Road Agency (SANRAL) in the Eastern Cape.

In Ghana, building activity levels have begun to decline as the replacement of projects has proved challenging. Construction of the Kumasi City Mall was completed in the second half of the year while the design and construct contract incorporating new offices for Standard Chartered Bank on behalf of RMB Westport is progressing well.

Civil engineering

Revenue from the Civil engineering division improved in the second half of the year as construction of the commercial crude oil terminal facility at Saldanha gained traction, yet remained flat for the full year due to a weaker first six months. Construction of a furnace for Northam Platinum and a stacker and reclaimer for Exaro at the Grooteegeluk mine in Limpopo have progressed well and will be completed early in FY18 while the re-access works at the Kusile Power Station will continue into the next financial year.

In Zambia activity remained subdued due to poor economic conditions and political uncertainty, nonetheless the division continues to secure sufficient smaller-scale projects within the mining, industrial and agricultural sectors to sustain a presence in the region.

In West Africa, the division has now partnered with the group's Roads and earthworks division to deliver two new projects in Guinea and Ghana.

ROADS AND EARTHWORKS

	30 June 2017	30 June 2016
Revenue (5,9% growth)	4 590	4 334
Operating profit (7,4% margin)	342	283
Capital expenditure	178	53
Depreciation	99	105

The Roads and earthworks division performed well to achieve growth of 6% largely due to a considerably stronger second half as activity in the private sector improved. Sound growth locally offset lower activity in the rest of Africa, as the road, mining, and energy sectors offered opportunities.

The local roads sector remained buoyant comprising 60% of South African revenue with the division executing projects countrywide. In Gauteng, improvements to the M1 near Oxford Road in Johannesburg are ongoing while the iconic cable stay bridge over the M1 near Sandton was completed alongside the Katherine Street bus-rapid transport (BRT) project. The BRT projects in KZN will be completed early next year. The R24 near Rustenburg in the North West Province is nearing completion and in Mpumalanga, the upgrade to the N4 near Waterval Boven for TRAC was successfully handed over. In the Free State, construction commenced on two new projects, the N6 near Smithfield and the N1 near Winburg. In the Eastern Cape the upgrade of the N2 between Grahamstown and the Fish River Pass was completed during the year, however the division has been awarded two further sections along the N2 near Breidbach and Coombs. Roadspan also benefited from the sustained activity within the roadwork sector with the surfacing division achieving in excess of 40% growth this year. Minimal activity from within the provincial road sector impacted the performance of Edwin Construction which experienced a slow start to the year. Construction of the N5 near Harrismith underpinned activity throughout the year while two new road projects, namely the rehabilitation of the D670 near Bronkhorstspuit for the Gauteng Department of Transport and the rehabilitation of the R34 near Vryburg for SANRAL were secured in the second half and are now underway. Edwin Construction also secured a sewer and water reticulation project in Mangaung as it seeks opportunities in new markets.

A resurgence of local private sector projects was prevalent in the second six months as the division secured projects in the mining, energy and logistics sectors. These include additional work at Northam Platinum's Booyendal mine, an ash dam, haul road and accompanying earthworks and infrastructure for SASOL, new lining and drainage on an ash dam for Eskom and bulk earthworks, roads and other infrastructure at the Clairwood logistics park in KZN.

The pipeline sector offered good growth for the division this year with a large proportion of work derived from the LPG Import Terminal and the crude oil terminal, both in Saldanha. Activity was further supported by the construction, installation and commissioning of the infrastructure for the fire protection system at Transnet's Tarlton Depot and the installation of a steel pipeline at the Neckartal Dam in Namibia.

The rural housing market also continues to offer opportunities as new projects were secured in KZN and the Eastern Cape.

Activity in the rest of Africa declined once again this year following sharp declines in activity in both Botswana and Mozambique. In Botswana the division managed to secure some projects from the mining sector during the year as well as the award of a new pump station along the North South Carrier Pipeline. In Mozambique, the division struggled to replace projects on various coal mines which were completed early in the year, however the road sector offered some opportunities and the division secured a further section of the EN4.

It is encouraging to note activity in West Africa has finally showed some improvement as the division secured a number of projects in Ghana, Guinea and Burkina Fasso.

COMMENTARY (continued)

AUSTRALIA

	30 June 2017	30 June 2016
Revenue (2,7% increase)	18 600	18 113
Construction profit (1,4% margin)	259	300
Share of profit from Caulfield development	54	–
Total operating profit (1,7% margin)	313	300
Capital expenditure	53	8
Depreciation	60	62

The Australian business grew its revenue by 5,5% in dollar terms in the current financial year. Strong Asian investment and continued population growth continues to support record high activity levels in Australia, particularly in Victoria, New South Wales (NSW) and Queensland. Despite the growth achieved this year, activity levels were significantly impacted by two factors; slower commencement of projects due to longer than expected client planning requirements and financier approvals; and severe weather in both Queensland and NSW.

Building

The Melbourne and Sydney markets continue to be particularly busy with 68% of total revenue being concentrated in these two metropolitan cities. The increased levels of activity in NSW has seen Probuild securing larger projects in Sydney and elevating it toward Tier One builder status in the state.

Multi-level residential projects underpinned activity during the 2017 financial year alongside increasing levels of activity in the hotel sector in response to significant growth in Chinese tourism, and a growing presence in the commercial sector which contributed 11% of total revenue in the 2017 financial year.

