

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2015



Earnings per share increased by	Headline earnings per share increased by	Revenue increased by	Operating profit increased by	Total comprehensive income increased by	Net asset value per share increased by
76%	100%	71%	81%	66%	45%

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 31 August 2015 R'000	6 months ended 31 August 2014 R'000	12 months ended 28 February 2015 R'000
Revenue	823 405	480 438	1 354 929
Cost of sales	(467 068)	(302 715)	(868 037)
Gross profit	356 337	177 723	486 892
Net Expenses	(37 555)	(1 145)	(32 950)
Operating Profit	318 782	176 578	453 942
Net Finance Costs	3 308	(1 000)	1 207
Tax	(88 476)	(41 782)	(119 974)
Profit for the year	233 614	133 796	335 175
Other Comprehensive Income	520	7 008	7 160
Total Comprehensive Income	234 134	140 804	342 335

CONDENSED STATEMENT OF FINANCIAL POSITION

	6 months ended 31 August 2015 R'000	6 months ended 31 August 2014 R'000	12 months ended 28 February 2015 R'000
Non-current assets	36 047	70 441	34 989
Current assets	1 447 684	808 936	994 723
Total assets	1 483 731	879 377	1 029 712
Shareholder's equity	834 842	575 649	694 826
Non-current liabilities	-	-	51 529
Current liabilities	648 889	303 728	283 357
Total equity and liabilities	1 483 731	879 377	1 029 712
Net asset value	834 842	575 649	694 826
Net asset value per share (cents)	2.09	1.44	1.74

CONDENSED STATEMENT OF CASH FLOWS

	6 months ended 31 August 2015 R'000	6 months ended 31 August 2014 R'000	12 months ended 28 February 2015 R'000
Cash (used in)/generated from operating activities	(120 464)	(156 040)	(26 535)
Cash (used in)/generated from investing activities	(3 096)	157 308	221 338
Cash (used in)/generated from financing activities	172 306	20 080	(77 561)
Total cash movement for the period	48 746	21 348	117 242
Cash at the beginning of the period	129 928	12 686	12 686
Total cash at end of the period	178 674	34 034	129 928

CORPORATE INFORMATION

Directors

H Saven (Chairperson of the board)*
SV Brookes (Chief Executive Officer)
J Weltman (Chief Financial Officer)
B Maluleke*, K Mzondeki*, R Tomlinson*
R Zekry* *Independent *Non-executive

Change of directorate

The following changes to the board of directors were effected subsequent to the end of the reporting period:

- Ms Basani Maluleke was appointed as an independent non-executive director with effect from 25 September 2015;
- Mr Hilton Saven was appointed as an independent non-executive director with effect from 21 September 2015;
- Ms Kholeka Winifred Mzondeki was appointed as an independent non-executive director with effect from 25 September 2015;
- Mr Rex Tomlinson was appointed as an independent non-executive director with effect from 21 September 2015;

- Mr Ronen Zekry was appointed as a non-executive director with effect from 21 September 2015;
- Mr Rodney Norman Gray resigned as a director with effect from 20 September 2015;
- Mr Ulrich Gschnaidtner resigned as a director with effect from 20 September 2015.

Registered office

Block 1, Townsend Office Park
1 Townsend Avenue, Bedfordview
Private Bag X4, Gardenview, 2047
Telephone: 011 450 2818

Sponsor

Investec Bank Limited

Transfer secretary

Computershare Investor Services
Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

SHORT FORM ANNOUNCEMENT

This announcement is a summarised version of the full announcement in respect of the unaudited interim financial results announcement for the six months ended 31 August 2015 of the Group 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) on 25 November 2015 and can be found on the Group's website (www.balwin.co.za). It is also available for inspection at our registered office, Block 1, Townsend Office Park, 1 Townsend Avenue, Bedfordview or from the Company Secretary (neville.toerien@computershare.co.za) and the offices of our sponsor, Investec Bank Limited, 100 Grayston Drive, Sandown, from 9:00 to 16:00 weekdays at no charge. This summarised announcement is the responsibility of the Board of Directors of Balwin and has been approved by the Board of Directors on 23 November 2015.

OPERATIONAL OVERVIEW

Balwin is currently developing residential estates across Johannesburg, Pretoria and the Western Cape targeted at the growing middle income population with the aim of expanding into other metropolitan areas in South Africa such as Durban and Nelspruit.

Despite a challenging economic environment and recent increases in interest rates, the demand for residential units remained strong for the period under review. This is evidenced by an increase in the number of residential units sold in relation to the prior period. The increase in the number of residential units sold has been supported by under-supply of quality housing within the target price range and an increase in the urban population which has increased the demand for dense residential developments in target nodes. It is anticipated that due to increased urbanisation, further infrastructure development in South Africa's cities, combined with the unique quality lifestyle offering, the demand for affordable lifestyle residential units will increase sustainably over the long term.

