



# REVIEWED FINANCIAL RESULTS

for the year ended 30 June 2010

## **WELCOME FINANCIAL HIGHLIGHTS**

### **FINANCIAL OVERVIEW FY10**

#### **SEGMENTAL ANALYSIS**

- Building and civil engineering
- Roads and earthworks
- Other operations
- Australia

#### **SUSTAINABLE DEVELOPMENT**

- Health, safety and environmental
- Transformation
- Management continuity

#### **PROSPECTS**

- Group order book
- Project pipeline
- Conclusion
- Questions

# FINANCIAL HIGHLIGHTS

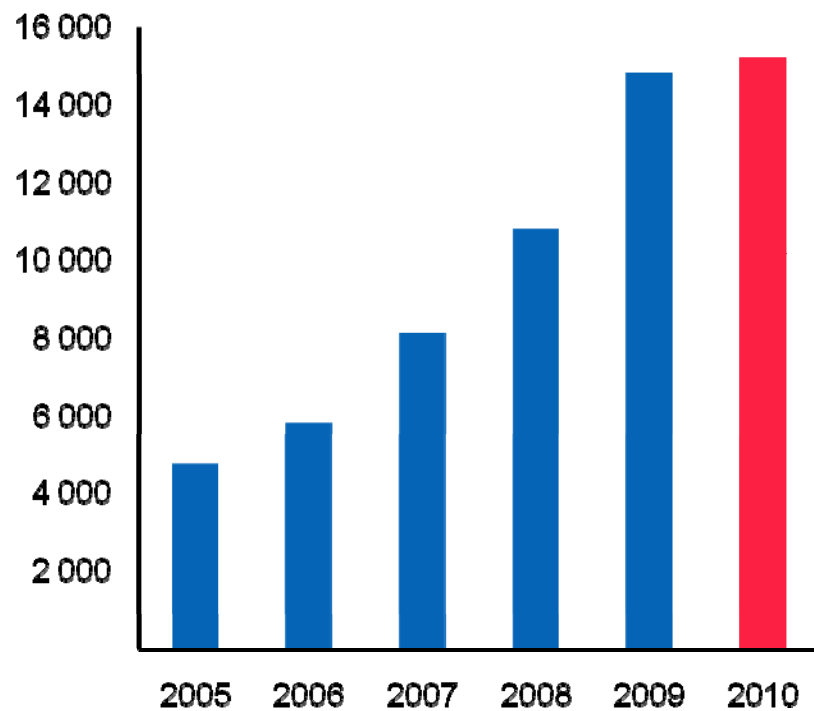
AND THE YEAR IN PERSPECTIVE

## THE YEAR IN PERSPECTIVE

- A SOLID PERFORMANCE IN A CHALLENGING MARKET
- DELIVERED ON 2010 COMMITMENTS
- EFFECTS OF GLOBAL FINANCIAL RECESSION NOW EVIDENT IN CONSTRUCTION CYCLE

