

# REVIEWED FINANCIAL RESULTS

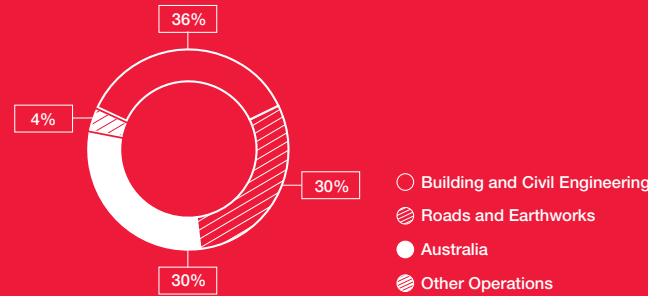
## for the year ended 30 June 2010

**3** REVENUE UP 3%

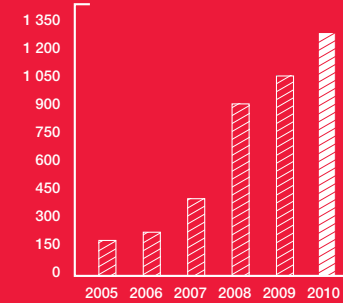
**21** OPERATING PROFIT UP 21%

**8** HEADLINE EARNINGS UP 8%

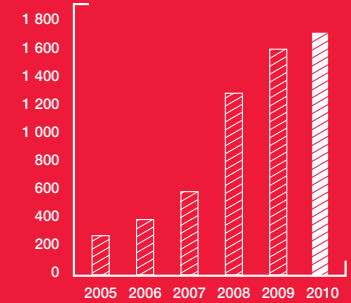
### REVENUE



### OPERATING INCOME BEFORE NON-TRADING ITEMS (R'000)



### HEADLINE EARNINGS PER SHARE (cents)



### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	% change	Reviewed June 2010 R'000	Audited June 2009 R'000
<b>Revenue</b>	3	15 201 095	14 768 807
Operating profit before non-trading items	21	1 274 174	1 048 716
(Impairment of goodwill)/realisation of negative goodwill		(219)	2 101
Fair value adjustment to investments		2 583	4 653
Loss on disposal of investments		(5 682)	-
Share-based payment expense		(8 922)	(22 974)
<b>Operating profit</b>		1 261 934	1 032 496
Share of profits and losses in associates		(30 385)	31 480
Income from investments		279 505	328 704
<b>Operating income</b>		1 511 054	1 392 680
Finance costs		(17 018)	(31 847)
<b>Profit before taxation</b>		1 494 036	1 360 833
Taxation		(466 524)	(398 033)
<b>Profit for the year</b>	7	1 027 512	962 800
<b>Operating margin (%)</b>		8,4	7,1
<b>Profit attributable to</b>			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		954 282	889 928
Non-controlling interests		73 230	72 872
		1 027 512	962 800
<b>Reconciliation of headline earnings</b>			
Attributable profit		954 282	889 928
Adjustments net of tax:			
(Impairment of goodwill)/net realisation of negative goodwill		219	(2 101)
Loss on disposal of investments		5 682	-
Profit on disposal of property, plant & equipment		(2 666)	(5 330)
<b>Headline earnings</b>	8	957 517	882 497
<b>Ordinary shares</b>			
Issued ('000)		66 000	66 000
Weighted average number of shares ('000)		54 791	54 787
Diluted weighted average number of shares ('000)		54 987	54 973
Earnings per share (cents)	7	1 741,7	1 624,3
Diluted earnings per share (cents)		1 735,5	1 618,8
Headline earnings per share (cents)	8	1 747,6	1 610,8
Diluted headline earnings per share (cents)		1 741,4	1 605,3
Dividend per share (cents)		330,0	300,0

