



Unaudited financial statements for the six months ended 31 December 2007

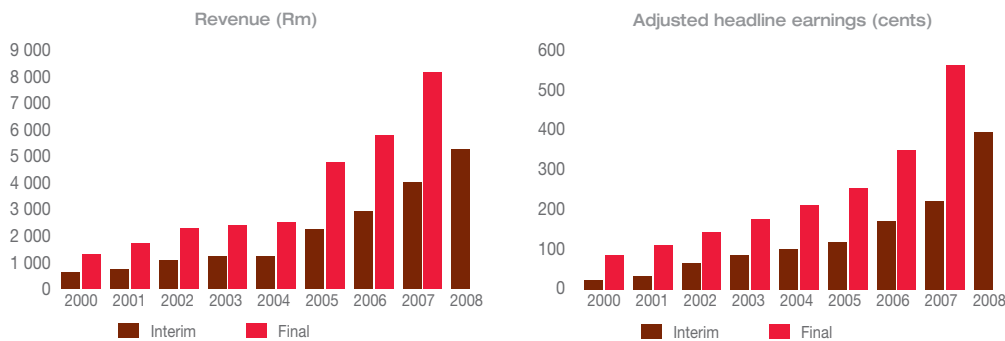
Revenue ↑ 25%

Operating profit ↑ 68%

Adjusted headline earnings ↑ 77%



WILSON BAYLY HOLMES OVCON LIMITED
Building and civil engineering contractors
(Registration no. 1982/011014/06)
ISIN No: ZAE 00009932 Share code : WBO



CONDENSED INCOME STATEMENT

	% increase	Unaudited December 2007 R'000	Unaudited December 2006 R'000	Audited June 2007 R'000
Revenue	24,9	5 037 438	4 031 860	8 127 793
Operating profit	68,1	290 010	172 554	415 877
Fair value adjustment to concession investment		2 089	1 201	5 689
Share-based payments expense		(5 926)	(30 206)	(34 610)
Impairment of goodwill		(8 623)	-	(10 731)
Profit before net finance income		277 550	143 549	376 225
Net finance income		51 132	15 393	55 399
Profit before associate income		328 682	158 942	431 624
Income from associates		7 134	7 917	14 679
Profit before taxation		335 816	166 859	446 303
Taxation		(101 130)	(55 726)	(127 999)
Net profit	111,2	234 686	111 133	318 304
Attributable to				
Equity shareholders of the parent		211 882	96 466	276 180
Minority interests		22 804	14 667	42 124
		234 686	111 133	318 304
Reconciliation of headline earnings				
Net profit		211 882	96 466	276 180
Adjustments:				
Impairment of goodwill		8 623	-	10 731
Profit on sale of property, plant and equipment (net of tax)		(1 678)	(1 386)	(4 299)
Headline earnings	130,2	218 827	95 080	282 612
BEE share-based payments expense		-	28 391	28 391
Adjusted headline earnings	77,2	218 827	123 471	311 003
Ordinary shares				
Issued ('000)		66 000	66 000	66 000
Weighted average number of shares ('000)		55 190	55 190	55 190
Earnings per share (cents)		383,9	174,8	500,4
Headline earnings per share (cents)		396,5	172,3	512,1
Adjusted headline earnings per share (cents)		396,5	223,7	563,5
Dividend declared per share (cents)		60,0	36,0	121,0

CONDENSED BALANCE SHEET

	Unaudited December 2007 R'000	Unaudited December 2006 R'000	Audited June 2007 R'000
ASSETS			
Non-current assets	1 324 670	831 530	1 064 673
Property, plant and equipment	890 465	547 280	752 137
Goodwill	201 221	92 624	86 421
Investments	139 469	110 986	133 293
Other non-current assets	93 515	80 640	92 822
Current assets	3 631 380	2 332 632	3 183 655
Cash and cash equivalents	1 722 777	700 509	1 269 015
Other current assets	1 908 603	1 632 123	1 914 640
Total assets	4 956 050	3 164 162	4 248 328
EQUITY AND LIABILITIES			
Total equity	1 222 392	874 133	1 081 404
Shareholders' equity	1 157 299	828 773	1 002 702
Minority interests	65 093	45 360	78 702
Non-current liabilities	141 874	183 618	117 232
Long-term financial liabilities	141 874	144 574	117 232
Other non-current liabilities	-	39 044	-
Current liabilities	3 591 784	2 106 411	3 049 692
Bank overdrafts	150 598	28 612	564
Other current liabilities	3 441 186	2 077 799	3 049 128
Total equity and liabilities	4 956 050	3 164 162	4 248 328
Net tangible asset value per share (cents)	1 732	1 334	1 660

