Audited results for the twelve months ended 31 March 2017

DAWN

Distribution & Warehousing Network

F2017 RESULTS PRESENTATION

17 July 2017

AGENDA

- Overview of F2017 – Stephen Connelly
- Financial Review – Chris Booyens
- The Businesses & Group Outlook – Edwin Hewitt
- Appendices

WHAT WE SAID AT THE INTERIMS – Nov 2016

Turnaround plan (stop the losses)

- Down-sizing, closure & consolidation of businesses to match new sales reality
  - > Closed businesses in SA and particularly in Africa
  - > Closed warehouses, but retained footprint
  - > R255m in non-operational costs incurred
- Permanent cost base reduced further
- Plan to extract further cash from working capital
- Break-even achieved in Oct & Nov, but noted Dec & Jan are loss-making

In H2 & beyond we would:

- Eliminate remaining duplicated activities & products
- Continue to challenge central services costs
- Dispose of non-core businesses & certain JV arrangements
- Still aim for operating profit margins of 5% in Master Distribution & 12% in Manufacturing businesses in the medium term

We warned that:

- Balance sheet was under strain
- Economy was weak, further decline possible

FACTORS AFFECTING REVENUE

SNAPSHOT OF F2017

H1 F2017

- R52m operational loss, plus R286m in down-sizing costs & impairments

H2 F2017

- Oct & Nov profitable; thereafter loss-making
- Centralised Services closed (R40m p.a. saved)
- Further cost reductions of R40m p.a.
- R63m in non-operational costs - Heunis Steel sale (proceeds R50m) & onerous lease provision
- R68m operational loss
- New management appointments*:
  - Permanent CEO, Edwin Hewitt; new CFO, Chris Booyens; new MDs at WHS, DPI & Incledon

Post year-end

- Disposals: Fibrex, Angola (R11m) & Boutique Baths (R3m)
- Fully subscribed R358m rights issue completed
- May & June back in profit
- MOU signed with Lixil Japan to dispose of DAWN's 49% stake
- GDW delayed reporting impacted DAWN's results announcement date

** See appendix 1 for new CEO & CFO skills & experience*

R358m raised; received 12/4/2017

- Proceeds used to:
  - Repay the banks
    - > R75m immediate repayment due
    - > R200m to repay bridging facility (used to bring creditors up to date)
    - > Gearing significantly reduced
  - Get balance of stock right
  - Provide time to complete turnaround

AGENDA

- Overview of Results – Stephen Connelly
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Audit opinion is unmodified

- Going concern basis of preparation is appropriate
  - Board believes group is solvent & liquid for the 12 months following 14/7/17
    - Based on cash flow forecasts prepared vs available facilities
- Auditors concurred & issued an unmodified opinion
- Board felt it prudent to draw attention to timing risks of turnaround:
    - No further material deterioration in economy
    - Forecast cash flow is achieved in uncertain economy
    - Group's ability to fund short-term liquidity requirements maintained
      - > Dependent on adequate funding facilities
- Auditors therefore included an "emphasis of matter"
  - Definition: Highlighting a matter in the financial statements fundamental to users' understanding

REVENUE & OPERATIONAL RESULTS

Audited results for the twelve months ended 31 March 2017

Revenue	F2017 (Rm)	% Ch	F2016 (Rm)
H1 revenue	2 402.8	*-10*	2 667.9
H2 revenue	1 898.1	*-18*	2 325.2
Full-year revenue	4 300.9	*-14*	4 993.1

Operational results	F2017 (Rm)	% Ch	F2016 (Rm)
H1 operational results* *(%)*	-52.1	*-156*	93.9
H2 operational results* *(%)*	-67.7	*-89*	-35.8
Full-year operational results* *(%)*	-119.8^	*-306*	58.1

** Operational results exclude R349m pre-tax restructuring costs, impairments & write-downs in 12 months to March 2017*
^ F2017 gross margin □1.7 percentage points (Normalised)