Balwin has been successful in the period under review in its expansion into other key target nodes such as Pretoria, Cape Town and Somerset West. In the Western Cape, the De Velde development has proven to be highly successful. The De Velde development has won the prestigious Africa Property Award. The award is a symbol of excellence throughout the world. Winning this coveted award is undisputable evidence that Balwin is capable of outperforming strong contenders within the highly competitive African Property arena. Balwin has also launched the "The Sandown" in Cape Town and "Paardevelei" in Somerset West, on which construction is underway with units largely being sold out in phase 1, a few weeks after launch. Balwin has also made headway in expanding into the Pretoria area with the commencement of the construction of its first development in the area, "Grove Lane". The "Grove Lane" development has been largely sold out in phase 1 within a few weeks of launch. Balwin has also been successful in securing further land parcels in the Pretoria and Linbro Park areas. Management plans on the development of the "The Clulee" and "The Reid" in Linbro Park and plans on the development of the "Riverwalk" in Pretoria East. These developments are included in the current projected pipeline as set out in the Balwin pre-listing statement dated 1 October 2015 ("PLS").

Balwin has also further expanded into the Johannesburg area with the launch of "The Cambridge" in Bryanston Sandton, "Westlake" in Modderfontein, "Amsterdam" in Olivedale Randburg and "Balboa Park" in the south of Johannesburg.

FINANCIAL OVERVIEW

Balwin increased revenue by 71% to R823 million largely due to an increase in the number of units sold in line with increased

demand and operating profit increased by 81% to R319 million for the six months ended 31 August 2015. Earnings per share increased by 76% to 58 cents per share. Headline earnings per share increased by 100% to 58 cents per share. Shares in issue as at the end of the reporting period were 400 million. If Balwin was listed on 31 August 2015, the basic and headline earnings per share would reflect at 49 cents respectively based on 472 million shares in issue. This is due to the realisation of sectional title residential units in the United Kingdom following a decision to divest of non-core assets in order to continue focusing on the local market segment. Current assets increased by 79% to R1 448 million primarily due to an increase in developments under construction. Developments under construction which includes land acquired for development increased by 71% to R1 153 million. The land acquired is in line with the current project pipeline. Total Liabilities increased by 114% due to the movement in other financial liabilities which includes development finance increasing by 92% to R514 million. Development finance is obtained specifically for a development under construction and is ring-fenced to the specific phase of development being financed.

Balwin's financial position remains strong with total assets increasing by 69% to R1 484 million. Non-current assets decreased by 49% to R36 million. This is due to the realisation of sectional title residential units in the United Kingdom following a decision to divest of non-core assets in order to continue focusing on the local market segment. Current assets increased by 79% to R1 448 million primarily due to an increase in developments under construction. Developments under construction which includes land acquired for development increased by 71% to R1 153 million. The land acquired is in line with the current project pipeline. Total Liabilities increased by 114% due to the movement in other financial liabilities which includes development finance increasing by 92% to R514 million. Development finance is obtained specifically for a development under construction and is ring-fenced to the specific phase of development being financed.

Cash on hand for the period ending 31 August 2015 increased by 425% to R179 million. The increase in cash holding is due to effective cash management and an increase in the financial performance in comparison to the prior period.

PROSPECTS

Balwin has been successful in delivering on the continued demand for secure, value-for-money sectional title residential lifestyle estates in preferred locations for home-buyers. The Company aims to continue with the roll-out of further large-scale sectional title residential developments in its target nodes and plans on expanding its operations into additional new and growing residential nodes within South Africa's major cities.

It is anticipated that the business will be able to maintain and grow its current sales levels, with a secured project pipeline and continues to identify land acquisitions which is expected to drive future growth.

Balwin is currently in negotiation for the acquisition of a land parcel in the Kyalami node on which an approximate 15 000 residential units may be developed, which is in addition to the current project pipeline as set out in the PLS. A cautionary announcement related to the negotiation has been issued on SENS dated 16 October 2015.

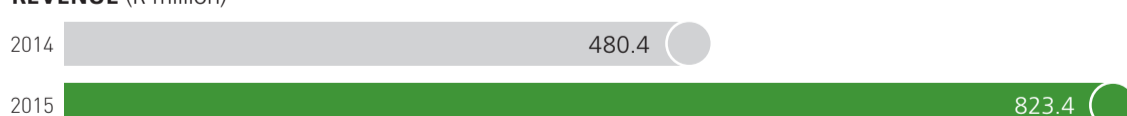
The Company will aim to maintain an attractive dividend yield in line with its target dividend policy.

Balwin is currently in the process of developing its first rental unit development, Malakite, in the Greenstone Johannesburg area. Construction is in line with expectation. This will support the vision of establishing an initial rental portfolio in the 2017 financial year to diversify revenues. As set out in the PLS, the business model remains sufficiently flexible with inherent capacity in Balwin's operations and the careful phasing of construction linked to pre-sales, to provide operating flexibility and insulation to absorb unexpected adjustments in response to micro and macro-economic conditions.

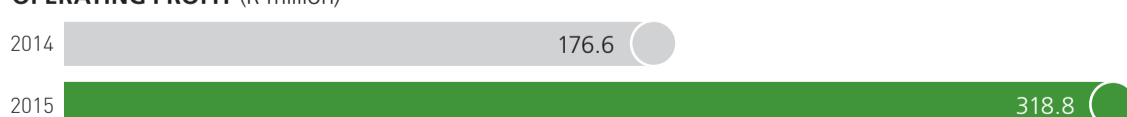
In line with prior years and the season, management expects sales volumes to be higher in the second half of the financial year. Forecast sales of 1 857 units for the 2016 financial year were 83% secured as at 31 August 2015.

Management endeavours to continuously seek opportunities which will create sustainable long-term value for shareholders.

REVENUE (R million)



OPERATING PROFIT (R million)



HEADLINE EARNINGS PER SHARE (cents)

