Esor Limited
(Registration number: 1994/000732/06)
Incorporated in the Republic of South Africa
(Share Code: ESR ISIN Code: ZAE000078408)
("Esor" or "the company")

HIGHLIGHTS

- Revenue **UP** 516%
- Earnings per share **UP** 202%
- Headline earnings per share **UP** 205%
- Net asset value per share **UP** 141%
- Tangible net asset value per share **UP** 61%

REVIEWED INTERIM RESULTS

for the six months ended 31 August 2007

Consolidated income statement

	6 months ended **31 August (Reviewed) 2007 R'000**	31 August (Reviewed) 2006 R'000	Change %	Year ended 28 February (Audited) 2007 R'000
Revenue	**473 575**	76 858	516	291 392
Gross profit	**144 521**	17 791	712	81 927
Other income	**433**	184		1 133
Operating expenses	**(50 975)**	(3 892)		(28 712)
Profit before interest, tax and depreciation	**93 979**	14 083		54 348
Depreciation	**(10 612)**	(994)		(8 654)
Profit before interest and taxation	**83 367**	13 089		45 694
Interest paid	**(4 394)**	(267)		(1 720)
Interest received	**2 477**	1 319		3 007
Profit before taxation	**81 450**	14 141		46 981
Taxation	**(25 258)**	(4 118)		(12 899)
Profit for the period	**56 192**	10 023	461	34 082
Reconciliation of headline earnings				
Profit attributable to ordinary shareholders	**56 192**	10 023		34 082
Adjusted for profit on disposal of property, plant and equipment	**(93)**	(28)		(184)
Headline earnings attributable to ordinary shareholders	**56 099**	9 995	462	33 898
Number of ordinary shares ('000)				
in issue	**219 515**	120 000		218 621
diluted weighted average	**223 638**	118 478		153 466
weighted average	**218 993**	118 478		150 771
Earnings per ordinary share (cents)				

Consolidated balance sheet

	31 August (Reviewed) 2007 R'000	31 August (Reviewed) 2006 R'000	28 February (Audited) 2007 R'000
Assets			
Property, plant and equipment	**159 804**	26 994	139 861
Intangible assets	**94 529**	–	94 529
Deferred taxation	**2 285**	–	4 189
Current assets			
Inventories	**9 077**	51	6 878
Taxation	**8 626**	–	5 743
Trade and other receivables	**194 061**	36 351	161 549
Cash at bank and on hand	**128 736**	35 218	52 648
Total assets	**597 118**	98 614	465 396
EQUITY AND LIABILITIES			
Share capital and premium	**176 124**	23 440	175 352
Equity compensation reserve	**1 582**	–	658
Foreign currency translation reserve	**174**	–	41
Post retirement benefit reserve	**(1 681)**	–	(681)
Accumulated profits	**106 561**	40 591	64 650
Non-current liabilities			
Secured borrowings*	**67 078**	4 387	51 168
Post retirement benefits	**10 382**	–	10 507
Deferred taxation	**17 759**	2 714	17 302
Current liabilities			
Current portion of secured borrowings*	**13 952**	2 556	7 940
Taxation	**22 894**	2 769	3 047
Provisions	**28 234**	–	14 147
Trade and other payables	**154 058**	22 157	121 266
Total equity and liabilities	**597 118**	98 614	465 396
Net asset value per share (cents)	**128,81**	53,36	109,79
Tangible net asset value per share (cents)	**85,75**	53,36	66,55

** Interest-bearing*

Condensed consolidated segmental analysis

	6 months ended **31 August (Reviewed) 2007**	31 August (Reviewed) 2006	Year ended 28 February (Audited) 2007

Earnings per ordinary share (cents)				
basic	**25,7**	8,5	202	22,6
diluted earnings	**25,1**	8,5	197	22,2
headline	**25,6**	8,4	205	22,5
Dividends per ordinary share (cents)	**–**	–		6,0

