

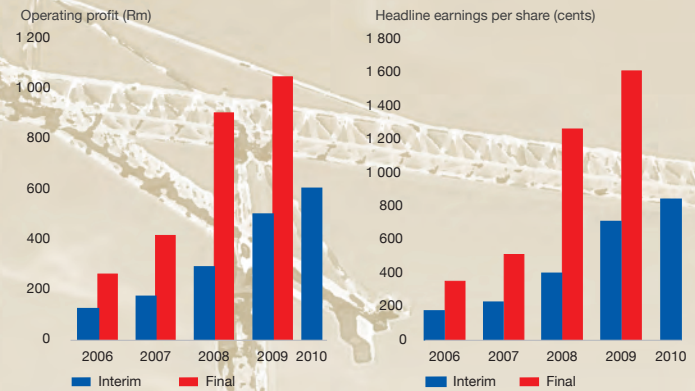
## UNAUDITED FINANCIAL STATEMENTS

for the six months ended 31 December 2009

WILSON BAYLY HOLMES – OVCON LIMITED  
Building and civil engineering contractors (Registration no. 1982/011014/06)  
ISIN No: ZAE 000009932 Share code: WBO

### HIGHLIGHTS

- Operating profit ▲ 23%
- Headline earnings per share ▲ 19%



### CONDENSED INCOME STATEMENT

	% increase	Unaudited December 2009 R'000	Unaudited December 2008 R'000	Audited June 2009 R'000
Revenue	12,1	7 641 029	6 814 531	14 768 807
<b>Operating profit before non-trading items</b>	20,5	603 519	500 647	1 048 716
(Impairment)/realisation of goodwill		(219)	-	2 101
Fair value of investments		1 018	2 526	4 653
Loss on disposal of investments		-	(1 184)	-
Share-based payments expense		(6 545)	(17 663)	(22 974)
<b>Operating profit</b>	23,4	597 773	484 326	1 032 496
Share of profits and losses in associates		(23 243)	18 615	31 480
Investment income		140 399	139 171	328 704
<b>Operating income</b>		714 929	642 112	1 392 680
Finance costs		(3 799)	(23 986)	(31 847)
<b>Profit before taxation</b>		711 130	618 126	1 360 833
Taxation		(210 765)	(182 954)	(398 033)
<b>Profit for the period</b>		500 365	435 172	962 800
<b>Profit attributable to</b>				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		460 492	392 768	889 928
Minority interests		39 873	42 404	72 872
		500 365	435 172	962 800
<b>Reconciliation of headline earnings</b>				
Net profit		460 492	392 768	889 928
Adjustments:				
Impairment/(realisation) of goodwill		219	-	(2 101)
Share of impairment of goodwill arising within associate		-	-	-
Loss on disposal of investments		-	1 184	-
Profit on disposal of property, plant and equipment (net of tax)		(741)	(5 673)	(5 330)
<b>Headline earnings</b>	18,5	459 970	388 279	882 497
<b>Operating margin (%)</b>	7,9		7,3	7,1
<b>Ordinary shares</b>				
Issued ('000)		66 000	66 000	66 000
Weighted average number of shares ('000)		54 787	54 956	54 787
Diluted weighted average number of shares ('000)		54 973	55 118	54 973
Earnings per share (cents)	17,6	840,5	714,7	1 624,3
Diluted earnings per share (cents)		837,7	712,6	1 618,8
Headline earnings per share (cents)	18,8	839,6	706,5	1 610,8
Diluted headline earnings per share (cents)		836,7	704,4	1 605,3
Dividend per share (cents)	10,0	110,0	100,0	300,0

### CONDENSED BALANCE SHEET

	2009 R'000	2008 R'000	2009 R'000
<b>ASSETS</b>			
Non-current assets	2 001 552	1 879 594	2 162 107
Property, plant and equipment	1 089 060	1 143 317	1 113 672
Goodwill	277 642	161 843	206 261
Investment in associates	507 835	351 533	428 502
Other non-current assets	127 015	222 901	413 672
Current assets	6 386 936	6 369 968	7 445 721
Cash and cash equivalents	4 064 134	3 342 105	4 033 309
Other current assets	2 322 802	3 027 863	3 412 412
<b>Total assets</b>	8 388 488	8 249 562	9 607 828
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves	2 820 001	2 100 418	2 579 993
Ordinary share capital and reserves	2 692 169	2 023 980	2 384 550
Minority interests	127 832	76 438	195 443
Non-current liabilities	208 852	217 542	376 887
Long-term financial liabilities	8 393	110 428	21 768
Other non-current liabilities	200 459	107 114	355 119
Current liabilities	5 359 635	5 931 602	6 650 948
Bank overdrafts	-	19 528	1 046
Other current liabilities	5 359 635	5 912 074	6 649 902
<b>Total equity and liabilities</b>	8 388 488	8 249 562	9 607 828
Net tangible asset value per share (cents)	4 407	3 388	3 976

