

Audited summary consolidated financial results for the year ended 31 March 2016

DISTRIBUTION AND WAREHOUSING NETWORK LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1984/008265/06)

("DAWN" or "the group" or "the company")

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AUDITED SUMMARY CONSOLIDATED FINANCIAL RESULTS

for the year ended 31 March 2016

COMMENTARY

INTRODUCTION

DAWN manufactures and distributes quality branded hardware, sanitaryware, plumbing, kitchen, engineering and civil products through a national branch network in South Africa, as well as in selected countries in the rest of Africa and Mauritius. The group has two main operating segments, building and infrastructure, both supported by the solutions segment.

REPORTING PERIOD

Following the sale in November 2014 of 51% of DAWN's Watertech and Sanware clusters to Grohe Luxemburg Four AG, Europe's largest

and

the world's leading single-brand manufacturer and supplier of sanitary fittings, DAWN changed its year-end to 31 March, resulting in a nine-month reporting period for F2015. As per JSE Listings Requirements, the group is required to report its last published comparative results.

These results therefore report on the 12 months to 31 March 2016 compared to the nine-month period to 31 March 2015.

#### GROUP STRATEGY

DAWN's business model is to be the master distributor in targeted industry sectors. The model's competitive advantage centres on the broad disposable income and population distribution in the markets it serves. This creates a number of barriers to entry for competitors, such as a high establishment cost, together with a requirement for technical expertise in its warehouse and logistics services. Traditional carriers are not geared for break-bulk storage and distribution. Together with DAWN's 100% coverage of southern African markets through its "milk-run" distribution model together with its break-bulk and just-in-time service, is its key competitive advantage.

#### PERIOD UNDER REVIEW

In the interim results to 30 September 2015 DAWN reported significant progress in the implementation of its turnaround strategy. However, the second half of the financial year was severely impacted by a sharp economic slow-down and a slow-down of government spend on water projects, which resulted in losses in a number of businesses.

Grohe DAWN Watertech (GDW), in which DAWN holds a minority (49%) stake, was also impacted by delayed approval of working capital funding which disrupted the supply chain and had an impact on earnings at the associate company investment level as well as on the building trading segment of DAWN, GDW's largest customer.

Lower resource prices, foreign exchange volatility and scarcity, and political instability also impacted adversely on DAWN's rest of Africa business.

Thus, group sales came under severe pressure in the second half.

The management team responded by dropping prices to maintain historical volumes. This only served to exacerbate the impact of the dearth of sales by also reducing gross margins. Although the group's operating expenses were trimmed back aggressively, it has a high fixed cost base which does not allow further cost reductions in the short-term.

Group operating margin therefore decreased from 3,5% in H1 F2016

to a loss for F2016. The subsidiary businesses which moved into losses were Sangio, Incledon, Pro-Max, Kitchen, DAWN Africa and DPI International as well as associate GDW. Total losses after tax (including GDW) amounted to R130,0 million. The company has, therefore, decided to make significant impairments to the carrying value of these investments in these results.

The table below summarises the impact of the impairments and write-downs on attributable earnings:

|  | R'm     | Cents<br>per share |
|--|---------|--------------------|
| Attributable loss as reported            | (762,9) |                    |
| (318,3)                                  |         |                    |
| Net impairments and other HEPS add-backs |         |                    |
| - controlled entities                    | 155,6   | 64,9               |
| Net impairments and other HEPS add-backs |         |                    |
| - associates and joint ventures          | 450,2   | 187,8              |
| Headline loss as reported                | (157,1) |                    |
| (65,6)                                   |         |                    |
| Further write-downs undertaken           |         |                    |
| (not qualifying for HEPS add-back)       |         |                    |
| - controlled entities                    | 155,9   | 65,1               |
| Further write-downs undertaken           |         |                    |

(not qualifying for HEPS add-back)

- associates and joint ventures - -

Core headline loss\* (1,2)

(0,5)

\* Core excludes asset write-downs, identified by management and approved by the board, which stems from the impairment tests performed on the group's various cash-generating units, but do not qualify for HEPS add-backs.

These losses continued into the first quarter of F2017. Under the guidance of new management, the group prioritised plans to halt the losses, move back into profit and bring working capital back to normal levels. A plan to achieve this was approved by the executive committee and the board of directors at the end of June 2016 and significant progress toward these goals is expected during the second quarter of F2017.

Earnings for F2016 are therefore as follows:

- an operating loss before tax, interest, impairments and derecognitions of R23,9 million (9 months F2015 a loss of R80,1 million);
- a headline loss per share of 65,6 cents (9 months F2015 a headline loss of 28,1 cents per share); and
- a loss per share of 318,3 cents (9 months F2015 loss of 202,1

cents per share).

#### INCOME STATEMENT

Revenue for the 12 months increased by 38% to R5,0 billion, compared to the 9 months to 31 March 2015. Volumes declined by 3%, price inflation amounted to 8% with the annualisation of the nine months adding a further notional 33%.

Gross margins decreased to 21,9% from the 23,4% achieved during the nine months to 31 March 2015.

Net operating expenses reduced by 9%, measured against an annualised 2015, reducing the expense to sales ratio from 34,1% in F2015 to 22,4% in F2016. A total of R90 million in costs net of inflation and acquisitive increases (which amounted to R168 million in real terms) have been removed during the year under review.

Group PBIT, after the write-downs that do not qualify for headline earnings add-backs, was a loss of R23,9 million.

Impairments include an appropriate write-down of the group's exposure to the rest of Africa operations.

Net finance costs increased by 2% to R37,1 million (F2015: R36,5 million) excluding the charge of R34,0 million relating to the increase in value associated with the discovery of a written put over the remaining 49% of the equity in Swan Plastics (see

restatements below).

Income from associates and joint ventures decreased to a loss of R5,9 million (F2015: profit of R10,9 million) mainly as a result of the R32,2 million loss (for DAWN's 49%) by GDW.

As a result of the impairments and write-downs, the group's effective tax rate is low at -2,6%.

Non-controlling interests' share of group earnings increased from R1,7 million to R5,0 million, mainly reflecting an earnings increase from Swan Plastics.

The group incurred a net loss after tax, impairments and write-downs of R757,9 million.

#### STATEMENT OF FINANCIAL POSITION

The reduction in net working capital during the 12 months to 31 March 2016 amounted to R55,0 million and a further reduction is targeted in F2017.

The group's net working capital has come down from a high of 65 days in December 2014 to 59 days in March 2016. The group's stated

target for working capital is 55 days. The four days difference amounts to R54 million. Management has, however, identified a further R146 million of working capital reduction opportunities (making a total of R200 million). The table below summarises the

group's working capital movements in days, calculated on a rolling 12-month basis.

|                      | Mar<br>2016 | Sept<br>2015 | Mar<br>2015 | Dec<br>2014 | Comment on working<br>capital days  |
|----------------------|-------------|--------------|-------------|-------------|---|
| Net working capital  | 59          | 57           | 62          | 65          | Solid improvement   |
| Debtors              | 45          | 51           | 49          | 46          | Pressure as industry<br>experiences cash<br>constraints   |
| Stock<br>reduction   | 71          | 69           | 82          | 74          | R134,6 million<br>in stock levels; more<br>planned  |
| Creditors<br>reduced | 57          | 63           | 69          | 55          | Creditor funding<br>in line with recent<br>stock reduction;<br>objective is for stock<br>and creditor days to<br>contract |

The group's net asset value decreased to R1 056,2 million as at 31 March 2016 compared to R1 884,5 million at 31 March 2015. The large reduction in net asset value stems mainly from the net



impairments during the year, amounting to R637 million. Compared to the group's net interest-bearing debt, the financial position has deteriorated to a gearing ratio of 29,5% at 31 March 2016 (8,4% at 31 March 2015).

Short-term debt amounts to R357,4 million (R277,4 million net of cash). Absa Bank Limited has, subsequent to year-end, renewed the R200 million revolving credit facility (out of a total of R300 million working capital facilities) and requires repayment on an amortising profile between 7 October 2016 and 7 October 2017.

DAWN has negotiated to repay R50 million by 31 March 2017 and the balance of R150 million between 1 April 2017 and 7 October 2017 to align repayment commitments with the cash generation of the group.

#### STATEMENT OF CASH FLOWS

Cash generated from operating activities before working capital changes was impacted by the losses incurred in the second half and

decreased to R49,0 million (F2015: R56,6 million). Working capital showed an inflow of R25,3 million (F2015: outflow of R104,3 million). Net finance and tax payments amounted to R58,8 million (F2015: R59,1 million).

Investing and financing activities, however, showed a net inflow

of R53,5 million (F2015: inflow of R103,8 million). Investing activities showed a R89,9 million inflow for the year. Included in this number are the following main items:

- R45,4 million additions to property, plant and equipment and intangible assets. The capital expenditure comprised spend on the software for the new ERP system, capital expenditure on fleet, plant and equipment and an outlay for generators, making the group more resilient to the effects of future power disruptions; and
- R119,5 million inflows from the repayment of loans owed to DAWN by associate investment companies.

Financing activities, on the other hand, amounted to a net outflow of R36,4 million and included:

- R209,2 million in proceeds from debt raising, offset by R207,0 million in repayments of various borrowings and finance leases;
- R30,9 million spent on treasury shares to acquire five million DAWN shares in the open market during F1 H2016; and
- R7,3 million in dividend payments to non-controlling shareholders.

The group closed with a net cash of R69,9 million at 31 March 2016 compared to a net cash of R1,4 million at 31 March 2015.

RESTATEMENTS

During the year under review the comparative results were

restated/reclassified for the following matters:

Restatement

|           | As      | Adden-    | Writ- | Other     |          |
|-----------|---------|-----------|-------|-----------|----------|
| Financial | pre-    | dum       | ten   | restate-  |          |
| statement | viously | to lease  | put   | ments/    |          |
| line item | stated  | agreement | ten   | reclassi- | Restated |
|           |         |           |       | fications |          |

Statement of

changes in

equity

|      |           |      |      |   |    |
|------|-----------|------|------|---|----|
| 2014 | (1 523,0) | 78,5 | 31,2 | - | (1 |
|------|-----------|------|------|---|----|

413,3)

|      |           |      |      |     |    |
|------|-----------|------|------|-----|----|
| 2015 | (2 004,1) | 82,4 | 33,4 | 3,8 | (1 |
|------|-----------|------|------|-----|----|

884,5)

Statement of

financial

position

Non-current

assets

Derivative

financial

|                 |           |        |        |        |           |
|-----------------|-----------|--------|--------|--------|-----------|
| instruments     | 4,0       | -      | -      | 25,9   | 29,9      |
| Deferred tax    | 71,1      | 32,1   | -      | -      | 103,2     |
| Non-current     |           |        |        |        |           |
| liabilities     |           |        |        |        |           |
| Derivative      |           |        |        |        |           |
| financial       |           |        |        |        |           |
| instruments     | -         | -      | (30,0) | (25,9) | (56,0)    |
| Deferred profit | (16,0)    | (23,4) | -      | -      | (39,4)    |
| Trade and       |           |        |        |        |           |
| other           |           |        |        |        |           |
| payables        | -         | -      | (3,3)  | -      | (3,3)     |
| Operating       |           |        |        |        |           |
| lease           |           |        |        |        |           |
| liability       | -         | (91,6) | -      | (13,7) | (105,2)   |
| Current         |           |        |        |        |           |
| liabilities     |           |        |        |        |           |
| Trade and other |           |        |        |        |           |
| payables        | (1 053,2) | -      | -      | 15,4   | (1 037,8) |
| Borrowings      | (501,6)   | -      | -      | (3,8)  | (505,4)   |
| Operating       |           |        |        |        |           |
| lease           |           |        |        |        |           |
| liability       | -         | -      | -      | (1,8)  | (1,8)     |

Deferred

|        |       |     |   |   |       |
|--------|-------|-----|---|---|-------|
| profit | (5,8) | 0,5 | - | - | (5,3) |
|--------|-------|-----|---|---|-------|

Restatement 1

An addendum to the existing lease agreement on the Germiston Distribution Centre in 2009 was not disclosed to the board. As a result, the lease liability had to be restated based on a 15-year lease at an escalation of 8% per annum, ending in December 2023. Payments under the operating lease are recognised as expenses on a straight-line basis over the lease term. The expense treatment, therefore, does not reflect the cash profile of the lease. The difference between the cash and the expense is accounted for as a lease liability. The lease liability of R85,8 million as at 31 March 2016 will reduce during the remaining period of the lease to Rnil. These entries do not affect DAWN's historical or future cash flow and any increases or reduction in the lease liability will not impact on DAWN's cash flow.

Restatement 2

In August 2013, a subsidiary of DAWN gave the remaining 49% shareholders in Swan Plastics Pty Ltd (Swan) the right to put their shares at a 5 price earnings ratio, based on the average of the prior two years' earnings. This written put was not disclosed to the board. The opposite entry to the written put liability is

represented by a debit to equity. The put represents an asset that the minority shareholders' equity in Swan will belong to DAWN shareholders if the written put is triggered. The difference between the final purchase consideration and the value of the non-controlling interest in Swan will be accounted for as part of the change in ownership reserve.

#### Restatement 3

A share-based payment obligation of R3,8 million, previously accounted for as a liability, had to be restated as an element of equity. This incorrect treatment was highlighted by the JSE proactive monitoring process.

#### Other matters

The transactions described above in 1 and 2 were initiated and executed at the time by certain executive directors and senior management, respectively. Both transactions were executed without the knowledge and approval of the board. A reportable

irregularity

has therefore been reported by the external auditors to the Independent Regulatory Board of Auditors with respect to these transactions.

After considering the circumstances of these transactions, as a matter of good governance, the board has instituted the following

corrective actions:

- engaged with external legal counsel to clarify DAWN's legal position with respect to these matters and its relationship

with

- the individuals in question, including DAWN's right of recourse against any relevant individuals;

- engaged with parties involved in the above matters to ensure the

- board acts in the best interests of DAWN;

- accounted for and restated the comparative results in the annual

- financial statements for these transactions; and

- the internal audit department launched detailed investigations into these transactions.

Please refer to note 9 - restatement, reclassification and consistency of presentation - for further disclosure.

The board is confident that it has taken and continues to take all the necessary steps to execute its responsibilities in terms of the Companies Act of South Africa and the principles of good governance as contemplated by the King Code on Corporate Governance.

OPERATIONAL OVERVIEW

Building - 51% of group revenue

The building segment consists of wholly- or majority-owned building trading businesses, associates and joint ventures. The building trading businesses include WHS, DAWN Kitchen, DAWN Africa (DAT), Hamilton's Brushware, Pro-Max Welding Consumables and Business Development. Other associates and joint ventures are GDW, Heunis Steel, DAT Zimbabwe and DAT Tanzania.

Revenue for building trading rose by 38% to R2,5 billion (F2015: R1,8 billion). A 10% price increase was achieved, but volumes declined by 3%, whilst the annualisation from nine months added a notional 31% growth. DAWN's focus on increasing volume over the existing cost base resulted in the acquisition of Hamilton's, Grass and Gardena in the first half of the year under review. WHS maintained profitability despite the tough trading conditions experienced. However, meaningful losses in Pro-Max, DAWN Africa, DAWN Kitchen Fittings and a loss on closure of WiiN detracted from this positive performance. Trading conditions and gross margins are expected to remain under pressure for the foreseeable future. This segment was further negatively impacted by the loss incurred by GDW, which also had a knock-on impact on WHS' profitability.

Grohe experienced severe problems with its investment in China



and, consequently, did not pay sufficient attention to its South African investment. A funding impasse caused a significant impact on the businesses' supply chain and factory recoveries. This was further exacerbated by the lack of Grohe-led exports into Europe and Asia compared to what was initially anticipated. GDW therefore incurred a substantial R32,2 million loss for DAWN's 49% stake in the business. Lixil, Grohe's parent company, has since intervened and implemented management changes. This, together with a funding solution implemented in July 2016, should result in GDW returning to profits in the second quarter of F2017.

Associate Heunis Steel performed in line with expectations and its contribution to group earnings increased by 3%.

The building segment incurred a net loss after tax, impairments and write-downs of R494,6 million.

Infrastructure - 49% of group revenue

The infrastructure segment consists of infrastructure manufacturing (including DPI, DPI International, Swan, Ubuntu and Sangio) and Incledon, a trading business. Associates and joint ventures include Simba, Fibrex and Aqualia.

Revenue amounted to R2,4 billion in the 12 months to 31 March 2016 (F2015: R1,8 billion), an increase of 38%, driven by a 6%

increase in price, but off-set by a 4% decline in volumes, as Sangio's HDPE pipe business, which is exposed to the declining mining industry, and Incedon, which is exposed to declining government water spend, came under severe pressure. The annualisation from nine months added a notional 36% growth. The PVC pipe manufacturers performed reasonably well, with DPI, Swan and Ubuntu increasing profit after tax, but off a weak base in F2015, impacted by strike and power disruptions. Back-up power generation has since been installed. Sangio, the HDPE pipe manufacturer, made a substantial loss, impacted by the abovementioned mining slow-down across Africa. Incedon came under severe pressure during the second half and lost R220 million in revenue compared to H1 F2016, causing overall revenue to decline by 4% year-on-year. This was caused mainly by the mining and civil engineering sector slow-downs. As a result of this decline in revenue, Incedon responded by chasing sales on price, causing gross margins to decline substantially and pushing the business into a substantial loss. The lack of government spend and payments drove a large part of Incedon debtors' book into an overdue situation. Two associate investments in this segment, Aqualia (Mauritius)

and Simba (Tanzania) broke even. Fibrex (Angola) was impacted by a weak economy and the lack of foreign currency, resulting in operating losses, despite a small profit from a property disposal. This business will be closed at the end of the first quarter F2017.