Prominent residential projects this year include the Eporo, Victoria One and Empire apartment buildings as well as the Marina and Aurora Towers, all in Melbourne; together with Phase 2 of the Promenade and the Discovery Point apartments in Sydney. Residential activity in Brisbane has been slowing for the past twelve months and the business has been increasingly selective in which projects to pursue, choosing to partner with developers where the business has strong relationships built on the strength of its Victorian operations. The Queensland business navigated its way through a difficult loss-making project this year, namely the Coorparoo project, a mixed use residential and retail development covering three apartment buildings, a retail precinct and a 10 theatre cinema complex. Losses were largely due to delays in securing subcontractor packages as the market accelerated resulting in unanticipated price increases. Two of the three apartment towers have been completed at the date of this report, with the final tower forecast for completion in October 2017.

The Chadstone and Werribee retail projects in Melbourne and the Toowoomba retail project were all completed in the current financial year.

The Western Australian building operations, which have been quieter in recent years, secured a key AU\$400m anchor project at the Elizabeth Quay in Perth supported by a number of other mid-sized projects.

The Monaco Hickey business continued its penetration into the sub AU\$50 million building project space, completing mid-size commercial projects in suburban areas along with medium density luxury apartment projects.

Infrastructure and civil engineering

The Infrastructure business continues to grow with revenue increasing by 63% to AU\$195 million, with our presence in the renewables sector being a highlight. Significant opportunities exist to grow revenue in this sector given the level of government driven activity particularly in the road, rail and bridge infrastructure spaces. The Western Australia business contributed strongly to the overall results for the 2017 financial year while the Eastern Region secured two new contracts during the year.

CONSTRUCTION MATERIALS

	30 June 2017	30 June 2016
Continuing operations		
Revenue (1,4% decline)	893	906
Inter-company sales	(314)	(258)
Revenue to external customers	579	648
Operating profit (0,4% margin)	2	37
Capital expenditure	11	17
Depreciation	10	10

Revenue from the steel business decreased marginally this year and trading conditions remain challenging, particularly in Gauteng, the North West and KZN. Profitability has been affected by rising input costs in a market where pricing remains keen as well as a problematic loss-making contract in VSL Construction (Pty) Ltd (VSL), a subsidiary of Capital Africa Steel. Disputes over the settlement of claims have been referred to international arbitration by VSL and its joint venture partner.

ORDER BOOK AND OUTLOOK

Order book by segment (Rm)	%	30 June 2017	%	30 June 2016
Building and civil engineering	16	7 189	20	8 683
Roads and earthworks	14	6 161	8	3 041
Australia	70	31 526	72	30 976
Total	100	44 876	100	42 700

Order book by geography (Rm)	%	30 June 2017	%	30 June 2016
South Africa	26	11 707	25	10 532
Rest of Africa	4	1 643	3	1 192
Australia	70	31 526	72	30 976
Total	100	44 876	100	42 700

The group's total order book at 30 June 2017 increased by 5% to R45 billion from R43 billion at 30 June 2016. The increase comprises a 17% decrease in the Building and civil engineering order book which was offset by a 103% increase in higher margin work from the Roads and earthworks division's order book as the Australian order book remained largely flat.

Africa (including South Africa)

The order intake for local building work continues to diminish as the softening of the retail and commercial office sectors becomes more entrenched. That said, a number of opportunities exist in the commercial office, retail and residential space in Gauteng that will continue to support future activity. In the Western Cape, activity is expected to improve next year following a better order intake in the second half and strong relationships with developers looking to unlock a number of projects in the short to medium-term.

Significant new awards for the Building division this year include the Rosebank Link, a 15 storey office park opposite the Gautrain station, a new office development at 33 Baker Street in Rosebank, new phases at The Club in Tshwane, the expansion of the Gateway shopping centre and the Suncoast casino in KZN and in the Western Cape, the new Yacht Club development consisting of commercial space, residential apartments and a hotel component as well as the Axis and Palm Vue Apartments.

COMMENTARY (continued)

In Ghana, construction of the new offices for Standard Chartered Bank will continue into next year, with potential new work coming from the retail sector.

The Civil engineering division's order book has been significantly bolstered by the award of the commercial crude oil terminal facility at Saldanha which will continue well into the 2019 financial year as well as being awarded a rapid load-out facility at Exarro's Grootgeluk mine. Despite an increase in commodity prices and a growing number of enquiries from the mining houses during the year, overall activity from the sector has yet to recover to meaningful levels. Nonetheless, the division continues to seek new opportunities both in coastal markets and the rest of Africa as well as marine construction.

The strong order book growth within the Roads and earthworks division will support activity levels next year. Locally, the commercial crude oil terminal facility in Saldanha and the ash dam and related infrastructure at SASOL will extend well into the 2019 financial year. Various new road contracts secured in the second half will see activity from this sector sustained throughout 2018. Construction of a new platform and road at Booyssendal for Northam Platinum will form the bulk of local mining activity in the year ahead.

Mining infrastructure activity in Botswana, Namibia and Mozambique remains subdued and work for next year comprises largely of water and road infrastructure projects. The division has however secured a large mining infrastructure project at Orapa, in Botswana subsequent to 30 June 2017.

In West Africa, mining infrastructure projects secured in Guinea, Burkina Fasso and Ghana will continue through next year and all have the potential for additional phases.

The acquisition of iKusasa Rail (formerly Grindrod Rail) in partnership with Faku Family Enterprises presents the group with exciting opportunities in the rail maintenance and new construction markets both locally and in the rest of Africa.

Australia

The Australian order book remains strong at approximately AU\$3 billion and, having successfully secured key major projects in Queensland, Western Australia and NSW, focus will remain on strengthening our presence in these states, in particular NSW.

