

• Revenue up 80% from 2006

• Headline earnings up 333% from 2006

• Earnings per share of 14.17 cents up 6.5% on forecast

• Headline earnings per share 14.26 cents

• Dividend of 3.5 cents per share

• Successfully listed on AltX



Instrumentation and Electrical Limited

B&W Instrumentation and Electrical Limited (Incorporated in the Republic of South Africa) [Registration number 2001/008548/06] Share code: BWI ISIN: ZAE000098687 ("B&W" or "the company")

AUDITED RESULTS FOR THE YEAR ENDED 31 AUGUST 2007

COMMENTS

Introduction

The directors are pleased to present the maiden annual financial results of B&W as a listed entity for the year ended 31 August 2007 ("the year"), which reflect profitability in line with pre-listing forecasts and significantly increased from the previous year.

The year marked a milestone in the company's history with a successful listing on AltX on 5 July 2007. B&W's share opened trade at a premium to the pre-listing private placement of R1 per share giving the company a market capitalisation on listing of R416 million.

Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS34 and the Companies Act of South Africa, 1973. The consolidated annual financial statements set out in this report are based on appropriate accounting policies, consistently applied with those in the prior year, which are supported by reasonable and prudent judgements and estimates.

Group profile

B&W is a leading niche provider of electrical and instrumentation ("E&I") services to the industrial utilities, mining, chemical, oil and gas and food and beverage industries. Services include equipment procurement, project supervision, installation, post-installation specialised calibration and commissioning and ongoing maintenance.

Review of operations

A key growth driver for B&W during the year was the ongoing expansion in the mining, energy and oil and gas sectors. Further, a number of key contracts were accelerated at the request of clients, boosting both top and bottom line growth ahead of pre-listing forecasts.

Financial results

Revenue increased by 80% to R294 million from the previous year while operating profit increased from R9.3 million to R35.1 million. Net profit after tax rose 326% from R5.8 million in 2006 to R24.8 million. Headline earnings per share of 14.26 cents and earnings per share of 14.17 cents are 6.5% higher than the forecast set out in the pre-listing prospectus.

Prospects

The outlook for the industry and the company remains buoyant. Active projects in B&W's target market are estimated to total approximately R2 billion in 2007 and R2.8 billion in 2008.

The company is well on track to achieve the pre-listing forecast revenue for 2008 of R336 million, with R240 million secured to the end of the reporting period. In light of the average duration of a project from tender to completion of six to nine months, B&W is confident of achieving the balance.

Organic growth is expected to be driven by a number of projects currently in the feasibility or planning stages in the industry in South Africa. Further, opportunities in the mining and power generation sectors have been identified in sub-Saharan Africa and the company is actively targeting these prospects. In addition, B&W will continue to investigate establishing capability in nuclear con-

struction, a new focus area, to capitalise on planned nuclear sites in South Africa.

Taking these factors into account B&W believes that there is adequate sustainable demand to support long-term future growth.

Dividend policy

In line with the forecast set out in the pre-listing prospectus (3.3 cents per share), notice is hereby given that a cash dividend of 3.5 cents per share has been declared for the year, equating to a distribution of 25% of earnings per share.

The dividend is payable to shareholders recorded in the books at the close of business Friday, 30 November 2007. Shareholders are advised that the last day to trade "cum" the dividend will be Friday, 23 November 2007. The shares will trade "ex" the dividend as from Monday, 26 November 2007. Payment will be made on Monday, 3 December 2007. Share certificates may not be dematerialised or rematerialised during the period Monday, 26 November 2007 to Friday, 30 November 2007, both days inclusive.

Audit opinion

The annual financial statements for the year ended 31 August 2007 have been audited by B&W's auditors Carrim, Maritz & Associates South Africa Inc. Their unqualified audit report is available for inspection at the company's registered office.

Appreciation

We thank all of our employees for their loyalty, hard work and commitment which have contributed to the successful listing on AltX and a strong performance. We also extend our thanks to our fellow directors for their wise counsel and guidance. Finally we thank our stakeholders for their consistent faith in the group.

John Barrow

Chairman

Brian Harley

Managing Director

On behalf of the board.