# FINANCIAL HIGHLIGHTS

## REVENUE (RM)

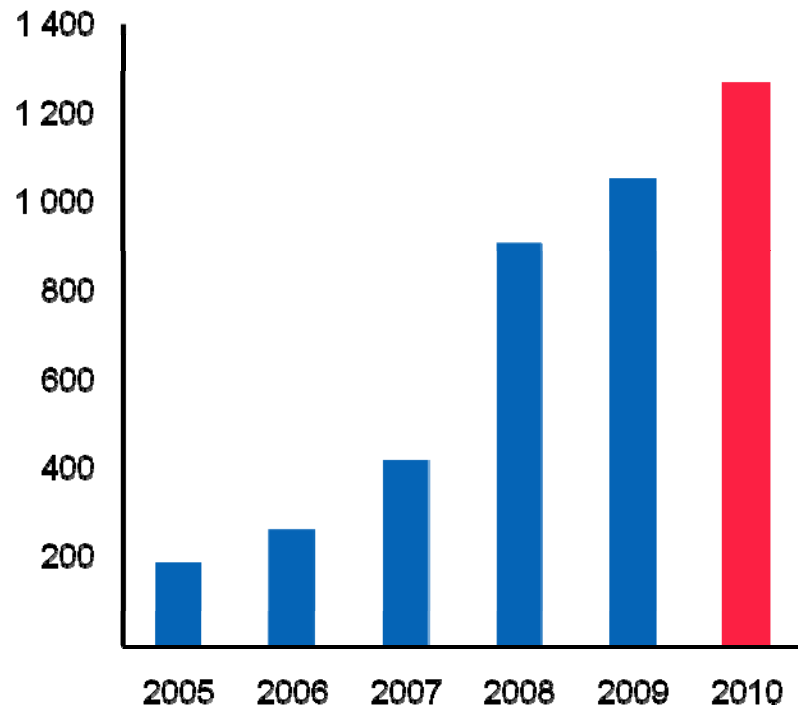


## REVENUE EXCEEDS R15 BILLION

- Over 200% revenue growth since 2005
- 3% growth in FY10 to R15,2 billion
- World Cup related revenue streams successfully replaced in FY10

# FINANCIAL HIGHLIGHTS

## OPERATING PROFIT (RM)

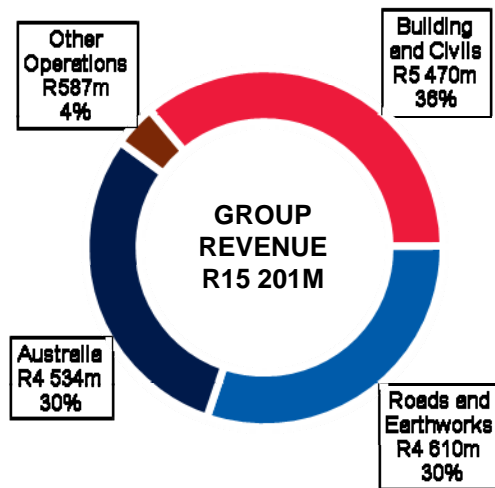


## OPERATING PROFIT OF R1,2 BILLION

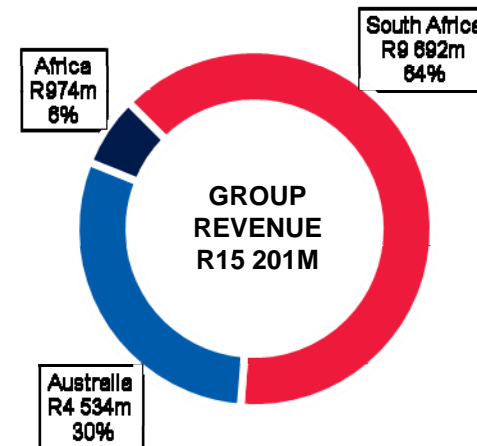
- Operating profit increases by 21%
- Margin increases from 7,1% to 8,4%

# SEGMENTAL OVERVIEW

## REVENUE BY SEGMENT



## GEOGRAPHIC SPREAD



## ALL SEGMENTS PERFORM WELL

- Building & Civil Engineering produce an exceptional performance
- Roads & Earthworks consolidate after exceptional growth in FY08 and FY09
- Australia improves profits for the 10<sup>th</sup> consecutive year

# FINANCIAL OVERVIEW

FY10

# FINANCIAL OVERVIEW

<b>FINANCIAL PERFORMANCE AND KEY RATIOS</b>	<b>% change</b>	<b>Reviewed FY10</b>	<b>Audited FY09</b>
Revenue (Rm)	↑ 3%	15 201	14 769
Operating profit before non-trading items (Rm)	↑ 21%	1 274	1 048
Earnings per share (cents)	↑ 7%	1 742	1 624
Headline earnings per share (cents)	↑ 8%	1 748	1 611
Dividend per share (cents)	↑ 10%	330	300
Return on shareholders' interests (%)	↓ 16%	31,2%	37,2%
Closing share price (R)	↑ 5%	112.00	106.20

# FINANCIAL OVERVIEW

<b>CASH FLOW AND RELATED RATIOS</b>	<b>% Change</b>	<b>Reviewed FY10</b>	<b>Audited FY09</b>
Cash generated from operations (Rm)	↓ 58%	<b>1 053</b>	2 287
Cash on hand (Rm)	↓ 3%	<b>3 891</b>	4 032
Dividend cover (times)	↓ 4%	<b>5,2</b>	5,4
Acquisitions (Rm)	↑ 51%	<b>168</b>	111