### CONDENSED STATEMENT OF CHANGES IN EQUITY

	2009 R'000	2008 R'000	2009 R'000
Ordinary share capital and reserves at the beginning of the period	2 384 550	1 731 904	1 731 904
Net profit for the period	460 492	392 768	889 928
Translation of foreign entities	(30 986)	(6 989)	(61 002)
Share-based payments expense	6 545	17 663	22 974
Dividend paid	(128 432)	(111 366)	(172 589)
Purchase of treasury shares	-	-	(6 359)
Change in shareholding of subsidiaries	-	-	(20 306)
Ordinary share capital and reserves at the end of the period	2 692 169	2 023 980	2 384 550

### CONDENSED CASH FLOW STATEMENT

	2009 R'000	2008 R'000	2009 R'000
<b>Cash generated from operations</b>	691 077	1 199 668	2 287 500
Investment income	140 399	139 171	328 704
Finance costs	(3 799)	(23 986)	(31 847)
Taxation paid	(390 962)	(301 267)	(527 739)
Dividend paid	(128 432)	(111 366)	(172 589)
<b>Cash retained from operations</b>	308 283	902 220	1 884 029
<b>Net cash flow from investing activities</b>	(263 037)	(285 656)	(505 434)
<b>Net cash flow from financing activities</b>	(13 375)	(70 911)	(123 256)
<b>Net increase in cash and cash equivalents</b>	31 871	545 653	1 255 339
<b>Cash and cash equivalents at the beginning of the period</b>	4 032 263	2 776 924	2 776 924
<b>Cash and cash equivalents at the end of the period</b>	4 064 134	3 322 577	4 032 263

### SEGMENTAL INFORMATION

Primary segments	2009 R'000	2008 R'000	2009 R'000
Segment revenue			
- Building and civil engineering	5 478 110	4 727 521	10 256 984
- Roads and earthworks	2 148 458	2 072 702	4 481 874
- Property	14 461	14 308	29 949
	7 641 029	6 814 531	14 768 807
Segment result			
- Building and civil engineering	308 974	235 817	449 446
- Roads and earthworks	290 795	264 156	597 578
- Property	3 750	674	1 692
	603 519	500 647	1 048 716
<b>Secondary segments</b>			
Segment revenue			
- Local	4 620 889	4 066 010	8 749 611
- International	3 020 140	2 748 521	6 019 196
	7 641 029	6 814 531	14 768 807
Segment result			
- Local	332 755	249 067	555 008
- International	270 764	251 580	493 708
	603 519	500 647	1 048 716

### BASIS OF ACCOUNTING

The consolidated interim unaudited financial statements have been prepared in accordance with IAS 34: Interim Financial Reporting, the International Financial Reporting Standards (IFRS) and Schedule 4 of the 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 2009.

### COMMENTARY

#### Overview of results

The group is pleased to report that it has produced a solid set of results in line with the trading statement published on 10 February 2010. Headline earnings increased by 18,5% to R460 million (2008: R388 million) while earnings per share have improved by 17,6% over the comparative period. Revenue for the period increased by 12,1% to R7,6 billion (2008: R6,8 billion) and operating profit before non-trading items increased by 20,5% to R604 million (2008: R501 million). The group achieved an operating margin of 7,9% for the six months under review (2008: 7,3%).

The group balance sheet remains strong with a net cash position of R4,1 billion (2008: R3,3 billion). To date the group has spent R87 million of the R244 million capital expenditure approved.

In October 2009 the group increased its stake in Probuild Constructions (Aust) Pty Limited (Probuild) from 62,6% to 69,4%. The transaction resulted in an increase in goodwill of R71 million.

Financial guarantees issued to third parties amount to R3,3 billion compared to R3,6 billion as at 30 June 2009.

We are proud to have been part of the hand over of three stadia (Greenpoint Stadium, Moses Mabhida Stadium and Peter Mokaba Stadium), for the 2010 World Cup six months ahead of the event. This is a tribute to the capability of the South African construction industry.

An interim dividend of 110 cents per ordinary share has been declared (2008: 100 cents per share).

### BUILDING AND CIVIL ENGINEERING

The division has had a successful six months increasing both revenue and profit. Operating profit achieved for the period amounts to R309 million (2008: R236 million) an increase of 31%. The operating margin increased from 4,4% at June 2009 to 5,6% for the period under review. At the outset of 2010 the division has an order book of R9,9 billion (June 2009: R11,5 billion).

#### South Africa

The North division successfully completed and handed over both the Peter Mokaba Stadium in Polokwane and the Norwood shopping centre in Johannesburg. Work continues on large mixed-use developments namely the Zone in Rosebank, One Monte at Montecasino, 1 Station Place in Sandton and Lynnwood Junction in Tshwane. Construction has also commenced on a number of shopping centres; Phase 1 of the Sandton City upgrade, the Woodlands and Kolonade shopping centres in Tshwane and the extension to the Clearwater Mall in Johannesburg.