6 November 2007

Directors:

John Barrow (Chairman), Brian Harley (Managing Director), Danie Evert (Financial Director), Johan Breed, Tom Lombard, Neels Minnie**, Ken Nel, Dean Nevay, Johan Rall**, Gary Swanepoel, Sam Vilakazi, Wolf Wassermanier*, Jimmy Oosthuizen**, Unati Mabandla**

*Non-executive director

^Independent

**Alternate

Registered office:

Master Business Associates VII (Proprietary) Limited
139 Everfair Avenue Randjesfontein, Midrand, 1685
(Private Bag X168, Halfway House, 1685)

Designated Advisor:

Merchant Sponsors (Proprietary) Limited

Transfer secretaries:

Computershare Investor Services 2004
(Proprietary) Limited
70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Company secretary:

Master Business Associates VII (Proprietary) Limited
139 Everfair Avenue Randjesfontein, Midrand, 1685
(Private Bag X168, Halfway House, 1685)

BALANCE SHEET

	Audited 31 August 2007 R'000	Audited 31 August 2006 R'000
Assets		
Property, plant and equipment	6 486	4 548
Amounts owing by group companies	6 034	1 413
Current assets	120 322	53 774
Total assets	132 842	59 735
Equity and liabilities		
Capital and reserves	64 944	7 868
Non-current liabilities	8 124	16 850
Current liabilities	59 774	35 017
Total equity and liabilities	132 842	59 735
Pro forma weighted average number of ordinary shares	175 000 000	45 000 000
Net asset value per pro forma ordinary share (cents)	37.11	17.48
Net tangible asset value per pro forma ordinary share (cents)	37.11	17.48
Net asset value per ordinary share is based on the 200 000 000 shares in issue at the end of August 2007 and on 45 000 000 shares in issue at the end of August 2006.		

INCOME STATEMENT

	Audited 31 August 2007 R'000	Audited 31 August 2006 R'000	% change
Revenue	294 043	163 622	80
Costs of sales	(239 584)	(139 312)	
Gross profit	54 459	24 310	124
Other income	433	69	
Operating costs	(19 819)	(15 032)	
Operating profit	35 073	9 347	275
Interest received	1 682	200	
Finance costs	(875)	(741)	
Profit before tax	35 880	8 806	307
Taxation	(11 089)	(2 983)	
Profit after taxation	24 791	5 823	326
Adjustments for headline earnings	161	(62)	
Headline earnings attributable to ordinary shareholders	24 952	5 761	333
Pro forma weighted average number of ordinary shares in issue	175 000 000	45 000 000	
Pro forma weighted average earnings per ordinary share (cents)	14.17	12.94	
Pro forma weighted average headline earnings per ordinary share (cents)	14.26	12.80	
Dividend per share	3.5	1.1	182

STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Distributable reserve R'000	Total R'000
2006				
Balance at 1 March 2005	*	*	3 948	3 948
Net profit for the period			5 822	5 822
Dividends declared			(1 902)	(1 902)
Reduction of share capital resulting from repurchase of shares	*	*	*	*
Balance at 31 August 2006	*	*	7 868	7 868
2007				
Balance at 1 September 2006	*	*	7 868	7 868
Net profit for the period			24 791	24 791
Issue of share capital	2	32 283		32 285
Balance at 31 August 2007	2	32 283	32 659	64 944

*Less than R1 000

CASH FLOW STATEMENT

	Audited Year ended 31 August 2007 R'000	Audited Year ended 31 August 2006 R'000
Cash flow from operating activities	10 397	19 565
Cash flow from investing activities	(2 949)	(3 948)
Cash flow from financing activities	15 509	1 872
Increase in cash and cash equivalents	22 957	17 489
Cash and cash equivalents at the beginning of the period	10 596	(6 893)
Cash and cash equivalents at the end of the period	33 553	10 596
	August 2007 R'000	August 2006 R'000
Non-current liabilities		
Deferred tax	8 124	5 268
Shareholders loan		2 382
Wesbank financing		572
Amount owed due to reduction of share capital		1 084
6% redeemable non-cumulative preference shares		8 000
	8 124	17 306
Less: Short term portion		(456)
	8 124	16 850