

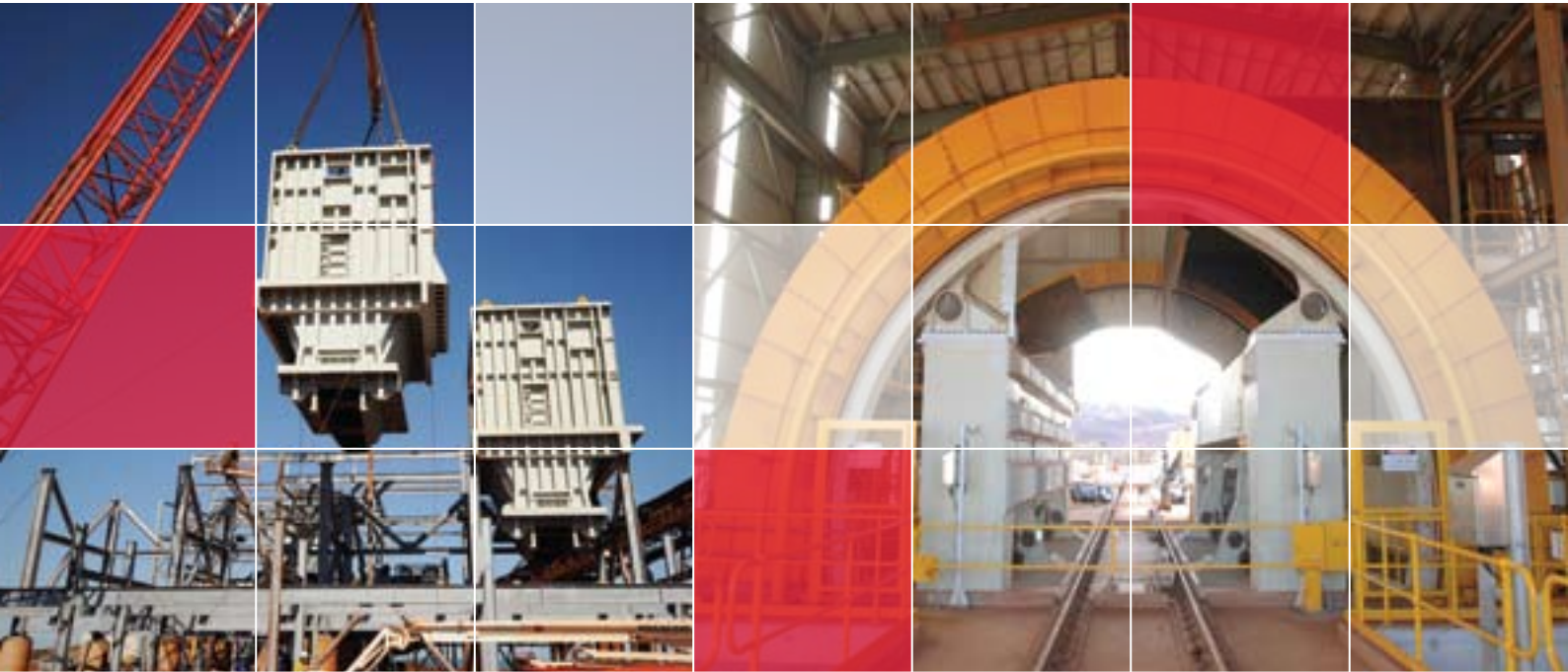


## Highlights

- Record sales **\$674.8 million** up **17.2%**
- Continued growth in bulk commodity and infrastructure markets
- Awarded **\$500 million** in new construction projects

Rapid Growth Project 4 – Newman Hub, Newman WA

# Operations in Focus Engineering Construction



After moving into 2008/09 with a strong forward workload, the Engineering Construction division ('the Division') has produced another solid performance. Sales revenue for the period was up 17.2% to \$674.8 million driven by high levels of activity in bulk commodity and minerals markets, as well as continued diversification into infrastructure markets.

The Division continued to demonstrate success in executing its diversification strategy following the largest ever project wins in the energy (\$170 million), coal terminal infrastructure (\$76 million) and water (\$30 million) markets.

Our continuing strategic focus on large scale, multi-disciplinary engineering construction projects achieved another significant milestone when we were awarded a large multi-disciplinary package from Worsley Alumina, valued at approximately \$140 million.

During the period, the Division forged relationships with a number of new customers including Ports Corporation of Queensland and formed a key partnership with liquefied natural gas (LNG) producer Woodside.

We also maintained strong relationships with other long term, blue chip resources, energy and infrastructure customers.

Consistent with broader Company initiatives, the Division continued to invest substantial time and resources into key systems, processes, risk management and documentation. In addition, we remain committed to the long term development and future of our people.

Health, safety and environmental performance remained a key focus area for the business with substantial work sustained in this area. The Division's positive performance historically in this important area positions us well for future opportunities.

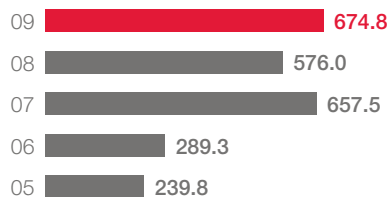
## Key Activities

During the 2008/09 period, the Division undertook a record level of development activity across a large number of services, markets and geographies.

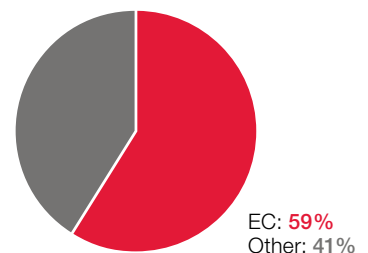
The Division maintained its strong position in core markets including iron ore, mineral processing and coal while extending its presence in the oil & gas and water markets.