Condensed consolidated cash flow statement

	6 months ended 31 August (Reviewed) 2007 R'000	6 months ended 31 August (Reviewed) 2006 R'000	Year ended 28 February (Audited) 2007 R'000
Cash flows from operating activities	**84 676**	11 774	32 877
Cash generated from operations	**106 808**	14 887	41 929
Dividend paid	**(14 281)**	–	–
Interest received	**2 477**	1 319	3 007
Interest paid	**(4 394)**	(267)	(1 720)
Taxation paid	**(5 934)**	(4 165)	(10 339)
Cash flows from investing activities	**(30 566)**	(7 497)	(146 638)
Acquisition of property, plant and equipment	**(30 874)**	(7 567)	(41 263)
Proceeds on disposal of property plant and equipment	**308**	70	409
Brand name acquired	**–**	–	(94 529)
Acquisition of subsidiary	**–**	–	(11 255)
Cash flows from financing activities	**21 978**	18 305	153 773
Net movement in borrowings	**20 797**	(1 695)	26 486
Shares issue net of issue expenses	**1 181**	20 000	127 287
Cash flows for the period	**76 088**	22 582	40 012
Cash and cash equivalents at beginning of period	**52 648**	12 636	12 636
Cash and cash equivalents at end of period	**128 736**	35 218	52 648

	6 months ended 31 August (Reviewed) 2007 R'000	6 months ended 31 August (Reviewed) 2006 R'000	Year ended 28 February (Audited) 2007 R'000
Revenue			
South Africa	**391 113**	76 858	256 591
Other regions	**82 462**	–	34 801
	473 575	76 858	291 392
Profit before interest and tax			
South Africa	**63 374**	13 089	51 139
Other regions	**19 993**	–	(5 445)
	83 367	13 089	45 694
Profit after tax			
South Africa	**41 591**	10 023	36 939
Other regions	**14 601**	–	(2 857)
	56 192	10 023	34 082
Total assets			
South Africa	**503 258**	98 614	370 667
Other regions	**93 860**	–	94 729
	597 118	98 614	465 396
Total liabilities			
South Africa	**278 688**	34 583	187 549
Other regions	**35 669**	–	37 828
	314 357	34 583	225 377

Consolidated statement of recognised income and expenditure

	6 months ended 31 August (Reviewed) 2007 R'000	6 months ended 31 August (Reviewed) 2006 R'000	Year ended 28 February (Audited) 2007 R'000
Foreign currency translation adjustment	**134**	–	41
Post retirement benefit adjustment	**(1 000)**	–	(681)
Net expenses recognised directly in equity	**(866)**	–	(640)
Profit for the period	**56 192**	10 023	34 082
Total recognised income and expenses for the period	**55 326**	10 023	33 442

COMMENTS

Introduction

The directors of Esor are proud to present the interim financial results for the six months ended 31 August 2007 ("the interim period").

From Esor's perspective, the construction industry is at its most robust for the past three decades. Infrastructure expansion, the Airport Company of South Africa's ("ACSA") national expansion projects, Gautrain and 2010 fever have led to unprecedented demand for construction and related activities. While government infrastructure spend may be considered the major driving force, other factors are at play for instance commercial developments, which have increased in number and scope nationally. All indicators are that this is not a flash phenomenon, but a sustainable period of growth that should maintain for at least five to eight years.

The directors believe these excellent interim results reflect the buoyancy of Esor's industry and particularly the group's significant share in its growth. The board intends to continue growing Esor's market share for the benefit of all stakeholders.

Review of operations

Esor's financial performance has again reflected substantial growth in all key performance indicators. The strategy of selective contracts continues to be

Financial results

The group's financial performance for the interim period shows exciting growth on all fronts. Turnover was up 516% to R473 million from R76,8 million and gross profit was 712% higher from R17,8 million to R144,5 million. EBITDA increased 567% to R94 million from R14,1 million and headline earnings by 462% to R56,2 million from R10 million. Net asset value per share leapt by 141% to 128,8 cents from 53,4 cents (and by 17,3% from the net asset value per share for the previous year ended 28 February 2007 of 109,8 cents). Headline earnings per share ("HEPS") increased by 205% to 25,6 cents from 8,4 cents.

