

## **PROFITS SURGE IN B&W'S MAIDEN ANNUAL RESULTS AFTER LISTING**

**Driven by ongoing expansion in the mining, energy and oil and gas sectors, AltX newcomer B&W Instrumentation & Electrical ("B&W") has posted strong maiden results since listing for the year to August 2007 in line with pre-listing forecasts. Revenue increased 80% to R294 million from the previous year, generating net profit of R24.8 million up 326% on 2006. B&W debuted on AltX in July 2007.**

In a move that will see the beneficiaries of B&W's employee trust benefit immediately from the recent listing, the company has declared a dividend of 3.5 cents a share for the year equating to a distribution of 25% of earnings per share.

The company builds electrical and instrumentation ("E&I") infrastructure for plants in the industrial utilities, mining, chemical, oil and gas and food and beverage industries. Services include equipment procurement, project supervision and installation of the E&I system. Post-installation B&W further provides specialised calibration and commissioning to optimise the E&I system, as well as ongoing maintenance.

B&W Chairman John Barrow attributes the company's strong performance to successfully capitalising on opportunities in South Africa and sub-Saharan Africa. "Our key target markets are experiencing rapid expansion both in the private and public sectors with increasing demand for power generation plants and new mines in the pipeline." He continues: "Recent strong demand has led to clients accelerating project deadlines which further boosted revenue for the year."

Prominent projects for B&W including the largest platinum concentrator in the Southern hemisphere, contributed to the group's strong growth. B&W is also some way into a R52 million contract for the early works and overhead lines for a nickel mining plant in Madagascar in partnership with leading Canadian construction group SNC Lavalin. The project is B&W's first contract off the coast of Africa. "We are furthering our experience in Africa to position B&W to exploit growing demand for new mines in the region," says Barrow.

B&W CEO Brian Harley is confident that the company's current growth trend will continue. With revenue of R312 million secured at October 2007 B&W is well on track to achieve the pre-listing forecast revenue for 2008 of R336 million. He sees the current growth as sustainable with active projects in B&W's target market estimated to total R2 billion in 2007 and R2,8 billion in 2008, a number of which are already in the planning stages.

Another area for potential growth is the planned nuclear sites in South Africa. Harley says: "A portion of the R60 million new capital raised on listing is being used to fund skills and development costs for nuclear installations, which will expand our target markets and enable B&W to capitalise on the new local nuclear power stations currently under development."

Skills shortages in the industry remain an ongoing challenge. He says: “We are actively addressing this with intensive internal training programmes,” and adds that the industry has also introduced similar training initiatives to alleviate the matter.

Barrow concludes: “We anticipate that flourishing market conditions will continue with major expansion projects in the mining, energy and oil and gas industries expected to generate growth for the E&I industry. We believe long-term growth is sustainable as B&W’s established expertise and training initiatives have positioned the company to exploit unprecedented levels of demand in these markets.”

Since its debut on AltX on 5 July 2007 following a private placement at R1 per share, B&W’s share has traded strongly. The share closed yesterday at R2,20.

Ends.

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