The infrastructure segment incurred a net loss after tax, impairments and write-downs of R219,1 million.

Solutions - 11% of group revenue

Solutions consists of DAWN Logistics (comprising DDC and Cargo), DAWN Human Resources, DAWN Financial Solutions, DAWN Projects, DAWN Business Systems (IT) and DAWN Marketing (DMD).

Revenue for solutions grew by 50% to R571,4 million in the 12 months to 31 March 2016 (F2015: R380,1 million). This represents a 9% growth in price and a 7% improvement in volume, whilst the annualisation from nine months to 12 months added a notional 34% growth.

Logistics achieved an operational break-even, as a result of improved operating efficiencies stemming from the new IT systems implemented and optimised over the last couple of periods. The group believes that the footprint of this operation can be further leveraged for cost and working capital optimisation. Other

services performed in line with expectation and continue to focus on growing its non-group and rest of Africa footprint. In-group cost-cutting initiatives led to less recruitment and training activity for DAWN Human Resources.

The solutions segment incurred a net loss after tax, impairments and write-downs of R44,9 million.

Head office and consolidation - -11% of group revenue

Head office consists of the head office team costs and the consolidation entries required to account for unrealised profits stemming from significant inter-group trading. A net profit after tax, impairments and write-downs of R0,7 million was recorded.

#### OUTLOOK

New management has been introduced in key operational positions, including the CEO position. Stephen Connelly joined the board as interim chief executive officer on 1 June 2016, initially on a six-month appointment, which has now been extended to 12 months.

It is anticipated that economic conditions in South Africa and neighbouring countries will remain very difficult for some time.

Sales will therefore remain under pressure. Most of the loss-making businesses will unfortunately continue to make losses in Q1 F2017.

The main focus in Q2 will be:

1. WHS - increasing the gross margin;
2. Incedon - stemming losses;
3. GDW - return to profitability; and
4. Cash flow - reducing excess working capital.

On the cost front, 1 July salary increases have been foregone and a hiring freeze instituted and other cost-cutting opportunities are being explored. An objective has been set to move operating profit margins in the direction of 5% in the trading and 12% in the manufacturing businesses.

In the medium-term, duplicated activities will be eliminated and central services costs challenged and benchmarked. Securing supplier loyalty will be a priority. The focus of the business will be changed to profits and returns, not sales. Non-core businesses will be disposed of and a culture of accountability will be instilled in the business.

The board believes that these steps, whilst not an immediate fix for the group's woes, should deliver benefits for stakeholders in the medium-term.

Any forward-looking statement in these results have not been reviewed or audited by the company's auditors.

#### CHANGES TO THE BOARD AND MANAGEMENT TEAM

The following changes have taken place at board level at DAWN:

- the financial director, Dries Ferreira, resigned from DAWN on

14

July 2016, but agreed to remain in employment until 31 October

2016 to ensure a smooth transition;

- the appointment of Hanré Bester on 14 July 2016 as acting

financial director until a permanent appointment is made; and

- the risk and compliance officer, an executive director, Jan

Beukes, resigned from DAWN on 14 July 2016, but agreed to

remain

In employment until 31 October 2016 to ensure a smooth

transition.

Other management team changes

Departures

Arrivals

Derek Tod

Stephen Connelly

(chief executive officer)

(interim chief executive

officer)

Resigned 31 May 2016

Appointed 1 June 2016

Collin Bishop

(chief operating officer)

Resigned 31 May 2015

Gerhard Kotzee (chief executive

Stephen du Toit

infrastructure and Africa and

(non-board member)

|   |  |
|---|--|
| board member)   | Appointed 1 April 2016                         |
| Resigned 29 February 2016   |  |
| Board of directors  |  |
| Departures  | Arrivals                                       |
| Diederik Fouché (chairperson)   | Appointed 1 November 2015                      |
| Saleh Mayet (audit committee<br>chairperson, independent<br>non-executive)        | Appointed 29 May 2015                          |
| George Nakos (non-executive)  | Appointed 12 November 2015                     |
| Stephen Connelly (interim<br>chief executive officer)                             | Appointed 1 June 2016                          |
| Hanré Bester<br>(acting financial director)                                       | Appointed 14 July 2016                         |
| René Roos (executive director)  | 6 years' service                               |
| Lou Alberts (remuneration<br>committee chairperson,<br>independent non-executive) | 15 years' service                              |
| Veli Mokoena (non-executive)  | 10 years' service (including<br>previous term) |
| Dinga Mncube<br>(independent non-executive)                                       | 2 years' service                               |

The board wishes to thank the outgoing board members for their

contribution to DAWN over the years and welcomes the new board members who have already started making a meaningful contribution to the group.

For and on behalf of the board

Diederik Fouché

Hanré Bester

Non-executive chairman

Acting financial director

14 July 2016

Germiston

#### AUDITED SUMMARY CONSOLIDATED INCOME STATEMENT

for the 12 months ended 31 March 2016

|                        |             | Audited     |
|------------------------|-------------|-------------|
|                        | Audited     | restated    |
|                        | 12 months   | 9 months    |
|                        | ended       | ended       |
|                        | 31 March    | 31 March    |
|                        | 2016        | 2015        |
|                        | R'000       | R'000       |
| Revenue                | 4 993 092   | 3 616 640   |
| Cost of sales          | (3 897 870) | (2 771 312) |
| Gross profit           | 1 095 222   | 845 328     |
| Operating expenses     | (1 161 020) | (945 223)   |
| Other operating income | 41 850      | 19 830      |



|  |           |           |
|--|-----------|-----------|
| Operating (loss)/profit before           |           |           |
| impairments and derecognitions of        |           |           |
| previously held interests                | (23 948)  | (80 065)  |
| Net (loss)/gain on derecognition of      |           |           |
| subsidiaries                             | (4 592)   | 637 370   |
| Impairments                              | (632 818) | (102 982) |
| Operating (loss)/profit                  | (661 358) | 454 323   |
| Finance income                           | 3 460     | 15 710    |
| Finance expenses                         | (74 530)  | (52 194)  |
| (Loss)/profit after net financing costs  | (732 428) | 417 839   |
| Share of (loss)/profit in investments    |           |           |
| accounted for using the equity method    | (5 891)   | 10 877    |
| (Loss)/profit before taxation            | (738 319) | 428 716   |
| Income tax (expense)/income              | (19 613)  | 23 328    |
| (Loss)/profit from continuing operations | (757 932) | 452 044   |
| Profit from discontinued operations      | -         | 27 438    |
| (Loss)/profit for the year               | (757 932) | 479 482   |
| (Loss)/profit attributable to:           |           |           |
| Owners of the parent                     | (762 936) | 479 120   |
| Non-controlling interests                | 5 004     | 362       |
| (Loss)/profit for the year               | (757 932) | 479 482   |
| Earnings per share (cents)               | (318,31)  | 202,11    |

|                                    |          |        |
|------------------------------------|----------|--------|
| Diluted earnings per share (cents) | (317,34) | 200,25 |
|------------------------------------|----------|--------|

AUDITED SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 12 months ended 31 March 2016

|                            | Audited   | Audited  |
|----------------------------|-----------|----------|
|                            | 12 months | 9 months |
|                            | ended     | ended    |
|                            | 31 March  | 31 March |
|                            | 2016      | 2015     |
|                            | R'000     | R'000    |
| (Loss)/profit for the year | (757 932) | 479 482  |

Other comprehensive income

Items that will not be reclassified to

profit or loss:

|   |       |      |
|---|-------|------|
| Effects of retirement benefit obligations | 1 009 | (43) |
|---|-------|------|

|                        |       |    |
|------------------------|-------|----|
| Tax-related components | (282) | 12 |
|------------------------|-------|----|

|  |     |      |
|--|-----|------|
|  | 727 | (31) |
|--|-----|------|

Items that may be subsequently

reclassified to profit or loss:

Exchange differences recycled through

|             |         |         |
|-------------|---------|---------|
| profit/loss | (6 611) | (2 972) |
|-------------|---------|---------|

Exchange differences on translating

|                                     |           |         |
|-------------------------------------|-----------|---------|
| foreign operations                  | 626       | 277     |
| Cash flow hedging reserve           | (1 023)   | -       |
| Tax-related components              | 286       | -       |
|                                     | (6 722)   | (2 695) |
| Total other comprehensive loss      | (5 995)   | (2 726) |
| Total comprehensive (loss)/income   | (763 927) | 476 756 |
| Total comprehensive (loss)/income   |           |         |
| attributable to:                    |           |         |
| Owners of the parent                | (768 931) | 476 394 |
| Non-controlling interests           | 5 004     | 362     |
|                                     | (763 927) | 476 756 |
| Total comprehensive income          |           |         |
| attributable to equity shareholders |           |         |
| arising from:                       |           |         |
| Continuing operations               | (768 931) | 448 956 |
| Discontinued operations             | -         | 27 438  |
|                                     | (768 931) | 476 394 |

AUDITED SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2016

|          |          |          |
|----------|----------|----------|
|          | Audited  | Audited  |
|          | Audited  | restated |
|          | restated | restated |
| 31 March | 31 March | 30 June  |

|                             | 2016      | 2015      | 2014      |
|-----------------------------|-----------|-----------|-----------|
|                             | R'000     | R'000     | R'000     |
| ASSETS                      |           |           |           |
| Non-current assets          |           |           |           |
| Property, plant and         |           |           |           |
| equipment                   | 236 278   | 252 379   | 208 621   |
| Intangible assets           | 66 433    | 149 060   | 175 326   |
| Investments in associates   |           |           |           |
| and joint ventures          | 453 496   | 913 635   | 141 883   |
| Derivative financial        |           |           |           |
| instruments                 | 34 380    | 29 890    | -         |
| Deferred tax assets         | 98 400    | 103 157   | 70 069    |
|                             | 888 987   | 1 448 121 | 595 899   |
| Current assets              |           |           |           |
| Inventories                 | 800 082   | 930 543   | 665 107   |
| Trade and other receivables | 910 020   | 1 144 320 | 1 007 731 |
| Cash and cash equivalents   | 80 006    | 197 770   | 154 123   |
| Derivative financial        |           |           |           |
| instruments                 | 249       | 44        | 223       |
| Current tax assets          | 6 300     | 3 880     | 7 988     |
|                             | 1 796 657 | 2 276 557 | 1 835 172 |
| Assets of disposal group    |           |           |           |

|                               |           |           |           |
|-------------------------------|-----------|-----------|-----------|
| classified as                 |           |           |           |
| held-for-sale                 | -         | 34 337    | 1 212 274 |
| Total assets                  | 2 685 644 | 3 759 015 | 3 643 345 |
| EQUITY AND LIABILITIES        |           |           |           |
| Equity                        |           |           |           |
| Capital and reserves          |           |           |           |
| attributable to equity        |           |           |           |
| holders of the company        |           |           |           |
| Share capital                 | 2 422     | 2 422     | 2 422     |
| Share premium                 | 373 748   | 373 748   | 373 748   |
| Retained income               | 646 222   | 1 417 371 | 983 627   |
| Treasury shares               | (30 875)  | -         | (6 733)   |
| Share-based payment reserve   | 39 561    | 65 915    | 40 256    |
| Hedging reserve               | (737)     | -         | -         |
| Foreign currency translation  |           |           |           |
| reserve                       | (6 267)   | (282)     | 2 413     |
| Change in ownership reserve   | (8 020)   | (8 378)   | (17 989)  |
| Retirement benefit obligation |           |           |           |
| reserve                       | 494       | (233)     | (202)     |
| Share capital and             |           |           |           |
| reserves                      | 1 016 548 | 1 850 563 | 1 377 542 |
| Non-controlling interests     | 39 664    | 33 974    | 35 756    |

|                               |           |           |           |
|-------------------------------|-----------|-----------|-----------|
| Total equity                  | 1 056 212 | 1 884 537 | 1 413 298 |
| Liabilities                   |           |           |           |
| Non-current liabilities       |           |           |           |
| Borrowings                    | 75 859    | 65 471    | 447 090   |
| Derivative financial          |           |           |           |
| instruments                   | 89 454    | 55 980    | 28 111    |
| Deferred profit               | 34 076    | 39 403    | 41 000    |
| Deferred tax liability        | 22 185    | 17 969    | 22 804    |
| Retirement benefit obligation | 5 100     | 6 035     | 5 820     |
| Share-based payment           |           |           |           |
| liabilities                   | 4 883     | -         | -         |
| Operating lease liabilities   | 110 363   | 105 236   | 98 643    |
| Trade and other payables      | 7 114     | 3 338     | 3 123     |
|                               | 349 034   | 293 432   | 646 591   |
| Current liabilities           |           |           |           |
| Trade and other payables      | 890 581   | 1 037 780 | 974 319   |
| Borrowings                    | 357 381   | 505 385   | 303 943   |
| Operating lease liabilities   | 2 776     | 1 754     | -         |
| Derivative financial          |           |           |           |
| instruments                   | 8 664     | -         | 23        |
| Deferred profit               | 5 327     | 5 327     | 5 393     |
| Current tax liabilities       | 7 728     | 12 463    | 2 872     |

Share-based payment

|             |           |           |           |
|-------------|-----------|-----------|-----------|
| liabilities | 7 941     | -         | -         |
|             | 1 280 398 | 1 562 709 | 1 286 550 |

Liabilities directly

associated with assets

|               |   |        |         |
|---------------|---|--------|---------|
| held-for-sale | - | 18 337 | 296 906 |
|---------------|---|--------|---------|

|                   |           |           |           |
|-------------------|-----------|-----------|-----------|
| Total liabilities | 1 629 432 | 1 874 478 | 2 230 047 |
|-------------------|-----------|-----------|-----------|

Total equity and

|             |           |           |           |
|-------------|-----------|-----------|-----------|
| liabilities | 2 685 644 | 3 759 015 | 3 643 345 |
|-------------|-----------|-----------|-----------|

Net asset value per

|               |        |        |        |
|---------------|--------|--------|--------|
| share (cents) | 440,66 | 794,97 | 602,64 |
|---------------|--------|--------|--------|

Net tangible asset value

|                   |        |        |        |
|-------------------|--------|--------|--------|
| per share (cents) | 412,95 | 788,68 | 527,88 |
|-------------------|--------|--------|--------|

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 12 months ended 31 March 2016

Attributable to owners of the parent

|  | Share<br>capital | Share<br>premium | Treasury<br>shares | Share-<br>based<br>payment<br>reserve |
|--|------------------|------------------|--------------------|---------------------------------------|
|  | R'000            | R'000            | R'000              | R'000                                 |

Balance at

|                       |       |         |         |        |
|-----------------------|-------|---------|---------|--------|
| 1 July 2014           |       |         |         |        |
| as reported           | 2 422 | 373 748 | (6 733) | 40 256 |
| Restatements          | -     | -       | -       | -      |
| Restatement 1 -       |       |         |         |        |
| Operating lease       |       |         |         |        |
| liabilities and       |       |         |         |        |
| deferred profit       | -     | -       | -       | -      |
| Restatement 2 -       |       |         |         |        |
| Written put           | -     | -       | -       | -      |
| Balance at            |       |         |         |        |
| 1 July 2014           |       |         |         |        |
| as restated           | 2 422 | 373 748 | (6 733) | 40 256 |
| Total comprehensive   |       |         |         |        |
| income for the period | -     | -       | -       | -      |
| Profit for the period | -     | -       | -       | -      |
| - Continuing          |       |         |         |        |
| operations            | -     | -       | -       | -      |
| - Discontinued        |       |         |         |        |
| operations            | -     | -       | -       | -      |
| Other comprehensive   |       |         |         |        |
| income for the period | -     | -       | -       | -      |
| Dividends paid        | -     | -       | -       | -      |



|                        |   |   |         |          |
|------------------------|---|---|---------|----------|
| Total contributions by |   |   |         |          |
| and distributions to   |   |   |         |          |
| owners of the company  |   |   |         |          |
| recognised directly    |   |   |         |          |
| in equity              | - | - | 6 733   | 25 659   |
| Share-based payment    |   |   |         |          |
| - charge for the       |   |   |         |          |
| period                 | - | - | -       | 30 592   |
| Share-based payment    |   |   |         |          |
| - vesting of options   | - | - | 14 717  | (14 717) |
| Treasury shares        |   |   |         |          |
| acquired               | - | - | (7 984) | -        |
| Dividends paid to      |   |   |         |          |
| non-controlling        |   |   |         |          |
| interests              | - | - | -       | -        |
| Transactions with      |   |   |         |          |
| non-controlling        |   |   |         |          |
| interests              | - | - | -       | -        |
| Business combinations  | - | - | -       | -        |
| Transfer from          |   |   |         |          |
| liabilities            | - | - | -       | 9 560    |
| Derecognition of       |   |   |         |          |

|                     |       |         |   |         |
|---------------------|-------|---------|---|---------|
| subsidiary          | -     | -       | - | 224     |
| Derecognition of    |       |         |   |         |
| joint venture       | -     | -       | - | -       |
| Foreign currency    |       |         |   |         |
| translation reserve | -     | -       | - | -       |
| Balance at          |       |         |   |         |
| 31 March 2015       |       |         |   |         |
| as restated         | 2 422 | 373 748 | - | 65 915  |
| Balance at          |       |         |   |         |
| 1 April 2015        |       |         |   |         |
| as reported         | 2 422 | 373 748 | - | 69 695  |
| Restatements        | -     | -       | - | (3 780) |
| Restatement 1 to 3  |       |         |   |         |
| - Prior year impact | -     | -       | - | -       |
| Restatement 1 -     |       |         |   |         |
| Operating lease     |       |         |   |         |
| liabilities and     |       |         |   |         |
| deferred profit     | -     | -       | - | -       |
| Restatement 2       |       |         |   |         |
| - Written put       | -     | -       | - | -       |
| Restatement 3 -     |       |         |   |         |
| Acquisition vendor  | -     | -       | - | (3 780) |

