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CORPORATE COMMUNICATIONS

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### **Waco shuns ASX for Johannesburg**

It looks as though South Africa has beaten Australia in more than just the rugby, with South African based building services group Waco opting for a full listing on the Johannesburg Stock Exchange (JSE) rather than the Australian Stock Exchange.

As if ASX boss Tony D'Aloisio needed more headaches, Waco has lined up UBS and Standard Bank to proceed with the initial public offering at an unspecified date.

Waco has significant businesses in Australia competing with the likes of Boral, but it appears the main reason for opting against an Australian listing is the strength of the South African economy, where government spending is about to markedly increase in areas such as power generation and preparations for the 2010 soccer World Cup.

In contrast, it appears the slowdown in the Australian property market did not help the ASX's cause.

Waco, which owns Waco Kwikform in Australia, was delisted from the JSE about five years ago when a consortium of private equity groups took control of the firm in a R2.4 billion buyout. Since then it has boosted earnings by about 30 per cent annually over the past three years and now has annual sales in excess of R3.5 billion. The listing is likely to mean Waco will become more acquisitive, including in the Australian market where it owns portable housing group Ausco.

Ausco has been riding the West Australian resources boom and has just won a \$35 million contract with the Queensland Education Department.