CONDENSED CASH FLOW STATEMENT

	Unaudited December 2007 R'000	Unaudited December 2006 R'000	Audited June 2007 R'000
Cash generated from operations	829 755	297 677	1 157 400
Net finance income	51 132	15 393	55 399
Taxation paid	(158 226)	(32 621)	(80 275)
Dividend paid	(56 158)	(35 640)	(59 400)
Cash retained from operations	666 503	244 809	1 073 124
Net cash flow from investing activities	(392 989)	(191 889)	(449 953)
Net cash flow from financing activities	19 450	(7 026)	12 231
Net increase in cash and cash equivalents	292 964	45 894	635 402
Cash and cash equivalents at the beginning of the period	1 268 451	626 003	626 003
Cash acquired on acquisition of subsidiaries	10 764	-	7 046
Cash and cash equivalents at end of period	1 572 179	671 897	1 268 451

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Unaudited December 2007 R'000	Unaudited December 2006 R'000	Audited June 2007 R'000
Total equity at the beginning of the period	1 081 404	762 778	762 778
Issue of shares	-	26 047	26 047
Net profit for the period	234 686	111 133	318 304
Translation of foreign entities	(7 053)	9 227	27 083
Share-based payments expense	5 926	30 206	34 610
Movement in other reserves	-	(5 885)	(4 285)
Dividend paid	(56 158)	(35 640)	(59 400)
Change in shareholding of subsidiaries	(36 413)	(23 733)	(23 733)
Total equity at the end of the period	1 222 392	874 133	1 081 404

SEGMENTAL INFORMATION

	Operating margin %	Unaudited December 2007 R'000	Operating margin %	Unaudited December 2006 R'000	Operating margin %	Audited June 2007 R'000
Segment revenue						
- Building and civil engineering		3 604 800		2 847 018		5 716 322
- Roads and earthworks		1 211 391		918 505		1 877 000
- Industrial		183 689		151 654		289 648
- Property and concessions		37 558		114 683		244 823
		5 037 438		4 031 860		8 127 793
Segment result (operating profit)						
- Building and civil engineering	4,0	142 728	3,4	97 567	3,9	222 453
- Roads and earthworks	8,2	99 589	4,8	44 111	4,1	76 128
- Industrial	21,4	39 362	8,0	12 123	22,5	65 083
- Property and concessions	22,2	8 331	16,4	18 753	21,3	52 213
	5,8	290 010	4,3	172 554	5,1	415 877

SECONDARY SEGMENTS

	Operating margin %	Unaudited December 2007 R'000	Operating margin %	Unaudited December 2006 R'000	Operating margin %	Audited June 2007 R'000
Segment revenue						
- Local		3 425 388		2 769 888		5 515 206
- International		1 612 050		1 261 972		2 612 587
		5 037 438		4 031 860		8 127 793
Segment result (operating profit)						
- Local	5,4	183 877	3,8	105 603	5,5	303 519
- International	6,6	106 133	5,3	66 951	4,3	112 358
	5,8	290 010	4,3	172 554	5,1	415 877

Accounting policies

The consolidated interim unaudited financial statements have been prepared in accordance with IAS34: Interim Financial Reporting, the International Financial Reporting Standards (IFRS) and Schedule 4 of the South African Companies Act. The accounting policies adopted in the preparation of these financial statements are consistent with those used to prepare the comparative interim financial statements and the annual financial statements for the year ended 30 June 2007.

COMMENTARY

Overview of results

The group has produced excellent results for the six months to 31 December 2007. Headline earnings have increased by 130%. Revenue has increased by 25% to R5 billion, and the operating profit has increased by 68% to R290 million from R173 million. The operating margin for the six months under review has increased to 5,8% (2006: 4,3%). The effective tax rate for the period is 30,1% (2006: 29,6%). The interim result is much higher than the comparative six months to 31 December 2006 because of the disparity in earnings between the first and second halves of the 2007 financial year where the second half profits were substantially higher than those achieved in the first half. On 11 December last year we indicated that headline earnings for the full year would be between 40% and 50% higher than those reported for the year ended 30 June 2007. Notwithstanding the result achieved to 31 December 2007 this forecast is still the view of the board.

An interim dividend of 60 cents per ordinary share has been declared which is 66% higher than the previous interim dividend of 36 cents. Capital expenditure for the six months amounted to R207 million of which R59 million was financed through instalment sales. The net cash position increased from R672 million in December 2006 to R1,6 billion in December 2007. The total financial guarantees issued to third parties amounted to R2,9 billion as at 31 December 2007 compared to R2,5 billion at 30 June 2007.

Building and Civil Division

The division started 2008 with an order book of R6,8 billion (December 2006: R3,5 billion), an increase of 94%. Construction of the Greenpoint, Durban and Polokwane Stadiums is well underway. At the end of 2007 the labour force at the Durban stadium went on strike. All the issues raised by the unions were resolved and work was resumed with minimal disruption. Greenpoint Stadium has little float left in the construction programme and management is watching this very carefully. The rains hampered the start of the King Shaka International Airport last year. This year progress has been good and the contract is progressing well. Construction of the Central Terminal Building and the complete remodelling of the international terminal at OR Tambo International Airport is on schedule for opening prior to the World Cup. Other major contracts in Gauteng, Western Cape, Eastern Cape and KwaZulu Natal are all progressing well.

