WBHO

UNAUDITED INTERIM FINANCIAL STATEMENTS

for the six months ended 31 December 2008

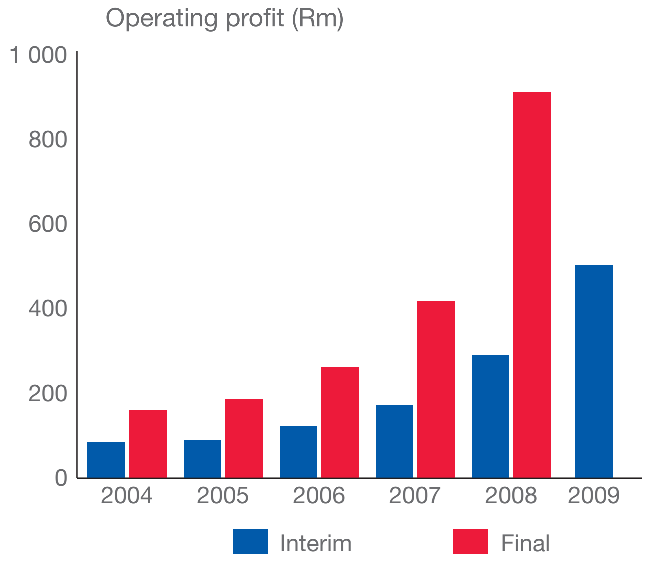
Revenue ↑ 35%

Operating profit ↑ 75%

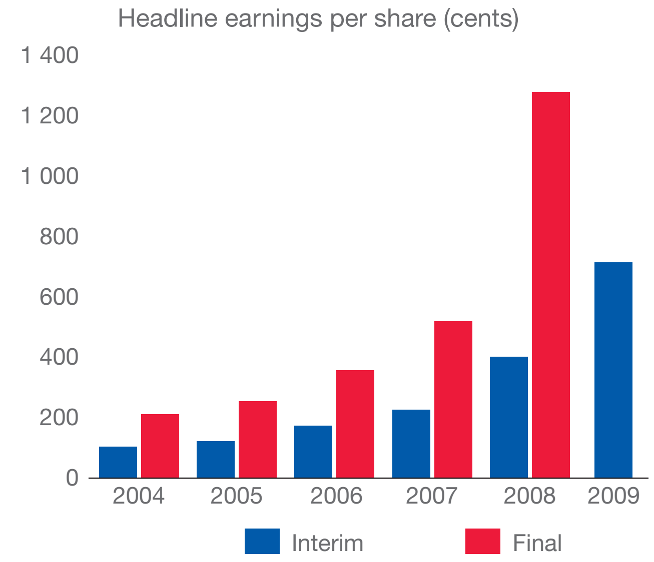
Headline earnings ↑ 78%

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

Operating profit (Rm)



Headline earnings per share (cents)