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Reviewed June 2010 R'000	Audited June 2009 R'000
Profit for the year	1 027 512	962 800
Translation of foreign entities	(36 427)	(61 002)
<b>Total comprehensive income for the year</b>	991 085	901 798
<b>Total comprehensive income attributable to</b>		
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited	917 855	828 926
Non-controlling interests	73 230	72 872
	991 085	901 798

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed June 2010 R'000	Audited June 2009 R'000
<b>ASSETS</b>		
Non-current assets	2 231 545	2 162 107
Property, plant and equipment	1 203 769	1 113 672
Goodwill	293 056	206 261
Investment in associates	448 670	428 502
Other non-current assets	286 050	413 672
Current assets	7 159 445	7 445 721
Other current assets	3 268 406	3 412 412
Cash and cash equivalents	3 891 039	4 033 309
<b>Total assets</b>	9 390 990	9 607 828
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves	3 261 139	2 579 993
Ordinary share capital and reserves	3 057 769	2 384 550
Non-controlling interests	203 370	195 443
Non-current liabilities	82 049	376 887
Long-term financial liabilities	24 946	21 768
Other non-current liabilities	57 103	355 119
Current liabilities	6 047 802	6 650 948
Other current liabilities	6 047 802	6 649 902
Bank overdrafts	-	1 046
<b>Total equity and liabilities</b>	9 390 990	9 607 828

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Reviewed June 2010 R'000	Audited June 2009 R'000
Ordinary share capital and reserves at the beginning of the year	2 384 550	1 731 904
Profit for the year	954 282	889 928
Other comprehensive income for the year	(36 427)	(61 002)
Dividend paid	(193 974)	(172 589)
Treasury shares sold/acquired	3 586	(6 359)
Share based payment expense	8 922	22 974
Goodwill recognised in equity as part of a staged acquisition	(63 170)	-
Change in shareholding of subsidiaries	-	(20 306)
Ordinary share capital and reserves at the end of the year	3 057 769	2 384 550

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed June 2010 R'000	Audited June 2009 R'000
<b>Cash generated from operations</b>	1 052 772	2 287 500
Finance income	279 505	328 704
Finance costs	(17 018)	(31 847)
Taxation paid	(608 592)	(527 739)
Dividend paid	(193 974)	(172 589)
<b>Cash retained from operations</b>	512 693	1 884 029
<b>Net cash flow from investing activities</b>	(599 282)	(505 434)
<b>Net cash flow from financing activities</b>	(54 635)	(123 256)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(141 224)	1 255 339
<b>Cash and cash equivalents at the beginning of the year</b>	4 032 263	2 776 924
<b>Cash and cash equivalents at the end of the year</b>	3 891 039	4 032 263

### CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

Segment	Reviewed June 2010 R'000	Audited June 2009 R'000
<b>Segment revenue</b>		
Building and civil engineering	5 469 684	5 363 391
Roads and earthworks	4 609 889	4 469 874
Australia	4 534 442	4 674 588
Other operations	587 080	260 954
	15 201 095	14 768 807
<b>Segment result</b>		
Building and civil engineering	430 024	309 496
Roads and earthworks	629 779	586 177
Australia	152 241	124 721
Other operations	62 130	28 322
	1 274 174	1 048 716

### BASIS OF PREPARATION

The condensed consolidated financial results have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34: Interim Financial Reporting, the South African Companies Act, as amended, and the JSE Listings Requirements. The principal accounting policies used in the preparation of the reviewed results for the year ended 30 June 2010 are consistent with those applied for the previous year. IAS 1: Presentation of Financial Statements has been adopted and changes to the terminology, format and content of the financial statements have been applied. Following the adoption of IFRS 8, which requires that operating segments be identified and reported on the same basis as is done internally, comparative figures have been reclassified accordingly.

Wilson Bayly Holmes-Ovcon Limited (WBHO) makes estimates and assumptions concerning the future, particularly in regard to construction profit recognition, provisions, and the fair values of certain assets. The resulting accounting estimates can, by definition, only approximate the actual results. Estimates and judgements are based on historical experience and other factors, including expectations of future events which are believed to be reasonable at that time.