Balance at

1 April 2015

|                          |       |         |          |          |
|--------------------------|-------|---------|----------|----------|
| as restated              | 2 422 | 373 748 | -        | 65 915   |
| Total comprehensive      |       |         |          |          |
| income for the year      | -     | -       | -        | -        |
| Profit for the year      | -     | -       | -        | -        |
| Other comprehensive      |       |         |          |          |
| income for the year      | -     | -       | -        | -        |
| Dividends paid           | -     | -       | -        | -        |
| Total contributions      |       |         |          |          |
| by and distributions     |       |         |          |          |
| to owners of the         |       |         |          |          |
| company recognised       |       |         |          |          |
| directly in equity       | -     | -       | (30 875) | (26 354) |
| Share-based payment      |       |         |          |          |
| - charge for the year    | -     | -       | -        | 27       |
| Treasury shares acquired | -     | -       | (30 875) | -        |
| Transfer to liability    | -     | -       | -        | (26 381) |
| Transactions with        |       |         |          |          |
| non-controlling          |       |         |          |          |
| interests                | -     | -       | -        | -        |
| Business combinations    | -     | -       | -        | -        |

Balance at

31 March 2016                    2 422        373 748        (30 875)        39 561

Attributable to owners of the parent

|                    | Foreign<br>currency<br>trans-<br>lation<br>reserve | Change<br>in<br>owner-<br>ship<br>obligation<br>reserve | Retire-<br>ment<br>benefit<br>reserve |
|--------------------|--|---|---------------------------------------|
| Hedging<br>reserve | R'000  | R'000   | R'000                                 |

Balance at

1 July 2014

as reported                    -            2 413            (17 989)            (202)

Restatements                    -            -            -            -

Restatement 1 -

Operating lease

liabilities and

deferred profit                    -            -            -            -

Restatement 2 -

Written put                    -            -            -            -

Balance at

1 July 2014

as restated                    -            2 413            (17 989)            (202)

|                        |   |         |       |      |
|------------------------|---|---------|-------|------|
| Total comprehensive    |   |         |       |      |
| income for the period  | - | (2 695) | -     | (31) |
| Profit for the period  | - | -       | -     | -    |
| - Continuing           |   |         |       |      |
| operations             | - | -       | -     | -    |
| - Discontinued         |   |         |       |      |
| operations             | - | -       | -     | -    |
| Other comprehensive    |   |         |       |      |
| income for the period  | - | (2 695) | -     | (31) |
| Dividends paid         | - | -       | -     | -    |
| Total contributions by |   |         |       |      |
| and distributions to   |   |         |       |      |
| owners of the company  |   |         |       |      |
| recognised directly    |   |         |       |      |
| in equity              | - | -       | 9 611 | -    |
| Share-based payment    |   |         |       |      |
| - charge for the       |   |         |       |      |
| period                 | - | -       | -     | -    |
| Share-based payment    |   |         |       |      |
| - vesting of options   | - | -       | -     | -    |
| Treasury shares        |   |         |       |      |
| acquired               | - | -       | -     | -    |

|                       |   |       |         |       |
|-----------------------|---|-------|---------|-------|
| Dividends paid to     |   |       |         |       |
| non-controlling       |   |       |         |       |
| interests             | - | -     | -       | -     |
| Transactions with     |   |       |         |       |
| non-controlling       |   |       |         |       |
| interests             | - | -     | (8 057) | -     |
| Business combinations | - | -     | -       | -     |
| Transfer from         |   |       |         |       |
| liabilities           | - | -     | -       | -     |
| Derecognition of      |   |       |         |       |
| subsidiary            | - | -     | 17 172  | -     |
| Derecognition of      |   |       |         |       |
| joint venture         | - | -     | 496     | -     |
| Foreign currency      |   |       |         |       |
| translation reserve   | - | -     | -       | -     |
| Balance at            |   |       |         |       |
| 31 March 2015         |   |       |         |       |
| as restated           | - | (282) | (8 378) | (233) |
| Balance at            |   |       |         |       |
| 1 April 2015          |   |       |         |       |
| as reported           | - | (282) | (8 378) | (233) |
| Restatements          | - | -     | -       | -     |

|                      |       |         |         |       |
|----------------------|-------|---------|---------|-------|
| Restatement 1 to 3   |       |         |         |       |
| - Prior year impact  | -     | -       | -       | -     |
| Restatement 1 -      |       |         |         |       |
| Operating lease      |       |         |         |       |
| liabilities and      |       |         |         |       |
| deferred profit      | -     | -       | -       | -     |
| Restatement 2        |       |         |         |       |
| - Written put        | -     | -       | -       | -     |
| Restatement 3 -      |       |         |         |       |
| Acquisition vendor   | -     | -       | -       | -     |
| Balance at           |       |         |         |       |
| 1 April 2015         |       |         |         |       |
| as restated          | -     | (282)   | (8 378) | (233) |
| Total comprehensive  |       |         |         |       |
| income for the year  | (737) | (5 985) | -       | 727   |
| Profit for the year  | -     | -       | -       | -     |
| Other comprehensive  |       |         |         |       |
| income for the year  | (737) | (5 985) | -       | 727   |
| Dividends paid       | -     | -       | -       | -     |
| Total contributions  |       |         |         |       |
| by and distributions |       |         |         |       |
| to owners of the     |       |         |         |       |

|                          |       |         |         |     |
|--------------------------|-------|---------|---------|-----|
| company recognised       |       |         |         |     |
| directly in equity       | -     | -       | 358     | -   |
| Share-based payment      |       |         |         |     |
| - charge for the year    | -     | -       | -       | -   |
| Treasury shares acquired | -     | -       | -       | -   |
| Transfer to liability    | -     | -       | -       | -   |
| Transactions with        |       |         |         |     |
| non-controlling          |       |         |         |     |
| interests                | -     | -       | 358     | -   |
| Business combinations    | -     | -       | -       | -   |
| Balance at               |       |         |         |     |
| 31 March 2016            | (737) | (6 267) | (8 020) | 494 |

|             |                      |           |           |           |
|-------------|----------------------|-----------|-----------|-----------|
|             | Attributable to      |           |           |           |
|             | owners of the parent |           |           |           |
|             |                      | Equity    | Non-      |           |
|             |                      | attribu-  | control-  |           |
|             | Retained             | table to  | ling      |           |
|             | earnings             | company   | interests | Total     |
|             | R'000                | R'000     | R'000     | R'000     |
| Balance at  |                      |           |           |           |
| 1 July 2014 |                      |           |           |           |
| as reported | 1 093 315            | 1 487 230 | 35 756    | 1 522 986 |



|                     |           |           |        |           |
|---------------------|-----------|-----------|--------|-----------|
| Restatements        | (109 688) | (109 688) | -      | (109 688) |
| Restatement 1 -     |           |           |        |           |
| Operating lease     |           |           |        |           |
| liabilities and     |           |           |        |           |
| deferred profit     | (78 452)  | (78 452)  | -      | (78 452)  |
| Restatement 2 -     |           |           |        |           |
| Written put         | (31 236)  | (31 236)  | -      | (31 236)  |
| Balance at          |           |           |        |           |
| 1 July 2014         |           |           |        |           |
| as restated         | 983 627   | 1 377 542 | 35 756 | 1 413 298 |
| Total comprehensive |           |           |        |           |
| income for          |           |           |        |           |
| the period          | 479 120   | 476 394   | 377    | 476 771   |
| Profit for the      |           |           |        |           |
| period              | 479 120   | 479 120   | 377    | 479 497   |
| - Continuing        |           |           |        |           |
| operations          | 451 682   | 451 682   | 362    | 452 044   |
| - Discontinued      |           |           |        |           |
| operations          | 27 438    | 27 438    | 15     | 27 453    |
| Other comprehensive |           |           |        |           |
| income for the      |           |           |        |           |
| period              | -         | (2 726)   | -      | (2 726)   |

|                       |          |          |         |          |
|-----------------------|----------|----------|---------|----------|
| Dividends paid        | (40 017) | (40 017) | -       | (40 017) |
| Total contributions   |          |          |         |          |
| by and distributions  |          |          |         |          |
| to owners of the      |          |          |         |          |
| company recognised    |          |          |         |          |
| directly in equity    | (5 359)  | 36 644   | (2 159) | 34 485   |
| Share-based payment   |          |          |         |          |
| - charge for the      |          |          |         |          |
| period                | 3 599    | 34 191   | -       | 34 191   |
| Share-based payment   |          |          |         |          |
| - vesting of          |          |          |         |          |
| options               | (8 958)  | (8 958)  | -       | (8 958)  |
| Treasury shares       |          |          |         |          |
| acquired              | -        | (7 984)  | -       | (7 984)  |
| Dividends paid to     |          |          |         |          |
| non-controlling       |          |          |         |          |
| interests             | -        | -        | (447)   | (447)    |
| Transactions with     |          |          |         |          |
| non-controlling       |          |          |         |          |
| interests             | -        | (8 057)  | (2 538) | (10 595) |
| Business combinations | -        | -        | 727     | 727      |
| Transfer from         |          |          |         |          |

|                     |           |           |        |           |
|---------------------|-----------|-----------|--------|-----------|
| liabilities         | -         | 9 560     | -      | 9 560     |
| Derecognition of    |           |           |        |           |
| subsidiary          | -         | 17 396    | -      | 17 396    |
| Derecognition of    |           |           |        |           |
| joint venture       | -         | 496       | -      | 496       |
| Foreign currency    |           |           |        |           |
| translation reserve | -         | -         | 99     | 99        |
| Balance at          |           |           |        |           |
| 31 March 2015       |           |           |        |           |
| as restated         | 1 417 371 | 1 850 563 | 33 974 | 1 884 537 |
| Balance at          |           |           |        |           |
| 1 April 2015        |           |           |        |           |
| as reported         | 1 533 177 | 1 970 149 | 33 974 | 2 004 123 |
| Restatements        | (115 806) | (119 586) | -      | (119 586) |
| Restatement 1 to 3  |           |           |        |           |
| - Prior year        |           |           |        |           |
| impact              | (109 688) | (109 688) | -      | (109 688) |
| Restatement 1 -     |           |           |        |           |
| Operating lease     |           |           |        |           |
| liabilities and     |           |           |        |           |
| deferred profit     | (3 976)   | (3 976)   | -      | (3 976)   |
| Restatement 2       |           |           |        |           |

|                       |           |           |        |           |
|-----------------------|-----------|-----------|--------|-----------|
| - Written put         | (2 142)   | (2 142)   | -      | (2 142)   |
| Restatement 3 -       |           |           |        |           |
| Acquisition vendor    | -         | (3 780)   | -      | (3 780)   |
| Balance at            |           |           |        |           |
| 1 April 2015          |           |           |        |           |
| as restated           | 1 417 371 | 1 850 563 | 33 974 | 1 884 537 |
| Total comprehensive   |           |           |        |           |
| income for the        |           |           |        |           |
| year                  | (762 936) | (768 931) | 4 589  | (764 342) |
| Profit for the        |           |           |        |           |
| year                  | (762 936) | (762 936) | 5 004  | (757 932) |
| Other comprehensive   |           |           |        |           |
| income for the year   |           |           |        |           |
|                       | -         | (5 995)   | (415)  | (6 410)   |
| Dividends paid        | (7 260)   | (7 260)   | -      | (7 260)   |
| Total contributions   |           |           |        |           |
| by and distributions  |           |           |        |           |
| to owners of the      |           |           |        |           |
| company recognised    |           |           |        |           |
| directly in equity    | (953)     | (57 824)  | 686    | (56 723)  |
| Share-based payment   |           |           |        |           |
| - charge for the year | (953)     | (926)     | -      | (926)     |
| Treasury shares       |           |           |        |           |

|                       |         |           |        |           |
|-----------------------|---------|-----------|--------|-----------|
| acquired              | -       | (30 875)  | -      | (30 875)  |
| Transfer to liability | -       | (26 381)  | -      | (26 381)  |
| Transactions with     |         |           |        |           |
| non-controlling       |         |           |        |           |
| interests             | -       | 358       | (823)  | (465)     |
| Business combinations | -       | -         | 1 924  | 1 924     |
| Balance at            |         |           |        |           |
| 31 March 2016         | 646 222 | 1 016 548 | 39 664 | 1 056 212 |

AUDITED STATEMENT OF CASH FLOWS

for the 12 months ended 31 March 2016

|                                      | Audited   |           |
|--------------------------------------|-----------|-----------|
|                                      | Audited   | restated  |
|                                      | 12 months | 9 months  |
|                                      | ended     | ended     |
|                                      | 31 March  | 31 March  |
|                                      | 2016      | 2015      |
|                                      | R'000     | R'000     |
| Cash flows from operating activities |           |           |
| Cash generated from operations       | 74 306    | (240 910) |
| Finance income received              | 3 460     | 11 839    |
| Finance expense paid                 | (41 318)  | (52 403)  |
| Income tax paid                      | (20 950)  | (18 453)  |

|   |          |           |
|---|----------|-----------|
| Dividends received                      | -        | -         |
| Net cash generated from/(utilised in)   |          |           |
| operating activities                    | 15 498   | (299 927) |
| Cash flows from investing activities    |          |           |
| Additions to property, plant and        |          |           |
| equipment                               | (41 534) | (46 414)  |
| Additions and development of            |          |           |
| intangible assets                       | (3 847)  | (29 200)  |
| Proceeds on disposals of property,      |          |           |
| plant and equipment                     | 6 245    | 14 182    |
| Acquisition of businesses through       |          |           |
| business combinations                   | (7 003)  | (43 642)  |
| Acquisition of interest in associates   | -        | (20 982)  |
| Loan advances granted to joint          |          |           |
| ventures and associates                 | -        | (64 204)  |
| Loan proceeds from joint ventures       |          |           |
| and associates                          | 119 487  | -         |
| Proceeds on derecognition of investment |          |           |
| in Grohe DAWN Watertech                 | -        | 880 000   |
| Disposal of held-for-sale asset         | 16 000   | -         |
| Dividends received from                 |          |           |
| associates/joint ventures               | 567      | -         |

|  |           |           |
|--|-----------|-----------|
| Net cash generated by                  |           |           |
| investing activities                   | 89 915    | 689 740   |
| Cash flows from financing activities   |           |           |
| Proceeds from borrowings               | 209 178   | 235 852   |
| Repayment of borrowings                | (179 129) | (726 051) |
| Instalment sale payments               | (15 342)  | (24 865)  |
| Finance lease payments                 | (12 525)  | (9 733)   |
| Treasury shares acquired               | (30 875)  | (7 984)   |
| Acquisition of non-controlling         |           |           |
| interest                               | (465)     | (12 168)  |
| Dividends paid to non-controlling      |           |           |
| interest holders                       | (7 260)   | (447)     |
| Dividends paid                         | -         | (40 017)  |
| Net cash utilised in                   |           |           |
| financing activities                   | (36 418)  | (585 413) |
| Total cash movement for the year       | 68 995    | (195 600) |
| Translation effects on foreign cash    |           |           |
| and cash equivalents balances          | (531)     | (518)     |
| Cash and cash equivalents of           |           |           |
| held-for-sale group derecognized       | -         | (4 282)   |
| Cash and cash equivalents of disposal  |           |           |
| group held-for-sale at end of the year | -         | 80 063    |

Cash and cash equivalents at

|                       |       |         |
|-----------------------|-------|---------|
| beginning of the year | 1 428 | 121 765 |
|-----------------------|-------|---------|

Cash and cash equivalents at

|                 |        |       |
|-----------------|--------|-------|
| end of the year | 69 892 | 1 428 |
|-----------------|--------|-------|

Consolidated

AUDITED SEGMENTAL ANALYSIS

for the 12 months ended 31 March 2016

BUILDING

Discon-(3)

|  | Continuing | Discon-    |       |
|--|------------|------------|-------|
|  | operations | tinued     | Total |
|  | operations | operations | Total |
|  | R'000      | R'000      | R'000 |

12 months ended

31 March 2016

|         |           |   |           |
|---------|-----------|---|-----------|
| Revenue | 2 530 920 | - | 2 530 920 |
|---------|-----------|---|-----------|

Depreciation and

|              |          |   |          |
|--------------|----------|---|----------|
| amortization | (11 974) | - | (11 974) |
|--------------|----------|---|----------|

Operating (loss)/profit

before impairments

and derecognitions of

|                           |          |   |          |
|---------------------------|----------|---|----------|
| previously held interests | (54 128) | - | (54 128) |
|---------------------------|----------|---|----------|