F2017 EXPENSE ANALYSIS

	F2017 (Rm)	% Ch	F2016 (Rm)
Total expenses	1018	*-5%*	1071

- F2017 operating expenses □5% (excl. restructuring costs)
- But expenses to revenue □from 21,5% to 23,7% (revenue □)
- Headcount □by 643
- F2017 permanent cost base □R125m
- Central services closed (R40m cost reduction); Logistics merged into WHS
- Further focus on cost reduction to ensure business sustainability

INCOME STATEMENT

Audited results for the twelve months ended 31 March 2017

Rm	F2017	*% Ch*	F2016
Revenue	4 300.9	*-13.9*	4 993.1
Reported PBIT *(%)*	-468.8 *(-10.9%)*	*29.1*	-661.4 *(-13.2%)*
Operational result* *(%)*	-119.8 *(-2.8%)*	*-306.1*	58.1*(1.2%)*
Net finance cost	-58.6	*17.6*	-71.1
Income from associates & joint ventures	-41.0	*-596.7*	-5.9
Tax expense[#]	-51.6	*-163.1*	-19.6
Effective tax rate	*9.8%*		*2.7%*
Minority interests	-17.3	*-246.0*	-5.0
Attributable earnings	-637.4	*16.5*	-762.9
Avg. weighted no. of shares	*236.7*		*239.7*
EPS	-269.2	*15.4*	-318.3
HEPS	-240.5	*-266.9*	-65.6

** Operational numbers exclude R352m post-tax restructuring costs, impairments & write-downs in 12 months to March 2017*

[#] Tax expense due to assessed losses not raised, impairments & restructuring costs

