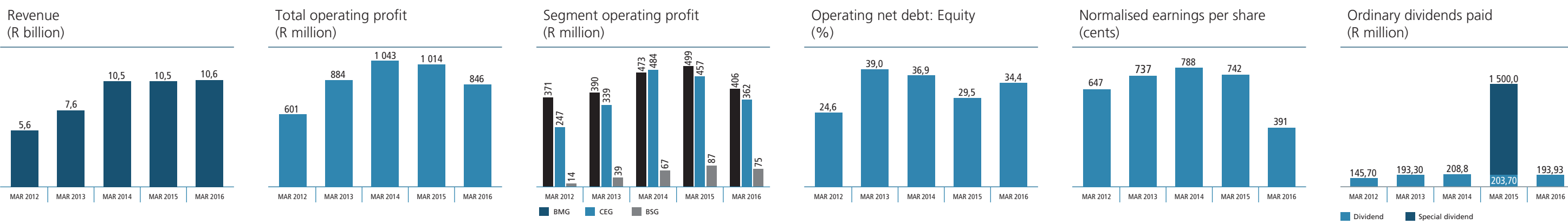
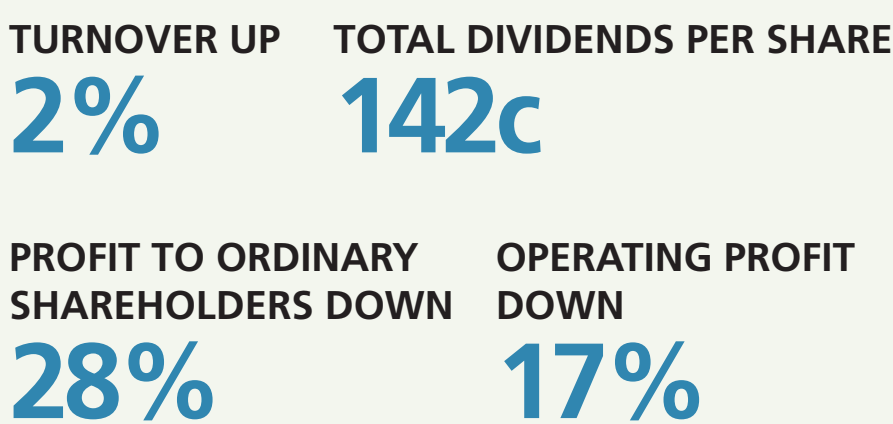


# PRELIMINARY AUDITED SUMMARISED CONSOLIDATED RESULTS

## FOR THE YEAR ENDED 31 MARCH 2016



## FINANCIAL HIGHLIGHTS



### AUDITED SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2016	2015
	R'000	R'000
% change		
Revenue	10 635 850	10 459 567
Gross profit	3 049 442	3 088 626
Operating profit	846 265	1 014 179
Interest and dividends received	831 321	666 151
Finance costs	(1 068 195)	(843 863)
Share of profits of associates	5 607	5 206
Profit before taxation	614 998	841 673
Taxation	(105 539)	(150 548)
Profit for the year	509 459	691 125
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Exchange differences on translating foreign operations	164 129	33 834
<b>Total comprehensive income for the year</b>	<b>673 588</b>	<b>724 959</b>

	2016	2015
	R'000	R'000
<b>Profit attributable to:</b>		
Owners of the company	418 709	578 642
Non-controlling interest	17 043	42 287
Preference shareholders	73 707	70 196
	<b>509 459</b>	<b>691 125</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	584 770	598 348
Non-controlling interest	15 111	56 415
Preference shareholders	73 707	70 196
	<b>673 588</b>	<b>724 959</b>