# FINANCIAL OVERVIEW

	Approved FY11 Rm	Spend FY10 Rm	Spend FY09 Rm
<b>CAPEX</b>			
Replacement	210	136	240
Additions	140	166	10
Special projects	51	54	53
<b>TOTAL</b>	<b>401</b>	<b>256</b>	<b>303</b>

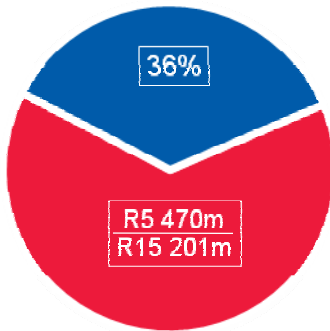
## FLEET MANAGEMENT

- WBHO has developed a plant philosophy which maintains the fleet at optimum levels
- Capex was curtailed in FY09 in response to GFC
- Approved spend for FY10 increased to equip specific cross border projects and to catch up on replacement policy curtailed in FY09

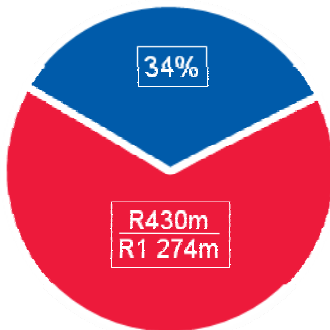
# BUILDING & CIVIL ENGINEERING

# BUILDING AND CIVIL ENGINEERING PERFORMANCE

## REVENUE CONTRIBUTION



## OPERATING PROFIT CONTRIBUTION



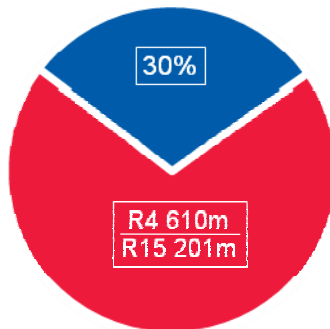
	%	Reviewed 2010 Rm	Audited 2009 Rm
Revenue	↑ 2%	5 470	5 363
Operating profit	↑ 39%	430	309
Margin		7,9%	5,8%

**BUILDING AND CIVIL ENGINEERING PRODUCE AN  
EXCEPTIONAL PERFORMANCE**

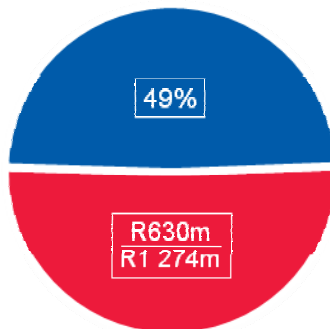
# ROADS AND EARTHWORKS

# ROADS AND EARTHWORKS PERFORMANCE

## REVENUE CONTRIBUTION



## OPERATING PROFIT CONTRIBUTION



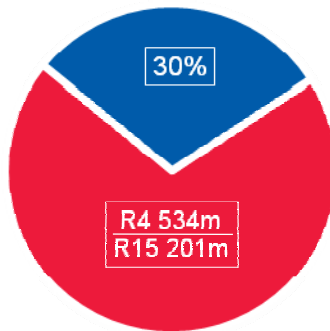
	%	Reviewed 2010 Rm	Audited 2009 Rm
Revenue	↑ 3%	4 610	4 470
Operating profit	↑ 8%	630	586
Margin		13,7%	13,1%