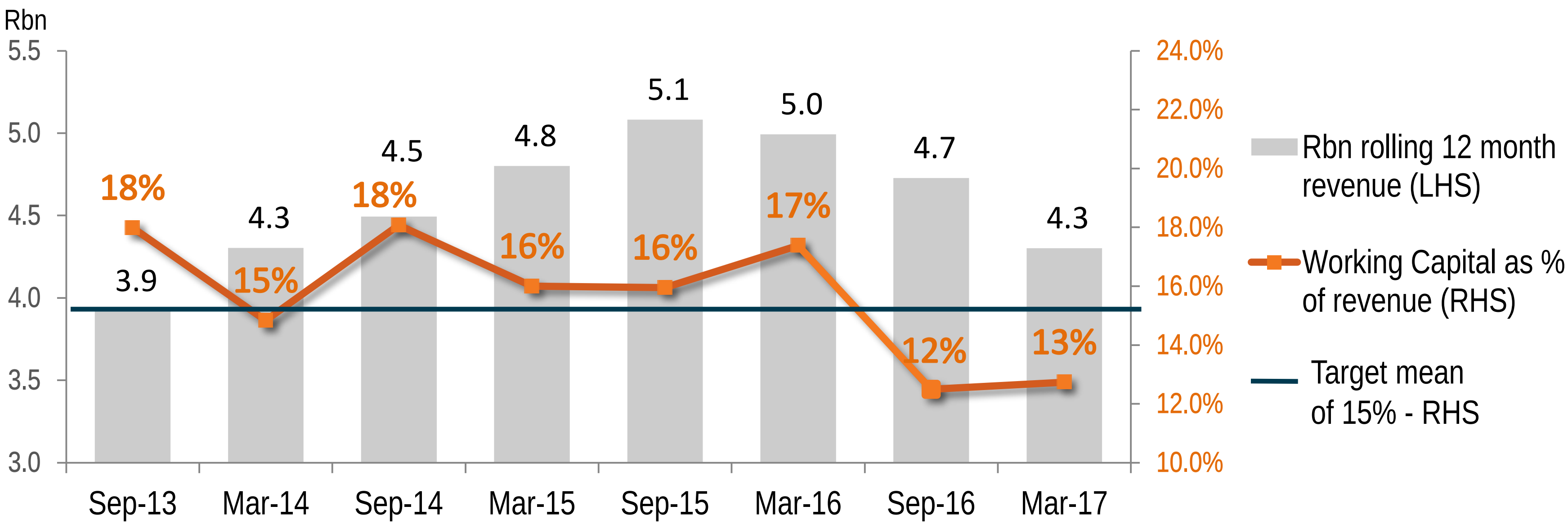
COSTS OF RIGHT-SIZING

Rm	H1 F2017	F2017	F2016
WHS Closing 4 stocking points, onerous leases, retrenchments, stock & debtor impairments	87	123	71
Incledon Restructure, onerous leases, retrenchments, closing 7 branches, stock & debtor impairments	43	42	107
DPI & Sangio Closure, retrenchments, stock & debtor impairments, DPI Cape Town part closure, retrenchments, stock & debtor impairments	32	32	36
DAT & DPI International Withdrawal from Africa, onerous leases, retrenchments, stock & debtor impairments	64	42	82
Heunis Steel, GDW & Boutique Baths: Impairment of investments	28	57	396
GDW & General	32	53	54
Sub-total	286	349	747
Less tax	-31	3	15
Total implementation cost (after tax)	255	352	762

NOTE: Further impairments are anticipated in H1 F2018 due to a full plant closure to right-size DPI Cape Town & a further down-sizing initiative

WORKING CAPITAL ANALYSIS

Audited results for the twelve months ended 31 March 2017



Working capital after down-sizing costs □R247m over last 2 years

	Mar 17	Sep 16	Mar 16	Sep 15	Comment on working capital days
Net W.C.	47	39	59	57	□R94m; sound improvement despite □only R26m in H2
Debtors	38	38	45	51	Overdues □R70m (□R25m in H1 & □R45m in H2)
Stock	54	54	71	69	Well down: □R157m vs F2016 (□R78m in H1 & □R79m in H2)
Creditors	45	53	57	63	Creditors □R196m but now up to date; objective is for stock & creditor days to offset