The business has good diversification of its order book across the various sectors within both the building and infrastructure markets. Residential only projects comprise 39% of the order book, mixed use residential and hotels 24% while retail has decreased to 9% following the completion of three large-scale projects this year. An increase in the number of commercial projects secured, equating to 17% of the order book, highlights the growing exposure to this sector, with two commercial projects valued in excess of AU\$500 million in aggregate being delivered over the next two years.

Growth in online shopping is beginning to impact retail markets in Australia, however the market appears to be preparing for the next wave of construction works. By providing assistance on early design development to key shopping centre owners Probuild is able to target specific construction projects in the near-term.

Subsequent to year-end Probuild secured the West Side Place contract for the Far East Consortium in what is to be Melbourne's largest CBD residential development with over 2 600 apartments, and the tallest hotel in the southern hemisphere.

The WBHO Infrastructure order book continues to be underpinned by ongoing maintenance contracts in the mining and industrial sectors in the Western Region, and a growing market presence in the renewable energy sector having secured a number of wind farms and solar power generation facilities in both the Eastern and Western regions. Additional work to the value of AU\$165m has been secured since the end of the year.

United Kingdom (UK)

WBHO has been seeking growth opportunities in new markets for some time. The UK construction market has seen good growth in recent years particularly in London and the North West. The construction environment is similar to that of Australia with the main contractor fulfilling a construction management role with the different packages of projects being let to subcontractors, and as such was identified as offering the most potential at acceptable levels of risk.

In a construction management environment, understanding the supply chain is key to delivering successful projects. Due to our familiarity and capability in erecting structures in South Africa, a decision was taken to seek investment opportunities in a local frame contractor.

On 23 June 2017, WBHO acquired a 40% interest in the Byrne Group. Through Byrne Bros., the group specialises in concrete sub and superstructure packages while high quality new build refurbishment and fit-out projects are delivered through Ellmer Construction.

Our investment into the group will provide insight and understanding of the dynamics prevalent within the industry as we cautiously enter this market.

INDUSTRY MATTERS

Settlement agreement

On 11 October 2016, seven major listed construction companies signed a Settlement Agreement with the Government of South Africa. The primary purpose of the agreement is to achieve radical transformation within the construction sector.

Competition Commission

With regard to two outstanding cases referred to the Competition Tribunal on which we have previously reported, two interlocutory hearings on procedural matters went against the company, however, WBHO remains confident that it can defend these cases as well as the civil claim received from the City of Cape Town.

SAFETY

The group's lost-time injury frequency ratio (LTIFR) at 30 June 2017 improved to 0,8 injuries per million man hours from 0,94 at 30 June 2016. The African business achieved its best injury statistics to date and an LTIFR of 0,54. Regrettably the employee of a subcontractor was fatally injured on a project in Australia. The management of both WBHO and Probuild extend their sincere condolences to the family, friends and colleagues affected by this tragedy.

APPRECIATION

The directors would like to thank our employees both in Africa and Australia for their dedication in what has been a challenging year and our loyal clients' belief in our ability to meet their expectations.

DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a final gross dividend of 325 cents per share (2016: 313 cents) payable to all shareholders recorded in the register on 20 October 2017.

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 20% which results in a net dividend of 260 cents per share.

The number of shares in issue at date of declaration amount to 63 190 064 (53 166 006 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:	Tuesday 17 October 2017
Trading ex dividend commences:	Wednesday 18 October 2017
Record date:	Friday 20 October 2017
Payment date:	Monday 23 October 2017

Shares may not be dematerialised or re-materialised between Wednesday, 18 October and Friday 20 October 2017, both dates inclusive.

EL Nel	CV Henwood	MS Wylie
4 September 2017		

Sponsor:

Investec Bank Limited

NOTICE TO THE ANNUAL GENERAL MEETING for the year ended 30 June 2017

Notice is hereby given that the 34th annual general meeting (AGM) of the shareholders of Wilson Bayly Holmes-Ovcon Limited (WBHO) (the company) for the year ended 30 June 2017 will be held at 53 Andries Street, Wynberg, Sandton at 11:00 on Wednesday, 22 November 2017.

Kindly note that meeting participants (including shareholders and proxies) are required to provide satisfactory identification before being entitled to participate in or vote at the AGM. Valid forms of identification are identity documents, driver's licences and passports.

At the AGM, the business to be transacted includes the following special and ordinary resolutions. These are set out in the manner required by the Companies Act of South Africa No 71 of 2008, (the Act), as read with the Listings Requirements of the JSE Limited (JSE Listings Requirements) where the ordinary shares of the company are listed. The meeting is to be participated in, and voted on, by shareholders registered on the record date of Friday, 17 November 2017.

ELECTRONIC PARTICIPATION

The company intends to offer shareholders reasonable access to attend the AGM through electronic conference call facilities, in accordance with the provisions of the Act. Shareholders wishing to participate in the AGM electronically are required to deliver written notice (the electronic notice) to the company at 53 Andries Street, Wynberg, Sandton, marked for the attention of Shereen Vally-Kara, the Company Secretary, by no later than 09:00 on Friday, 17 November 2017.

In order for the electronic notice to be valid it must contain:

- a. if the shareholder is an individual, a certified copy of his or her identity document and/or passport;
- b. if the shareholder is not an individual, a certified copy of a resolution passed by the relevant entity and a certified copy of the identity documents and/or passports of the signatories to the resolution (the resolution must state who is authorised to represent the entity at the AGM via electronic communication); and
- c. a valid e-mail address and/or facsimile number (the contact address/number).