Impairments and



|                           |           |         |           |
|---------------------------|-----------|---------|-----------|
| derecognitions of         |           |         |           |
| previously held interests | (410 406) | -       | (410 406) |
| Operating (loss)/profit   |           |         |           |
| after impairments         |           |         |           |
| and derecognitions of     |           |         |           |
| previously held interests | (464 534) | -       | (464 534) |
| Net finance expense       | (25 766)  | -       | (25 766)  |
| Share of (losses)/profit  |           |         |           |
| from associates           |           |         |           |
| and joint ventures        | (12 171)  | -       | (12 171)  |
| Tax income/(expense)      | 7 880     | -       | 7 880     |
| Net (loss)/profit after   |           |         |           |
| tax from continuing       |           |         |           |
| operations                | (494 591) | -       | (494 591) |
| Assets                    | 1 157 172 | -       | 1 157 172 |
| Liabilities               | 1 394 930 | -       | 1 394 930 |
| Capital expenditure(2)    | 6 379     | -       | 6 379     |
| 9 months ended            |           |         |           |
| 31 March 2015             |           |         |           |
| (Restated)                |           |         |           |
| Revenue                   | 1 826 897 | 334 681 | 2 161 578 |
| Depreciation and          |           |         |           |

|                             |          |         |          |
|-----------------------------|----------|---------|----------|
| amortization                | (9 544)  | (9 660) | (19 204) |
| Operating profit/(loss)     |          |         |          |
| before impairments and      |          |         |          |
| derecognition of previously |          |         |          |
| held interests              | 30 750   | 37 521  | 68 271   |
| Impairments and             |          |         |          |
| derecognitions of           |          |         |          |
| previously held interests   | (9 606)  | -       | (9 606)  |
| Operating profit/(loss)     |          |         |          |
| after impairments and       |          |         |          |
| derecognitions of           |          |         |          |
| previously held interests   | 21 144   | 37 521  | 58 665   |
| Net finance                 |          |         |          |
| (expense)/income            | (20 318) | (3 077) | (23 395) |
| Share of profit/(losses)    |          |         |          |
| from associates and         |          |         |          |
| joint ventures              | 18 751   | 1 214   | 19 965   |
| Tax (expense)/income        | (3 633)  | (9 731) | (13 364) |
| Net profit/(loss) after     |          |         |          |
| tax from continuing         |          |         |          |
| operations                  | 15 944   | -       | 15 944   |
| Net profit after tax        |          |         |          |

|                           |           |           |             |
|---------------------------|-----------|-----------|-------------|
| from discontinued         |           |           |             |
| operations                | -         | 25 913    | 25 913      |
| Assets                    | 1 591 137 | -         | 1 591 137   |
| Liabilities               | 1 344 514 | -         | 1 344 514   |
| Capital expenditure(2)    | 8 325     | 35 917    | 44 242      |
|                           |           |           | Corporate   |
|                           |           |           | office(1)   |
|                           |           |           | and other   |
|                           | Infra-    | DAWN      | reconciling |
|                           | structure | Solutions | items       |
|                           | R'000     | R'000     | R'000       |
| 12 months ended           |           |           |             |
| 31 March 2016             |           |           |             |
| Revenue                   | 2 420 004 | 571 360   | (529 192)   |
| Depreciation and          |           |           |             |
| amortization              | (34 017)  | (23 053)  | (368)       |
| Operating (loss)/profit   |           |           |             |
| before impairments        |           |           |             |
| and derecognitions of     |           |           |             |
| previously held interests | (1 871)   | 4 586     | 27 465      |
| Impairments and           |           |           |             |
| derecognitions of         |           |           |             |

|                           |           |          |             |
|---------------------------|-----------|----------|-------------|
| previously held interests | (156 583) | (65 829) | (4 592)     |
| Operating (loss)/profit   |           |          |             |
| after impairments         |           |          |             |
| and derecognitions of     |           |          |             |
| previously held interests | (158 454) | (61 243) | 22 873      |
| Net finance expense       | (32 981)  | (1 885)  | (10 438)    |
| Share of (losses)/profit  |           |          |             |
| from associates           |           |          |             |
| and joint ventures        | 4 304     | 1 976    | -           |
| Tax income/(expense)      | (31 965)  | 16 216   | (11 744)    |
| Net (loss)/profit after   |           |          |             |
| tax from continuing       |           |          |             |
| operations                | (219 096) | (44 936) | 691         |
| Assets                    | 961 776   | 582 561  | (15 865)    |
| Liabilities               | 747 848   | 649 354  | (1 162 700) |
| Capital expenditure(2)    | 55 049    | 82 508   | (3 997)     |
| 9 months ended            |           |          |             |
| 31 March 2015             |           |          |             |
| (Restated)                |           |          |             |
| Revenue                   | 1 751 379 | 380 061  | (341 697)   |
| Depreciation and          |           |          |             |
| amortization              | (25 232)  | (13 365) | (180)       |

|                             |          |         |           |
|-----------------------------|----------|---------|-----------|
| Operating profit/(loss)     |          |         |           |
| before impairments and      |          |         |           |
| derecognition of previously |          |         |           |
| held interests              | 8 044    | (2 847) | (113 895) |
| Impairments and             |          |         |           |
| derecognitions of           |          |         |           |
| previously held interests   | (720)    | -       | 544 714   |
| Operating profit/(loss)     |          |         |           |
| after impairments and       |          |         |           |
| derecognitions of           |          |         |           |
| previously held interests   | 7 324    | (2 847) | 430 819   |
| Net finance                 |          |         |           |
| (expense)/income            | (20 600) | (2 047) | 6 481     |
| Share of profit/(losses)    |          |         |           |
| from associates and         |          |         |           |
| joint ventures              | (8 079)  | 205     | -         |
| Tax (expense)/income        | 3 125    | 1 269   | 21 974    |
| Net profit/(loss) after     |          |         |           |
| tax from continuing         |          |         |           |
| operations                  | (18 230) | (3 421) | 457 751   |
| Net profit after tax        |          |         |           |
| from discontinued           |          |         |           |

|                        |           |         |           |
|------------------------|-----------|---------|-----------|
| operations             | -         | -       | 1 525     |
| Assets                 | 1 250 276 | 592 332 | 325 270   |
| Liabilities            | 838 975   | 612 051 | (921 062) |
| Capital expenditure(2) | 50 442    | 34 722  | 22        |

Discon-(3)

tinued

operations Total(4)

R'000 R'000

12 months ended

31 March 2016

Revenue - 4 993 092

Depreciation and

amortization - (69 412)

Operating (loss)/profit

before impairments

and derecognitions of

previously held interests - (23 948)

Impairments and

derecognitions of

previously held interests - (637 410)

Operating (loss)/profit

after impairments

|                             |           |           |
|-----------------------------|-----------|-----------|
| and derecognitions of       |           |           |
| previously held interests   | -         | (661 358) |
| Net finance expense         | -         | (71 070)  |
| Share of (losses)/profit    |           |           |
| from associates             |           |           |
| and joint ventures          | -         | (5 891)   |
| Tax income/(expense)        | -         | (19 613)  |
| Net (loss)/profit after     |           |           |
| tax from continuing         |           |           |
| operations                  | -         | (757 932) |
| Assets                      | -         | 2 685 644 |
| Liabilities                 | -         | 1 629 432 |
| Capital expenditure(2)      | -         | 139 939   |
| 9 months ended              |           |           |
| 31 March 2015               |           |           |
| (Restated)                  |           |           |
| Revenue                     | (334 681) | 3 616 640 |
| Depreciation and            |           |           |
| amortization                | 9 660     | (48 321)  |
| Operating profit/(loss)     |           |           |
| before impairments and      |           |           |
| derecognition of previously |           |           |

|                           |          |           |
|---------------------------|----------|-----------|
| held interests            | (39 638) | (80 065)  |
| Impairments and           |          |           |
| derecognitions of         |          |           |
| previously held interests | -        | 534 388   |
| Operating profit/(loss)   |          |           |
| after impairments and     |          |           |
| derecognitions of         |          |           |
| previously held interests | (39 638) | 454 323   |
| Net finance               |          |           |
| (expense)/income          | 3 077    | (36 484)  |
| Share of profit/(losses)  |          |           |
| from associates and       |          |           |
| joint ventures            | (1 214)  | 10 877    |
| Tax (expense)/income      | 10 324   | 23 328    |
| Net profit/(loss) after   |          |           |
| tax from continuing       |          |           |
| operations                | -        | 452 044   |
| Net profit after tax      |          |           |
| from discontinued         |          |           |
| operations                | -        | 27 438    |
| Assets                    | -        | 3 759 015 |
| Liabilities               | -        | 1 874 478 |



Capital expenditure(2) (35 917) 93 511

- (1) Other reconciling items consist of corporate and consolidation adjustments. These predominantly include elimination of intergroup sales, profits, losses and intergroup receivables and payables and other unallocated assets and liabilities contained within the vertically integrated group. Corporate office and other reconciling items is not considered to be an operating segment.
- (2) Includes expenditure on property, plant and equipment and intangibles. Government grants received are deducted from the capital expenditure amount.
- (3) Discontinued operations include results from the Watertech group of companies as well as consolidation and elimination adjustments related to the Watertech group of companies.
- (4) 'Total' excludes the building segment's discontinued operations amount.

#### NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

##### 1. BASIS OF PREPARATION

These consolidated annual financial statements comprise a summary of the audited consolidated financial statements of the group for 12 months ended 31 March 2016 that was approved by the board on 14 July 2016.

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited's (JSE) Listings Requirements for summary financial statements and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and must also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements. The preparation of the summary consolidated annual financial statements by Yolandi van den Berg (CA(SA)), senior group financial accountant, has been supervised by the acting financial director, Hanré Bester (CA(SA)).

The directors take full responsibility for the preparation of

the provisional report and that the financial information has been correctly extracted from the underlying annual financial statements.

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office.

The auditors' report on the annual financial statement contained the following paragraph with respect to a reportable irregularity:

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We report that we have identified certain items which constitute reportable irregularities (RI) in terms of the Auditing Profession Act and have reported such matters to the appropriate regulatory authority. Details relating to these RI's are more fully set out in note 10 to the summary financial statements. The RIs are no longer continuing.

## 2. EARNINGS PER ORDINARY SHARE

### BASIC

Basic earnings per ordinary share is calculated by dividing

the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares acquired by the company, incentive shares and treasury shares.

DILUTED

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

|  | Restated  |          |
|--|-----------|----------|
|  | 12 months | 9 months |
|  | ended     | ended    |
|  | 31 March  | 31 March |
|  | 2016      | 2015     |
| Weighted average number of ordinary shares in issue ('000) |           |          |
| Number of shares in issue at the                           |           |          |
| end of the year  | 242 243   | 242 243  |
|  | 242 243   | 242 243  |
| Less: Treasury shares held in a                            |           |          |
| subsidiary at the end of the                               |           |          |
| year - weighted  | (2 557)   | (5 186)  |

|                                      |           |         |
|--------------------------------------|-----------|---------|
| Weighted average number of ordinary  |           |         |
| shares in issue ('000)               | 239 686   | 237 057 |
| Add: Shares to be issued in terms of |           |         |
| share incentive schemes              | 731       | 2 206   |
| Weighted average number of ordinary  |           |         |
| shares for diluted earnings per      |           |         |
| share ('000)                         | 240 417   | 239 263 |
| Basic earnings per share (cents)     | (318,31)  | 202,11  |
| From continuing operations (cents)   | (318,31)  | 190,54  |
| Attributable earnings (R'000)        | (762 936) | 451 682 |
| Weighted average number of           |           |         |
| ordinary shares in issue ('000)      | 239 686   | 237 057 |
| From discontinued operations (cents) | -         | 11,57   |
| Attributable earnings (R'000)        | -         | 27 438  |
| Weighted average number of           |           |         |
| ordinary shares in issue ('000)      | -         | 237 057 |
| Fully diluted earnings per           |           |         |
| share (cents)                        | (317,34)  | 200,25  |
| From continuing operations (cents)   | (317,34)  | 188,78  |
| Attributable earnings (R'000)        | (762 936) | 451 682 |
| Weighted average number of ordinary  |           |         |
| shares in issue ('000)               | 240 417   | 239 263 |

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| From discontinued operations (cents)  | -         | 11,47     |
| Attributable earnings (R'000)         | -         | 27 438    |
| Weighted average number of            |           |           |
| ordinary shares in issue ('000)       | -         | 239 263   |
| Headline earnings (R'000)             |           |           |
| Attributable earnings                 | (762 936) | 479 120   |
| Adjustment for the after-tax and      |           |           |
| non-controlling interest effects of:  |           |           |
| Net profit on disposal of property,   |           |           |
| plant and equipment                   | (1 623)   | (1 051)   |
| Impairment of intangible assets       | 127 480   | 96 915    |
| Impairment of property, plant         |           |           |
| and equipment                         | 47 729    | 720       |
| Impairment of assets held-for-sale    | -         | 5 347     |
| Impairment of other assets            | 453 715   | -         |
| Tax effect on disposal of property,   |           |           |
| plant and equipment and impairment of |           |           |
| intangible assets (trademarks)        | (20 545)  | (9 498)   |
| Non-controlling interest              | (949)     | (919)     |
| Net loss/(profit) on derecognition    |           |           |
| of previously held interest           | 4 592     | (637 370) |
| Headline earnings adjustments related |           |           |

|                                       |           |          |
|---------------------------------------|-----------|----------|
| to associates and joint ventures      | (4 579)   | 232      |
| Headline earnings adjustments related |           |          |
| to disposal group                     | -         | (4)      |
| Headline earnings                     | (157 116) | (66 508) |
| Headline earnings per share (cents)   | (65,55)   | (28,06)  |
| From continuing operations (cents)    | (65,55)   | (39,63)  |
| Headline earnings (R'000)             | (157 116) | (93 942) |
| Weighted average number of            |           |          |
| shares in issue ('000)                | 239 686   | 237 057  |
| From discontinued operations (cents)  | -         | 11,57    |
| Headline earnings (R'000)             | -         | 27 434   |
| Weighted average number of shares     |           |          |
| in issue ('000)                       | -         | 237 057  |

### 3. PROPERTY, PLANT AND EQUIPMENT

|                          | Land and<br>buildings | Plant and<br>machinery | Furniture<br>and<br>fixtures |
|--------------------------|-----------------------|------------------------|------------------------------|
|                          | R'000                 | R'000                  | R'000                        |
| Reconciliation of        |                       |                        |                              |
| property, plant and      |                       |                        |                              |
| equipment - 2016         |                       |                        |                              |
| Balance at the beginning |                       |                        |                              |

|  |          |          |         |
|--|----------|----------|---------|
| of the year  | 37 031   | 136 695  | 25 394  |
| Additions  | 6 778    | 56 834   | 5 479   |
| Additions through business combinations (note 9)       | -        | 4 044    | 29      |
| Disposals  | (1 087)  | (1 774)  | (429)   |
| Disposals of subsidiaries                              | -        | -        | (217)   |
| Transfers  | 70       | (615)    | 545     |
| Foreign exchange movements                             | (42)     | 340      | (131)   |
| Government grant received                              | (2 417)  | (5 874)  | -       |
| Impairments  | (12 948) | (33 232) | (1 541) |
| Depreciation   | (4 440)  | (27 101) | (9 536) |
| Balance at the end of the year                         | 22 945   | 129 317  | 19 593  |
| Reconciliation of property, plant and equipment - 2015 |          |          |         |
| Balance at the beginning of the period                 | 30 111   | 109 155  | 25 591  |
| Additions  | 6 004    | 40 066   | 6 539   |
| Additions through business combinations (note 9)       | 6 199    | 2 415    | 4 384   |
| Disposals  | (129)    | (21)     | (488)   |
| Disposals of subsidiaries                              | (148)    | -        | (2 492) |



|                            |         |          |         |
|----------------------------|---------|----------|---------|
| Transfers                  | (1 282) | 1 311    | 79      |
| Foreign exchange movements | (137)   | 43       | (15)    |
| Impairments                | (195)   | (525)    | -       |
| Depreciation               | (3 392) | (15 749) | (8 204) |
| Balance at the end of      |         |          |         |
| the period                 | 37 031  | 136 695  | 25 394  |
|                            |         | Motor    |         |
|                            |         | vehicles | Total   |
|                            |         | R'000    | R'000   |
| Reconciliation of          |         |          |         |
| property, plant and        |         |          |         |
| equipment - 2016           |         |          |         |
| Balance at the beginning   |         |          |         |
| of the year                |         | 53 259   | 252 379 |
| Additions                  |         | 26 780   | 95 871  |
| Additions through business |         |          |         |
| combinations (note 8)      |         | 121      | 4 194   |
| Disposals                  |         | (1 332)  | (4 622) |
| Disposals of subsidiaries  |         | -        | (217)   |
| Transfers                  |         | -        | -       |
| Foreign exchange movements |         | (81)     | 86      |
| Government grant received  |         | -        | (8 291) |

|                             |          |          |
|-----------------------------|----------|----------|
| Impairments                 | (8)      | (47 729) |
| Depreciation                | (14 316) | (55 393) |
| Balance at the end of       |          |          |
| the year                    | 64 423   | 236 278  |
| Reconciliation of property, |          |          |
| plant and equipment - 2015  |          |          |
| Balance at the beginning    |          |          |
| of the period               | 43 764   | 208 621  |
| Additions                   | 23 360   | 75 969   |
| Additions through business  |          |          |
| combinations (note 8)       | 5 512    | 18 510   |
| Disposals                   | (10 726) | (11 364) |
| Disposals of subsidiaries   | (251)    | (2 891)  |
| Transfers                   | (108)    | -        |
| Foreign exchange movements  | (146)    | (255)    |
| Impairments                 | -        | (720)    |
| Depreciation                | (8 146)  | (35 491) |
| Balance at the end of       |          |          |
| the period                  | 53 259   | 252 379  |

Depreciation expense of R23,2 million (2015: R13,8 million)

has been charged in cost of goods and services sold, R9,7

million (2015: R4,7 million) in transportation expenses and

R22,5 million (2015: R17,0 million) in operating expenses.