**ROADS & EARTHWORKS CONSOLIDATE AFTER  
EXPONENTIAL GROWTH IN FY08 AND FY09**

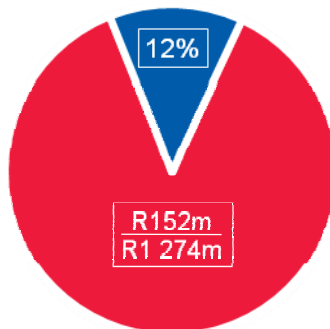
# AUSTRALIA

# AUSTRALIA PERFORMANCE

## REVENUE CONTRIBUTION



## OPERATING PROFIT CONTRIBUTION



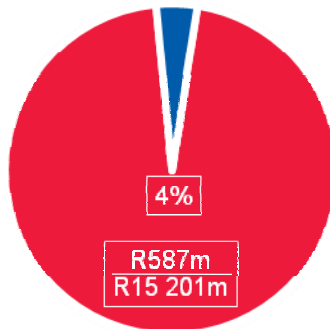
	%	Reviewed 2010 Rm	Audited 2009 Rm
Revenue	↓ 3%	4 534	4 674
Operating profit	↑ 22%	152	125
Margin		3,6%	2,7%

**AUSTRALIA IMPROVES PROFITS FOR THE 10<sup>TH</sup>  
CONSECUTIVE YEAR**

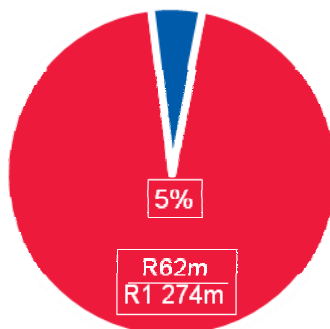
# OTHER OPERATIONS

# OTHER OPERATIONS PERFORMANCE

## REVENUE CONTRIBUTION



## OPERATING PROFIT CONTRIBUTION

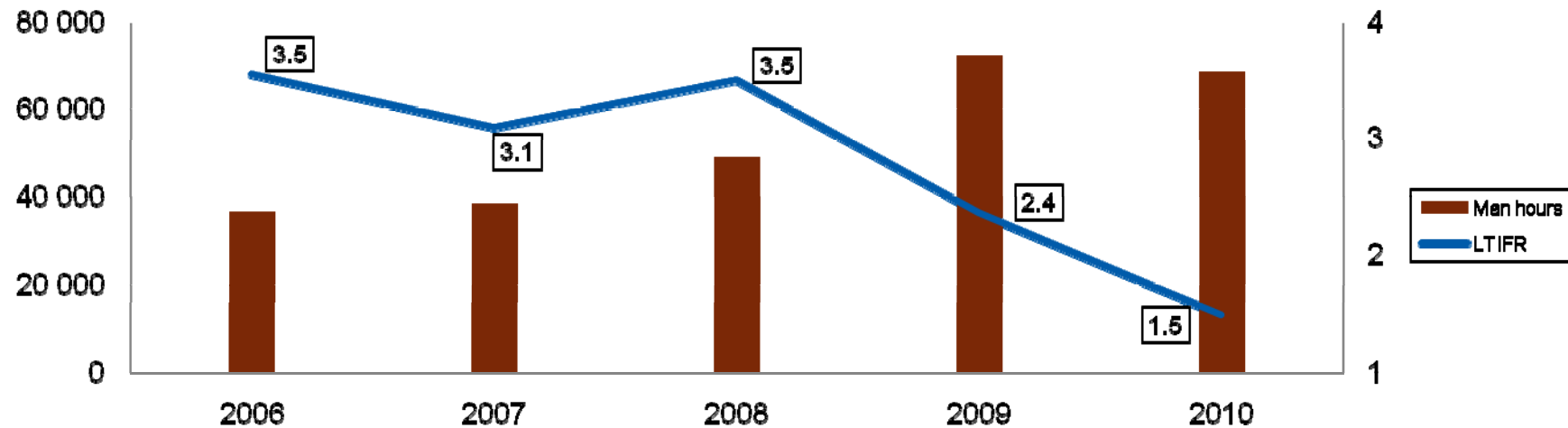


	%	Reviewed 2010 Rm	Audited 2009 Rm
Revenue	↑ 125%	587	261
Operating profit	↑ 121%	62	28
Margin		10,6%	10,7%
Associated companies		(30 385)	31 480

- **PROJECTS**
- **PROPERTY**
- **ASSOCIATED COMPANIES**
  - Capital Africa Steel (50%)
  - Gigajoule International (26,6%)