Voting on shares will not be possible via electronic communication. Shareholders participating electronically and wishing to vote, will need to be represented at the AGM, either in person, by proxy or by letter of representation.

The company shall use all reasonable endeavours to notify shareholders, who have delivered a valid electronic notice at its contact address/number, of the relevant details through which shareholders can participate via electronic communication on or before 16:00 on Friday, 17 November 2017.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the company and its subsidiaries for the year ended 30 June 2017, as approved by the board of directors of the company, have been distributed as required and will be presented to shareholders at the AGM. Summarised financial statements have been included in this shareholder leaflet and the full audited consolidated financial statements are available online under the Investor section of the company's website at www.wbho.co.za.

ORDINARY RESOLUTION NUMBER 1

Re-appointment of auditors

RESOLVED, upon the recommendation of the Audit committee, that BDO South Africa Inc. be re-appointed as the independent external auditors of the company and Mrs J Roberts, as the partner, is hereby appointed as the designated auditor to hold office for the ensuing year.

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to cast on the resolution.

ORDINARY RESOLUTION NUMBER 2

Re-election of directors

The following directors retire by rotation:

- Mr RW Gardiner
- Mr JM Ngobeni

To re-elect Mr Ross Gardiner who retires by rotation and being eligible, offers himself for re-election in terms of the Memorandum of Incorporation (MOI) of the company. Mr James Ngobeni has elected not to offer himself for re-election at the AGM as he will be retiring as a director of the Company with effect from 22 November 2017.

A brief CV in respect of Mr RW Gardiner is attached as annexure "1" on page 27 of the shareholder leaflet.

RESOLVED that Mr RW Gardiner be, and is hereby, elected as a director of the company.

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to cast on the resolution.

ORDINARY RESOLUTION NUMBER 3

Election of Audit committee members

RESOLVED, as an ordinary resolution, that the following Audit committee members, all of whom are independent non-executive directors, be appointed by way of separate resolutions for the year ending 30 June 2018:

- Ms AN Matyumza (Chairperson)
- Mr RW Gardiner
- Ms SN Maziya

Ms N Damasane had resigned as a director with effect from 3 August 2017 and will therefore not be reappointed as an Audit committee member. As a replacement, Ms SN Maziya was appointed as a committee member with effect from 3 August 2017.

A brief CV of each of these directors is attached as annexure "1" on page 27 of this shareholder leaflet.

If deemed fit, each director will be re-elected by way of passing the separate ordinary resolutions set out below:

Ordinary resolution number 3.1

Appointment of Ms Angelina Nomgando Matyumza as an Audit committee member

RESOLVED that Ms AN Matyumza be, and is hereby, appointed as an Audit committee member.

Ordinary resolution number 3.2

Appointment of Mr Ross William Gardiner as an Audit committee member

RESOLVED that Mr RW Gardiner be, and is hereby, appointed as an Audit committee member.

Ordinary resolution number 3.3

Appointment of Ms Savannah Nonhlanhla Maziya as an Audit committee member

RESOLVED that Ms SN Maziya be, and is hereby, appointed as an Audit committee member.

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on the resolution.

ORDINARY RESOLUTION NUMBER 4

Endorsement of remuneration policy

RESOLVED, through a non-binding advisory vote, that the remuneration policy of the company, which is available online under the download tab of the Governance section of the company's website at www.wbho.co.za/governance, be endorsed excluding the remuneration of the non-executive directors and the members of committees.

**NOTICE TO THE
ANNUAL GENERAL MEETING** (continued)
for the year ended 30 June 2017

ORDINARY RESOLUTION NUMBER 5

Endorsement of remuneration policy and implementation report

RESOLVED, through a non-binding advisory vote, that the remuneration policy and the implementation report, which is included in the integrated report of the company, be endorsed.

In terms of the King IV Report on Corporate Governance for South Africa 2016, a separate advisory vote should be obtained from shareholders on the annual remuneration policy and implementation report of the company. The vote allows shareholders to express their views on the remuneration policies adopted and the implementation thereof, but will not be binding on the company.

ORDINARY RESOLUTION NUMBER 6

General authority to directors to allot and issue authorised, but unissued, ordinary shares

RESOLVED, after providing for the shares reserved for the purpose of the share scheme of the company, that the balance of unissued ordinary shares be placed under the control of the directors, who are hereby authorised to allot and issue these shares at such times and on such terms as they may decide, subject to the Act and JSE Listings Requirements, provided that any shares issued in terms of this authority shall not exceed 5% of the issued share capital of the company prior to such issue. The existing authority granted by the shareholders at the previous AGM is proposed to be renewed at this AGM.

The minimum percentage of voting rights that is required for the resolution to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on each resolution.

ORDINARY RESOLUTION NUMBER 7

Directors' authority to implement special and ordinary resolutions

RESOLVED, as an ordinary resolution, that each and every director and/or Company Secretary of the company be, and is hereby, authorised to do all such things and sign all such documents as may be necessary for, or incidental to, the implementation of the resolutions passed at this meeting.

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on the resolution.

SPECIAL RESOLUTION NUMBER 1

Approval of directors' fees for non-executive directors

RESOLVED, as a special resolution, that the following remuneration be payable to non-executive directors of the company with effect from 1 October 2017.