The group received grants from the Department of Trade and

Industry (DTI) under its Manufacturing Competitiveness

Enhancement Programme (MCEP) for the construction of its

long-term assets. The MCEP is one of the key action

programmes of the Industrial Policy Action Plan of the DTI.

The MCEP encourages manufacturers to upgrade their production

facilities in a manner that sustains employment and maximises

value-addition in the short and medium-term. MCEP grants to

the value of R5,9 million (2015: R nil) have been deducted

from the carrying value of machinery and equipment and R2,4

million (2015: R nil) have been deducted from the carrying

value of land and buildings.

Assets acquired under instalment sale and finance lease

agreements are encumbered as security for repayment of the

instalment sale and finance lease liabilities.

Lease rentals amounting to R98,6 million (2015: R79,9

million) relating to the lease of land and buildings and

R13,7 million (2015: R11,0 million) relating to the lease of

plant, equipment and vehicles are included in the income

statement.

IMPAIRMENTS

31 March 2016

|   |           |           | Furniture |
|---|-----------|-----------|-----------|
|   | Land and  | Plant and | and       |
|   | buildings | machinery | fixtures  |
|   | R'000     | R'000     | R'000     |
| Impairments breakdown   |           |           |           |
| Building  | 2 267     | 3 540     | -         |
| Pro-Max Welding Consumables   |           |           |           |
| Proprietary Limited   | 706       | 3 540     | -         |
| DAWN Africa Trading   |           |           |           |
| Mozambique LDA  | 1 561     | -         | -         |
| Infrastructure  | 1 900     | 21 318    | -         |
| Sangio Pipe Proprietary   |           |           |           |
| Limited   | 1 900     | 21 318    | -         |
| Solutions   | 8 781     | 8 374     | 1 541     |
| DAWN Distribution Centre,<br>a division of Wholesale<br>Housing Supplies Proprietary<br>Limited | 8 781     | 8 374     | 1 541     |
|   | 12 948    | 33 232    | 1 541     |
|   |           | Motor     |           |
|   |           | vehicles  | Total     |

|                              | R'000 | R'000  |
|------------------------------|-------|--------|
| Impairments breakdown        |       |        |
| Building                     | 8     | 5 815  |
| Pro-Max Welding Consumables  |       |        |
| Proprietary Limited          | 8     | 4 254  |
| DAWN Africa Trading          |       |        |
| Mozambique LDA               | -     | 1 561  |
| Infrastructure               | -     | 23 218 |
| Sangio Pipe Proprietary      |       |        |
| Limited                      | -     | 23 218 |
| Solutions                    | -     | 18 696 |
| DAWN Distribution Centre,    |       |        |
| a division of Wholesale      |       |        |
| Housing Supplies Proprietary |       |        |
| Limited                      | -     | 18 696 |
|                              | 8     | 47 729 |

Property, plant and equipment to the value of R47,7 million was impaired during 2016, consisting of leasehold improvements over property of R12,9 million, plant and machinery of R33,2 million, furniture and fittings of R1,5 million and R0,008 million of motor vehicles. During 2015 impairment of property, plant and equipment of R0,7 million

related to Pipex Plastics Botswana Proprietary Limited.

Impairments in the building, infrastructure and solutions segments amounted to R5,8 million, R23,2 million and R18,7 million, respectively.

These assets were impaired on the basis that the discounted cash flows did not support the carry value of the property, plant and equipment of the businesses.

Pro-Max Welding Consumables Proprietary Limited, Distribution and Warehousing Network Africa Proprietary Limited and Sangio Pipe Proprietary Limited had impairments in the prior year relating to intangibles. The further impairments were necessitated by a deterioration in the markets the entities operate in, further losses and reduction in turnover volume. Due to reduced volumes, but greater handling cost, the assets in DAWN Distribution Centre were impaired.

#### 4. INTANGIBLE ASSETS

| Indefinite life |            |
|-----------------|------------|
|                 | Trademarks |
|                 | and brand  |
| Goodwill        | names      |
| R'000           | R'000      |

At 31 March 2016

|  |          |          |
|--|----------|----------|
| Balance at the beginning of the year             | 52 040   | 17 166   |
| Additions  | -        | -        |
| Additions through business combinations (note 9) | 3 348    | -        |
| Interest capitalised                             | -        | -        |
| Government grants received                       | -        | -        |
| Impairments                                      | (54 013) | (17 166) |
| Amortisation                                     | -        | -        |
| Balance at the end of the year                   | 1 375    | -        |
| At 31 March 2015                                 |          |          |
| Balance at the beginning of the period           | 66 650   | 17 166   |
| Additions  | -        | -        |
| Additions through business combinations (note 9) | 47 691   | -        |
| Interest capitalised                             | -        | -        |
| Impairments                                      | (62 301) | -        |
| Amortisation                                     | -        | -        |
| Balance at the end of the period                 | 52 040   | 17 166   |

Defined life

Customer

Trade- relation-

marks      ships      Software      Total

|                      | R'000   | R'000   | R'000    | R'000     |
|----------------------|---------|---------|----------|-----------|
| At 31 March 2016     |         |         |          |           |
| Balance at the       |         |         |          |           |
| beginning of the     |         |         |          |           |
| year                 | 11 370  | 17 137  | 51 347   | 149 060   |
| Additions            | -       | -       | 73 927   | 73 927    |
| Additions through    |         |         |          |           |
| business combi-      |         |         |          |           |
| nations (note 36)    | -       | 1 179   | -        | 4 527     |
| Interest capitalised | -       | -       | 1 986    | 1 986     |
| Government grants    |         |         |          |           |
| received             | -       | -       | (21 568) | (21 568)  |
| Impairments          | (3 918) | (5 151) | (47 232) | (127 480) |
| Amortisation         | (2 560) | (5 182) | (6 277)  | (14 019)  |
| Balance at the       |         |         |          |           |
| end of the year      | 4 892   | 7 983   | 52 183   | 66 433    |
| At 31 March 2015     |         |         |          |           |
| Balance at the       |         |         |          |           |
| beginning of the     |         |         |          |           |
| period               | 22 696  | 34 839  | 33 975   | 175 326   |
| Additions            | -       | -       | 17 542   | 17 542    |
| Additions through    |         |         |          |           |



business combi-

nations (note 36) 8 414 7 383 - 63 488

Interest

capitalised - - 2 449 2 449

Impairments (15 766) (18 848) - (96 915)

Amortisation (3 974) (6 237) (2 619) (12 830)

Balance at the

end of the

period 11 370 17 137 51 347 149 060

Amortisation expense of R14,0 million (2015: R12,8 million)

is included in operating expenses. Borrowing costs of R2,0

million (2015: R2,4 million) directly attributable to the

qualifying assets pertaining to the Enterprise Resource

Planning project, which take a substantial period of time

before it is brought into use, were capitalised.

IMPAIRMENTS

Details relating to impairment of intangible assets were as

follows:

|          | Goodwill | Trade-<br>marks | Indefinite<br>life |
|----------|----------|-----------------|--------------------|
|          | R'000    | R'000           | R'000              |
| Building | 5 453    | -               | 5 453              |

|  |        |        |        |
|--|--------|--------|--------|
| Hamilton's Brushware   |        |        |        |
| Proprietary Limited  | 2 105  | -      | 2 105  |
| Boutique Baths   |        |        |        |
| Proprietary Limited  | 3 348  | -      | 3 348  |
| DAWN Business Development,<br>a division of Wholesale<br>Housing Supplies Proprietary<br>Limited |        |        |        |
|  | -      | -      | -      |
| WHS Trading, a division of<br>Wholesale Housing Supplies<br>Proprietary Limited                  |        |        |        |
|  | -      | -      | -      |
| Infrastructure   | 48 560 | 17 166 | 65 726 |
| Ubuntu Plastics  |        |        |        |
| Proprietary Limited  | 6 037  | -      | 6 037  |
| Inclledon Proprietary<br>Limited (IPS division)  |        |        |        |
|  | 2 250  | -      | 2 250  |
| Inclledon Proprietary Limited<br>(Inclledon division)  |        |        |        |
|  | 40 273 | 17 166 | 57 439 |
| Solutions  | -      | -      | -      |
| DAWN Business Systems,<br>a division of Wholesale<br>Housing Supplies                            |        |        |        |

|                              |        |           |          |
|------------------------------|--------|-----------|----------|
| Proprietary Limited          | -      | -         | -        |
|                              | 54 013 | 17 166    | 71 179   |
|                              |        | Customer  |          |
|                              | Trade- | relation- |          |
|                              | marks  | ships     | Software |
|                              | R'000  | R'000     | R'000    |
| Building                     | 3 165  | 3 852     | 83       |
| Hamilton's Brushware         |        |           |          |
| Proprietary Limited          | 2 547  | 2 652     | -        |
| Boutique Baths               |        |           |          |
| Proprietary Limited          | -      | 983       | -        |
| DAWN Business Development,   |        |           |          |
| a division of Wholesale      |        |           |          |
| Housing Supplies Proprietary |        |           |          |
| Limited                      | 618    | -         | -        |
| WHS Trading, a division of   |        |           |          |
| Wholesale Housing Supplies   |        |           |          |
| Proprietary Limited          | -      | 217       | 83       |
| Infrastructure               | 753    | 1 299     | -        |
| Ubuntu Plastics              |        |           |          |
| Proprietary Limited          | 753    | 1 267     | -        |
| Inclledon Proprietary        |        |           |          |

|                               |       |         |        |
|-------------------------------|-------|---------|--------|
| Limited (IPS division)        | -     | -       | -      |
| Inclledon Proprietary Limited |       |         |        |
| (Inclledon division)          | -     | 32      | -      |
| Solutions                     | -     | -       | 47 149 |
| DAWN Business Systems,        |       |         |        |
| a division of Wholesale       |       |         |        |
| Housing Supplies              |       |         |        |
| Proprietary Limited           | -     | -       | 47 149 |
|                               | 3 918 | 5 151   | 47 232 |
|                               |       | Defined |        |
|                               |       | life    | Total  |
|                               |       | R'000   | R'000  |
| Building                      |       | 7 100   | 12 553 |
| Hamilton's Brushware          |       |         |        |
| Proprietary Limited           |       | 5 199   | 7 304  |
| Boutique Baths                |       |         |        |
| Proprietary Limited           |       | 983     | 4 331  |
| DAWN Business Development,    |       |         |        |
| a division of Wholseale       |       |         |        |
| Housing Supplies Proprietary  |       |         |        |
| Limited                       |       | 618     | 618    |
| WHS Trading, a division of    |       |         |        |

|                               |        |         |
|-------------------------------|--------|---------|
| Wholesale Housing Supplies    |        |         |
| Proprietary Limited           | 300    | 300     |
| Infrastructure                | 2 052  | 67 778  |
| Ubuntu Plastics               |        |         |
| Proprietary Limited           | 2 020  | 8 057   |
| Inclledon Proprietary         |        |         |
| Limited (IPS division)        | -      | 2 250   |
| Inclledon Proprietary Limited |        |         |
| (Inclledon division)          | 32     | 57 471  |
| Solutions                     | 47 149 | 47 149  |
| DAWN Business Systems,        |        |         |
| a division of Wholesale       |        |         |
| Housing Supplies              |        |         |
| Proprietary Limited           | 47 149 | 47 149  |
|                               | 56 301 | 127 480 |

Intangible assets totalling R7,3 million were impaired in

Hamilton's Brushware Proprietary Limited (Hamilton's).

Hamilton's specialises in the manufacturing and retail

distribution of brushware. These intangible assets were

impaired on the basis that the discounted cash flows did not

support the carry value of the non-monetary assets of the

business. Synergies identified at acquisition did not

materialise, further exacerbated by the current economic outlook.

Intangible assets totalling R4,3 million were impaired in Boutique Baths Proprietary Limited (Boutique Baths). Boutique Baths specialises in the manufacturing and distribution of unique, luxury baths. These intangible assets were impaired on the basis that the business is not aligned with DAWN's model of distribution and wholesale on an economies of scale basis and did not meet the return criteria set at acquisition date.

Intangibles totalling R0,9 million were impaired in Wholesale Housing Supplies (Business Development and WHS Trading divisions). DAWN Business Development and WHS Trading are the wholesale distribution arms of DAWN focussing on the sanitaryware and hardware business. These intangible assets were impaired on the basis that the discounted cash flows did not support the carry value of the business units to which it relates to.

Ubuntu Plastics Proprietary Limited fabricates pipe and pipe fittings in both PVC and HDPE markets. These intangible assets were impaired on the basis that the discounted cash flows did not support the carry value of the non-monetary

assets of the business, mainly due to a slowdown in the HDPE market, also experienced in other areas of DAWN over the last two years.

IPS and Incledon, both divisions of Incledon Proprietary Limited, are the wholesale arm of the infrastructure segment.

Intangibles in this business were impaired due the losses incurred, mainly due to reduced government and mining spend, as well as losing market share.

Impairments of R47,1 million in the solutions segment consisted mainly of impairments to the recently developed IT software project in Incledon and DAWN Distribution Centres, where the the discounted cash flows did not support the carry value of the non-monetary assets of the business unit.

#### IMPAIRMENT OF INTANGIBLE ASSETS

Details relating to impairment of intangible assets were as follows:

|                             | Goodwill | Trade-<br>marks | Indefinite<br>life |
|-----------------------------|----------|-----------------|--------------------|
|                             | R'000    | R'000           | R'000              |
| Building                    | 43 336   | -               | 43 336             |
| Pro-Max Welding Consumables |          |                 |                    |
| Proprietary Limited         | 9 609    | -               | 9 609              |

|                             |        |           |          |
|-----------------------------|--------|-----------|----------|
| Africa Saffer Trading       |        |           |          |
| Proprietary Limited         | 29 464 | -         | 29 464   |
| Saffer Union (West Africa)  |        |           |          |
| Limited                     | 4 263  | -         | 4 263    |
| Infrastructure              | 18 965 | -         | 18 965   |
| Sangio Pipe Proprietary     |        |           |          |
| Limited                     | 18 965 | -         | 18 965   |
|                             | 62 301 | -         | 62 301   |
|                             |        | Customer  |          |
|                             | Trade- | relation- |          |
|                             | marks  | ships     | Software |
|                             | R'000  | R'000     | R'000    |
| Building                    | 4 497  | 3 477     | -        |
| Pro-Max Welding Consumables |        |           |          |
| Proprietary Limited         | 4 497  | 3 477     | -        |
| Africa Saffer Trading       |        |           |          |
| Proprietary Limited         | -      | -         | -        |
| Saffer Union (West Africa)  |        |           |          |
| Limited                     | -      | -         | -        |
| Infrastructure              | 11 269 | 15 371    | -        |
| Sangio Pipe Proprietary     |        |           |          |
| Limited                     | 11 269 | 15 371    | -        |



|                             |        |         |        |
|-----------------------------|--------|---------|--------|
|                             | 15 766 | 18 848  | -      |
|                             |        | Defined |        |
|                             |        | life    | Total  |
|                             |        | R'000   | R'000  |
| Building                    |        | 7 974   | 51 310 |
| Pro-Max Welding Consumables |        |         |        |
| Proprietary Limited         |        | 7 974   | 17 583 |
| Africa Saffer Trading       |        |         |        |
| Proprietary Limited         |        | -       | 29 464 |
| Saffer Union (West Africa)  |        |         |        |
| Limited                     |        | -       | 4 263  |
| Infrastructure              |        | 26 640  | 45 605 |
| Sangio Pipe Proprietary     |        |         |        |
| Limited                     |        | 26 640  | 45 605 |
|                             |        | 34 614  | 96 915 |

AST is the wholesale distribution business covering the rest of Africa and operates similarly to the South African trading businesses. The control of AST is critical for the group to expand into Africa and to align the growth strategy into Africa. The step-up of DAWN's interest, from a 51% joint venture to a 90% subsidiary, triggered new intangible assets which had to be recognised. These intangible assets were

impaired on the basis that the consideration paid did not support the discounted cash flows of the business. Future expectations relating to business performance were also not materially different from the prior year, where an impairment of the investment in joint venture was accounted for. The SUWA acquisition was forced due to the fact that there was a contractual obligation to exit out of Nigeria as well as to settle a guarantee provided by DAWN before it could exit.

Intangible assets to the value of R29,5 million were impaired in the AST group and R4,2 million on SUWA, a subsidiary in the AST group.

Pro-Max was acquired to enhance and complement the wholesale of welding equipment already established in the wholesale distribution model. The Pro-Max impairment was due to the short delivery against an earn-out target not being achieved as well as a business partner who did not share DAWN's views in running the business. The business partner subsequently absconded and, on further consequential investigations, certain anomalies were uncovered which necessitated the impairment.