The recent Woodside Pluto LNG Project award demonstrates our continued success in diversifying into the energy sector. This contract win followed the Company's first major oil & gas construction project for Eni's Blacktip Development Project, awarded in December 2007.

## Sales Revenue (\$M)



## Sales Contribution (%)



# Engineering Construction (Continued)



## Woodside, Pluto LNG Project, Karratha WA

In May 2009, Monadelphous secured a \$170 million contract with Woodside for major works associated with the \$12 billion Pluto LNG Project.

Woodside's Pluto LNG Project will process gas from the Pluto and Xena gas fields, located in the Carnarvon Basin about 190 kilometres north west of Karratha, Western Australia. Gas will be piped to shore in a 180 kilometre pipeline to the new Pluto LNG Park, located between the North West Shelf Venture and Dampier Port.

A single LNG processing train with forecast production capacity of 4.3 million tonnes a year, storage facilities and an export jetty will establish the Pluto LNG Park.

Monadelphous will undertake a multi-disciplinary package of works at Site B involving installation, erection and pre-commissioning of the plant Offsite Utilities, flares, racks and Acid Gas Removal Unit (AGRU) as part of the Pluto LNG Project.

Project works began in May 2009, with completion scheduled for the second quarter of calendar 2010.

This landmark win strengthens our position in the oil & gas sector and will enable us to capitalise on the pipeline of LNG projects ahead.

## BHP Billiton Iron Ore, Rapid Growth Project 4 (RGP4), Newman WA

Another landmark achieved during the period included substantial completion of Monadelphous' work for our largest ever project for BHP Billiton Iron Ore worth \$290 million, as part of its Rapid Growth Project 4 (RGP4) at Newman.

Our project scope includes the provision of structural, mechanical and piping works at the Newman Hub, the majority of which is now substantially complete.

At its peak, Monadelphous managed approximately 800 construction personnel at the site and fabricated over 10,000 tonnes of steel and plate work, some through our SinoStruct fabrication management capability.

Also, Monadelphous substantially completed a number of other iron ore projects during the year including Rio Tinto's Cape Lambert Upgrade 80Mtpa (CLU80) Project. Monadelphous CLU80 Project scope included structural, mechanical and piping works as part of the Cape Lambert deep water port facilities.

In May 2009, we were awarded a contract with BHP Billiton Iron Ore for structural and mechanical pre-works at Nelson Point.

We also executed a record level of mineral processing contracts for Boddington Gold Mine Management Company (Boddington, WA), OZ Minerals (Prominent Hill, SA) and BBI (DBCT) Management (Dalrymple Bay, QLD).

Other mineral processing works awarded during the period included Worsley Alumina's Efficiency and Growth Expansion Project (E&G Project) in Western Australia and a package of work to install an Automated Alumina Delivery System and associated infrastructure as part of Rio Tinto Alcan's Boyne Smelter Development Project in central Queensland.

Contract wins from blue chip customers in the coal market have continued to extend the Division's capability and reach. The coal market contract awards totalled over \$100 million and included those with Ports Corporation of Queensland and Rio Tinto.



Our work for Ports Corporation of Queensland's Abbot Point Coal Terminal X50 Expansion Project involves both the stockyard and high voltage infrastructure packages. While at the Rio Tinto Clermont Coal JV Mine Expansion Project in Queensland, our work involves the complete installation of a new Coal Handling and Preparation Plant (CHPP) including civil, structural, mechanical, electrical and control installation works right through to final commissioning.

The year saw continued development of our national water infrastructure capability following the award of our largest ever water project. Valued at \$31 million, the project is for Moreton Bay Regional Council's Burpengary East Sewage Treatment Plant Upgrade in Queensland. To date, the Division has undertaken four water projects across WA, NSW and QLD.

At a strategic level, the Division commenced rolling out a number of important efficiency and productivity programs in response to the new business climate.

These programs have been focussed on reducing overhead and fixed costs, improving labour productivity, increasing enterprise flexibility and consolidating the organisational structure.

Reflecting the logical progression and ongoing success of our multi-disciplinary offering in the marketplace, the Company's MiE and Engineering Construction divisions will merge from 1 July 2009. Moving forward, the combined Division will further enhance our integrated service offering through the provision of direct multi-disciplinary structural, mechanical and electrical contract delivery.

Subsequent to the reporting period, in July 2009 the division was awarded two new construction contracts with a combined value of \$50 million in the iron ore and oil & gas markets with major customers Rio Tinto and Woodside. These project wins are associated with Rio Tinto Iron Ore's Mesa A and Woodside's Pluto Offshore HUC (Hook-Up and Commissioning) Projects.

## Outlook

The Division has commenced the 2009/10 period with a reasonable forward workload following the award of more than \$500 million in new construction contracts awarded across 2008/09.

As industry conditions continue to ease and normalise, the Division will continue to engage in a range of business initiatives to mitigate the overall impact of industry conditions into 2009/10 and beyond.

The Division remains focussed on maintaining strong relationships with key clients and improving system efficiency. We will continue to drive further productivity improvements to deliver more efficient and effective multi-disciplinary contracts.

Looking ahead, the Division remains focussed on maintaining its strong position in core markets including iron ore, mineral processing and coal, while extending its position in the oil & gas and infrastructure markets.

Over the medium to longer term, the increased industrialisation and urbanisation of emerging economies will have powerful implications for our business. We remain ready to meet both current customer needs and likely future requirements.