ABRIDGED UNAUDITED FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 31 MARCH 2018

REVENUE $5,945,510

OPERATING PROFIT: $755,454 (2017: 3,771)

REVENUE UP BY 47%

VOLUMES UP BY 9%

WINNER: MEGAFEST LEADERSHIP AWARDS 2018 Leader of the year in the **Construction Industry**

Willdale® Limited

Quality • Durability • Diversity

STATEMENT OF COMPREHENSIVE INCOME FOR HALF YEAR ENDED 31 MARCH 2018

	UNAUDITED SIX MONTHS TO 31 MARCH 2018	UNAUDITED SIX MONTHS TO 31 MARCH 2017
	$US	$US
Revenue	**5,945,510**	**4,052,778**
Operating Profit	**755,454**	**3,771**
Interest income	15,215	23,354
Interest expense	(333,900)	(461,025)
Profit / (loss) before taxation	**436,769**	**(433,900)**
Taxation	(112,626)	53,336
Profit / (loss) for the period	**324,143**	**(380,564)**
Number of shares in issue	1,778,001,428	1,778,001,428
Weighted average number of shares	1,778,001,428	1,778,001,428
Earnings per share - cents	0.018	(0.021)
Headline earnings per share - cents	0.018	(0.021)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	UNAUDITED 31 MARCH 2018	AUDITED 30 SEPTEMBER 2017
	$US	$US
Assets		
Non-current assets	**20,099,123**	**20,275,226**
Property, plant and equipment	19,966,492	20,116,491
Investment in joint venture	80,044	42,634
Finance lease receivable	52,587	116,101
Current assets	**8,408,117**	**7,959,845**
Inventory	2,120,023	2,540,632
Trade & other receivables	2,998,378	1,658,062
Finance lease - current portion	124,841	112,791
Cash and cash equivalents	320,512	803,997
Taxation	2,837	2,837
Assets held for sale	2,841,526	2,841,526
Total Assets	**28,507,240**	**28,235,071**
Equity and liabilities		
Equity	**13,831,938**	**13,507,795**
Share capital	88,900	88,900
Asset revaluation reserve	7,914,204	7,914,204
Retained income	5,828,834	5,504,691
Non-current liabilities	**9,894,162**	**9,820,175**
Deferred taxation	4,325,693	4,213,068
Medium to long term borrowings	5,515,882	5,491,006
Finance lease	52,587	116,101
Current liabilities	**4,781,140**	**4,907,101**
Short term borrowings	1,036,904	1,380,870
Finance lease liability current portion	124,841	112,791
Trade & other payables	3,289,458	2,998,909
Provisions	187,861	272,455
Liabilities for assets held for sale	142,076	142,076
Total Equity and Liabilities	**28,507,240**	**28,235,071**

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 MARCH 2018

	UNAUDITED 31 MARCH 2018	UNAUDITED 31 MARCH 2017
	$US	$US
Profit / (loss) before tax	**436,769**	**(433,900)**
Adjustments for non-cash items:		
Depreciation	475,123	426,339
(Profit)/Loss from joint venture	(37,410)	24,584
Movement in other provisions	(84,594)	(50,948)
Interest expense	333,900	461,025
Interest income	(15,215)	(23,354)
Cash flow before changes in working capital	**1,108,573**	**403,746**
Working capital changes		
Decrease in inventory	420,609	646,661
Increase in accounts receivable	(1,340,316)	(363,101)
Increase / (Decrease) in accounts payable	288,038	(304,779)
Cash generated from operating activities	**476,904**	**382,527**
Interest paid	(140,602)	(279,561)
Interest received	15,215	23,354
Net Cash generated from operating activities	**351,517**	**126,320**
Purchase of property, plant and equipment - maintenance of existing capacity	(324,257)	(12,500)
Lease instalment receipts	94,382	48,054
Cashflow from investing activities	**(414,183)**	**35,554**
Lease repayments	(94,382)	(48,054)
Borrowings repayments	(319,801)	(375,000)
Cashflow from financing activities	**(317,541)**	**(423,054)**
Decrease in cash and cash equivalents	**(292,541)**	**(261,180)**
Cash and cash equivalents at beginning of year	**63,236**	**(712,573)**
Cash and bank	803,997	68,591
Bank overdraft	(740,761)	(781,164)
Closing cash and cash equivalents at end of the period	**(229,305)**	**(973,753)**
Cash and bank	320,512	100,321
Bank overdraft (disclosed in short term borrowings)	(549,817)	(1,074,074)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	UNAUDITED HALF YEAR ENDED 31 MARCH 2018	UNAUDITED HALF YEAR ENDED 31 MARCH 2017
	US$	US$
Shareholders' equity at beginning of period	13,507,795	13,202,899
Profit/(loss) for the period	324,143	(380,564)
Shareholders' equity at end of period	**13,831,938**	**12,822,325**

SIGNIFICANT EVENTS AND TRANSACTIONS

	UNAUDITED 6 MONTHS ENDED 31 MARCH 2018	UNAUDITED 6 MONTHS ENDED 31 MARCH 2017
	US$	US$
Commitments for capital expenditure		
Contracted and orders placed	324,257	15,127
Authorised by Directors but not contracted for	696,743	567,500

The capital expenditure is to be financed out of the Company's own resources

OTHER DISCLOSURES

1. Net interest bearing debts	31 MARCH 2018	30 SEPTEMBER 2017
Borrowings	6,552,786	6,871,876

Borrowings consist of a 5 year bank loan at an interest rate of 10% per annum, 10% redeemable cumulative preference shares and a finance lease. The loan is secured by a mortgage bond over the company's land and buildings and part of inventory and receivables. The preference shares have been classified as a liability since they are redeemable and convertible.