	2017 R	2018 R
Lead Independent director	312 200	332 500
Non-executive director	195 400	208 200
Chairman of Audit committee	296 300	315 600
Chairman of Risk Committee	67 400	154 200
Chairman of Remuneration committee	144 700	154 200
Chairman of Social and ethics committee	67 400	154 200
Committee members (per meeting)	26 950	28 750

Reasons for and effects of special resolution number 1

The reason for, and effect of, this special resolution is to obtain shareholder approval of directors' fees in advance by way of special resolution as required by the Companies Act.

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

SPECIAL RESOLUTION NUMBER 2

Financial assistance to directors, prescribed officers, employee share scheme beneficiaries and related or inter-related companies and corporations

RESOLVED, as a special resolution, that the board of directors of the company may, to the extent required by, and subject to, sections 44 and 45 of the Act and the requirements (if applicable) of the MOI of the company; and JSE Listings Requirements, authorise the company to provide direct or indirect financial assistance to a director or prescribed officer of the company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to any beneficiary participating in any company share incentive scheme, or to a person related to any such company, corporation, director, prescribed officer, beneficiary or member at any time during the period commencing on the date of passing of this resolution and ending at the next AGM of the company.

Reasons and effects of special resolution number 2

Notwithstanding the title of section 45 of the Act, being "loans or other financial assistance to directors", on a proper interpretation, the body of the section may also apply to financial assistance provided by a company to related or inter-related companies and corporations, including, among others, its subsidiaries, for any purpose. Furthermore, section 44 of the Act may also apply to financial assistance provided by a company to a related or inter-related company, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company.

Both sections 44 and 45 of the Act state, among other things, that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders adopted within the same year. Such assistance approved either for the specific recipient or, generally for a category of potential recipients, including the specific recipient within that category and the board of directors must be satisfied that:

- Immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in the Act; and
- The terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

Sections 44 and 45 contain exemptions in respect of employee share schemes that satisfy the requirements of section 97 of the Act. To the extent that any company share incentive scheme does not satisfy such requirements, financial assistance (as contemplated in sections 44 and 45) to be provided under any such scheme will, among others, also require approval by special resolution. Accordingly, special resolution number 2 authorises financial assistance to any of the directors or prescribed officers of the company, or any person related to any of them or to any company or corporation related or inter-related to them, or to any other person who is a beneficiary of any of the company share incentive schemes, in order to facilitate their participation in any such scheme that does not satisfy the requirements of section 97 of the Act.

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

SPECIAL RESOLUTION NUMBER 3

General authority to repurchase company shares

RESOLVED, as a special resolution, that the company hereby approves, as a general approval, the acquisition by the company or any of its subsidiaries, from time to time, of the issued shares of the company, upon such terms and conditions and in such amounts as the directors of the company may determine, but subject to the MOI of the company, the provisions of the Companies Act of South Africa and the JSE Listings Requirements as presently constituted or as amended, provided that:

- the acquisition by the company and its subsidiaries of shares in the company may not, in the aggregate, exceed in any one financial year, 5% (five percent) of the issued share capital of the company of the class of shares acquired from the date of the grant of this general approval
- any such acquisition of shares shall be effected through the order book operated by the JSE trading system or other manner approved by the JSE and done without any prior understanding or arrangement between the company or its subsidiaries and the counterparty;

**NOTICE TO THE
ANNUAL GENERAL MEETING** (continued)
for the year ended 30 June 2017

- c. the general approval shall only be valid until the next AGM of the company or for 15 (fifteen) months from the date of passing of this special resolution, whichever period is shorter;
- d. in terms of this authority, a paid press announcement shall be published as soon as the company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis, 3% (three percent) of the number of shares of the class of shares acquired in issue at the time of granting of this general approval, as well as for each 3% (three percent) in aggregate of the initial number of that class of shares acquired thereafter. The announcement shall contain full details of such acquisitions as required by paragraph 11.27 of the JSE Listings Requirements;
- e. in determining the price at which the company's shares are acquired by the company or its subsidiaries in terms of this general approval, the maximum price at which such shares may be acquired may not be greater than 10% (ten percent) above the weighted average of the market value at which such shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of the acquisition of such shares by the company or its subsidiaries;
- f. in the case of a derivative, as contemplated by the JSE Listing Requirements, the price of the derivative shall be subject to the limitations set out in paragraph 5.84(a) of the JSE Listing Requirements;
- g. a resolution passed by the board of directors of the company authorising the repurchase, that the company passed the solvency and liquidity test and that, since the test was done, there have been no material changes to the financial position of the company;
- h. the company and/or its subsidiaries may not repurchase any shares in terms of this authority during a prohibited period, as defined in the JSE Listings Requirements, unless the company and/or its subsidiaries has in place a repurchase programme, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed to the JSE Limited prior to the commencement of the prohibited period; and
- i. the company will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements, prior to the commencement of the purchase of the shares of the company on the open market.

Reason for and effect of special resolution number 3

The reason for, and effect of, this special resolution is to grant the company and/or its subsidiaries a general authority to facilitate the acquisition by the company and/or its subsidiaries of the company's own shares. This general authority shall be valid until the next AGM of the company or until the variation or revocation of such general authority by special resolution at any subsequent general meeting of the company, whichever is earlier, provided that this general authority shall not extend beyond 15 months from the date of the passing of this special resolution.

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

TO TRANSACT SUCH OTHER BUSINESS THAT MAY BE TRANSACTED AT AN AGM

General instructions and information

Details of:

- a. the directors and management of the company are available online under the Governance section of the company's website at www.wbho.co.za/governance;
- b. the directors' shareholding in the company can be found in note 24 of the full audited consolidated financial statements available online under the Investor section of the company's website at www.wbho.co.za/investors;
- c. the share capital of the company can be found on page 12 of the full audited consolidated financial statements available online under the Investor section of the company's website at www.wbho.co.za/investors; and
- d. an analysis of the shareholders (including an analysis of the beneficial shareholders) can be found in annexure 3 of the full audited consolidated financial statements.

