

MEDIA RELEASE FROM B&W INSTRUMENTATION AND ELECTRICAL

September 2014

ELB acquisition enables B&W to make a 'phenomenal' turnaround

Electrical and instrumentation contractor, B&W Instrumentation & Electrical (B&W) has reported a phenomenal turnaround since it was acquired by engineered solutions provider ELB Engineering Services (ELB) in April 2014. This is according to B&W CEO Brian Harley.

"Since the acquisition, which was only finalised on the 22nd of April this year, we have received orders to the value of R154 million and we expect further orders to the value of about R24 million in the near future," says Harley.

"Our ability to take on this work is a result of ELB's commercial support, which has enabled B&W to close off old contracts, settle outstanding debt and consolidate its cash flow, which is now improving on an ongoing basis. The bottom line is that B&W is once again in the black and operating profitably," he says.

Harley says that the integration of B&W into the ELB group has been a very smooth process with the excellent cooperation between the various management teams and the strong culture fit between the two organisations underpinning B&W's ability to continue operating without a hiccup throughout the transition period.

ELB, which has a distinct policy of maintaining strong brand names in the market, has made it clear that B&W, which is one of the leading brands in the electrical and instrumentation industry in Southern Africa, will continue to operate as a stand-alone company.

A bonus for B&W is that Conductor Systems (CS), leading supplier of electrical supply systems for moving machines, has been brought into the B&W fold and Harley says that both CS and earthing and lightning protection specialists, Pontins, - part of B&W since 2009 – represent an excellent growth opportunity for B&W.

"Like us, these two companies are leaders in their respective fields and the excellent product synergies that exist between us will enable us all to make the most of our new-found muscle in being part of the ELB group," says Harley.

He adds that the ability for CS and B&W to work together efficiently was amply demonstrated by the joint contribution they made to ELB's successful repairs to recent fire damage at the Nestle Potchefstroom factory, which was brought back to operation in record time.

"Both CS and Pontins complement and supplement B&W's core business and service offering and it is a distinct advantage to our clients that we can now offer them a wider range of services throughout the entire project cycle," says Harley.

He says that another major benefit of being part of the ELB group is the opportunity to participate in group projects, which will give B&W a base load for the future on a continuous basis. "B&W has identified, and will target, projects in the mining, solar, and oil and gas sectors in South Africa and Africa and, in addition, is looking to expand its services into the transmission and distribution sectors."

"Given the enormous advantage of being part of the ELB group and considering the strong inflow of orders since the acquisition, not only does the current level of work and orders bode well for both the 2015 and 2016 financial years but our future identified pipeline of work is healthy across all sectors of our traditional business."

Harley says that B&W has come through a very challenging period and owes a great deal to customers, suppliers and staff. "On behalf of the entire business I thank you for your patience and understanding and look forward to working with you all in the exciting times ahead," he concluded

Captions for photographs:

(HPIM5827)

Pilanesberg Platinum Concentrator Plant as viewed from the DMS Silo with the Merensky stream in the foreground, the UG2 stream to the right and the press filter in the background. B&W's job at the mine involved the electrical and instrumentation for two primary and two secondary crushers, two mills, two flotation roughers and cleaners, a DMS plant and a tailings plant area.

(Ambatovy 007)

The stringent biodiversity management plan on B&W's Ambatovy Nickel Project in Madagascar made it quite different from most other contracts.

(Nkomati DSCN0050)

B&W Instrumentation & Electrical worked on the upgrade of the 250ktpm concentrator, as part of the Phase 2b expansion project at Nkomati Mine.

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