2. Accounting convention

The abridged financial statements are based on statutory records that are maintained on a historical cost basis except for land and buildings included in property, plant and equipment that have been measured at fair value, and have, in all material respects, been prepared by applying applicable accounting policies that are consistent with the prior year, adjusted for necessary changes/ amendments effective for the current period. The abridged financial statements have been prepared in terms of the Zimbabwe Stock Exchange rules and requirements of the Companies Act.

3. Financial information

Financial information has not been audited for the interim reporting period. Audited financial information will be published for the full year ending 30 September 2018. The presentation currency is United States dollars.

4. Company information.

Willdale Limited is a limited company incorporated and domiciled in Zimbabwe whose shares are publicly traded on ZSE. The company's main activity is the manufacturing and selling of clay bricks with the objective of being a low cost and profitable market leader. The prevailing liquidity crisis in the economy presents challenges in securing long term funding for business. However, the company estimates that it will have sufficient resources to implement its business plan in the short to medium term.

COMMENTARY - HALF YEAR ENDED 31 MARCH 2018

Introduction

The operating environment was characterized by increasing inflation, shortages of foreign currency and high demand for bricks. The resulting surge in demand for bricks contributed to a profitable first half of the year.

Results

Revenue at $5,9 million was 47% ahead of the prior year on the back of a 9% growth in volumes and a 35% increase in average selling prices. Improved product mix and cost management helped to improve margins. An operating profit of $755,454 was earned (2017: $3,771) after charging $475,123 to depreciation of property, plant and equipment (2017: $302,019). Net financing costs charged, including costs of preference shares, were $318,685 (2017: $437,670). The 10% redeemable cumulative preference shares issued in June 2014 have been accounted for as a liability since they are redeemable and convertible. Trade and other receivables increased due to advance payments made to suppliers. The preference shares were redeemable from June 2017. No payments have been made so far towards preference share obligations. All preference shares unpaid will be due and payable in June 2019. On 26 May 2017 shareholders approved the disposal of 190.1 hectares of land to retire debt. An agreement of sale has been signed with a potential buyer from whom payment is now awaited.

Market

Bullish market conditions which began at the end of the past financial year continued into the period under review. The sales mix improved driven by increased sales of face and load bearing bricks. The brand continues to be preferred in the market on the back of strong and durable products. Housing development remains the key driver of revenue. Several projects for shopping centres, educational facilities and cluster homes are currently under consideration and will provide a healthy order book in the second half of the year.

Operations

Production commenced mid March after shutting down in December to make way for the rainy season. Our extruders are running perfectly well at almost full capacity after extensive maintenance during the shutdown period. Efficiency levels are expected to be high in the second half provided electricity supply is stable. We expect to meet our budgeted production volumes for this financial year. Foreign currency shortages remain a challenge to sourcing maintenance spares and wear parts.

Outlook

We are encouraged by the new dispensation's drive to attract foreign direct investment and the creation of an operating environment conducive for business. We believe that this creates a foundation for sustainable business development. We anticipate demand for housing by private individuals, institutions and government to remain high. These and other projects such as development of schools and shopping centres will provide a healthy order book for the foreseeable future. We continue to focus on cost management and maintaining an efficient production process to further improve profitability. Funds from the approved sale of land will be utilized to retire bank loans and preference share obligations. This restructuring of our balance sheet will enable us to leverage our business for future growth.

Dividend

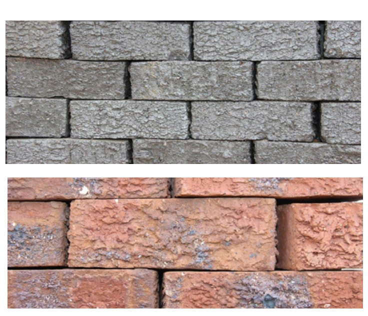
The Directors have resolved not to pay a dividend in view of the need to preserve cash for operations.

Appreciation

On behalf of the Board, I am grateful to management and staff for their hard work in such a challenging operating environment. The continued support from our shareholders, financiers and other stakeholders is greatly appreciated.

A. C. Jongwe
Chairman

Mt. Hampden
28 MAY 2018



Build to last with Willdale Bricks

since 1959

DIRECTORS A. C. Jongwe (Chairman), G. A. Chigora, U. Duske, M. A. Gumbie, C. Makoni, B. K. Mataruka, N. Matonda*, M. Munginga*, M. G. Revanowako (*Executive)