# SUSTAINABLE DEVELOPMENT

# HEALTH, SAFETY AND ENVIRONMENTAL



- LOST TIME INJURY FREQUENCY RATIO DECREASES TO 1,5
- FOCUS ON ISO:18000 (HEALTH & SAFETY) AND ISO:14000 (ENVIRONMENTAL)
- MEMBER OF GREEN BUILDING COUNCIL

# TRANSFORMATION

	FY10	FY09
Level 3 empowerment rating (%)	86%	74%
Employees allocated Akani shares (no.)	1 994	1 844
Corporate social investment spend (Rm)	R15,6	R11,00

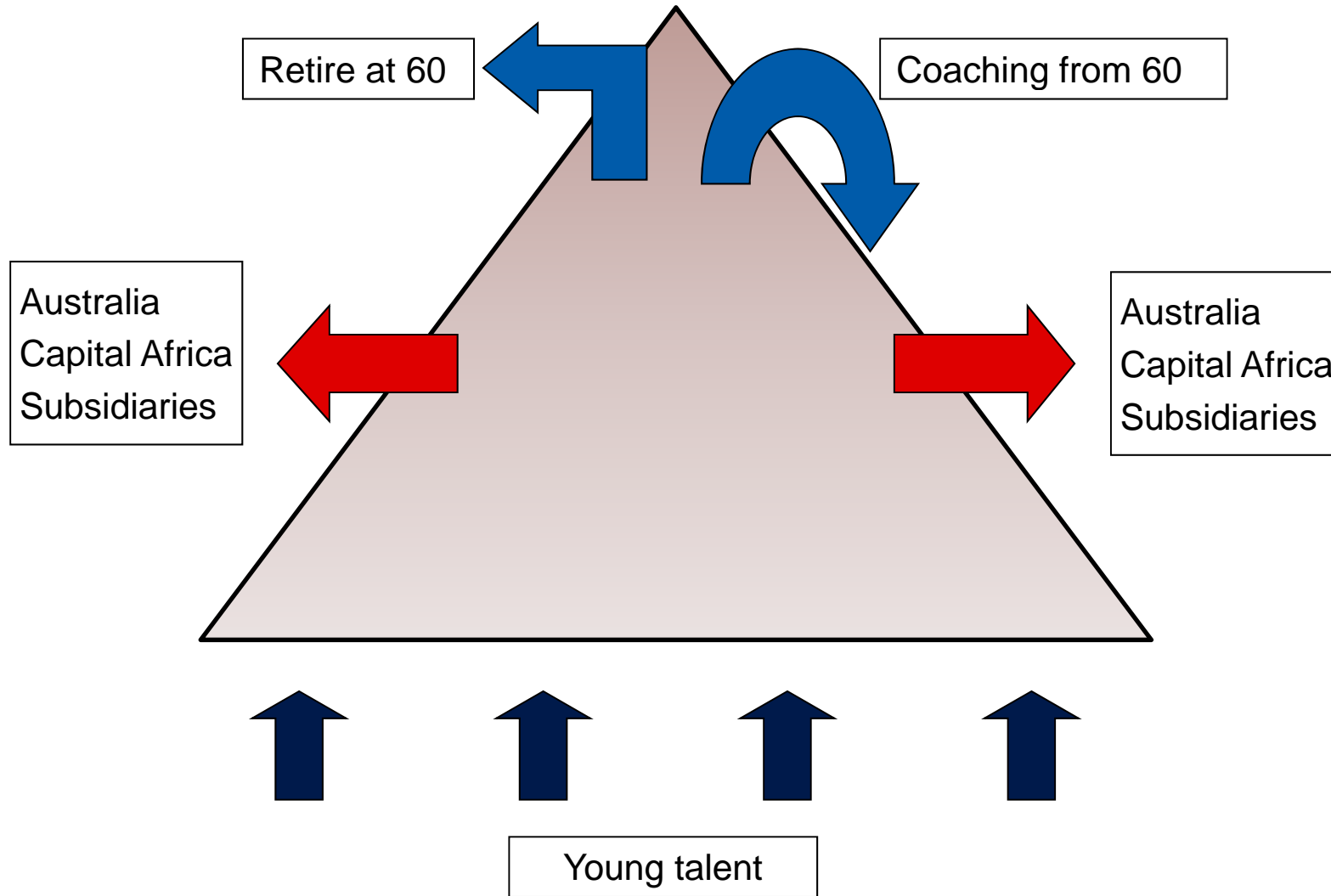
- **MANAGEMENT DRIVE TO IMPROVE PREFERENTIAL PROCUREMENT SUCCESSFUL**
- **EMPLOYMENT EQUITY REMAINS A PRIME MANAGEMENT FOCUS GOING FORWARD**
- **BROAD BASED EMPOWERMENT SHARE SCHEME (AKANI) NEARLY FIVE YEARS OLD**