These results have been reviewed by the independent, external auditors, BDO South Africa Inc. and their unmodified review opinion is available for inspection at our registered office.

### FINANCIAL OVERVIEW

The group has produced a solid performance in a challenging environment. Operating profit before non-trading items increased 21% from R1 billion in 2009 to R1,3 billion this year. The operating margin at 8,4% is higher than the 2009 margin of 7,1% which had been eroded by a material debt write off.

Earnings per share improved 7% to 1 742 cents and headline earnings per share improved 8,5% increasing to 1 747 cents. Revenue increased to R15,2 billion (2009: R14,8 billion) and net profit after tax increased to R1,028 billion (2009: R963 million).

The group's net cash position reduced slightly to R3,9 billion (2009: R4 billion) due to the absorption of early contract payments, the drop in interest rates and the strengthening of the rand. The group has also provided short-term contract financing to a few selected clients.

Capital expenditure amounted to R256 million this year (2009: R215 million). The group has approved capital expenditure of R401 million for the next financial year; the majority of which will be utilised to equip new contracts in Africa and to replace existing items of plant. To date, R69 million of the approved capital budget has been committed.

During the year the group acquired a further 6,8% interest in its Australian subsidiary, Probuild Constructions (Proprietary) Limited (Probuild). This increased the total effective interest in Probuild to 69,4%.

In October 2009, the group increased its shareholding in Roadspan Holdings (Proprietary) Limited (Roadspan) from 30% to 70%. The results of the company have subsequently consolidated into the group's financial statements. The fair value of the assets and liabilities amounting to R34 million were acquired for R65 million. Goodwill of R31 million was recognised as part of the transaction. Revenue of R439,4 million and a loss before tax of R45,3 million has been included in the group's results since the acquisition date.

Guarantees given to financial institutions on behalf of subsidiary companies remains unchanged at R3,6 billion. The directors believe any exposure to loss is unlikely.

A final dividend of 220 cents per share (2009: 200 cents) has been declared which, together with the interim dividend of 110 cents per share amounts to a total dividend of 330 cents for the year (2009: 300 cents), an increase of 10%.

### BUILDING & CIVIL ENGINEERING

This year must be counted as the most eventful year ever experienced by the division after the completion on time of numerous projects for the World Cup. The division is immensely proud of the part that it played in enabling the successful hosting of the largest tournament in the world.

The financial performance of the Building and Civil Engineering division this year was in line with projections at the outset of the year. The division achieved a turnover of R5,5 billion comparable with that achieved in 2009 of R5,4 billion. Operating profit increased 39% to R430 (2009: R309 million). The increase is partly attributable to the irrecoverable debts of R95,4 million written off against 2009 profits.

The North division had an extremely busy year securing more projects than it could execute alone. Fortuitously, this burst of activity in Gauteng coincided with a decline in activity in the coastal divisions which enabled them to redeploy excess resources to assist the North division.

The Civil Engineering division concentrated on projects for Eskom, Sasol, Transnet, the mining industry and also contributed to the civil works on two World Cup stadiums. Continuing work on the Duncan dock in Cape Town is progressing well.

A strong presence had been maintained in the Western Cape where, over and above its contribution to the successful completion of the Greenpoint stadium, the Cape division engaged in residential, commercial, education and healthcare related projects. In 2009 the Cape division successfully expanded into Zambia to exploit opportunities in that country and further projects are currently being negotiated.

The bulk of the work in KwaZulu-Natal related to the World Cup with hospital projects and commercial developments continuing to be a source of work. This market is very competitive and we can expect further declines in construction activity.

The Coega Development Zone, a quasi-governmental initiative to create industrial opportunities in Port Elizabeth and the surrounding areas, has been an ongoing source of projects for the Eastern Cape division. Private and provincial hospital work constituted the remainder of the division's work in this region.