CAPITAL EXPENDITURE ANALYSIS

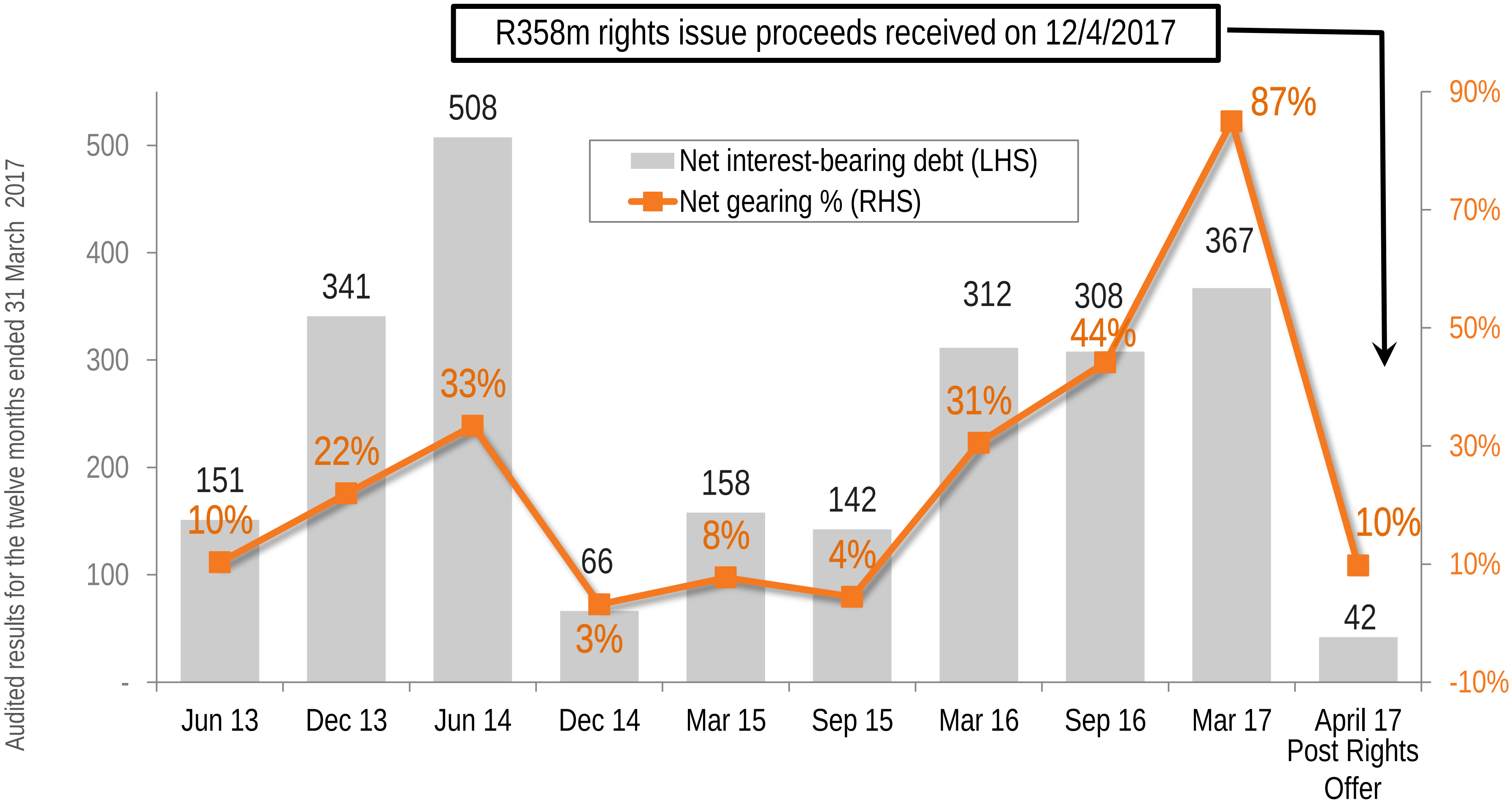
Segment (Rm)	Actual F2017	Actual F2016
Trading • R5m fleet; R4m leasehold; R13m ERP system^	24.0	65.7
Manufacturing • Expansion capex in DPI Plastics • Responsible capex programme being launched – Building fittings, automation & demand-alignment	45.6	74.2
Total	69.6	139.9
- Replacement	30.4	88.4
- Expansion	39.2	51.5

^ New R13m ERP system in F2016

Audited results for the twelve months ended 31 March 2017

F2018 limited to essential capex only

GEARING (Net debt : equity)



Q1 F2018: Working closely with banks re: breach of covenants

CASH FLOW ANALYSIS

Cash flow (Rm)	F2017	F2016
Opening cash balance	69.9	1.4
Cash generated from ops	(371.6)	49.0
Working capital changes	416.1	25.3
Net finance charges	(51.4)	(37.9)
Tax paid	(22.3)	(20.9)
Investing & net financing activities	68.0	53.0
Closing cash balance	108.7	69.9

Explanation (Rm)	F2017	F2016
Investing activities:	29.7	(29.6)
• Disposals / acquisitions	59.3	(7.0)
• Proceeds from disposal	21.9	22.8
• Capex (ERP software, generators, fleet, P&E)	(51.5)	(45.4)
Net financing activities	38.3	82.6
• Net debt inflow (incl. R200m new bridging facility & R25m in ABSA repayment)	175.0	206.7
• Net debt outflows	(114.7)	(85.9)
• Treasury shares	Nil	(30.9)
• Dividend	(22.0)	(7.3)

Audited results for the twelve months ended 31 March 2017

New reporting segments

Trading
WHS
Incledon
Hamilton's
DAT
Kitchen

Manufacturing
DPI Plastics
Swan Plastics (51%)
Ubuntu (51%)
DPI International
GDW (49%)

Old reporting segments

- Building
- Infrastructure
- Solutions

Note: In the interests of full disclosure, see Appendix 2 for comparative earnings on the old reporting basis