The levels of civil work have increased with major contracts for Anglo Platinum, Anglo Coal, Impala Platinum Holdings and other mining houses progressing well. Highlights are the successful completions of the Potgietersrus Platinum Mine concentrator and the East London Industrial Development Zone. We have started work on the Nkomati Nickel Mine concentrator contract worth R160 million.

WBHO's activities in Australia are conducted through the Probuild group in which we have a 60% stake. Results have been slightly ahead of budget in Australian dollars but show a 35% improvement when converted to rands. Since the start of 2008, the group has been successful in filling its order book - particularly in Melbourne where a number of large contracts have been awarded. Probuild now has an order book of R5,7 billion (December 2006: R1,8 billion) extending over a number of years. Results for the remainder of the year are expected to show an improvement on those achieved during the first six months.

Roads and Earthworks Division

The order book at the end of December was R3 billion (December 2006: R1,7 billion) an increase of 76% compared to the previous period. The division is operating in Ghana, Zambia and the DRC where we are involved in a number of mining infrastructure projects. The level of activity in Botswana remains at a satisfactory level. Our contracting activities in Mozambique have decreased with the completion of several road contracts. Some minor works are continuing at the Maputo harbour. Locally, the division is involved in major mining infrastructure works for new platinum and coal mines. Our major road contracts at Mount Frere in the Eastern Cape and at Barberton in Mpumalanga are progressing well.

Work at the OR Tambo and King Shaka International Airports is ongoing. Our contracts for the construction of pipelines near Polokwane and Mokopane are complete and the major upgrade of pipelines for Sapref in Durban will be complete by April this year. With the recent acquisition of Insitu Pipelines (Pty) Limited the division is well placed to supply specialist pipe solutions to its industrial clients.

In the six months under review a number of golf courses and the associated housing infrastructure have been completed.

Property and Concessions

Our property interests in Simbithi Eco Estate north of Durban and St Francis Links near Port Elizabeth remain positive, however the earn-out is anticipated to progress over a longer period.

The King Shaka International Airport, a design and build project is progressing well. We continue to hold a 3,6% stake in the N4 toll road concession company and the group's participation in a number of petroleum and gas projects in Mozambique has exciting prospects.

Industrials

During the period under review WBHO entered into a partnership with certain investment funds managed by Brait South Africa Limited and Caracal (Pty) Limited which resulted in Capital Africa Steel (Pty) Limited's (CAS) capital being restructured. The consequence of this transaction is, effective from 1 January 2008, WBHO's stake in the equity of CAS reduces from being a wholly-owned subsidiary to 50% with the Brait interests holding 40% and Caracal 10%.

CAS has considerable funds at its disposal and the intention is to rapidly expand its interests in the steel industry, particularly products used in the construction industry as well as other construction related products. Arising from the restructure, CAS has acquired Syno Corporation, a long established steel engineering business operating from premises in Elandsfontein as well as a 60% interest in Steel Mecca, a steel trading company in Rustenburg.

Despite the decrease in equity, WBHO's earnings from CAS are expected to be of the same order as those achieved in the previous year.

Training

Skills shortages at all levels of management are acute but we take confidence from the outstanding performance of our construction teams. Last year we increased our revenue by R2 billion and this year we will do the same. We have managed to achieve this by introducing intensive training programmes for South Africans of all races and have not imported any personnel from outside South Africa. We believe this is a very special achievement. Expenditure on training will rise to R14 million for this financial year.

Prospects

As reflected in the Business Confidence Index, 2008 did not get off to a good start. It is still too early to assess the full implications of the power outages on our sites and suppliers. The weakening of the rand will increase the cost of imported capital goods and the increase in interest rates has led to a decrease in activity in residential and retail building.

Crime remains at unacceptable levels encouraging the outflow of key qualified people from the industry to areas of high demand such as the Emirates and Australia. A large amount of work needs to be done especially in the provision of infrastructure and we expect strong demand for our services beyond 2010. Nevertheless we feel confident. Our order book at R15,5 billion has never been higher and is made up of contracts in which we have to a large extent mitigated the risks associated with this inflationary environment.

Dividend declaration

Notice is hereby given that the directors have declared an interim dividend of 60 cents per share (2007: 36 cents) payable to shareholders in respect of the six months ended 31 December 2007.

The following dates have reference:

Last day to trade cum-dividend	Friday, 11 April 2008
Trading ex-dividend commences	Monday, 14 April 2008
Record date	Friday, 18 April 2008
Payment date	Monday, 21 April 2008

Shares may not be dematerialised or rematerialised between Monday, 14 April 2008 and Friday, 18 April 2008, both dates inclusive.

For and on behalf of the board

MS Wylie
Chairman

NS Maziya
Director

22 February 2008