Condensed Income Statement

	% increase	Unaudited December 2008 R'000	Unaudited December 2007 R'000	Audited June 2008 R'000
Revenue	35,3	**6 814 531**	5 037 438	10 783 651
Operating profit before non-trading items		**500 647**	290 010	904 828
Impairment of goodwill		**–**	(8 623)	(18 994)
Fair value adjustment to concession investment		**2 526**	2 089	3 657
(Loss)/profit on disposal of investments		**(1 184)**	–	93 408
Share-based payments expense		**(17 663)**	(5 926)	(23 860)
Operating profit	74,5	**484 326**	277 550	959 039
Share of profits and losses in associates		**18 615**	7 134	(20 710)
Investment income		**139 171**	58 094	162 744
Operating income		**642 112**	342 778	1 101 073
Finance costs		**(23 986)**	(6 962)	(20 338)
Profit before taxation		**618 126**	335 816	1 080 735
Taxation		**(182 954)**	(101 130)	(318 211)
Profit for the period		**435 172**	234 686	762 524
Profit attributable to				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**392 768**	211 882	716 169
Minority interests		**42 404**	22 804	46 355
		435 172	234 686	762 524
Reconciliation of headline earnings				
Net profit		**392 768**	211 882	716 169
Adjustments:				
Impairment of goodwill		**–**	8 623	18 994
Share of impairment of goodwill arising within associate		**–**	–	58 109
Loss/(profit) on disposal of investments		**1 184**	–	(93 408)
Profit on disposal of property, plant & equipment (net of tax)		**(5 673)**	(1 678)	(5 708)
Headline earnings	77,4	**388 279**	218 827	694 156
Ordinary shares				
Issued ('000)		**66 000**	66 000	66 000
Weighted average number of shares ('000)		**54 956**	55 190	54 956
Diluted weighted average number of shares ('000)		**55 118**	55 190	55 118
Earnings per share (cents)	86,2	**714,7**	383,9	1 303,2
Diluted earnings per share (cents)		**712,6**	383,9	1 299,3
Headline earnings per share (cents)	78,2	**706,5**	396,5	1 263,1
Diluted headline earnings per share (cents)		**704,4**	396,5	1 259,4
Dividend per share (cents)	66,7	**100,0**	60,0	242,0
Operating margin (%)		**7,3**	5,8	8,4

Condensed Balance Sheet

	Unaudited December 2008 R'000	Unaudited December 2007 R'000	Audited June 2008 R'000
ASSETS			
Non-current assets	**1 879 594**	1 324 670	1 743 691
Property, plant and equipment	**1 143 317**	890 465	1 041 071
Goodwill	**161 843**	201 221	98 600
Investment in associates	**351 533**	107 139	285 755
Other non-current assets	**222 901**	125 845	318 265
Current assets	**6 369 968**	3 631 380	6 152 291
Other current assets	**3 027 863**	1 908 603	3 370 770
Cash and cash equivalents	**3 342 105**	1 722 777	2 781 521
Total assets	**8 249 562**	4 956 050	7 895 982
EQUITY AND LIABILITIES			
Capital and reserves	**2 100 418**	1 222 392	1 815 333
Ordinary share capital and reserves	**2 023 980**	1 157 299	1 731 904
Minority interests	**76 438**	65 093	83 429
Non-current liabilities	**217 542**	141 874	264 798
Long-term financial liabilities	**110 428**	141 874	141 942
Other non-current liabilities	**107 114**	–	122 856
Current liabilities	**5 931 602**	3 591 784	5 815 851
Other current liabilities	**5 912 074**	3 441 186	5 811 254
Bank overdrafts	**19 528**	150 598	4 597
Total equity and liabilities	**8 249 562**	4 956 050	7 895 982
Net tangible asset value per share (cents)	**3 388**	1 732	2 972

Condensed Cash Flow Statement

	Unaudited December 2008 R'000	Unaudited December 2007 R'000	Audited June 2008 R'000
Cash generated from operations	**1 199 668**	829 755	2 239 493
Investment income	**139 171**	58 094	162 744
Finance costs	**(23 986)**	(6 962)	(20 338)
Taxation paid	**(301 267)**	(158 226)	(224 994)
Dividend paid	**(111 366)**	(56 158)	(88 110)
Cash retained from operations	**902 220**	666 503	2 068 795
Net cash flow from investing activities	**(285 656)**	(382 225)	(530 556)
Net cash flow from financing activities	**(70 911)**	19 450	(29 766)
Net increase in cash and cash equivalents	**545 653**	303 728	1 508 473
Cash and cash equivalents at the beginning of the year	**2 776 924**	1 268 451	1 268 451
Cash and cash equivalents at the end of the period	**3 322 577**	1 572 179	2 776 924