The Building and Civil division starts the 2011 financial year with an order book of R4,3 billion (2009: R5,8 billion). Project finance is difficult to obtain for some developers and the division continues to secure additional work through the provision of mezzanine finance on selected projects. A proven track record of reliability combined with long-term relationships with loyal clients continue to be a source of ongoing commercial projects for the division which is well equipped to maintain its activity levels in the year ahead.

### ROADS & EARTHWORKS

The Roads and Earthworks division achieved a satisfactory result for the year under review improving both revenues and operating profits. Revenue for the year amounts to R4,6 billion (2009: R4,5 billion) and the operating profit of R630 million (2009: R586 million) showed substantial improvement.

The North, Coastal and International business units were all involved in World Cup related projects. The North, in joint venture, successfully delivered its section of the Gauteng Freeway Improvement Programme (GFIP), which was the section from the Buccleuch interchange to the 14th Avenue off ramp. This contract was handed over to SANRAL ahead of schedule. The Polokwane and Nelspruit bypass contracts were also completed on time for SANRAL.

The Coastal business unit has been extremely active on the King Shaka International Airport (KSIA) contract in Ballito, where construction of the runways and civil infrastructure was completed on time well before the opening of the World Cup on 11 June. At the same time, the division completed the N2 interchange for the KSIA. This unit also completed construction of the Mount Frere main road and has been involved with other infrastructure work in the Eastern Cape.

In Mpumalanga the Central business unit has been involved in major projects primarily for BHP Billiton and Anglo Coal and work continues in this region.

The International business unit was also deployed to assist with the successful completion of the Nelspruit bypass for SANRAL. Extensions to the Sir Seretse Khama Airport in Gaborone, Botswana and the Mbabane bypass in Swaziland were finished during the year. Work continues in Ghana, Zambia, Zimbabwe and Botswana. This unit has been able to maintain its workload in Africa despite its contract in the DRC coming to an end. The resources market has started to recover and the division has been awarded new work in Sierra Leone and Mozambique.

Insitu Pipelines (Proprietary) Limited, engaged in a number of large contracts for private clients as well as ongoing projects for several municipalities. Roadspan has been involved in resurfacing five GFIP related contracts.

The roads and earthworks market in South Africa has contracted, competition for work has increased and tender margins are under pressure. Although there is less activity on the upgrade and renewal of provincial roads, SANRAL continues to let out work in line with its strategic plan.

In the local resources sector, mining houses have resumed investment in infrastructure projects with a consequent increase in tender activity. The division is optimistic that this trend will continue. The resources drive in Africa and Australia continues to improve and the division has been able to offer its services to a number of its clients in this market.

As at 1 July 2010, the order book for the Roads and Earthworks division amounts to R3,8 billion (2009: R3,8 billion). The division is awaiting the award of a number of large contracts which will continue beyond the new financial year.

### AUSTRALIA

Probuild's revenue of R4,5 billion for the year was just below the record R4,7 billion achieved in 2009. As a result of stronger contract profit margins, year-on-year operating profits increased from R125 million to R152 million, an improvement of 22%. This is the tenth consecutive year of improvement in profits for Probuild who are now firmly established as a tier one contractor.

In Melbourne, there were a number of projects completed or nearing completion at the end of the financial year. The Myer Retail Store redevelopment is on programme and will be completed by November 2010. Probuild's largest residential project, the 40-storey Bank Apartments tower, which commenced in February 2009, remains on schedule for an August 2011 completion. In Perth, the R1,5 billion One-40 William Street development was completed during the year.

Projects completed during 2010 in Sydney included the Royal Randwick Racecourse redevelopment and the Grosvenor Apartments multi-storey residential projects. In Queensland a number of smaller projects were completed during the year for the company's main client, Main Roads. The company's largest current project in the state, the Gold Coast freeway upgrade, remains on schedule for completion in November 2010.