	2016	2015
	R'000	R'000
<b>Earnings per share (cents)</b>		
Diluted earnings per share (cents)	391	742
Operating profit	47	741
Normalised earnings per share (cents)	391	742
<b>Determination of headline earnings</b>		
Attributable earnings	418 709	578 642
Adjustments		
- Net impairment of intangible assets	12 935	203
- Net (reversal) / impairment of property, plant and equipment	(2 663)	327
- Profit on disposal of investment	(35)	(14 996)
- Net (profit) / loss on disposal of property, plant and equipment	(62 552)	653
Total adjustments before taxation and non-controlling interest	(52 315)	(13 813)
Taxation	17 117	(310)
Non-controlling interest	142	2 625
Total adjustments	(35 056)	(11 498)
<b>Headline earnings</b>	<b>383 653</b>	<b>567 144</b>
<b>Determination of normalised headline earnings</b>		
Headline earnings	383 653	567 144
Relocation cost	18 000	-
<b>Normalised headline earnings</b>	<b>401 653</b>	<b>567 144</b>
<b>Headline earnings per share (cents)</b>	<b>359</b>	<b>727</b>
<b>Diluted headline earnings per share (cents)</b>	<b>358</b>	<b>726</b>
<b>Normalised headline earnings per share (cents)</b>	<b>375</b>	<b>726</b>
<b>Shares in issue</b>		
Weighted average (000s)	107 013	77 965
At the end of the period (000s)	108 495	103 467
Number of shares used for diluted earnings per share (000s)	107 013	77 476
<b>Headline earnings per share (cents)</b>	<b>359</b>	<b>727</b>
<b>Earnings per share (cents)</b>	<b>391</b>	<b>742</b>
<b>Dividends per share* (cents)</b>	<b>142</b>	<b>2 220</b>
- Interim	67	84
- Special	-	2 024
- Final	75	112

\* In accordance with IAS 10, the final dividend of 75.28 cents per share proposed by the directors has not been reflected in the final results.

### AUDITED SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	2016	2015
	R'000	R'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	585 599	979 254
Finance costs	(1 068 195)	(843 863)
Dividends paid to Group shareholders and non-controlling interest	(269 262)	(1 799 165)
Taxation paid	(146 539)	(134 567)
Interest and dividends received	831 321	666 151
Net cash outflow from operating activities	(67 076)	(1 132 190)
<b>Cash flows from investing activities</b>		
Effects of acquisitions of property, plant and equipment and intangible assets	(180 247)	(222 710)
Acquisition of subsidiaries and associates	(81 921)	(111 166)
Net change in non-controlling interests in subsidiaries	18 487	(371 941)
Disposal of investment	-	22 804
Decrease / (increase) in long-term receivables including current portion	28 659	(573 687)
Net decrease in financial investments	-	408 046
Dividend received from associate	3 262	1 496
Net cash outflow from investing activities	(211 760)	(847 158)
<b>Cash flows from financing activities</b>		
Net cash effects of liabilities raised	206 826	198 218
Share appreciation rights exercised and employee tax paid; treasury shares acquired	(8 931)	(17 868)
Ordinary shares issued	-	2 217 100
Net cash inflow from financing activities	197 895	2 397 450
Net decrease in cash and cash equivalents	(80 941)	418 102
Cash and cash equivalents at the beginning of the year	573 387	139 496
Effect of foreign exchange rate movement on cash balances	63 688	15 789
<b>Cash and cash equivalents at the end of the year</b>	<b>556 134</b>	<b>573 387</b>

### AUDITED SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2016	2015
	R'000	R'000
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>7 399 648</b>	<b>6 586 957</b>
Property, plant and equipment	1 495 251	1 274 365
Financial investments and investment in associates	1 808 135	1 638 830
Goodwill and other intangible assets	832 137	839 090
Financial assets, finance lease and long-term receivables	3 075 413	2 669 357
Deferred taxation	188 712	165 315
<b>Current assets</b>	<b>7 495 486</b>	<b>7 704 220</b>
Held for sale assets	12 058	-
Inventories	4 092 849	3 803 416
Trade and other receivables	1 970 914	1 941 824
Taxation prepaid	27 137	18 855
Current portion of financial investments, finance lease and long-term receivables	610 606	1 219 107
Bank balances and cash	781 922	721 018
<b>Total assets</b>	<b>14 895 134</b>	<b>14 291 177</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	<b>5 050 090</b>	<b>4 635 652</b>
Equity attributable to the equity holders	4 866 780	4 459 973
Non-controlling interest	183 310	175 679
<b>Non-current liabilities</b>	<b>6 193 333</b>	<b>5 670 556</b>
Long-term borrowings, guaranteed repurchase liabilities and financial liabilities	6 164 339	5 637 801
Deferred taxation	28 994	32 755
<b>Current liabilities</b>	<b>3 651 711</b>	<b>3 984 969</b>
Trade, other payables and provisions	2 406 441	2 554 310
Taxation liabilities	32 124	37 918
Shareholders for dividends	48 082	40 105
Current portion of long-term borrowings and guaranteed repurchase liabilities	939 276	1 205 005
Bank overdrafts	225 788	147 631
<b>Total equity and liabilities</b>	<b>14 895 134</b>	<b>14 291 177</b>