SEGMENT RESULTS

Trading Segment results (68% of revenue)	F2017 Rm	% Ch	F2016 Rm
Revenue	3 142.1	*-19*	3 860.1
PBIT before down-sizing costs, impairments & write-downs*	-325.6	*55*	-209.4
Down-sizing costs, impairments & write-downs*	-217.5	-10	-197.7
Operational results after above costs	-108.1	*827*	-11.7
Operational result: revenue (%)	*-3.4%*		*-0.3%*

- **WHS & Incledon:** Large operational loss due to volume □for F2017; currently close to break-even
- **DAT/DPI International:** Loss for F2017; currently break even
- **Kitchen, Hamilton's & Ubuntu:** Break-even achieved in F2017; currently contributing to profit

** Operational numbers excl. R218m (F2016: R198m) restructuring costs, impairments & write-downs in 12 months to March 2017*

Note: In the interests of full disclosure, see Appendix 2 for comparative earnings on the old reporting basis

Audited results for the twelve months ended 31 March 2017

Manufacturing Segment results (32% of revenue)	F2017 Rm	% Ch	F2016 Rm
Revenue	1 461.4	*-10*	1 629.8
PBIT before down-sizing costs, impairments & write-downs*	-89.6	*-79*	-436.2
Down-sizing costs, impairments & write-downs*	-79.1	*84*	-489.1
Operational results after above costs	-10.5	*-120*	52.9
Operational result : revenue (%)	*-0.7%*		*3.2%*

- **DPI Plastics:** Large operational loss for F2017; currently close to break-even
- **Swan Plastics:** Pleasing profit in F2017 continues
- GDW (49%):
  - Increasing losses since 2014; large loss again in F2017
  - Unlikely to receive cash return for next 6/7 years
  - Therefore concluded non-binding MOU to sell remaining 49%
  - To remain long term master distributor for GDW in sub-Saharan Africa

** Operational numbers excl. R79m (F2016: R489m) restructuring costs, impairments & write-downs in 12 months to March 2017 & excl. associate GDW*

Note: In the interests of full disclosure, see Appendix 2 for comparative earnings on the old reporting basis

HEAD OFFICE RESULTS

Head Office results	F2017 Rm	*% ch*	F2016 Rm
Revenue	-302.6	*-39*	-496.8
PBIT before down-sizing costs, impairments & write-downs*	-53.7	*241*	-15.8
Down-sizing costs, impairments & write-downs*	-52.5	*-61*	-32.6
Operational results after above costs	-1.2	*-107*	16.8
Operational results : revenue (%)	*0.4%*		*-3.4%*

Post year-end:

- Competition Tribunal decision is pending on quantum of DPI/Sangio historic market allocation penalty
- Current indications are that penalty is unlikely to be material
- Supported by legal advice, DAWN believes that, if an appeal is made, it will be successful

** Operational numbers excl. R53m (F2016: R33m) restructuring costs, impairments & write-downs in 12 months to March 2017*

Note: In the interests of full disclosure, see Appendix 2 for comparative earnings on the old reporting basis

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SUMMARY OF DAWN'S BUSINESSES

3 large wholly-owned businesses	
WHS	• Wholesaling of hardware & indoor plumbing products • Low-margin, high fixed-cost business with historically good market position • Negotiating power with suppliers & customers eroded by uncertainty over DAWN's future • Relationships & terms of trade being strengthened following rights issue & decision to focus on single supplier main brands
INCLEDON	• 100-year old company & leading solutions provider • Wholesaler & retailer of infrastructure solutions • Low-margin, high fixed-cost business which lost significant market share & skills in last 3 years • Government & municipal spending on water infrastructure plunged from F2016
DPI PLASTICS	• Leading market share • Still a strong brand • Manufacturer of PVC & HDPE piping & fittings • Government & municipal spending on water infrastructure plunged from F2016

SUMMARY OF DAWN'S BUSINESSES

2 Partly-owned businesses

GDW (49%)	• Unlikely to receive cash return for next 6/7 years • Therefore, concluded non-binding MOU to sell remaining 49% • To remain long term master distributor for GDW in sub-Saharan Africa
Swan Plastics (51%)	• Low cost, profitable plastic pipe & fittings manufacturer