# MANAGEMENT CONTINUITY

<b>SENIOR MANAGEMENT</b>	<b>No.</b>	<b>Average years of service</b>	<b>Average age</b>	<b>Average years of experience</b>
Exco	12	24	52	28
Regional managing directors	9	14	42	22
Divisional directors	27	20	50	26
Alternate divisional directors	47	14	43	19
<b>TOTAL</b>	<b>95</b>	<b>19</b>	<b>49</b>	<b>26</b>

- **MANAGEMENT CONTINUITY**
- **RELATIONSHIPS AND DELIVERY RECORD**
- **STAFF RETENTION**
- **FLEXIBILITY**

# CAREER PATHS



# PROSPECTS

# PROSPECTS

## MARKET OVERVIEW

### **SOUTH AFRICA**

- Steady pipeline of commercial developments
- Margin pressure a reality for another 12 – 18 months
- Public infrastructure spending gaining momentum
- Additional resources employed by government to fast track PPP delivery
- Local resource sector improving

### **AFRICA**

- New mining projects on-stream
- Opportunities in the building markets in Central and West Africa

### **AUSTRALIA**

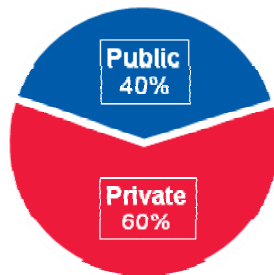
- Chinese demand shielded Australia from the GFC
- Mining and civil prospects remain promising
- Educational and healthcare infrastructure spend from federal and state governments
- Residential and commercial markets stable

# PROSPECTS

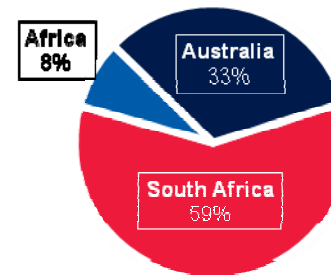
## GROUP ORDER BOOK

GROUP ORDER BOOK SUMMARY	Total Rm	2011 Rm	2012/13 Rm
Building and Civil Engineering	4 320	2 949	1 371
Roads and earthworks	3 755	3 018	737
Australia	4 058	2 696	1 362
Other operations	260	260	–
<b>TOTAL</b>	<b>12 393</b>	<b>8 923</b>	<b>3 470</b>
% of FY10 revenue	82%	59%	23%