Condensed Statement of Changes in Equity

	Unaudited December 2008 R'000	Unaudited December 2007 R'000	Audited June 2008 R'000
Ordinary share capital and reserves at the beginning of the period	**1 815 333**	1 081 404	1 081 404
Profit for the period	**435 172**	233 559	879 482
Translation of foreign entities	**(6 988)**	(7 053)	93 098
Transfer to share scheme reserve	**17 663**	5 926	23 860
Dividend paid	**(111 366)**	(56 158)	(103 625)
Purchase of treasury shares	**–**	–	(4 681)
Change in shareholding of subsidiaries	**(49 396)**	(36 413)	(37 247)
Ordinary share capital and reserves at the end of the period	**2 100 418**	1 222 392	1 815 333

Segmental Information

	Unaudited December 2008 R'000	Unaudited December 2007 R'000	Audited June 2008 R'000
Primary Segments			
Segment revenue			
– Building and civil engineering	**4 727 521**	3 604 800	7 807 924
– Roads and earthworks	**2 072 702**	1 211 391	2 719 297
– Industrial	**–**	183 689	183 689
– Property and concessions	**14 308**	37 558	72 741
	6 814 531	5 037 438	10 783 651
Segment result			
– Building and civil engineering	**235 817**	142 728	484 380
– Roads and earthworks	**264 156**	99 589	374 394
– Industrial	**–**	39 362	39 058
– Property and concessions	**674**	8 331	6 996
	500 647	290 010	904 828
Secondary Segments			
Segment revenue			
– Local	**4 066 010**	3 425 388	6 911 796
– International	**2 748 521**	1 612 050	3 871 855
	6 814 531	5 037 438	10 783 651
Segment result			
– Local	**249 067**	183 877	521 894
– International	**251 580**	106 133	382 934
	500 647	290 010	904 828

Commentary

OVERVIEW OF RESULTS

We are pleased to announce that the group has again produced excellent results. In line with the trading update published on 12 December 2008, headline earnings have increased by 78,2% to R388 million (2007: R219 million) and earnings per share improved by 86,2%. Revenue has increased by 35% to R6,8 billion (2007: R5 billion), and the operating profit has increased by 72,6% to R501 million from R290 million. The operating margin for the six months under review has increased to 7,3% (2007: 5,8%).

Despite the global economic slowdown the group continues to operate at a satisfactory level. Our order book remains strong at R16,7 billion (2007: R15,5 billion). Capital expenditure for the six months amounted to R215 million (2007: R204 million).

During the six months under review WBHO increased its stake in its Australian operations resulting in an increase of goodwill of R62,2 million.

The good results achieved combined with diligent working capital management has favourably influenced our net cash position which has increased from R2,5 billion at June 2008 to R3,3 billion at December 2008.

The total financial guarantees issued to third parties amounted to R3,5 billion as at 31 December 2008 compared to R2,9 billion at 30 June 2008.

An interim dividend of 100 cents per ordinary share has been declared which is 67% higher than the 2007 interim dividend of 60 cents.

BUILDING AND CIVIL ENGINEERING

South Africa

The division has achieved good results for the six months under review with commendable increases in revenue and operating profit. We start the calendar year with an order book of R5,9 billion (2007: R6,8 billion).

We are engaged on the construction of three soccer stadia and two airports for the Soccer World Cup in 2010. Work on the stadia is well on track. The roof cables are being lifted at the Greenpoint stadium and the launch of the arch over the Durban stadium has been successfully completed. Work on the Polokwane stadium structure is making good progress. The central terminal building at OR Tambo International was also completed and brought into service ahead of schedule. Work continues on programme for the renovation of the remainder of the international terminal.

The North, KwaZulu-Natal and Eastern Cape regions are all busy and have substantial order books; however the Western Cape is starting to feel the effects of a decline in the volume of work on offer. The building work at King Shaka International Airport is progressing well.

The division is investigating opportunities to support its existing clients as they expand into Africa.

The fall-off in commodity prices has affected the Civil division with a number of mining contracts not materialising. Our flexibility in being able to transfer resources effectively has enabled us to keep in tandem with these changes in the construction market. The award of the civil works for the Kusile Power Station in joint venture has given us a core workload for the next three years.