A few smaller businesses

DAT/DPI International	• Restructured & combined; reach retained • Retained profitable trading business in Zambia • Strategy changed to focus on exports from SA
Kitchen, Hamilton's & Ubuntu	• Currently break-even or contributing to profit

SOUND BUSINESS MODEL

Business lost its way from 2008 + incorrect response to recent downturns

New management introduced June 2016

- Recovery process underway
  - Downsizing, closures & consolidations under Stephen Connelly
  - Continues under Edwin Hewitt
- Restoring the fundamentals
  1. Decentralisation of business with new management
     - > Changing culture to one of accountability
     - > Defined business plans & budgets
     - > Now weekly focused report back & forecasts
  2. Stabilising the balance sheet
     - > Aggressive focus on working capital
     - > Daily sales, cash, margin & stock monitoring
  3. Increase efficiencies – factories & supply chain
  4. Understanding the issues through the eyes of customers & suppliers
     - > Re-negotiated all major supply agreements

COMPETITIVE ADVANTAGE: MASTER DISTRIBUTOR

(68% of group is Trading)

Suppliers: Access to market through single channel	• Partner with quality brands • Efficiencies on route to market + wide footprint • Break Bulk • Absorb credit risk of smaller retailers • Allows suppliers to focus on core manufacturing business
Customers: Single point procurement creates dependency	• Access to quality brands & product range • Optimal loads • Assists working capital efficiencies through credit, OTIF* & JIT^ delivery • Product insight & expertise
Supply Chain	• Industry-leading efficiencies on both In-bound & Out-bound OTIF*

- **Customers & suppliers RELY ON DAWN to fulfil Master Distributor role**
  - Underpinned by Aug '16 customer survey & reconfirmed during May '17 store tour

** On-Time In-Full delivery* *^Just in Time*

MANUFACTURING: ACTIVELY IMPROVE EFFICIENCIES

(32% of group is Manufacturing)

- Re-engineer for lower factory break-even points
- Significant product rationalisation

Develop stronger market position

- Targeting higher-margin building fittings market
- Re-commissioning HDPE^ factory

Establish best practice manufacturing & efficiency

- New DPI MD (world-class manufacturer; technically accomplished)
- More scope for manufactured cost reduction
- Capex essential for barriers to entry

Marketing strategy

- Have leading combined market share
- Strengthen Incledon's role as primary route to market for pipe companies

^ High Density Polyethylene

F2018

- Impact of recession - volumes in general □significantly
  - Competitive environment expected to remain ruthless
  - Process of renegotiating terms, eliminating competing brands & reclaiming Master Distributor status underway
  - Good opportunities in ineffectively serviced market segments
- Continue focus on cost cutting without losing skills; more in F2018
- Meet bank covenants on EBITDA & working capital
- Deliver on business plan and budget
  - Complete turnaround & achieve ≥ break even in F2018, despite H2 seasonality
  - Provided no further significant weakening of the economy or strikes

MEDIUM -TERM

- Back to profitability in F2019
- Meet PBIT target margins in F2020 (5% for Trading & 12% for Manufacturing)
- Leading Master Distributor

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Certain statements in this presentation may be defined as forward looking statements within the meaning of the United States Securities legislation.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements may be identified by words such as ‘expect’, ‘believe’, ‘anticipate’, ‘plan’, ‘estimate’, ‘intend’, ‘project’, ‘target’, ‘predict’, ‘outlook’ and words of similar meaning.

Forward looking statements are not statements of fact but statements by the management of DAWN Limited based on its current estimates, projections, beliefs, assumptions and expectations regarding the group’s future performance.

