

**Monadelphous Group Limited**

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## **ASX ANNOUNCEMENT**

30<sup>th</sup> May 2007

### **FULL YEAR SALES REVENUE TO SHOW SIGNIFICANT INCREASE**

Monadelphous Group is pleased to announce that due to much stronger than expected construction activity in the second half of the current financial year to date, sales revenue for the full year is forecast to show a substantial increase on guidance provided with the 2006/07 half-year results.

The company expects to report sales revenue of approximately \$950 million for the 2006/07 financial year, reflecting an increase of approximately 80% on the previous year. Continued strong margin performance is also expected to deliver around 100% year on year increase in profit after tax.

Buoyant conditions in the resources sector continue to drive high levels of activity and the company has experienced faster than expected progress as well as unexpected scope growth on a number of engineering construction contracts.

Whilst the project pipeline remains robust, project timing and capacity constraints will continue to be the major factors impacting construction revenues in the short to medium term. With a number of existing projects ramping down in the first half of 2007/08 and potential delays on near term project opportunities the company is expecting a softening of construction revenue in the shorter term.

"We are looking at a bumper 2006/07 with a doubling of profit over the previous year which, in turn, was also 76% up on the year before", said Managing Director Rob Velletri.

"Our tremendous growth has been driven by some significantly large construction contracts won in the resources sector over the past couple of years and maintaining this level of construction revenue in the short term will be a challenge."

"We are seeing plenty of project opportunities, however, keeping up this rate of quality work does rely on us winning the right work at the right time and at this stage it looks likely that we are going to see some drop off in construction revenue in the early part of 2007/08."

Longer term growth prospects remain positive with the company continuing to capitalise on its strong market position in a booming mining and minerals sector which is expected to stay strong for some time. The company will also maintain a focus on diversifying its revenue base for sustainable growth and expanding its participation in the oil and gas, power and water sectors.

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Further information: Rob Velletri, Managing Director. Tel: (08) 9316 1255

*Monadelphous Group Limited is a leading national engineering group providing services to the resources, energy and infrastructure industry sectors. The company has a solid track record in the safe and effective delivery of complex and large-scale engineering construction projects and maintenance and industrial services for industry throughout Australia. Monadelphous' capabilities encompass civil, mechanical, structural and electrical disciplines. Although the mining sector has been the major focus of Monadelphous' work, the company is becoming increasingly diversified with growing involvement in the energy and infrastructure sectors. [www.monadel.com.au](http://www.monadel.com.au)*

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