### AUDITED SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2016	2015
	R'000	R'000
<b>SHARE CAPITAL</b>		
Balance at the beginning of year	5 424	3 777
Shares issued	-	1 647
Balance at the end of the year	5 424	5 424
<b>SHARE PREMIUM</b>		
Balance at the beginning of year	2 653 151	410 897
Shares issued	-	2 242 254
Balance at the end of the year	2 653 151	2 653 151
<b>TREASURY SHARES</b>		
Balance at the beginning of year	(80 098)	(80 098)
Shares acquired	(4 913)	-
Balance at the end of the year	(85 011)	(80 098)
<b>PREFERENCE SHARES</b>		
Balance at the beginning of year	750 000	750 000
Balance at the end of the year	750 000	750 000
<b>RETAINED EARNINGS</b>		
Balance at the beginning of year	1 111 256	2 275 702
Earnings attributable to ordinary shareholders	418 709	578 642
Share appreciation rights exercised	-	(34 635)
Reallocation from/(to) other reserves	1 367	(6 890)
Re-measurement of employee obligation	-	803
Change in non-controlling interest	17 086	1 352
Ordinary dividends paid	(193 930)	(1 703 718)
Balance at the end of the year	1 354 488	1 111 256
<b>OTHER RESERVES</b>		
Balance at the beginning of year	20 240	(283 205)
Share appreciation rights issued	7 667	17 222
Share appreciation rights exercised	(4 018)	(4 928)
Other reserves attributable to non-controlling interest	3 331	(14 128)
Change in ownership of subsidiaries	1 942	(116 009)
Derecognition of put liability reserve	-	380 564
Allocation (to)/from retained earnings and non-controlling interest	(4 563)	6 890
Translation of foreign operations	164 129	33 834
Balance at the end of the year	188 728	20 240
Attributable to equity shareholders	4 866 780	4 459 973
<b>NON-CONTROLLING INTEREST</b>		
Balance at the beginning of year	175 679	481 947
Earnings attributable to non-controlling interest	17 043	42 287
Share of other reserves	(3 331)	14 128
Non-controlling interest arising on acquisitions and purchases of non-controlling interests	324	(334 129)
Dividends paid	(6 405)	(28 554)
Balance at the end of the year	183 310	175 679

### AUDITED SUMMARISED SEGMENT INFORMATION

	Engineering consumables	Capital equipment	Building supplies	Group, financing and other operations	Total
	R'000	R'000	R'000	R'000	R'000
<b>2016</b>					
Segment revenue	4 298 874	4 483 878	1 836 606	16 492	10 635 850
Segment operating profit	406 226	361 989	75 204	2 846	846 265
Segment assets	2 729 534	3 850 263	995 453	7 319 884	14 895 134
Segment liabilities	793 788	1 595 349	603 431	6 852 476	9 845 044
<b>2015</b>					
Segment revenue	4 208 678	4 606 646	1 638 592	5 651	10 459 567
Segment operating profit	499 175	456 945	87 435	(29 376)	1 014 179
Segment assets	2 622 897	3 851 849	848 177	6 968 254	14 291 177
Segment liabilities	827 079	1 959 965	520 344	6 348 137	9 655 525

### OTHER INFORMATION

	2016	2015
	R'000	R'000
Net interest-bearing debt: equity ratio (excluding long-term debt secured by investments and loans) (%)	34%	30%
Depreciation and amortisation (R'000)	151 790	130 703
Net asset value per share (cents)	4 486	4 117
Tangible net asset value per share (cents)	3 719	3 344
Capital expenditure (R'000)	319 375	240 035
Capital commitment (R'000)	182 344	356 607

### NOTES TO THE FINANCIAL INFORMATION

**Basics of preparation**  
The Group's audited summarised consolidated financial statements (results) are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, the requirements of the Companies Act applicable to summarised financial statements, the framework, measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the minimum requirement of IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the results are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the Group's previous consolidated financial statements. All accounting policies effective for the 2015 financial year onwards were applied and did not have a material impact on the Group results.

**Prepared by**  
These audited summarised financial statements have been prepared under the supervision of Craig Barnard CA(SA), Executive Director - Financial and Commercial.

**Acquisitions**  
Various acquisitions were made during the year ended 31 March 2016, amounting to R114 million.

**Events after the reporting date**  
There were no events to report on or after the reporting period to the date of this report.