Auditor's independent review

These condensed consolidated financial results for the interim period have been reviewed by the company's auditors, RSM Betty & Dickson (Durban), in terms of International Standards on Review Engagements 2410. The scope of the review was to enable the auditors to report that nothing had come to their attention that caused them to believe that the accompanying condensed consolidated interim financial statements are not presented, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting and the

Review of operations

Esor's financial performance has again reflected substantial growth in all key performance indicators. The strategy of selective contracts continues to be vindicated with good margins being sustained on significantly increased turnover. Trading conditions in the construction industry continue to thrive, fuelling continually increasing demand for Esor's services. Management remains committed to exercising strict cost controls with an added focus on optimising operational efficiencies within the group. These principles, together with an aggressive plant renewal policy, have resulted in the achievement again of higher operating margins.

CAPEX and plant replacement policy

During the interim period the group invested in organic growth through the purchase of capital equipment to the value of R30 million. An additional R100 million of plant is currently on order.

Management remains aggressively committed to complementing the group's existing fleet of equipment with "state-of-the-art" modern rigs. To date at least 20 large piling and drilling rigs have seen the company enter an era of hydraulic efficiency.

Black economic empowerment

26,47% of the group is owned directly by black shareholders. More than 70% of the group's 880-strong workforce is black. Through the Esor Broad Based Share Ownership Scheme, implemented in 2006, staff now holds a 7,56% stake in the company. Esor is at present rated as a 'Level 6' contributor to broad based BEE.

Acquisitions

No new acquisitions were concluded in the interim period. The financial results of Franki Africa (Pty) Limited ("Franki"), acquired in November 2006, have been consolidated into these financial results for the full six months of the interim period. The complementary focus of Esor and Franki enables the consolidated group to address all segments of the market by leveraging the companies' respective strengths. For the interim period management effort was therefore directed to sustaining organic growth in both companies. Appropriate acquisition opportunities, if any, will be considered during 2008.

that caused them to believe that the accompanying condensed consolidated interim financial statements are not presented, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting and the South African Companies Act. Their unmodified review report on the condensed consolidated interim financial statements is available for inspection at the registered office of the company.

Prospects

Demand for construction and related services remains at a record peak. Esor and Franki continue to secure contracts across all facets of government's infrastructure spend including ACSA upgrades and expansions, Gautrain and the 2010 stadia. Increased capacity following the inclusion in the group of Franki has also enabled Esor to at the same time continue servicing the needs of its more traditional clients in the municipal and private commercial sectors where demand is equally strong.

The group has positive prospects with a healthy order book and budgeted work for the 2008 financial year approaching R1 billion. The directors are confident that real growth in HEPS in the next six months to year-end will be achieved.

Dividend policy

In line with group policy no interim dividend has been declared. Management remain committed to a full year dividend for the year to 28 February 2008.

Appreciation

Our staff, as always, plays a major role in the success of the group and we, the directors, thank them unconditionally. We also thank our business partners, advisors, suppliers, clients and most importantly our shareholders for their ongoing support and faith in the group. Like the Springbok rugby team, under the able guidance of Jake White, we believe that we have a winning team that will continue to satisfy the expectations of all our stakeholders.

On behalf of the board.

Bernard Krone
Chief Executive Officer

7 November 2007

CORPORATE INFORMATION

Non-executive directors:	DM Thompson (Chairman), E Dube, JM Hlongwane, FA Sonn (Alternate: JC van Reenen)
Executive directors:	ML Barber, AM Field*, B Krone (Chief Executive), RP McLintock, ML Trevisani**, W van Houten ** British ** Italian*
Group secretary:	ID Stephen
Registered office:	130 Aberdare Drive, Phoenix Industrial Park, Durban, 4051, PO Box 40096, Red Hill, 4071. Telephone: +27 31 507 1051 Fax: +27 31 507 5709
Transfer secretaries:	Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshal Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107
Auditors:	RSM Betty & Dickson (Durban), Block A Surrey Park, 6 Barham Road, Westville, 3629, PO Box 2120, Westville, 3630
Designated advisors:	Exchange Sponsors (Proprietary) Limited, 39 First Road, Hyde Park, 2198