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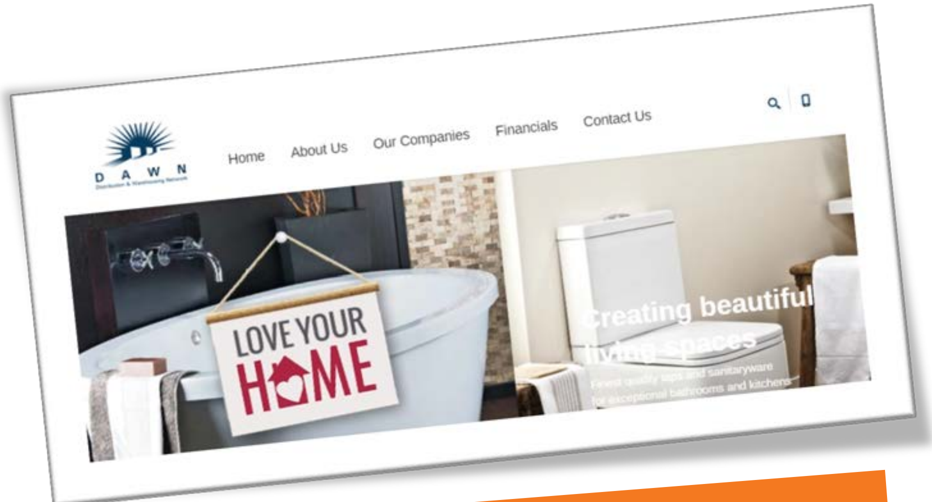

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F2017 APPOINTMENTS AT BOARD LEVEL

Board	
Diederick Fouche	(Non-exec Chairman)
Stephen Connelly	***(Exec Deputy Chairman; appointed 1 April 2017)***
Lou Alberts	(Lead independent director)
Akhter Moosa	***(Independent non-exec director; chair of Audit & Risk committees)***
Dinga Mncube	(Independent non-exec director)
George Nakos	(Non-exec director)
Veli Moekoena	(Non-exec director)
Edwin Hewitt	***(CEO)***
Chris Booyens	***(CFO)***
René Roos	(Exec Director)

- Audit & Risk Com member of Competition Tribunal
- Disciplinary Committee member of Independent Regulatory Board of Auditors
- Advisor to SANRAL's Audit Com

- Proven, successful turnaround track record
- CEO of M&R's Capital Africa Steel & Fabrication & Manufacturing
- Appointed to PPC by 4 major banks as Chief Restructuring Officer
- Jan 2017: Appointed to DAWN as Chief Restructuring Officer (played significant role in finalising recapitalisation programme)

- 40 years' experience
- Group FD of Iliad Africa
- Financial Executive & Executive Director at Tiger Brands subsidiaries

Bold italics = new appointments

F2017 PERFORMANCE – OLD REPORTING STRUCTURE

Audited results for the twelve months ended 31 March 2017

Building segment results	F2017	*% ch*	F2016
Revenue	2 254.4	*-11%*	2 531.4
PBIT	-244.0	*47%*	-464.5
Down-sizing costs, impairments & write-downs*	-189.5	*61%*	-480.5
Operational results	-54.5	*-440%*	16.0
Operational results: revenue %	*-2.4%*		*0.6%*

Infrastructure segment results	F2017	*% ch*	F2016
Revenue	1 972.1	*-19%*	2 420.0
PBIT	-124.5	*21%*	-158.5
Down-sizing costs, impairments & write-downs*	-64.1	*67%*	-192.1
Operational results	-60.4	*-279%*	33.7
Operational results: revenue %	*-3.1%*		*1.4%*

Audited results for the twelve months ended 31 March 2017

Dawn Solutions segment results	F2017	*% ch*	F2016
Revenue	553.7	*-3%*	571.4
PBIT	-42.7	*30%*	-61.2
Down-sizing costs, impairments & write-downs*	-43.0	*36%*	-67.5
Operational results	0.3	*-95%*	6.3
Operational results: revenue %	*0.1%*		*1.1%*

Dawn Head Office	F2017	*% ch*	F2016
Revenue	-479.2	*-9%*	-529.2
PBIT	-57.7	*-352%*	22.9
Down-sizing costs, impairments & write-downs*	-52.5	*-306%*	25.4
Operational results	-5.2	*-103%*	-2.6
Operational results: revenue %	*1.1%*		*0.5%*