Intangible assets to the value of R45,6 million were impaired at Sangio Pipe Proprietary Limited (Sangio Pipe), a company

in the infrastructure segment, consisting of R19,0 million of goodwill, R11,3 million of trademarks and R15,4 million of customer relationships. The additional 51% in Sangio Pipe, a high density polyethylene (HDPE) manufacturer, was acquired to complement the existing PVC and HDPE pipe ranges in the DAWN group. The impairment arose due to the slowdown in the economy and, specifically, in the mining industry as well as a slowdown in exports.

#### 5. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Reconciliation of investments in associates and joint ventures

|                              | Associates | Joint<br>ventures | Total    |
|------------------------------|------------|-------------------|----------|
|                              | R'000      | R'000             | R'000    |
| As at 31 March 2016          |            |                   |          |
| Balance at the beginning of  |            |                   |          |
| the year                     | 884 359    | 29 276            | 913 635  |
| Share of losses              | (9 096)    | (1 966)           | (11 062) |
| Share of losses prior        |            |                   |          |
| to amortisation              | (4 702)    | (1 966)           | (6 668)  |
| Amortisation of intangible   |            |                   |          |
| assets (net of deferred tax) | (4 246)    | -                 | (4 246)  |

|                              |           |          |           |
|------------------------------|-----------|----------|-----------|
| Share of losses allocated    |           |          |           |
| against loan account         | (148)     | -        | (148)     |
| Foreign currency translation |           |          |           |
| reserve                      | (385)     | 2 089    | 1 704     |
| Dividend received +          | -         | (567)    | (567)     |
| Impairment of investments    |           |          |           |
| - Grohe DAWN Watertech       | (384 642) | -        | (384 642) |
| - Fibrex S.A.R.L.            | (48 736)  | -        | (48 736)  |
| - Aqualia DPI                |           |          |           |
| Proprietary Limited          | -         | (2 630)  | (2 630)   |
| - DPI Simba Limited          | -         | (14 206) | (14 206)  |
| Balance at the end           |           |          |           |
| of the year                  | 441 500   | 11 996   | 453 496   |
| As at 31 March 2015          |           |          |           |
| Balance at the beginning     |           |          |           |
| of the year                  | 91 526    | 50 357   | 141 883   |
| Share of profits/(losses)    | 15 335    | (2 508)  | 12 827    |
| Share of profits/(losses)    |           |          |           |
| prior to amortisation        | 17 355    | (2 508)  | 14 847    |
| Amortisation of intangible   |           |          |           |
| assets (net of deferred tax) | (2 020)   | -        | (2 020)   |
| Share of losses allocated    |           |          |           |

|                                |          |          |          |
|--------------------------------|----------|----------|----------|
| against loan account           | -        | -        | -        |
| Foreign currency translation   |          |          |          |
| reserve                        | 2 480    | 1 164    | 3 644    |
| Loan capital advancement       | 8 454^   | 194      | 8 648    |
| Acquisitions                   | 766 564# | 8 305*   | 774 869  |
| Derecognition of investment    |          |          |          |
| in Distribution and            |          |          |          |
| Warehousing Network Africa     |          |          |          |
| Proprietary Limited (DAT)      |          |          |          |
| (formerly Africa Saffer        |          |          |          |
| Trading Proprietary            |          |          |          |
| Limited (AST))                 | -        | (28 236) | (28 236) |
| Balance at the end of the year | 884 359  | 29 276   | 913 635  |

+ Dividend received by DPI Holdings Proprietary Limited from  
Aqualia DPI Proprietary Limited.

# Acquisitions relate to the 49% re-acquired in the Grohe  
DAWN Watertech group for an amount of R741,7 million, a 49%  
share in Grome for R19,5 million and a 49% share in CPT for  
R5,2 million.

\* Acquisitions relate to investments held by the DAT group  
(formerly AST group) in DAT Tanzania and DAT Zimbabwe to  
the value of R8,3 million included in the business

combination of DAT (formerly AST).

^ Relates to loans advanced to Incedon Proprietary Limited  
(formerly IPS & Distribution Proprietary Limited).

Impairment of investments

31 March 2016

Associates

Impairment of investments in associates in the Building

segment relates to investments in Grohe DAWN Watertech

Proprietary Limited (GDW) and in the Infrastructure segment  
in Fibrex S.A.R.L. (Fibrex).

GDW consists of the Watertech companies, mainly situated in  
South Africa, and includes brands like Cobra, ISCA, Grohe in  
South Africa, Vaal, Libra, Apex and Exipro. During October  
2014, a transaction to dispose of 51% to Grohe Luxembourg  
Four S.A. (Grohe) was concluded. Synergies, including export  
opportunities, did not materialise. Management disruptions,  
supply chain and funding shortfalls caused severe losses,  
which will take some time to correct. This exacerbated price  
and volume pressures.

Fibrex, a pipe factory in Angola experienced a reducing  
turnover profile over the last number of years, with major  
pressures in respect of political instability, reduction in

infrastructure spend by government, increased local competition and availability of foreign exchange, all of which contributed to the impairment.

In both instances value-in-use calculations indicated that discounted cash flows did not support the carry value of the entities' non-monetary assets nor its carry value.

#### Joint ventures

Impairment of investments in joint ventures occurred in the Infrastructure segment in respect of Aqualia DPI Proprietary Limited and DPI Simba Limited.

Aqualia DPI Proprietary Limited is situated in Mauritius and the reduction in demand for infrastructure spend in the captive market, with reduced export opportunities, resulted in negative returns.

DPI Simba Limited is situated in Tanzania and political instability and elections dampened the demand for infrastructure spend and DPI Simba Limited experienced negative returns for consecutive years.

In both instances value-in-use calculations indicated that discounted cash flows did not support the carry value of the entities' non-monetary assets nor its carry value.

## 6. BORROWINGS

|                                     | 31 March | 31 March |
|-------------------------------------|----------|----------|
|                                     | 2016     | 2015     |
|                                     | R'000    | R'000    |
| Non-current                         |          |          |
| Interest-bearing borrowings         |          |          |
| Bank borrowings                     | 9 409    | 4 978    |
| Instalment sale liabilities         | 25 354   | 37 633   |
| Finance lease liabilities           | 38 453   | 17 847   |
|                                     | 73 216   | 60 458   |
| Non-interest-bearing borrowings     |          |          |
| Related parties and non-controlling |          |          |
| shareholders' loans                 | 1 343    | 276      |
| Acquisition vendors                 | 1 300    | 2 237    |
| Other borrowings                    | -        | 2 500    |
|                                     | 2 643    | 5 013    |
| Total non-current borrowings        | 75 859   | 65 471   |
| Current                             |          |          |
| Interest-bearing borrowings         |          |          |
| Bank overdraft and call loans       | 10 114   | 196 342  |
| Bank borrowings                     | 199 889  | 6 224    |
| Instalment sale liabilities         | 20 024   | 21 534   |
| Finance lease borrowings            | 18 834   | 6 826    |



|                                      |         |         |
|--------------------------------------|---------|---------|
| Directors' and family members' loans | 5 329   | 5 634   |
| Trade finance                        | 86 228  | 226 531 |
| Other borrowings                     | 10 578  | 30 305  |
|                                      | 350 996 | 493 396 |
| Non-interest-bearing borrowings      |         |         |
| Other borrowings                     | 4 884   | 4 072   |
| Acquisition vendors                  | 1 300   | 7 780   |
| Related parties and non-controlling  |         |         |
| shareholders' loans                  | 201     | 137     |
|                                      | 6 385   | 11 989  |
| Total current borrowings             | 357 381 | 505 385 |
| Total borrowings                     | 433 240 | 570 856 |

Other interest-bearing borrowings

bear an interest rate varying

between 2,82% and 9,25% (2015:

varying between 2,7% and 9,25%).

The security provided can be summarised

as follows:

|           |                        |         |
|-----------|------------------------|---------|
| Inventory | General notarial bonds | 739 688 |
|-----------|------------------------|---------|

-

Accounts

|            |                       |         |    |
|------------|-----------------------|---------|----|
| receivable | Cession of book debts | 655 483 | 58 |
|------------|-----------------------|---------|----|

652

1 395 171 58

652

The security listed in the table

covers the group's:

Revolving credit facility 200 000 200

000

Asset finance 116 415 103

591

316 415 303

591

31 March 2016

A revolving credit facility of R200 million was granted with

Absa Bank Limited at 15 October 2015.

The current facility ends 7 October 2016 and has been re-

negotiated to 7 October 2017. The new facility has similar

characteristics but will have a quarterly step-down of R25

million per quarter in respect of the revolving credit

facility (RCF) starting 7 October 2016 and ending 7 July

2017.

Accounts receivable have been ceded and a general notarial

bond has been registered over inventory.

The details of the covenant measures are as follows:

| Covenant measures   | Required | 2016      | Required |
|---------------------|----------|-----------|----------|
| 2015                |          |           |          |
| Total debt/EBITDA   | 4.0:1    | In breach | n/a      |
| n/a                 |          |           |          |
| Accounts receivable |          |           |          |
| and inventory       | > 3.0:1  | 4.3       |          |
| Accounts receivable |          |           |          |
| - CGIC covered      |          |           |          |
| debtors             | > 1.5:1  | 4.8       |          |

As indicated above DAWN has breached some of its covenants  
and

accordingly approached Absa for a waiver of the relevant  
covenant measures.

Absa consented to the non-compliance (breach) of the  
covenants

and waived the event of default.

The pricing has provisionally been indicated and reflects a  
deteriorated credit position as well as movements in the  
general yield curve.

Security requirements remain unchanged.

The carrying amount of the loan in default is R200 million

(R200 million of a RCF) and Rnil general banking limit

(R100 million of a general banking facility).

#### 7. DERIVATIVE FINANCIAL INSTRUMENTS

Fair value estimation

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates to terminate the contracts at the statement of financial position date.

Derivative financial instruments

The table below analyses financial instruments carried at fair

value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1

that

are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

(level

3).

|                               |       | 31 March | 31 March |
|-------------------------------|-------|----------|----------|
|                               |       | 2016     | 2015     |
|                               | Level | R'000    | R'000    |
| ASSETS                        |       |          |          |
| Non-current assets            |       |          |          |
| Put option - Grohe            |       |          |          |
| DAWN Watertech                | 3     | 34 380   | 29 890   |
| Current assets                |       |          |          |
| Forward foreign exchange      |       |          |          |
| contracts - valued at fair    |       |          |          |
| value through profit/loss     | 2     | 249      | 44       |
| Total assets                  |       | 34 629   | 29 934   |
| LIABILITIES                   |       |          |          |
| Non-current liabilities       |       |          |          |
| Call option - Grohe           |       |          |          |
| DAWN Watertech                |       | 25 430   | 25 940   |
| Written put - Swan Plastics   |       |          |          |
| Proprietary Limited           | 3     | 64 024   | 30 040   |
| Total non-current liabilities |       | 89 454   | 55 980   |
| Current liabilities           |       |          |          |
| Forward foreign exchange      |       |          |          |

|                                |   |        |        |
|--------------------------------|---|--------|--------|
| contracts - valued at fair     |   |        |        |
| value through profit/loss      | 2 | 7 272  | -      |
| Forward foreign exchange       |   |        |        |
| contracts - designated as cash |   |        |        |
| flow hedges                    | 2 | 1 392  | -      |
| Total current liabilities      |   | 8 664  | -      |
| Total liabilities              |   | 98 118 | 55 980 |

\* Refer to note 10 for details regarding restatements, reclassifications and consistency of presentation disclosure.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These type of instruments are included in level 1. DAWN carries no level 1 financial instruments.

The fair value of financial instruments that are not traded

in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial

instruments.

All of the resulting fair value estimates are included in level 2.

31 March 2016

The settlement dates on open forward exchanges contracts range between one and six months from 31 March 2016.

31 March 2015

The settlement dates on open forward exchange contracts range between one and four months from 31 March 2015.

Hedge reserve

At 31 March 2016, the group held derivative financial instruments that were designated as cash flow hedges of future forecast transactions. These were hedging of:

- Future capital expenditure payments by forward foreign exchange contracts
- Future inventory payments by forward foreign exchange contracts

Call and put option - Grohe DAWN Watertech

The Watertech transaction included a call option in favour of Grohe to acquire an additional 24,1% indirect shareholding in the Watertech companies from DAWN after a ten-year period and, if such option is exercised by Grohe, or if Grohe's



shareholding has otherwise increased to 75,1%, the option for DAWN to put its remaining 24,9% indirect interest in the Watertech companies to Grohe.

Put option of R34,4 million and a call option of R25,4 million were recognised at their fair values. A 50%/50% probability was assumed and the consideration in future will be determined as an earnings multiple.

Written put - Swan Plastics

A written put relating to Swan Plastics Proprietary Limited (Swan) had to be accounted for. In August 2013, a subsidiary of DAWN gave the remaining 49% shareholders in Swan the right to put their shares at a 5 price earnings ratio based on the average of the prior two years' earnings. After six years there will be a deemed offer and a deemed acceptance of the remaining 49%. This written put was not disclosed to the board. At inception the valuation is accounted for in retained earnings as part of equity and the profit and loss impact is accounted for as a finance expense and an employment expense.

The written put is disclosed in derivatives and an employment liability in trade and other payables - non-current.

## 8. OPERATING LEASE LIABILITIES AND COMMITMENTS

Operating lease commitments

|  | 31 March | 31 March |
|--|----------|----------|
|  | 2016     | 2015     |
|  | R'000    | R'000    |

Capital commitments

Capital expenditure contracted for at the reporting date but not yet incurred and recognised in the financial statements is as follows:

|                              |       |        |
|------------------------------|-------|--------|
| Motor vehicles               | 4 178 | 3 442  |
| Intangible assets - software | 5 512 | 10 153 |
| Total capital commitments    | 9 690 | 13 595 |

Restated\*

|  | 31 March | 31 March |
|--|----------|----------|
|  | 2016     | 2015     |
|  | R'000    | R'000    |

Operating lease liabilities

|             |         |         |
|-------------|---------|---------|
| Non-current | 110 363 | 105 236 |
| Current     | 2 776   | 1 754   |
|             | 113 139 | 106 990 |

The future aggregate minimum lease

payments under non-cancellable

operating leases are as follows:

|                             |         |         |
|-----------------------------|---------|---------|
| No later than one year      | 103 550 | 96 461  |
| Later than one year and not |         |         |
| later than five years       | 484 556 | 493 440 |
| Later than five years       | 70 500  | 147 107 |
|                             | 658 606 | 737 008 |

\* Refer to note 10 for details regarding restatements,  
reclassifications and consistency of presentation  
disclosure.

#### 9. BUSINESS COMBINATIONS

31 March 2016

Boutique Baths Proprietary Limited

A 76% share was acquired in Boutique Baths Proprietary  
Limited (Boutique Baths) for a consideration of R7 million.

Boutique Baths specialises in the manufacturing and  
distribution of unique, luxury baths. The effective date of  
the transaction was 1 April 2015.

Boutique Baths contributed operating profit of R0,7 million  
and revenue of R11,8 million since the acquisition date.

The amount of net assets acquired amounted to R5,6 million  
and non-controlling interests of R1,9 million was recognised.

Goodwill recognised on this acquisition amounts to R3,3

million. Intangible assets have been allocated in terms of IFRS 3(R).

Non-controlling interest has been calculated based on the proportional share in net assets. The goodwill is not expected to be deducted for income tax purposes.

The fair value of assets acquired, liabilities assumed, intangibles assets and the non-controlling interest at the acquisition date are set out below.

|   | Boutique<br>Baths<br>Proprietary<br>Limited |
|---|---|
| Consideration at acquisition date:  | R'000                                       |
| Cash  | 7 006                                       |
| Total purchase consideration  | 7 006                                       |
| Recognised amounts of identifiable<br>assets acquired and liabilities<br>assumed: | Fair<br>value<br>R'000                      |
| Property, plant and equipment   | 4 194                                       |
| Customer relationships  | 1 179                                       |
| Inventory   | 1 611                                       |
| Trade and other receivables   | 691   |

|  |         |
|--|---------|
| Cash and cash equivalents                | 3       |
| Assets                                   | 7 678   |
| Trade and other payables                 | (1 450) |
| Deferred tax liabilities                 | (330)   |
| Provisions and accruals                  | (316)   |
| Liabilities                              | (2 096) |
| Total identifiable net assets            | 5 582   |
| Less: Non-controlling interest           | (1 924) |
| Goodwill                                 | 3 348   |
| Purchase consideration                   | 7 006   |
| Cash flow from acquisitions              |         |
| Total purchase consideration             | 7 006   |
| Less: Cash and cash equivalents acquired | (3)     |
| Total cash outflow from acquisitions     | 7 003   |

31 March 2015

Pro-Max group (Pro-Max)

A 60% share was acquired in Pro-Max (Pro-Max Welding

Consumables Proprietary Limited and Weld-D Proprietary

Limited) for a provisional cash consideration of R8,4

million.

The cash consideration to be paid was dependent on Pro-Max

meeting certain targets as set out in the sale of shares

agreement between the group and Pro-Max. Pro-Max did not achieve the targets and the acquisition vendor of R8,4 million was reversed through profit and loss.