There are no material changes to the financial or trading position of the company. Other than the Cape Town Stadia meeting and the N17 road tender from 2008 which have been referred to the Competition Tribunal, civil damages claims received from the City of Cape Town and arbitration proceedings with the Bakwena Platinum Corridor Concession, there are no material, legal or arbitration proceedings, pending or threatened.

The directors, whose details are published online, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this shareholder leaflet and notice contain all information required by law and the JSE Listings Requirements.

All shareholders are encouraged to attend, speak and vote at the annual general meeting.

EXPLANATORY NOTES

Ordinary resolution number 1

Reappointment of auditors

In terms of section 90(1) of the Act, each year at its AGM, the company must appoint an auditor who complies with the requirements of section 90(2) of the Act. Following a detailed review, which included an assessment of its independence, the Audit committee of the company has recommended that BDO South Africa Inc. be reappointed as the independent external auditors of the company.

Ordinary resolution number 2

Re-election of directors

In terms of the MOI of the company, 1/3 (one third) of the non-executive directors shall retire from office at each AGM. The first non-executive directors to retire at each AGM shall be the first vacancies filled or additional directors appointed since the last AGM, followed by those who have held office for the longest period since their last election. For avoidance of doubt, in determining the number of non-executive directors to retire, no account shall be taken of any executive directors.

The board, through the Nomination committee, has evaluated the past performance and contribution of the retiring non-executive directors and recommends their re-election.

Ordinary resolution number 3

Appointment of members of the Audit committee

The members of the Audit committee have been nominated by the board for election in terms of section 94(2) of the Act. The board has reviewed the proposed composition of the Audit committee against the requirements and the regulations of the Act and has confirmed that, if all the individuals referred to above are elected, the committee will comply with the relevant requirements and have the necessary knowledge, skills and experience to enable it to perform its duties in terms of the Act.

Ordinary resolution number 4 and 5

Endorsement of the remuneration policy and Endorsement of remuneration policy implementation report

The King IV Report on Corporate Governance for South Africa 2016 requires that companies annually table their remuneration policy and implementation report to shareholders for a separate non-binding advisory vote at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted and the implementation of such policies.

Ordinary resolution number 4 and 5 are of an advisory nature only and failure to pass this resolution will, therefore, not have any legal consequences.

Ordinary resolution number 6

Approval for the issue of authorised but unissued ordinary shares

In terms of the MOI of the company, read with the JSE Listings Requirements, the shareholders of the company may authorise the directors to, inter alia, issue any unissued ordinary shares and/or grant options over them, as the directors at their discretion think fit.

**NOTICE TO THE
ANNUAL GENERAL MEETING** (continued)
for the year ended 30 June 2017

The existing authority granted by the shareholders at the previous AGM is proposed to be renewed at this AGM. The authority will be subject to the provisions of the Act and the JSE Listings Requirements. The aggregate number of ordinary shares capable of being allotted and issued in terms of this resolution, other than in terms of the company's share or other employee incentive schemes, shall be limited to 5% of the number of the ordinary shares in issue as at 30 June 2017.

The directors seek an annual review of this authority in accordance with best practice. The directors have no current plans to utilise this authority, but wish to ensure, by having it in place, that the company has the flexibility to take advantage of any business opportunity that may arise in future.

ENTITLEMENT TO ATTEND AND VOTE AT THE AGM IN PERSON OR BY PROXY

Holders of certificated shares (ie shares that have not been dematerialised) or holders of shares registered as "own name dematerialised shares" (ie shares specifically held by the Central Securities Depository Participant (CSDP) in one's own name on the sub-register of the company) may attend and vote at the AGM.

Alternatively, the holder may appoint a proxy (who need not also be a shareholder of the Company) to attend, participate in and speak and vote on the holder's behalf at the AGM. To appoint a proxy, the holder must complete and return the attached form of proxy, before the proxy may exercise any rights on behalf of the shareholder at the AGM.

The form must be returned to the registered office of the company or to the transfer secretaries, Computershare Investor Services Proprietary Ltd, the details of which are set out on page 28 of this shareholder leaflet, by no later than 11:00 on Tuesday, 21 November 2017, being 24 (twenty-four) hours prior to the time appointed for the holding of the AGM.

Please note that the proxy may delegate his/her authority to act on the holder's behalf to another person, subject to the restrictions set out in the attached form of proxy.

Please note that if one is the owner of dematerialised shares (ie the paper share certificates representing the shares which have been replaced with electronic records of ownership under the JSE's Share Transactions Totally Electronic (STRATE) held through a CSDP or broker and are not registered as an "own name dematerialised shareholder"), then the holder is not a registered shareholder of the company, but the CSDP or broker (or their nominee) would be.

Accordingly, in these circumstances, subject to the mandate between the shareholder and the CSDP or broker (or their nominee), as the case may be:

- if the shareholder wishes to attend the AGM they must contact the CSDP or broker (or their nominee), and obtain the relevant letter of representation from it; alternatively
- if the shareholder is unable to attend the AGM, but wishes to be represented at the meeting, contact the CSDP or broker (or their nominee) and furnish it with the voting instructions in respect of the AGM and/or request it to appoint a proxy. The holder should not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between the shareholder and the CSDP or broker, within the time period required by the CSDP or broker.