### ORDER BOOK COMPOSITION



### GEOGRAPHIC SPREAD



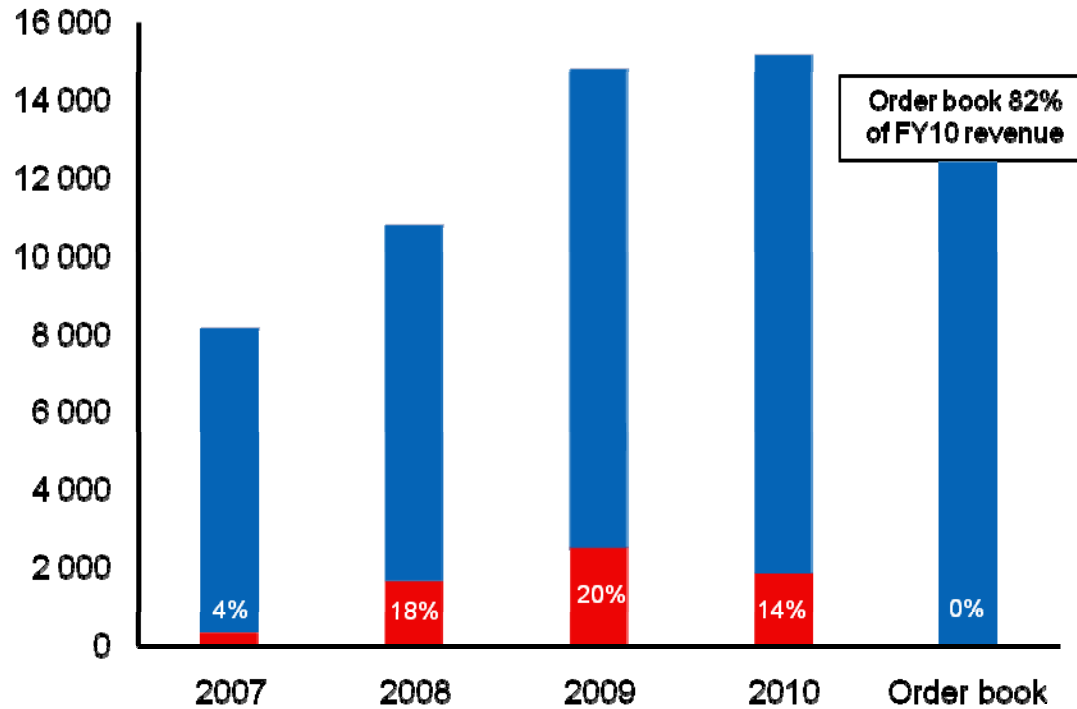
# PROSPECTS

## NEW AWARDS

<b>NEW AWARDS SINCE 30 JUNE 2010</b>	<b>Total Rm</b>
Building	1 160
Civil engineering	160
Roads and earthworks	620
Australia	760
<b>TOTAL</b>	<b>2 250</b>

# PROSPECTS

REVENUE & ORDER BOOK (R'000)



World Cup related revenue streams not overly material to total group turnover

Order book at satisfactory levels

# PROSPECTS

<b>PROJECT PIPELINE – BUILDING</b>	<b>Rm</b>
Casinos	1 200
Retail (new developments and upgrades)	4 100
Private hospitals	800
Offices	900
Education	800
Low cost housing	1 000
Private public partnerships	
– Healthcare	10 000
– Prisons	4 000
– Govt. accommodation	6 000
<b>TOTAL</b>	<b>28 800</b>

# PROSPECTS

## PIPELINE

<b>PROJECT PIPELINE – CIVIL ENGINEERING</b>	<b>Rm</b>
ESKOM (Kusile/Medupi and IPPs)	3 000
Transnet	1 500
TCTA	1 000
Mining infrastructure – local	2 500
Mining infrastructure – Africa	2 200
Oil and gas	1 500
Industrial	1 500
Water and sewerage	2 000
<b>TOTAL</b>	<b>15 200</b>

# PROSPECTS

## PIPELINE

<b>PROJECT PIPELINE – ROADS AND EARTHWORKS</b>	<b>Rm</b>
SANRAL	12 500
Provincial roads	13 300
Toll roads (N1/N2 and Wild Coast)	15 000
Govt. service delivery infrastructure	2 000
Rail	1 600
Mining – local	2 000
Mining – Africa	2 400
TCTA	1 500
Pipelines	3 000
Dams	1 000
<b>TOTAL</b>	<b>54 300</b>

# PROSPECTS PIPELINE

<b>PROJECT PIPELINE – AUSTRALIA</b>	<b>Rm</b>
Education	1 800
Healthcare	2 300
Residential	1 600
Commercial	2 500
Retail	1 800
Government	1 100
Hotels	700
Civil works	2 000
<b>TOTAL</b>	<b>13 800</b>

# PROSPECTS

## PIPELINE

<b>PROJECT PIPELINE – SUMMARY</b>	<b>Rm</b>
Building	28 800
Civil Engineering	15 200
Roads and Earthworks	54 300
Australia	13 800
<b>TOTAL</b>	<b>112 100</b>

# CONCLUSION

- Construction capacity will exceed demand for the next 12 – 18 months
- Margin pressures will persist as a result

## HOWEVER...

- There are opportunities in resources in Africa
- WBHO remains the contractor of choice
- Strong management team
- Strong focus on procurement
- Strategic acquisitions
- Strong balance sheet