Pro-Max specialises in the manufacturing and distribution of welding equipment and consumables. The effective date of the transaction was 1 July 2014.

Pro-Max contributed operating profit of R3,6 million and revenue of R125,9 million since the acquisition date.

The amount of net liabilities acquired amounted to R6,9 million and non-controlling interests of R0,9 million was recognised.

The total fair value of identified intangible assets is R9,1 million. Goodwill recognised on this acquisition amounts to R9,6 million. The total goodwill amount, trademarks to the value of R4,5 million and customer relationships of R3,5 million were impaired as at 31 March 2015. A further 14,16% was acquired during February 2015 for a cash consideration of R2,5 million. This was accounted for as a transaction with non-controlling interest and charged to the changes in ownership reserve. The R2,5 million is payable in full by 1 September 2015.

Hamilton's Brushware SA Proprietary Limited (Hamilton's)

On 1 December 2014 the group acquired a 69% share in Hamilton's Brushware SA Proprietary Limited for a cash consideration of R10 million. Hamilton's specialises in the manufacturing and retail distribution of brushware.

Hamilton's contributed operating profit of R0,97 million and revenue of R18,4 million since the acquisition date.

If the acquisition

had occurred on 1 July 2014, group revenue would have been R28,1 million more, and operating profit for the period would have increased by R1,4 million. The amount of net assets acquired amounted to R0,9 million and non-controlling interests of R2,3 million was recognised. Total fair value of intangibles recognised are R6,6 million, comprising customer relationships and tradenames.

The total goodwill attributed to this transaction amounts to R2,1 million.

Apex Valves (South Africa) Proprietary Limited (Apex Valves)

An additional 39,53% shareholding was acquired in Apex Valves

(South Africa) Proprietary Limited (Apex Valves) on 30 July

2014 in addition to the 60,47% previously owned. This

resulted in the group obtaining 100% control over Apex Valves.

A cash consideration of R6 million was paid on 31 October 2014.

Africa Saffer Trading Proprietary Limited (AST)

The group acquired an additional 39% shareholding in AST as at 31 October 2014 for a cash consideration of R17,7 million. The 51% interest disclosed as an investment in joint venture was derecognised. Subsequently, AST was rerecognised as a subsidiary.

The group realised a net gain of R15,0 million on this transaction, consisting of a R5,0 million loss on derecognition of the joint venture and a R20,0 million gain on re-recognition as a subsidiary.

The total goodwill attributed to this transaction amounts to R29,5 million and was impaired.

The AST group contributed an operating loss of R14,8 million and revenue of R61,6 million since the acquisition date.

If the acquisition had occurred on 1 July 2014, group revenue would have been R62,4 million more, and operating profit for the period would have decreased by R1,0 million.

IPS & Distribution Proprietary Limited (IPS)

An additional 51% was purchased in IPS as at 1 January 2015 for a cash consideration of R51. The 49% disclosed as an investment in associate was derecognised. Subsequently, IPS was rerecognised as a 100% owned subsidiary.



The total goodwill attributed to this transaction amounts to R2,3 million.

IPS contributed an operating loss of R2,7 million and revenue of R30,8 million since the acquisition date.

Saffer Union (West Africa) Limited (SUWA)

The group acquired an additional 50% shareholding in SUWA as at 31 March 2015 for a cash consideration of R5,2 million.

This resulted in the group obtaining 100% control over SUWA

and recognised it as a subsidiary. SUWA is part of the AST

group. If the acquisition occurred on 1 July 2014, group

revenue would have been R5,5 million more and operating

profit for the period would have decreased by R21,8 million.

The amount of net assets acquired amounted to R1 million. No

identifiable intangibles were recognised. Total goodwill

attributed to this transaction amounts to R4,3 million and

was subsequently impaired.

The fair value of assets acquired, liabilities assumed,

intangibles assets and the non-controlling interest at the

acquisition date are set out below.

|  |                  |         |        |         |
|--|------------------|---------|--------|---------|
|  | Hamiltons Africa |         |        | IPS &   |
|  | Brush-           | Saffer  | Saffer | Distri- |
|  | ware SA          | Trading | Union  | bution  |

|  | Pro-Max | Proprie-<br>tary<br>Limited | Proprie-<br>tary<br>Limited | (West<br>Africa)<br>Limited | Proprie-<br>tary<br>Limited | Total   |
|--|---------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------|
|  | R'000   | R'000                       | R'000                       | R'000                       | R'000                       | R'000   |
| Conside-<br>ration<br>at acqui-<br>sition<br>date    |         |                             |                             |                             |                             |         |
| Cash   | -       | 10 000                      | 17 658                      | 5 220                       | -                           | 32 878  |
| Fair value<br>of<br>previously<br>held<br>interest   | -       | -                           | 20 080                      | -                           | -                           | 20 080  |
| Loan amount<br>acquired<br>as part of<br>acquisition | -       | (4 521)                     | -                           | -                           | -                           | (4 521) |
| Contingent<br>conside-<br>ration (acqui-             |         |                             |                             |                             |                             |         |

sition

vendor) 8 359            -            -            -            -            8 359

Total

purchase

conside-

ration 8 359        5 479        37 738        5 220            -        56 796

Recog-

nised

amounts

of identi-

fiable

assets

acquired

and lia-

bilities

assumed:

| Fair  | Fair  | Fair  | Fair  | Fair  | Fair  | Fair  |
|-------|-------|-------|-------|-------|-------|-------|
| value | value | value | value | value | value | value |
| R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |

Property,

plant

and

|           |        |        |        |       |        |         |
|-----------|--------|--------|--------|-------|--------|---------|
| equip-    |        |        |        |       |        |         |
| ment      | 8 008  | 2 100  | 7 064  | 201   | 1 129  | 18 502  |
| Trade-    |        |        |        |       |        |         |
| marks     | 5 139  | 3 275  | -      | -     | -      | 8 414   |
| Customer  |        |        |        |       |        |         |
| relation- |        |        |        |       |        |         |
| ships     | 3 974  | 3 409  | -      | -     | -      | 7 383   |
| Invest-   |        |        |        |       |        |         |
| ments in  |        |        |        |       |        |         |
| joint     |        |        |        |       |        |         |
| ventures  |        |        |        |       |        |         |
| - equity  |        |        |        |       |        |         |
| accounted | -      | -      | 8 305  | -     | -      | 8 305   |
| Deferred  |        |        |        |       |        |         |
| taxation  | 219    | 222    | 560    | -     | 6 417  | 7 418   |
| Inven-    |        |        |        |       |        |         |
| tory      | 30 623 | 12 875 | 54 385 | 3 719 | 26 386 | 127 988 |
| Trade     |        |        |        |       |        |         |
| and       |        |        |        |       |        |         |
| other     |        |        |        |       |        |         |
| receiv-   |        |        |        |       |        |         |
| ables     | 35 727 | 12 126 | 50 747 | 14    | 11 861 | 110 475 |

Cash

and

cash

equi-

valents 26 4 845 4 504 447 5 986 15 808

Assets 83 716 38 852 125 565 4 381 51 779 304 293

Borrow-

ings (3 780) (14 337) (35 630) - (20 711) (74 458)

Trade

and

other

pay-

ables (50 730) (15 428) (58 786) (1 924) (32 178) (159 047)

Current

tax

lia-

bili-

ties (3 442) (591) (2 981) - - (7 014)

Deferred

tax

liabi-

lities (2 552) (1 859) (494) - - (4 905)

Bank

over-

draft (22 514)            -    (4 058)            -            -    (26 572)

Provi-

sions

and

accruals(1 081)            (912) (17 833)    (1 500)    (1 139)    (22 465)

Liabili-

ties    (84 099)    (33 127)(119 782)    (3 424)    (54 029)    (294 461)

Total

iden-

tifi-

able

net

assets    (383)    5 725    5 783            957    (2 250)    9 832

Less:

Non-

control-

ling

interest    (867)    (2 351)    2 491            -            -    (727)

Goodwill 9 609    2 105    29 464    4 263    2 250    47 691

Purchase

consi-

dera-

tion 8 359 5 479 37 738 5 220 - 56 796

Cash

flow

from

acqui-

sitions

Total

purchase

conside-

ration 8 359 5 479 37 738 5 220 - 56 796

Less:

Cash and

cash equi-

valents

ac-

quired 22 488 (4 845) (446) (447) (5 986) 10 764

Less:

Loan

amount

acquired

as part

of acqui-

|        |   |       |   |   |   |       |
|--------|---|-------|---|---|---|-------|
| sition | - | 4 521 | - | - | - | 4 521 |
|--------|---|-------|---|---|---|-------|

Less: Fair

value of

previously

held

|          |   |   |          |   |   |          |
|----------|---|---|----------|---|---|----------|
| interest | - | - | (20 080) | - | - | (20 080) |
|----------|---|---|----------|---|---|----------|

Less:

Contingent

conside-

|                |   |   |   |   |   |         |
|----------------|---|---|---|---|---|---------|
| ration (8 359) | - | - | - | - | - | (8 359) |
|----------------|---|---|---|---|---|---------|

Total

cash

outflow/

(inflow)

from

acquisi-

|       |        |       |        |       |         |        |
|-------|--------|-------|--------|-------|---------|--------|
| tions | 22 488 | 5 155 | 17 212 | 4 773 | (5 986) | 43 642 |
|-------|--------|-------|--------|-------|---------|--------|

#### 10. RESTATEMENT, RECLASSIFICATION AND CONSISTENCY OF PRESENTATION

##### RESTATEMENTS (NOTES 1 TO 3)

1. Restatement 1 - Operating lease liability (note 8) and



deferred profit

An operating lease liability is required for leases with escalation clauses. An addendum to the existing lease agreement on the Germiston Distribution Centre in 2009 was not disclosed to the board. As a result, the lease operating liability (note 8) and related deferred tax had to be restated based on a minimum 15-year lease period at an escalation of 8% per annum, ending in December 2023. To improve disclosure, the operating lease liability has been disclosed as a separate item on the face of the statement of financial position and a description of the liability is included in note 8.

Deferred profit relating to the initial sale of the Germiston Distribution Centre had to be restated based on a 15-year amortising profile instead of 10 years as previously reported. This is in line with the operating lease liability. Deferred profit and the relating deferred tax were restated.

The financial impact in the affected periods are as

follows:

| 31 March | 30 June |
|----------|---------|
| 2015     | 2014    |

|                                | R'000   | R'000    |
|--------------------------------|---------|----------|
| Statement of changes in equity | (3 976) | (78 452) |

2. Restatement 2 - Written put (note 7)

A written put relating to Swan Plastics Proprietary Limited (Swan) had to be accounted for. In August 2013, a subsidiary of DAWN gave the remaining 49% shareholders in Swan the right to put their shares at a 5 price earnings ratio based on the average of the prior two years' earnings. After six years there will be a deemed offer and a deemed acceptance of the remaining 49%. This written put was not disclosed to the board. At inception the valuation is accounted for in retained earnings as part of equity and the profit and loss impact is accounted for as a finance expense and an employment expense. The written put is disclosed in derivatives (note 7) and an employment liability in trade and other payables - non-current.

The financial impact in the affected periods are as

follows:

|                                | 31 March | 30 June  |
|--------------------------------|----------|----------|
|                                | 2015     | 2014     |
|                                | R'000    | R'000    |
| Statement of changes in equity | (2 143)  | (31 236) |

3. Restatement 3 - Acquisition vendor disclosure in share-based payment reserve

An obligation was raised as a share-based payment obligation in equity to acquire the remaining non-controlling interest shareholding of 18,1% in DAWN Human Resource Solutions Proprietary Limited. The above treatment transferring the liability to equity was incorrect as per paragraph 4 of IFRS 2. DAWN has updated the statement of changes in equity (SOCIE) and share-based payment obligation. This incorrect treatment was highlighted by the JSE proactive monitoring process. The financial impact in the affected periods are as follows:

|                                | 31 March | 30 June |
|--------------------------------|----------|---------|
|                                | 2015     | 2014    |
|                                | R'000    | R'000   |
| Statement of changes in equity | (3 780)  | -       |

RECLASSIFICATIONS (NOTES 4 TO 8)

4. Grohe put

During 2015 the Grohe put valuation was calculated based on a Black Scholes valuation model. A more appropriate valuation model namely, Monte Carlo valuation method, was

used. During the prior year a net put asset was disclosed.

To enhance disclosure, the put was disclosed as an asset

and the call as a liability in the current year. The

valuation was re-performed for the comparative period and

a call option disclosed under assets and a put option

disclosed under liabilities was recognised. The net amount

remained unchanged with no profit and loss impact.

5. Consulting fees and share-based payment disclosure (SOCIE)

Consulting fees should have been disclosed as a share-

based payment expense under IFRS 2 for Collin Bishop in

respect of services rendered for the Grohe DAWN Watertech

transaction. This incorrect treatment was highlighted by

the JSE proactive monitoring process.

6. Acquisition and delivery of treasury shares (SOCIE)

Historically DAWN disclosed the movement in treasury

shares between acquisition and delivery of shares and in

the SOCIE they were set-off against each other. IAS 1.15

however, requires fair presentation through faithful

representation of the effects of transactions, other

events and conditions that occurred during a financial

period. IAS 1.106(d) specifically requires the SOCIE to

reflect a reconciliation separately disclosing the changes

between the equity position at the beginning and end of the year. The restatement separates the disclosure in the SOCIE. This incorrect treatment was highlighted by the JSE proactive monitoring process.

7. Treasury shares purchased (cash flow)

Treasury shares were historically incorrectly included in investing activities and have been reclassified to financing activities. This incorrect treatment was highlighted by the JSE proactive monitoring process.

8. Acquisition of non-controlling interests (cash flow)

Acquisition of non-controlling interest was historically incorrectly included in investing activities and has been reclassified to financing activities. This incorrect treatment was highlighted by the JSE proactive monitoring process.

CONSISTENCY OF PRESENTATION (NOTE 9)

9. Tax impact in equity (SOCIE)

The tax impact in equity relating to treasury shares and share-based payment have been identified separately and aligned with the applicable category instead of a separate line item where it was offset. Capital Gains Tax (CGT) relating to the disposal of treasury shares is accounted

for in equity on the basis that at a group level shares are disclosed at cost and delivered at cost. There is therefore no resultant CGT charge at group level. DAWN has disclosed the CGT difference against the share-based payment - vesting of options line in SOCIE. The tax impact relating to the difference in tax treatment between group (equity-settled) and company (cash-settled) is accounted for in equity. DAWN has disclosed the equity/cash-settled difference against the share-based payment - charge for the period line in SOCIE. This incorrect treatment was highlighted by the JSE proactive monitoring process.

#### OTHER MATTERS

The transactions described above in 1 and 2 were initiated and executed at the time by certain executive directors and senior management, respectively. Both transactions were executed without the knowledge and approval of the board. A reportable irregularity has therefore been reported by the external auditors to the Independent Regulatory Board of Auditors with respect to these transactions. The external auditors have also confirmed to the Independent Regulatory Board of Auditors that these irregularities are not continuing. After considering the circumstances of these

transactions, as a matter of good governance, the board has instituted the following corrective actions:

- engaged with external legal counsel to clarify DAWN's legal position with respect to these matters and its relationship with the individuals in question, including DAWN's right of recourse against any relevant individuals;
- engaged with parties involved in the above matters to ensure the board acts in the best interests of DAWN;
- accounted for and restated the comparative results in the annual financial statements for these transactions; and
- the internal audit department launched detailed investigations the into these transactions.

The board is confident that it has taken and continues to take all the necessary steps to execute its responsibilities in terms of the Companies Act of South Africa and the principles of good governance as contemplated by the King Code on Corporate Governance.