We believe that the division is well placed to secure an increased share of the potential public work whilst maintaining its strong position in the private sector.

Australia

The group's Australian subsidiary has experienced a pleasing six months with both turnover and profit substantially exceeding that achieved in the comparative period. We expect this to continue for the remainder of the financial year.

The Probuild group begins the calendar year with an order book of R5,5 billion (2007: R5,7 billion) leaving only a small percentage of unsecured work required to achieve our 2010 forecasts. The majority of the turnover has been achieved in Melbourne and Perth whilst Sydney remains quiet. Turnover in Brisbane is satisfactory.

ROADS AND EARTHWORKS

The order book at the end of December was R4,1 billion (2007: R3 billion).The level of activity within the division remains at full capacity.

The future phases of our mining contract in the DRC have been cancelled and we are in the process of withdrawing from that country. We continue with mining works in Ghana and Zambia, but at reduced levels. In Mozambique we have a number of contracts, but with reduced revenue. In Botswana the division has commenced construction of the extensions to the Sir Seretsi Kama International Airport in Gaborone and is involved with a number of other contracts. We remain positive about maintaining our work-load in southern Africa.

Locally, the division is involved in major road works on the Gauteng Freeway Improvement Programme for SANRAL. Other major road contracts include the Mount Frere upgrade in the Eastern Cape, the Nelspruit and Barberton Bypasses in Mpumalanga and the Polokwane Bypass in Limpopo.

Work at the King Shaka International Airport is on track for completion in time for the Soccer World Cup. The major upgrade of pipelines for Sapref in Durban is complete and we are involved in pipeline rehabilitation in Durban.

In December we acquired a 30% interest in an asphalt surfacing company, Roadspan Holdings (Pty) Limited, which we expect will add another valuable facet to our division.

The division's order book remains strong and there are good prospects of being able to maintain it at reasonable levels.

INDUSTRIAL

WBHO's industrial investments are held through its 50% associate, Capital Africa Steel (Pty) Limited.

The performances of the steel related businesses for the six months under review have been in line with budgets. However, the outlook for the remainder of the year is more uncertain.

The readymix concrete division's performance has been slightly below expectations. We are expanding our interest in this sector and a number of acquisitions are at an advanced stage of negotiation.

Commissioning of the steel pipe factory in Mozambique is scheduled to occur towards the end of the financial year. This is fortuitous as the international market for piping is currently going through a destocking phase but we expect demand to start improving from July 2009 onwards.

PROPERTY

The group's exposure to the property market is limited to two developments, Simbithi Eco-Estate near Ballito and St Francis Links. Sales have been slow but both developments are on sound footings.

PROSPECTS

The group expects to record a solid result for the 2009 financial year. Activity in the procurement department remains at high levels and our order book of R16,7 billion provides a solid foundation for the 2010 financial year. Servicing the public and private sectors in South Africa is a key focus for WBHO and we are committed to playing our role in developing both human and capital resources in this country.

GRATITUDE

The board extends its thanks to all our loyal and dedicated employees for their valuable input in producing these results. We also thank all our clients for their continued support.

BASIS OF ACCOUNTING

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 2008.

Dividend declaration

Notice is hereby given that the directors have declared an interim dividend of 100 cents per share (2007: 60 cents) payable to shareholders in respect of the six months ended 31 December 2008.

The following dates have reference:

Last day to trade *cum* dividend	Friday, 17 April 2009
Trading *ex* dividend commences	Monday, 20 April 2009
Record date	Friday, 24 April 2009
Payment date	Tuesday, 28 April 2009

Shares may not be dematerialised or rematerialised between Monday, 20 April 2009 and Friday, 24 April 2009, both dates inclusive.

For and on behalf of the board

MS Wylie
Chairman

EL Nel
Chief executive officer

23 February 2009

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