

## MONADELPHOUS CONSOLIDATES PROFIT GROWTH

• <b>Sales Revenue</b>	<b>\$113.2M</b>	<b>(+3.9%)</b>
• <b>EBITDA</b>	<b>\$7.85M</b>	<b>(+9.2%)</b>
• <b>Profit after Tax</b>	<b>\$3.99M</b>	<b>(+23%)</b>
• <b>Earnings per Share</b>	<b>21.2c</b>	<b>(+20.2%)</b>
• <b>Interim Dividend</b>	<b>11c ff</b>	<b>(+37.5%)</b>

Monadelphous Group Limited (**ASX: MND**) has continued its record financial performance, today reporting an after tax profit up 23% to \$3.99 million for the six months to December 31, 2003.

With Monadelphous' profit growth consolidated, plus healthy growth in earnings per share, the Directors today declared a sharply increased dividend of 11 cents per share fully franked (8 cents previously).

"The period continued the trend of the previous year with buoyant market conditions associated with the increasing levels of development investment in the resources sector and with Monadelphous further strengthening its position in the market," Mr Rob Velletri, Managing Director of Monadelphous, said.

"As forecast by the Board at the full year, revenue tapered from the exceptional levels seen in 2002-03 when the company recorded virtually two years' growth in that 12 month period. The closure early in the latest reporting period of marginal operations in Mount Magnet and Karratha, in northern WA, impacted sales revenue. However, a focus on earnings quality and tighter management controls resulted in improved margins."

### Outlook

"Looking ahead, medium term growth prospects are promising with tendering activity expected to continue at a high rate," Mr Velletri said.

"Longer term industry prospects remain very positive with indications of a sustained period of growth in the resources sector. Monadelphous sees planned major developments in the iron ore, oil and gas, alumina, nickel and coal industries – principally in Western Australia, Queensland and the Northern Territory – providing the company with big opportunities for significant further growth. Revenue flows from these projects are expected to come through in 2005 and 2006."

### Capabilities & Market Credibility Consolidated

"Monadelphous has consolidated its market position as a premier service provider in the period, successfully winning and delivering larger contracts for blue chip customers," he said.

"We are continuing with our commitment to build sustained revenues by pursuing long-term services contracts and so moving to diversify outside the resources sector and our traditional engineering construction work in those industries."

“We have implemented our restructure to place a heavier focus on growing the company’s presence and business growth opportunities in eastern states markets. Monadelphous has completed the establishment of its Maintenance and Industrial Services division in Brisbane during the period and that is starting to deliver promising developments.

“Last year the company was lifted to a new tier in terms of our capabilities and our credibility in the market. As stated last year, we are still consolidating the gains made and working hard to ensure we do not encounter problems with managing the company’s growth.”

### **Western Metals**

The company reported in July 2003 that one of its major customers, Western Metals Zinc NL, had been placed into administration. Subsequently, the Lennard Shelf operations of Western Metals were sold and the operations mothballed. As a result, in November 2003 Monadelphous ceased to provide contracted maintenance services to this facility. The balance of outstanding debts (\$400,000) have been written off in the December 2003 financial statements.

### **Dividend**

The interim dividend of 11 cents per share fully franked will be paid to Monadelphous shareholders on March 12, 2004, with a closing date for entitlements of March 5, 2004.

February 19, 2004

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*Monadelphous Group Limited is an established national company providing services to the resources, energy and infrastructure industry sectors. The company has a solid track record in the delivery of multi-disciplinary and large-scale construction projects and maintenance and industrial services throughout Australia. Monadelphous has significant investment in workshop facilities, plant and equipment resources in capital cities and regional centres throughout Australia. Website: [www.monadel.com.au](http://www.monadel.com.au)*

## **BACKGROUNDER OPERATIONAL HIGHLIGHTS**

### **Engineering Construction**

Monadelphous Group Limited's operational highlights for the six months reporting period for the Engineering Construction division included substantial completion of three major contracts associated with the expansion of BHP Billiton's Iron Ore operations in the Pilbara region of Western Australia valued at over \$80 million. In particular:

- The successful completion of structural, mechanical and electrical works for the iron ore handling plant for the Mining Area C project.
- The successful completion of civil, structural and mechanical works for the Products and Capacity Expansion Project at Nelson Point in Port Hedland.
- The substantial completion of structural and mechanical works at Finucane Island for the Products and Capacity Expansion Project in Port Hedland.

All contracts have performed on budget and schedule.

Supported by its track record of exceptional operational performance, Monadelphous also secured a number of additional contracts associated with iron ore expansions in the Pilbara, valued at approximately \$30 million.

Iron ore producers Rio Tinto and BHP Billiton have announced further major expansions in the Pilbara. Monadelphous is well placed to capitalise on these developments.

- Subsequent to the reporting date, in January this year, the company was also awarded a major construction contract associated with expansion of Comalco's bauxite operations at Weipa in Queensland. The contract is valued at approximately \$20 million and scheduled for completion in November 2004.

### **Maintenance & Industrial Services**

The company completed the establishment of its Maintenance and Industrial Services division in Brisbane during the period.

Monadelphous' efforts were rewarded recently when the company, in joint venture with Fluor Australia, was selected as preferred tenderer for a five-year maintenance services contract in Queensland.

**Other Operational Highlights:**

- Successful progress of the general services contract associated with Woodside Energy's North West Shelf LNG4 expansion project at Karratha in Western Australia.
- Successful completion of a major contract for shutdown works at Olympic Dam Operations for WMC Resources in South Australia.
- Award of a further major contract for shutdown works at WMC Resources' Kwinana Refinery in Western Australia.

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