CSDPs, brokers or their nominees, recorded in the sub-register of the company as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the registered office of the company or to the transfer secretaries, Computershare Investor Services (Pty) Ltd, the details of which are set out on page 28 of this shareholder leaflet, by no later than 11:00 on Tuesday, 21 November 2017, being 24 (twenty four) hours prior to the time appointed for the holding of the AGM.

Shareholders of the company that wish to participate in the AGM should note that any shareholder that is a company may authorise any person to act as its representative at the AGM. Please also note that section 63(1) of the Companies Act, requires that any person wishing to participate in the AGM, including the aforementioned representative, must provide satisfactory identification before they may so participate.

ANNEXURE 1

DIRECTOR'S CVs

Michael (Mike) Stanley Wylie (67)

Pr Eng, BSc (Eng), BCom (Hons) Chairman

Mike joined WBHO three years after graduating from the University of Cape Town in 1975. He was appointed managing director of the building and civil engineering division in 1988 and assumed the role of joint CEO and chairman in 2002 and relinquished his role as CEO but retained the position of chairman from 2008.

Elia Louw (Louwtjie) Nel (66)

BSc (Eng) CEO

Louwjtjie joined WBHO in 1987 after graduating from RAU with a BSc in Civil Engineering and completing his national service. He was appointed as managing director of the Building and civil engineering division in 2002 and then as group CEO and to the board of Wilson Bayly Holmes-Ovcon Limited in 2008.

Charles Victor Henwood (53)

BCom, BCompt (Hons), CA(SA)

Charles started his career at Deloitte after graduating from the University of South Africa in 1986. He has 24 years of experience in the construction industry and enjoyed a number of directorships across a broad spectrum of disciplines.

Charles joined WBHO in June 2010 as the financial director of WBHO Construction (Pty) Limited. He was appointed as group CFO and to the board of Wilson Bayly Holmes-Ovcon Limited in 2011.

James Matingi Ngobeni (65)**

BA (Hons) Geography, MCRP

James obtained his masters degree in city and regional planning from the University of Cape Town and a diploma/certificate in housing finance at Harvard University, Massachusetts (USA).

He is currently managing director of Matingi and Associates, a town planning, transport planning and project and construction management company, where he is responsible for the co-ordination and management of finance and operations.

James is currently on the boards of MAMOET Southern Africa (Pty) Limited, Rand Airport (Germiston), Matingi & Associates CC and The Green Building Council SA.

Savannah Nonhlanhla Maziya (48)**

BA (Hons), MBA

Savannah is the group CEO of Bunengi Holdings, a company with mining, infrastructure, healthcare and agricultural divisions. She previously occupied the position of CEO of African Broadcast Network (a large TV network in Africa with over 120 million viewers). Savannah is currently on the boards of Sibanye Gold Limited and WSP Group Africa as a non-executive director and works all over the African continent.

Nomgando Nomalungelo Angelina Matyumza (54)**

BCom, BCompt (Hons), CA(SA), LLB Lead Independent Director

Rev. Nonmgando Matyumza is an ordained Minister of the African Methodist Episcopal Church and Pastor of Umlazi in the Natal Conference. Gando qualified in 1993 as a chartered accountant and obtained an LLB degree from the University of Natal. She has experience in financial and executive management.

Gando is currently serving on the boards of Cadiz Limited, Sasol Limited, Standard Bank and KZN Growth Fund Managers.

Nosipho Damasane (52)**

BCom (Accounting)

After graduating from University of Transkei, Nosipho spent some time in the auditing industry. She then joined Transnet as the East London Port Manager before moving on to General Manager positions in operations, supply chain management, new business development and commercial. She served as the Transnet Port Terminals Chief Operating Officer from 2009 – 2012. She later took on the role of Chief Executive Officer of the Richards Bay Coal Terminal.

Ross Gardiner * (54)**

BSc(Hons) (Mining and Petroleum)

After graduating from Strathclyde University in the United Kingdom, Ross spent a decade on the South African coal mines. He then worked in investment banking for a period of thirteen years. During his career, Ross has also fulfilled the role of a senior consultant at a mining consultancy firm before he joined a venture capital firm investing primarily in early stage African mining projects across a spectrum of commodities. Ross has had involvement in credit risk at one of South Africa's large banking groups.

Shereen Vally-Kara (56)

*ACIS
Company Secretary*

Shereen joined WBHO Construction (Pty) Limited on 1 June 2007 and was appointed as company secretary to the Wilson Bayly Holmes – Ovcon Limited board on 24 October 2007. In addition to obtaining a certificate as a chartered secretary in 1994, she has completed the management advancement programme at Wits Business School in 1996 and received a certificate in corporate governance from the University of Johannesburg.

* Non-executive

** Independent non-executive

* British

ADMINISTRATION

WILSON BAYLY HOLMES-OVCON LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1982/011014/06
Share code: WBO
ISIN: ZAE00009932
(WBHO)

REGISTERED OFFICE AND CONTACT DETAILS

53 Andries Street
Wynberg, Sandton, 2090
PO Box 531
Bergvlei 2012
Telephone: +27 11 321 7200
Fax: +27 11 887 4364
Website: www.wbho.co.za
Email: wbhoho@wbho.co.za

COMPANY SECRETARY

Shereen Vally-Kara
ACIS

AUDITORS

BDO South Africa Inc.

