



REVIEWED CONSOLIDATED FINANCIAL RESULTS

Instrumentation and Electrical Limited

FOR THE SIX MONTHS ENDED 29 FEBRUARY 2008

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 group")

- Revenue up 109%
- Earnings per share up 165%
- Net profit after tax up 215%
- Cash generated R34 million
- Gross margin up 22%
- Cash balance R68 million

COMMENTARY

Introduction

The directors of B&W are pleased to present the reviewed consolidated interim financial results, for the six months ended 29 February 2008 ("the interim period") which reflect considerable growth in revenue, profit and earnings per share ("EPS").

Revenue more than doubled generating an increase of 215% in net profit after tax ("NPAT"), while EPS was up 165% from the previous comparative interim period in line with the trading update published 14 March 2008.

A number of significant cross-border contracts secured during the interim period have put the group firmly on track to meet forecast revenue for the full year ending August 2008. Further, budgeted revenue for the year to August 2009 is well within target with the secured contracts rolling over and contributing approximately 30% of the total revenue for the 2009 financial year.

Basis of preparation

The reviewed consolidated interim financial statements for the six months ended 29 February 2008 have been prepared in accordance with IAS 34, International Financial Reporting Standards and the Companies Act of South Africa, 1973, as amended, and are based on appropriate accounting policies, consistently applied with those applied in the most recent audited financial statements, which are supported by reasonable and prudent judgements and estimates.

Group profile

B&W is a leading provider of electrical and instrumentation 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.

Financial results

Revenue increased by 109% to R219 million, boosted by the successful completion of a number of major contracts during the interim period. As a result, growth in revenue outstripped the increase in operating expenses.

Gross profit equated to 22.1% of revenue, compared to 17.7% in the previous comparative interim period.

Strong cash flow of R34 million saw an increase in interest received to R3.3 million from R0.4 million.

These factors together resulted in NPAT of R28.1 million (February 2007: R8.9 million) with EPS of 14.05 cents (February 2007: 5.3 cents) and Headline EPS ("HEPS") of 14.14 cents (February 2007: 5.1 cents).

Prospects

During the interim period contracts with an aggregate value of R214 million were secured and additional work to the value of R83 million was negotiated on existing contracts. Notably almost 90% of the new contracts relates to projects outside of South Africa.

The current electricity crisis has a minimal direct effect on B&W's operations. After a comprehensive analysis of the potential impact on industry conditions and prospects, B&W noted that while the crisis will have little or no effect on cross-border contracts, certain local contracts may be cancelled or postponed with effect from 2010.

However, targeted projects for 2008 and 2009 remain confirmed and further new projects, expected to be driven by Eskom, the coal mining industry and corporates instituting capital projects to optimise electricity allocation, will come on-stream replacing cancelled projects.

Management remains confident that the crisis will not impact on B&W's forecast growth, although the group will continue focussing its strategy on increasing contracts with US Dollar based blue chip mining clients.

Based on the reviewed consolidated interim results set out in this report and taking into account contracts secured to date, management believes that probable EPS and HEPS for the full financial year to August 2008 are expected to be between 50% to 70% higher than forecast in the prelisting prospectus at between 24.8 cents and 28.1 cents.

Dividend policy

Group policy dictates the declaration of an annual dividend equating to 25% of annual NPAT. In light of the group's excellent performance and cash-positive position, it has been decided that a declaration of an interim dividend of 2.0 cents per share (February 2007: Nil) is warranted. From time to time the board will reconsider dividend cover based on the group's cash flow, gearing and capital requirements. The dividend will be financed out of B&W's free cash flow.

The salient dates for the dividend are as follows:

Last day to trade shares	Friday, 9 May 2008
<i>cum</i> dividend	
Shares trade	Friday, 9 May 2008
ex dividend	Monday, 12 May 2008
Record date	Friday, 16 May 2008
Payment date	Monday, 19 May 2008

No share certificates may be dematerialised or rematerialised between Monday, 12 May 2008 and Friday, 16 May 2008, both dates inclusive.

Review opinion

The consolidated financial results for the interim period have been reviewed by the group's auditors, Carrim, Maritz & Associates South Africa Inc. Their review opinion is available for inspection at the group's registered office.

John Barrow Chairman
Brian Harley Managing Director

On behalf of the board.

16 April 2008

Directors:

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

*Non-executive director

**Independent

Registered office:

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)

Investor relations:

Envisage Investor & Corporate Relations

CONSOLIDATED BALANCE SHEET

	Reviewed 29 Feb 2008 R'000	Audited 31 Aug 2007 R'000
Assets		
Property, plant and equipment	6 329	6 486
Amounts owing by group companies	533	6 034
Current assets	148 128	120 322
Total assets	154 990	132 842
Equity and liabilities		
Capital and reserves	86 050	64 944
Non-current liabilities	7 822	8 124
Current liabilities	61 118	59 774
Total equity and liabilities	154 990	132 842
Weighted average number of ordinary shares	200 000 000	175 000 000
Net asset value per ordinary share (cents)	43.03	37.11
Net tangible asset value per ordinary share (cents)	43.03	37.11

CONSOLIDATED INCOME STATEMENT

	Reviewed six months to 29 Feb 2008 R'000	Reviewed six months to 28 Feb 2007 R'000	% change
Revenue	219 281	105 023	109%
Cost of sales	(170 778)	(86 481)	
Gross profit	48 503	18 542	162%
Other income	2 013	189	
Operating costs	(13 937)	(6 211)	
Operating profit	36 579	12 520	192%
Interest received	3 303	372	
Finance costs	(90)	(304)	
Profit before tax	39 792	12 588	216%
Taxation	(11 686)	(3 655)	
Profit after taxation	28 106	8 933	215%
Adjustment for headline earnings	166	(189)	
Headline earnings attributable to ordinary shareholders	28 272	8 744	223%
Weighted average number of ordinary shares	200 000 000	170 000 000	
Earnings per ordinary share (cents)	14.05	5.3	165%
Headline earnings per ordinary share (cents)	14.14	5.1	177%
Dividend per share declared (cents)	3.5	-	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Distributable reserve R'000	Total R'000
Balance at 1 September 2006	*	*	7 868	7 868
Net profit for the period			8 933	8 933
Issue of share capital	*	3 100		3 100
Balance at 28 February 2007	*	3 100	16 801	19 901
2006				
Balance at 1 March 2007	*	3 100	16 801	19 901
Net profit for the period			15 858	15 858
Issue of share capital	*	29 183		29 183
Balance at 31 August 2007	2	32 283	32 659	64 944
2007				
Balance at 1 September 2007	2	32 283	32 659	64 944
Net profit for the period			28 106	28 106
Dividend declared			(7 000)	(7 000)
Balance at 29 February 2008	2	32 283	53 765	86 050

*Less than R1 000

CONSOLIDATED CASH FLOW STATEMENT

	Reviewed six months to 29 Feb 2008 R'000	Reviewed six months to 28 Feb 2007 R'000
Cash flow from operating activities	29 933	(3 913)
Cash flow from investing activities	(651)	(843)
Cash flow from financing activities	5 500	(2 470)
Increase/(Decrease) in cash and cash equivalents	34 782	(7 226)
Cash and cash equivalents at the beginning of the period	33 553	10 596
Cash and cash equivalents at the end of the period	68 335	3 370

Details of the shares in issue at 29 February 2008 are as follows:

Number of shares in issue	203 990 000
Shares held as treasury shares	3 990 000
Consolidated ordinary shares	200 000 000