#### IMPACT ON INCOME STATEMENT

|      | Restated | Reported |            |
|------|----------|----------|------------|
|      | 31 March | 31 March |            |
|      | 2015     | 2015     | Difference |
| Note | R'000    | R'000    | R'000      |

|                        |      |           |           |         |
|------------------------|------|-----------|-----------|---------|
| Operating expenses     | 1, 2 | (945 223) | (939 836) | (5 387) |
| Administration and     |      |           |           |         |
| selling expenses       | 1    | (552 079) | (546 906) | (5 173) |
| Other operating        |      |           |           |         |
| expenses               | 2    | (46 288)  | (46 074)  | (214)   |
| Other operating income |      | 3 862     | 4 211     | (349)   |
| Operating profit/      |      |           |           |         |
| (loss) before          |      |           |           |         |
| impairments and        |      |           |           |         |
| de-recognition of      |      |           |           |         |
| previously held        |      |           |           |         |
| interest               | 1, 2 | (80 065)  | (74 329)  | (5 736) |
| Operating profit/      |      |           |           |         |
| (loss)                 | 1, 2 | 454 323   | 460 059   | (5 736) |
| Finance expense        | 2    | (52 194)  | (50 266)  | (1 928) |
| Profit/(loss) after    |      |           |           |         |
| net finance costs      | 1, 2 | 417 839   | 425 503   | (7 664) |
| Profit/(loss) before   |      |           |           |         |
| taxation               | 1, 2 | 428 716   | 436 380   | (7 664) |
| Income tax             |      |           |           |         |
| (expense)/income       | 1, 2 | 23 328    | 21 782    | 1 546   |
| Profit/(loss) from     |      |           |           |         |



|                         |      |         |         |         |
|-------------------------|------|---------|---------|---------|
| continuing operations   | 1, 2 | 452 044 | 458 162 | (6 118) |
| Profit/(loss) for       |      |         |         |         |
| the period              | 1, 2 | 479 482 | 485 600 | (6 118) |
| Profit attributable to: |      |         |         |         |
| Owners of the parent    | 1, 2 | 479 120 | 485 238 | (6 118) |
| Profit/(loss) for       |      |         |         |         |
| the period              |      | 479 482 | 485 600 | (6 118) |

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

|                         |      | Restated | Reported |            |
|-------------------------|------|----------|----------|------------|
|                         |      | 31 March | 31 March |            |
|                         |      | 2015     | 2015     | Difference |
|                         | Note | R'000    | R'000    | R'000      |
| Profit for the year     | 1, 2 | 479 482  | 485 600  | (6 118)    |
| Total comprehensive     |      |          |          |            |
| income                  | 1, 2 | 476 756  | 482 874  | (6 118)    |
| Total comprehensive     |      |          |          |            |
| income attributable to: |      |          |          |            |
| Owners of the parent    | 1, 2 | 476 394  | 482 512  | (6 118)    |
|                         | 1, 2 | 476 756  | 482 874  | (6 118)    |
| Total comprehensive     |      |          |          |            |
| income attributable     |      |          |          |            |
| to equity shareholders  |      |          |          |            |

arising from:

|                       |      |         |         |         |
|-----------------------|------|---------|---------|---------|
| Continuing operations | 1, 2 | 448 956 | 455 074 | (6 118) |
|                       | 1, 2 | 476 394 | 482 512 | (6 118) |

IMPACT ON STATEMENT OF FINANCIAL POSITION

|                      |      | Restated  | Reported  |            |
|----------------------|------|-----------|-----------|------------|
|                      |      | 31 March  | 31 March  |            |
|                      |      | 2015      | 2015      | Difference |
|                      | Note | R'000     | R'000     | R'000      |
| Non-current assets   |      |           |           |            |
| Derivative financial |      |           |           |            |
| instruments          | 4    | 29 890    | 3 950     | 25 940     |
| Deferred tax assets  | 1    | 103 157   | 71 101    | 32 056     |
|                      | 1, 4 | 1 448 121 | 1 390 125 | 57 996     |
| Total assets         | 1, 4 | 3 759 015 | 3 701 019 | 57 996     |
| Opening retained     |      |           |           |            |
| earnings 2014        | 1, 2 | 983 627   | 1 093 315 | (109 688)  |
| Opening retained     |      |           |           |            |
| earnings 2015        | 1, 2 | 1 417 371 | 1 533 177 | (115 806)  |
| Share-based payment  |      |           |           |            |
| reserve              | 3    | 65 915    | 69 695    | (3 780)    |
| Share capital and    |      |           |           |            |
| reserves             |      | 1 850 563 | 1 970 149 | (119 586)  |

|                         |      |           |           |           |
|-------------------------|------|-----------|-----------|-----------|
| Total equity            |      | 1 884 537 | 2 004 123 | (119 586) |
| Non-current liabilities |      |           |           |           |
| Derivative financial    |      |           |           |           |
| instruments             | 2, 4 | 55 980    | -         | 55 980    |
| Deferred profit         |      | 39 403    | 16 013    | 23 390    |
| Operating lease         |      |           |           |           |
| liability               | 1    | 105 236   | -         | 105 236   |
| Trade and other         |      |           |           |           |
| payables                |      | 3 338     | -         | 3 338     |
|                         |      | 293 432   | 105 488   | 187 944   |
| Current liabilities     |      |           |           |           |
| Trade and other         |      |           |           |           |
| payables                | 1    | 1 037 780 | 1 053 210 | (15 430)  |
| Operating lease         |      |           |           |           |
| liability               | 1    | 1 754     | -         | 1 754     |
| Borrowings              | 3    | 505 385   | 501 605   | 3 780     |
| Deferred profit         | 1    | 5 327     | 5 793     | (466)     |
| Total liabilities       |      | 1 874 478 | 1 696 896 | 177 582   |
| Total equity and        |      |           |           |           |
| liabilities             |      | 3 759 015 | 3 701 019 | 57 996    |

IMPACT ON STATEMENT OF CHANGES IN EQUITY

Share-

|                       |         |                             | based                       |                               |
|-----------------------|---------|-----------------------------|-----------------------------|-------------------------------|
|                       | Note    | Treasury<br>shares<br>R'000 | payment<br>reserve<br>R'000 | Retained<br>earnings<br>R'000 |
| RESTATED              |         |                             |                             |                               |
| Balance at            |         |                             |                             |                               |
| 30 June 2014          | 1, 2    | -                           | -                           | 983 627                       |
| Total comprehensive   |         |                             |                             |                               |
| income for the year   | 1, 2    | -                           | -                           | 479 120                       |
| Profit for the year   | 1, 2    | -                           | -                           | 479 120                       |
| Continuing operations | 1, 2    | -                           | -                           | 451 682                       |
| Total contributions   |         |                             |                             |                               |
| by and distributions  |         |                             |                             |                               |
| to owners of the      |         |                             |                             |                               |
| company recognised    |         |                             |                             |                               |
| directly in equity    |         | -                           | 25 659                      | -                             |
| Share-based payment   |         |                             |                             |                               |
| - charge for the      |         |                             |                             |                               |
| period                | 3, 9    | -                           | 30 592                      | 3 599                         |
| Share-based payment   |         |                             |                             |                               |
| - vesting of          |         |                             |                             |                               |
| options               | 6, 7, 9 | 14 717                      | (14 717)                    | (8 958)                       |

|                            |       |         |        |           |
|----------------------------|-------|---------|--------|-----------|
| Treasury shares            |       |         |        |           |
| acquired                   | 5     | (7 984) | -      | -         |
| Balance at                 |       |         |        |           |
| 31 March 2015              |       | -       | 65 915 | 1 417 371 |
| REPORTED                   |       |         |        |           |
| Balance at                 |       |         |        |           |
| 30 June 2014               |       | -       | -      | 1 093 315 |
| Total comprehensive income |       |         |        |           |
| for the year               |       | -       | -      | 485 238   |
| Profit for the year        |       | -       | -      | 485 238   |
| Continuing operations      |       | -       | -      | 457 800   |
| Total contributions        |       |         |        |           |
| by and distributions       |       |         |        |           |
| to owners of the           |       |         |        |           |
| company recognised         |       |         |        |           |
| directly in equity         |       | -       | 29 439 | -         |
| Share-based payment        |       |         |        |           |
| - charge for               |       |         |        |           |
| the period                 |       | -       | 22 608 | -         |
| Share-based payment        |       |         |        |           |
| - vesting of               |       |         |        |           |
| options                    | 6 733 | (6 733) |        | -         |

|                 |          |          |           |
|-----------------|----------|----------|-----------|
| Tax impact      |          |          |           |
| in equity       | -        | -        | (5 359)   |
| Treasury shares |          |          |           |
| acquired        | -        | -        | -         |
| Balance at      |          |          |           |
| 31 March 2015   | -        | 69 695   | 1 533 177 |
|                 | Equity   | Non-     |           |
|                 | attribu- | control- |           |
|                 | table to | ling     |           |
|                 | company  | interest | Total     |
|                 | R'000    | R'000    | R'000     |

RESTATED

|                       |           |        |           |
|-----------------------|-----------|--------|-----------|
| Balance at            |           |        |           |
| 30 June 2014          | 1 377 542 | 35 756 | 1 413 298 |
| Total comprehensive   |           |        |           |
| income for the year   | 476 394   | 377    | 476 771   |
| Profit for the year   | 479 120   | 377    | 479 497   |
| Continuing operations | 451 682   | 362    | 452 044   |
| Total contributions   |           |        |           |
| by and distributions  |           |        |           |
| to owners of the      |           |        |           |
| company recognised    |           |        |           |

|                            |           |        |           |
|----------------------------|-----------|--------|-----------|
| directly in equity         | 36 644    | -      | 34 485    |
| Share-based payment        |           |        |           |
| - charge for the           |           |        |           |
| period                     | 34 191    | -      | 34 191    |
| Share-based payment        |           |        |           |
| - vesting of               |           |        |           |
| options                    | (8 958)   | -      | (8 958)   |
| Treasury shares            |           |        |           |
| acquired                   | (7 984)   | -      | (7 984)   |
| Balance at                 |           |        |           |
| 31 March 2015              | 1 850 563 | 33 974 | 1 884 537 |
| REPORTED                   |           |        |           |
| Balance at                 |           |        |           |
| 30 June 2014               | 1 487 230 | 35 756 | 1 522 986 |
| Total comprehensive income |           |        |           |
| for the year               | 482 512   | 377    | 482 889   |
| Profit for the year        | 485 238   | 377    | 485 615   |
| Continuing operations      | 457 800   | 362    | 458 162   |
| Total contributions        |           |        |           |
| by and distributions       |           |        |           |
| to owners of the           |           |        |           |
| company recognised         |           |        |           |

|                     |      |           |         |           |
|---------------------|------|-----------|---------|-----------|
| directly in equity  |      | 40 424    | -       | 38 265    |
| Share-based payment |      |           |         |           |
| - charge for        |      |           |         |           |
| the period          |      | 22 608    | -       | 22 608    |
| Share-based payment |      |           |         |           |
| - vesting of        |      |           |         |           |
| options             |      | -         | -       | -         |
| Tax impact          |      |           |         |           |
| in equity           |      | (5 359)   | -       | (5 359)   |
| Treasury shares     |      |           |         |           |
| acquired            |      | -         | -       | -         |
| Balance at          |      |           |         |           |
| 31 March 2015       |      | 1 970 149 | 33 974  | 2 004 123 |
|                     |      |           | Share-  |           |
|                     |      |           | based   |           |
|                     |      | Treasury  | payment | Retained  |
|                     |      | shares    | reserve | earnings  |
|                     | Note | R'000     | R'000   | R'000     |
| DIFFERENCE          |      |           |         |           |
| Balance at          |      |           |         |           |
| 30 June 2014        | 2, 3 | -         | -       | (109 688) |
| Total comprehensive |      |           |         |           |



|                      |      |         |         |           |
|----------------------|------|---------|---------|-----------|
| income for the year  | 2, 3 | -       | -       | (6 118)   |
| Profit for the year  | 2, 3 | -       | -       | (6 118)   |
| Continuing           |      |         |         |           |
| operations           | 2, 3 | -       | -       | (6 118)   |
| Total contributions  |      |         |         |           |
| by and distributions |      |         |         |           |
| to owners of the     |      |         |         |           |
| company recognised   |      |         |         |           |
| directly in          |      | -       | (3 780) | -         |
| Share-based payment  |      |         |         |           |
| - charge for the     |      |         |         |           |
| period               | 5, 8 | -       | 7 984   | 3 599     |
| Share-based payment  |      |         |         |           |
| - vesting of         |      |         |         |           |
| options              | 5, 8 | 7 984   | (7 984) | (8 958)   |
| Treasury shares      |      |         |         |           |
| acquired             | 1, 7 | (7 984) | -       | -         |
| Tax impact in equity | 8    | -       | -       | 8 958     |
| Balance at           |      |         |         |           |
| 31 March 2015        |      | -       | (3 780) | (115 806) |

Equity                      Non-  
attribu-                      control-

|                      | table to  | ling     |           |
|----------------------|-----------|----------|-----------|
|                      | company   | interest | Total     |
|                      | R'000     | R'000    | R'000     |
| DIFFERENCE           |           |          |           |
| Balance at           |           |          |           |
| 30 June 2014         | (109 688) | -        | (109 688) |
| Total comprehensive  |           |          |           |
| income for the year  | (6 118)   | -        | (6 118)   |
| Profit for the year  | (6 118)   | -        | (6 118)   |
| Continuing           |           |          |           |
| operations           | (6 118)   | -        | (6 118)   |
| Total contributions  |           |          |           |
| by and distributions |           |          |           |
| to owners of the     |           |          |           |
| company recognised   |           |          |           |
| directly in          | (3 780)   | -        | (3 780)   |
| Share-based payment  |           |          |           |
| - charge for the     |           |          |           |
| period               | 11 583    | -        | 11 583    |
| Share-based payment  |           |          |           |
| - vesting of         |           |          |           |
| options              | (8 958)   | -        | (8 958)   |

|                      |  |           |   |           |
|----------------------|--|-----------|---|-----------|
| Treasury shares      |  |           |   |           |
| acquired             |  | (7 984)   | - | (7 984)   |
| Tax impact in equity |  | 8 958     | - | 8 958     |
| Balance at           |  |           |   |           |
| 31 March 2015        |  | (119 586) | - | (119 586) |

IMPACT ON STATEMENT OF CASH FLOWS

|                           |       | Restated | Reported |            |
|---------------------------|-------|----------|----------|------------|
|                           |       | 31 March | 31 March |            |
|                           |       | 2015     | 2015     | Difference |
| Note                      | R'000 | R'000    | R'000    | R'000      |
| Cash flows from           |       |          |          |            |
| investing activities      |       |          |          |            |
| Treasury shares           |       |          |          |            |
| acquired                  | 7     | -        | (7 984)  | 7 984      |
| Acquisition of            |       |          |          |            |
| non-controlling           |       |          |          |            |
| interests                 | 8     | -        | (12 168) | 12 168     |
| Net cash generated by     |       |          |          |            |
| investing activities      |       | 689 740  | 669 588  | 20 152     |
| Cash flows from financing |       |          |          |            |
| activities                |       |          |          |            |
| Treasury shares           |       |          |          |            |

|                   |   |           |           |          |
|-------------------|---|-----------|-----------|----------|
| acquired          | 7 | (7 984)   | -         | (7 984)  |
| Acquisition of    |   |           |           |          |
| non-controlling   |   |           |           |          |
| interests         | 8 | (12 168)  | -         | (12 168) |
| Net cash utilised |   |           |           |          |
| in financing      |   |           |           |          |
| activities        |   | (585 413) | (565 261) | (20 152) |

#### 11. EVENTS AFTER THE REPORTING PERIOD

Changes to the board of directors

Chief executive officer

As announced on SENS on 26 April 2016, Derek Tod has taken a decision to retire as chief executive officer, effective 31 May 2016. He has agreed with the board that he will participate in an organised hand-over to the board and interim

chief executive officer, as and when required.

Stephen Connelly, who was appointed to the board as independent non-executive director on 1 April 2016, has accepted the role of interim chief executive officer of DAWN, effective 1 June 2016. He will fulfil this role until the board has selected a permanent successor to Derek Tod. He

will

also assist the DAWN executive committee in the turnaround strategy, which commenced recently.

The board will immediately commence with the process of identifying and appointing a permanent successor and will in this process consider both internal and external candidates.

Chief financial officer

The chief financial officer, Dries Ferreira, resigned from DAWN on 14 July 2016, but agreed to remain in employment

until

31 October 2016 to ensure a smooth transition. Hanré Bester

(CA (SA), MCom (Tax)), the group financial manager who

joined DAWN during 2010, has been appointed as acting

financial director until a permanent placement can be made.

Risk and compliance officer

The risk and compliance officer and executive director, Jan

Beukes, resigned from DAWN on 14 July 2016, but agreed to

remain in employment until 31 October 2016 to ensure a smooth

transition. A suitable replacement will be recruited in due

course.

Borrowings - covenants

DAWN has breached some of its covenants and accordingly

approached Absa for a waiver of the relevant covenant

measures. On 28 June 2016 Absa consented to the non-compliance

(breach) of covenants and waived the event of default.

DAWN's current facility ends on 7 October 2016 and has been re-negotiated to 7 October 2017. The new facility has similar characteristics, but will have a quarterly step-down of R25 million per quarter in respect of the revolving credit facility (RCF) starting 7 October 2016 and ending 7 July 2017.

The pricing has provisionally been indicated and reflects a deteriorated credit position as well as movements in the general yield curve.

Security requirements remain unchanged.

The carrying amount of the loan in default is R200 million (R200 million of a RCF) and Rnil of a general banking limit (R100 million of a general banking facility).

Disposal

Braveheart Financial Services Proprietary Limited - a DAWN investment of 30% was sold to the majority shareholder on 30 May 2016 for an amount of R1 million.

DISTRIBUTION AND WAREHOUSING NETWORK LIMITED

Incorporated in the Republic of South Africa

Registration number 1984/008265/06

("DAWN" or "the group" or "the company")

Alpha code: DAW

ISIN: ZAE000018834

E-mail: info@dawnltd.co.za

Registered office:

Cnr Barlow Road and Cavaleros Drive, Jupiter Ext 3, Germiston,

1401

Directors:

Diederik Fouché\* (chairman), Stephen Connelly (interim chief

executive officer), Lou Alberts^, George Nakos\*, Hanré Bester

(acting financial director), Saleh Mayet ^, Dinga Mncube ^, Veli

Mokoena\*, René Roos

\* Non-executive ^ Independent non-executive

Preparer:

Prepared by Yolandi van den Berg (CA(SA)), senior group financial

accountant, under the supervision of Hanré Bester (CA(SA)),

acting financial director

Company secretary:

iThemba Governance and Statutory Solutions (Pty) Ltd

Transfer secretaries:

Computershare Investor Services (Pty) Ltd, 70 Marshall Street,

Marshalltown, 2001

(PO Box 61051, Marshalltown, 2107)

Sponsor:

Deloitte & Touche Sponsor Services (Pty) Ltd

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