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Ltd
Rosebank Towers
15 Biermann Ave
Rosebank
Johannesburg 2196
South Africa
Telephone: +27 11 370 5000
Fax: +27 11 370 5271

SPONSOR

Investec Bank Limited

FORM OF PROXY

for the year ended 30 June 2017

WILSON BAYLY HOLMES – OVCON LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1982/011014/06)
Share code: WBO ISIN: ZAE00009932
(WBHO)

This form of proxy is not to be used by beneficial owners of shares who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, unless the shareholder is recorded on the sub-register as an "own name dematerialised shareholder". Generally, a shareholder is not an "own name dematerialised shareholder" unless they have specifically requested their CSDP to record them as the holder of the shares in their own name in the sub-register of WBHO.

This form of proxy is only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the sub-register of WBHO as the holder of dematerialised ordinary shares.

Each shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy, who need not be a shareholder of the company, to attend, participate in and speak and vote in place of that shareholder at the AGM, and at any adjournment thereafter. The record date is Friday, 17 November 2017.

Please note the following:

- The appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the AGM.
- The appointment of the proxy is revocable.
- You may revoke the proxy appointment by canceling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to WBHO.

I/We (block letters) _____

Of _____

Telephone work: _____ Telephone home: _____

being the holder/s of _____ ordinary shares in WBHO, hereby appoint (refer to note 1)

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the Chairman of the AGM, as my/our proxy to attend, speak, vote and act for me/us on my/our behalf at the AGM, which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of WBHO registered in my/our name/s, in accordance with the following instructions (refer to note 3).

My/our proxy may delegate to another person his/her authority to act on my/our behalf at the AGM, provided that my/our proxy:

- may only delegate his/her authority to act on my/our behalf at the general meeting to a director of WBHO; and
- must provide written notification to the transfer secretaries of WBHO, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my/our behalf at the general meeting by no later than 11:00 on Tuesday, 21 November 2017, being 24 (twenty-four) hours before the general meeting to be held at 11:00 on Wednesday, 22 November 2017; and
- must provide to his/her delegate a copy of his/her authority to delegate his/her authority to act on my/our behalf at the general meeting.

**FORM
OF PROXY** (continued)
for the year ended 30 June 2017

	Number of votes (one vote per ordinary share)		
	For	Against	Abstain
Ordinary resolution number 1: Re-appointment of the auditors			
Ordinary resolution number 2: Re-election of Mr RW Gardiner as director			
Ordinary resolution number 3.1: Appointment of Ms AN Matyumza as Audit committee member			
Ordinary resolution number 3.2: Appointment of Mr RW Gardiner as Audit committee member			
Ordinary resolution number 3.3 Appointment of Ms SN Maziya as Audit committee member			
Ordinary resolution number 4: Endorsement of remuneration policy			
Ordinary resolution number 5: Endorsement of remuneration policy Implementation report			
Ordinary resolution number 6: Placing unissued shares under the control of the directors			
Ordinary resolution number 7: Directors' authority to implement special and ordinary resolutions			
Special resolution number 1: Approval of directors' fees for 2017/2018 financial year			
Special resolution number 2: Authority to provide financial assistance in terms of section 44 and 45 of the Act			
Special resolution number 3: General approval to repurchase company Shares			

Insert an 'X' in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares held in respect of which you desire to vote (see note 3).

Signed at _____ on _____ 2017

Signature _____

(Authority of signatory to be attached if applicable – refer note 7)

Assisted by me (where applicable – refer note 9) _____ Telephone: _____

Please also read the notes overleaf.

**NOTES TO THE
FORM OF PROXY**
for the year ended 30 June 2017

**SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS
CONTAINED IN SECTION 58 OF THE 2008 COMPANIES ACT**

1. The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as a proxy to the exclusion of those whose names follow thereafter.
2. If no proxy is inserted in the spaces provided, then the Chairperson shall be deemed to be appointed as the proxy to vote or abstain as the Chairperson deems fit.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the form of proxy will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of the entire shareholder's votes exercisable thereat.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy. A proxy shall be entitled to demand that voting take place on a poll.
5. Form of proxy must be lodged at the registered office of the company, situated at 53 Andries Street, Wynberg or posted to the Company Secretary at PO Box 531, Bergvlei, 2012, or lodged with or posted to the transfer secretaries, Computershare Investor Services Proprietary limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196.

Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of (i) the date stated in the revocation instrument, if any, or (ii) the date on which the revocation instrument was delivered to the company and the proxy as aforesaid:

- If this form of proxy has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act No 71 of 2008 for the MOI of the company to be delivered by the company to you or your proxy or proxies, if you have directed the company to do so, in writing and paid any reasonable fee charged by the company for doing so;
 - Your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the AGM, but only as directed by you on this form of proxy;
 - The appointment of your proxy remains valid until the end of the AGM or any adjournment or postponement thereof or for a period of six months, whichever is shortest, unless it is revoked by you before then on the basis set out above.
6. Forms of proxy must be received or lodged by no later than 11:00 on Tuesday, 21 November 2017, being no later than 24 (twenty-four) hours before the AGM to be held at 11:00 on Wednesday, 22 November 2017.
 7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company Secretary or waived by the Chairperson of the AGM. CSDPs or brokers registered in the sub register of the company voting on instructions from beneficial owners of shares registered in the sub register of the company, are requested that they identify the beneficial owner in the sub register on whose behalf they are voting and return a copy of the instruction from such owner to the Company Secretary or to the transfer secretaries, Computershare Investor Services Propriety Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, together with this form of proxy.
 8. Any alteration or correction made to this form of proxy must be initiated by the signatory/ies, but may not be accepted by the Chairperson.
 9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.