**Disclosure note**  
A reportable irregularity was reported to the Independent Regulatory Board of Auditors with respect to a general repurchase of shares by the Company in the open market. After considering the circumstances of the transactions, as a matter of good governance, the relevant transactions were cancelled at no cost to the Company.

**Fair value disclosure**  
The following is an analysis of the financial instruments that are measured subsequent to initial recognition at fair value. They are grouped into levels 1 to 3 based on the extent to which the fair value is observable. There has been no transfer of financial assets or liabilities between the categories. The levels are classified as follows:

Level 1 - fair value is based on quoted prices in active markets for identical financial assets or liabilities  
Level 2 - fair value is determined using directly observable inputs other than level 1 inputs  
Level 3 - fair value is determined on inputs not based on observable market data

	31 March 2016	Valuation technique(s) and key inputs	Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>					
Financial assets	103 234	1	-	103 234	-
Trade and other receivables	1 970 914	2	-	-	1 970 914
<b>Financial liabilities at fair value</b>					
Financial liabilities	100 252	1	-	100 252	-
Trade and other payables	1 126 628	3	-	-	1 126 628
Foreign trade payables	1 024 388	4	-	-	1 024 388

	31 March 2015	Valuation technique(s) and key inputs	Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>					
Financial assets	131 555	1	-	131 555	-
Trade and other receivables	1 941 824	2	-	-	1 941 824
<b>Financial liabilities at fair value</b>					
Financial liabilities	131 496	1	-	131 496	-
Trade and other payables	1 146 871	3	-	-	1 146 871
Foreign trade payables	1 168 849	4	-	-	1 168 849

- Discounted contractual stream payments using the zero swap curve at the valuation date.
- Face value less specific related provision.
- Determined by the spot rate at year-end.
- Expected settlement value.

### COMMENTS

**OVERVIEW OF THE YEAR**  
The Group has delivered a disappointing result for the year to March 2016. The markets served by the Group's diverse businesses all proved to be extremely challenging. The past year was characterised by a further dramatic weakening in mining and construction activity in Africa and South East Asia. Further, the deterioration in industrial and manufacturing activity in South Africa and a severe drought which gripped the southern African region and suppressed the agricultural industry likewise impacted on the Group results. The volatility that prevailed in emerging market currencies and the lack of global growth, affected confidence and investment flows into the markets served by the Group. All of these negative factors contributed to depressed demand for the Group's products and services in the year.

**ENGINEERING CONSUMABLES**  
The Engineering Consumables segment grew revenue by 2% to R4,299 billion. The acquisition of Hansen Transmissions SA, Hyflo and Sibuyile Industrial Supplies in the second half of the period under review added R189 million of revenue during the period. Excluding acquisitions, revenue declined by 2% compared with the prior period. Operating profit in the segment declined by 19% to R406 million as the return on capital employed declined from 25.8% to 17.5% in the period. The segment operating margin declined from 11.9% to 9.4% in the period and the return on capital employed declined from 29.8% to 21.8%.

The R350 million expansion programme at BMG in Johannesburg is on track for completion in late 2016 with the relocation of several operations into the new facilities scheduled for December 2016. Once settled in mid-2017, this investment is expected to start realising significant supply-chain efficiencies within the BMG business.

**CAPITAL EQUIPMENT**  
The Capital Equipment segment saw revenue decline by 3% to R4,484 billion. A 4% decline in the South African businesses was offset by a small growth in revenue recorded by Kian Ann Engineering in Singapore. Operating profit in the South African markets declined by 2% while the total segment declined by 20.8% to R362 million. The segment operating margin declined from 9.9% to 8.1% in the period and the return on capital employed declined from 25.8% to 17.5% in the period. Excluding the one-off profit realised in the prior period of R69 million, the operating profit declined by 6.5%.

**BUILDING SUPPLIES**  
The Building Supplies segment grew revenue by 11% to R1,837 billion. Exports into Africa grew by 22%. Significant pressure on gross margins and difficulties experienced in the plastic pipe factory in the earlier part of the year resulted in operating profit declining by 14% to R75 million. The segment operating margin declined from 5.3% to 4.1% and return on capital employed declined from 30.6% to 20.8%.

Significant restructuring was undertaken in the year and these benefits will manifest in the coming year. An investment in facilities in Midrand, Johannesburg to the value of R150 million is under consideration to facilitate the continued strong growth expected from the Gauteng market and exports of building and