

REVIEWED PROVISIONAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014



BASIL READ

Commentary

A challenging construction sector, difficult contractual environment and poor operational performance have contributed to Basil Read reporting poor results for the 2014 financial year. Loss-making contracts across all construction disciplines, coupled with a struggling engineering division, have overshadowed stable performances by the mining and developments divisions.

The newly appointed executive management team took decisive action in the second half to improve the company's performance in the next financial year. Overhead costs have been reduced through a rightsizing exercise to an appropriate level of administrative staff, satellite offices have been closed and a critical evaluation of the overhead cost base has been performed to eliminate unnecessary expenditure. The company has been reorganised into an operational structure comprising two major divisions, construction and mining, assisted by a centralised support team. The company has moved from a group and subsidiaries structure to a company and divisions structure. Subsidiaries are either being incorporated into the divisions or fixed and sold.

Prospects

Following a concerted effort, the company has reduced its overhead costs and streamlined its operating structure, setting Basil Read up to return to profitability in the coming financial year. Of key importance is that Basil Read completes loss-making contracts as efficiently and quickly as possible while ensuring that claims are systematically pursued.

At R10,5 billion, the order book is satisfactory and we will focus on at least maintaining the order book at this level. Construction work in excess of R3 billion will be realised as the company continues its large-scale integrated housing developments.

With a need for infrastructure development and an approved budget in place, South Africa offers opportunities for growth and Basil Read will seek to capitalise on this, while being mindful of opportunities across the African continent.

Key results

R820,9 million

Loss after tax
(2013: Profit of R281,5 million)

R6,5 billion

Turnover
(2013: R6,2 billion)

R10,5 billion

Order book
(2013: R12,5 billion)

599,86 cents

Loss per share
(2013: Earnings of 235,97 cents per share)

362,08 cents

Headline loss per share
(2013: Headline earnings of 86,99 cents)

-51,9%

Return on equity
(2013: 16,8%)

2 fatalities

Safety
(2013: 1 fatality)

The contract to construct the airport on St Helena Island is evidence that Basil Read has the operational capacity and capability to successfully execute a project of this magnitude, on time and within budget.

PC Baloyi **NF Nicolau**
(Chairman) (Chief Executive Officer)

27 March 2015

This announcement is a summarised version of the full announcement in respect of the provisional financial results for the year ended 31 December 2014 of Basil Read Holdings Limited and its subsidiaries (collectively "the company") and as such it does not contain full or complete details pertaining to the group's results. Any investment decisions should be made based on the full announcement.

The full announcement has been published on the Stock Exchange News Service (SENS) and can be found on the company's website (www.basilread.co.za). It is also available for inspection at our registered office, The Basil Read Campus, 7 Romeo Street, Hughes extension, Boksburg, 1459, from 09:00 to 16:00 weekdays. This summarised announcement is the responsibility of the board of directors of Basil Read Holdings Limited and has been approved by the board of directors.

BASIL READ HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 1984/007758/06)
("Basil Read" or "the company")
ISIN: ZAE000029781 Share code: BSR

Company Secretary: A Ndoni

Registered office: The Basil Read Campus, 7 Romeo Street, Hughes Extension, Boksburg, 1459

Auditors: PricewaterhouseCoopers Inc.

Transfer secretaries: Link Market Services South Africa (Pty) Ltd

Sponsor: Grindrod Bank Limited

Directors: PC Baloyi*† (Chairman), NF Nicolau (Chief Executive Officer), AC Wightman (Chief Financial Officer), DLT Dondur*†, TD Hughes*, Dr C E Manning*†, ACG Molusi*, SS Ntsaluba*, TA Tlelai*
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