Probuild begins the year with an order book of R4,1 billion (2009: R5,8 billion) which represents 90% of the revenue achieved in 2010. In addition the company is well advanced in exclusive negotiations to secure major projects in both Melbourne and Perth. Margins have declined throughout the country and the company will be challenged to achieve the same level of profit in 2011 as was achieved this year.

### PROJETS

This year the Projects unit was mainly engaged on the King Shaka International Airport and achieved solid returns. Projects are involved in a number of opportunities including the N1/N2 Winelands toll road bid and a significant number of public, private partnerships introduced by government.

### PROPERTY

The real estate market continues to remain depressed and this has curtailed investment in developments. However it is pleasing to note that a steady flow of sales was maintained in the Simbithi Eco-Estate development near Ballito.

### ASSOCIATES

The group's interests in associated companies include a 50% shareholding in Capital Africa Steel (Proprietary) Limited (CAS) and a 26,6% holding in Gigajoule International (Proprietary) Limited. CAS operates in the construction materials and steel sectors and Gigajoule is engaged in the procurement and delivery of natural gas. Following the impact of the recession on the steel industry, CAS incurred a loss during the year. Gigajoule International (Proprietary) Limited contributed to group profits.

Late last year, CAS commissioned its greenfields pipe mill in Matola, Mozambique. This year focus has been placed on improving production capacity and the mill is expected to achieve profitability in 2011. Due to the lack of mining activity and delays on certain major contracts, the ready mix concrete business experienced a loss while the rebar and roof bolt businesses produced reasonable results. Looking forward conditions for all the business units will remain difficult.

### SAFETY

Safety remains a prime focus and we continually seek to raise standards throughout the group. Unfortunately, management regrets to report that it suffered four fatalities during the year. This year the group achieved an LTIFR of 1,5 (2009: 2,7), a 56% improvement. The target is to reduce this to 1,0 in the coming year.

### TRANSFORMATION

This year WBHO scored well in the elements of the scorecard and were rated as a level 3 contributor, which gives our clients 110% BEE procurement recognition in line with the Construction Charter. Employment equity remains a challenge and the group continues to concentrate on training, mentoring and shadowing processes to further increase the number of black management staff in WBHO over the next few years, including the employment of senior black women.

### PROSPECTS

Recovery from the global financial crisis has been slower than initially expected and the construction industry tends to lag the economic cycle by between 6 and 18 months. Fixed investment by the private sector has slowed and the industry has put much store in the infrastructural works programme announced by the government.

Asia has not been affected by the global crisis to the same degree as the industrialised world and continues to achieve reasonable growth, especially China and India. This growth has fortunately increased the demand for resources, particularly from Australia and Africa. It is in this arena that the group is actively pursuing opportunities.

The order book at the 1 July 2010 stood at R12,1 billion (2009: R15,3 billion). As has been stated previously it is expected that 2011 and 2012 will be difficult years for the group and the industry, but it is believed that WBHO is well positioned to meet these challenges.

### APPRECIATION

The board would like to thank all management and staff for having gone the "extra mile" in order to deliver on every project deadline, especially for the 2010 World Cup. It also extends its gratitude to all the group's stakeholders who have supported us during the year.

### DIVIDEND DECLARATION

Notice is hereby given that a final dividend of 220 cents per share in respect of the year ended 30 June 2010 has been declared payable to all shareholders recorded in the register on Friday, 22 October 2010, the record date. The last day to trade cum the dividend will be Friday, 15 October 2010 and the shares will trade ex the dividend on Monday, 18 October 2010. Payment will be made on Monday, 25 October 2010.

Share certificates may not be dematerialised or rematerialised between Monday, 18 October 2010 and Friday, 22 October 2010, both dates inclusive.

By order of the board

MS Wylie  
Chairman  
Johannesburg  
6 September 2010

EL Nel  
Chief Executive Officer