A decrease in building activity has adversely affected the Western Cape region. The Cape division has however redeployed certain resources to Zambia for the construction of the Manda Hill Shopping Centre in Lusaka while other resources were redeployed in Gauteng to assist the North division on various projects. The Greenpoint stadium was completed on time and handed over to the Cape Town municipality at a ceremony held in December 2009. Construction continues on the Ben Schoeman harbour with the award of an additional contract and work has commenced on the De Ville shopping centre.

While the Eastern Cape region is experiencing difficulty in finding replacement work, construction is progressing well on the Livingstone Hospital for the provincial government, the General Motors warehouse for the Coega Development Corporation and a number of smaller contracts for private clients.

In KwaZulu-Natal, construction of the King Shaka International Airport is entering the final stages with a completion deadline of May 2010. The Moses Mabhida stadium was also completed and successfully handed over during the period. The region is further engaged in construction work on the Investec Regional Head Office in Durban, a refurbishment of the Wild Coast Sun and a boutique hotel for Peermont at its casino in Empangeni.

The Civil division has had a steady six months and following a recent increase in tendering activity the outlook for the division is positive. Work on the Kusile power station has been hampered by inclement weather but is progressing well nonetheless. The division is further involved on various projects for Sasol, Anglo Coal and Impala Platinum whilst also assisting other divisions with civil works on shopping centres and earthworks contracts.

#### Australia

Probuild has experienced reasonable growth in revenue and profit when compared to the first six months of last year. The majority of the work is in Melbourne where the following developments; 717 Bourke Street, Myer Redevelopment and Northland Stage 20 are progressing well. The roads business in Brisbane and the civil business in Perth have performed to budget. In Perth, 140 William Street is on schedule. Sydney remains quiet, however the order book for Australia is satisfactory.

### ROADS AND EARTHWORKS

The Roads and Earthworks division has again produced commendable results achieving an operating profit of R291 million (2008: R264 million). The margin has increased to 13,5% (2008: 12,7%) for the period. The order book stands at R3,2 billion (June 2009: R4,5 billion). Projects on offer have slowed and conditions are competitive. The division is aggressively seeking additional work both locally and in the rest of Africa.

In the Northern Division we continue with the Ingula Dam project for Eskom. The Gauteng Freeway Improvement project is progressing well and remains ahead of programme despite the heavy rainfall experienced. The region has secured a contract for Goldfields at its South Deep mine near the Western Areas District and work has commenced.

The Central division continues with ongoing mining infrastructure work in the Mpumalanga area.

In the Coastal division the extremely tight schedule of the civils package for the King Shaka International Airport remains a priority. Work continues on the AC waterline replacement project in eThekweni.

The International divisions continue with mining work in Botswana, Ghana, Zimbabwe and Zambia. Work continues on the extension of the runway at the Sir Seretse Khama International Airport in Gaborone, Botswana.

### Subsidiaries

Edwin Construction (Pty) Limited has increased turnover as a result of the provincial roads programme.

Insitu Pipelines (Pty) Limited has also been busy and has experienced significant growth in revenue and profit for the six months under review.

### PROPERTY

The real estate market remains depressed. However sales at the Simbithi Eco-Estate development near Ballito in KZN have been steady despite the poor market conditions.

### INDUSTRIAL

Capital Africa Steel (Pty) Limited, an associate of the group active in the steel industry and with ready-mix and quarrying operations has had a disappointing six months, posting an overall loss for the period. Despite the successful commissioning of the ERW pipe factory in Maputo, the slow global recovery in demand for pipe has been the main contributing factor towards the underperformance.

### PROSPECTS

Globally there are signs that the recession is ending and that the economy is recovering as commodity prices move upward. In South Africa business confidence is low and there is speculation that the rate of recovery will be slower than that of the USA and Europe. We have experienced a slowdown in the number of contracts awarded even though there has been a reasonable pipeline of work.

The group has been successful in negotiating a number of building contracts based primarily on our client relationships and track record. We are encouraged that the budget speech indicated that there is still R846 billion available for infrastructure work.

Australia has to a large extent escaped the global financial crisis, as a result work prospects remain promising. We are tendering for work in the United Arab Emirates from our offices in Abu Dhabi and Qatar. Work in the region is competitive.

The order book at the beginning of 2010 is R13,1 billion compared to R15,3 billion at 30 June 2009.

We remain cautious for the next two financial years, but believe that the group is well positioned to cope with the difficult environment we anticipate.

### DIVIDEND DECLARATION

Notice is hereby given that the directors have declared an interim dividend of 110 cents per share (2008: 100 cents) payable in respect of the six months ended 31 December 2009.

The following dates have reference:

Last day to trade cum dividend

Trading ex dividend commences

Record date

Payment date

Shares may not be dematerialised or rematerialised between Monday, 12 April 2010 and Friday, 16 April 2010, both dates inclusive.

By order of the board

MS Wylie  
Chairman

EL Nel  
Chief Executive Officer

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