

Your directors submit their report for the year ended 30 June 2009.

DIRECTORS

The names and details of the directors of the company in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Calogero Giovanni Battista Rubino	Chairman Appointed 18 January 1991 Resigned as Managing Director on 30 May 2003 and continued as Chairman 43 years experience in the construction and engineering services industry
Robert Velletri	Managing Director Appointed 26 August 1992 Mechanical Engineer, Corporate Member of the Institution of Engineers Australia Appointed as Managing Director on 30 May 2003 30 years experience in the construction and engineering services industry
Irwin Tollman	Non-Executive Director Appointed 26 August 1992 Chartered Accountant, Member Institute of Chartered Accountants in Australia 17 years experience in the construction and engineering services industry Retired as Executive Director on 25 July 2003 and continued as a Non-Executive Director
Peter John Dempsey	Non-Executive Director Appointed 30 May 2003 Civil Engineer, Fellow of the Institution of Engineers Australia 37 years experience in the construction industry Also a non-executive director of another publicly listed entity, Becton Property Group Limited (ASX Code: BEC) - appointed 25 July 2008
Christopher Percival Michelmore	Non-Executive Director Appointed 1 October 2007 Civil Engineer, Fellow of the Institution of Engineers Australia Member Institution of Structural Engineers, UK 37 years experience in the construction industry
COMPANY SECRETARIES	
Charles Roland Giles Everist	Company Secretary and Chief Financial Officer Chartered Accountant, Member Institute of Chartered Accountants in England and Wales 15 years experience in the resources, construction and engineering services industries Resigned, effective 24 August 2009
Philip Trueman	Company Secretary and General Manager, Corporate Services Chartered Accountant, Member Institute of Chartered Accountants in Australia and the South African Institute of Chartered Accountants 9 years experience in the construction and engineering services industry

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the directors in the shares and options of Monadelphous Group Limited were:

	Ordinary Shares	Options over Ordinary Shares
C. G. B. Rubino	3,004,000	Nil
R. Velletri	2,000,000	500,000
I. Tollman	667,586	Nil
P. J. Dempsey	78,000	Nil
C. P. Michelmore	12,294	Nil

EARNINGS PER SHARE

	Cents
Basic Earnings Per Share	87.48
Diluted Earnings Per Share	86.33

DIVIDENDS

	Cents	\$'000
Final dividends declared		
- on ordinary shares	44.00	37,763
Dividends paid during the year:		
Current year interim		
- on ordinary shares	30.00	25,747
Final for 2008		
- on ordinary shares	43.00	36,257

CORPORATE INFORMATION

Corporate structure

Monadelphous Group Limited is a company limited by shares that is incorporated and domiciled in Australia. Monadelphous Group Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year (refer note 27 in the financial report).

The registered office of Monadelphous Group Limited is located at:
1 - 7 Sleaford Road
Applecross, Western Australia 6153

Nature of operations and principal activities

Engineering Construction

Provides large-scale multi-disciplinary project management and construction services, including:

- Fabrication and installation of structural steel, tankage, mechanical and process equipment and piping
- Multi-disciplined construction packages including civil and electrical disciplines
- Plant commissioning
- Demolition and remediation works
- Turnkey design and construct services

Maintenance and Industrial Services

Offering mechanical and electrical engineering services in the following areas:

- Fixed and mobile plant maintenance
- Minor capital works
- Shutdown planning, management and execution
- Specialist concrete and structural maintenance
- Mill reline services
- Labour and equipment hire

Electrical and Instrumentation Services

Provides specialist electrical and instrumentation, installation, communications and construction services to heavy industry across Australasia.

Skystar Airport Services

Provides airport ground handling and logistics services.

General

The Monadelphous Group operates from major offices in Perth, Brisbane and Beijing with a network of regional offices and workshop facilities in Adelaide, Kalgoorlie, Darwin, Roxby Downs, Gladstone, Hunter Valley, Mt Isa, Mackay and Townsville.

The consolidated entity's revenue is earned predominantly from the resources, energy and infrastructure industry sectors.

There have been no significant changes in the nature of those activities during the year.

Employees

The consolidated entity employed 4,211 employees as of 30 June 2009 (2008: 3,848 employees).

OPERATING AND FINANCIAL REVIEW

Review

A review of operations of the consolidated entity during the financial year, the results of those operations, the changes in the state of affairs and the likely developments in the operations of the consolidated entity are set out in the Chairman's Report.

Operating results for the year

Operating results for the year were:

	2009 \$'000	2008 \$'000
Revenue from services	1,122,521	953,991
Profit after income tax	74,241	69,543

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the parent entity or the consolidated entity during the financial year.

On 19 November 2008, Monadelphous Group Limited announced its intention to buy back up to 2,000,000 shares on-market over the period 4 December 2008 to 3 December 2009. The decision followed a detailed review of all available capital management options. At 30 June 2009, the company had bought back and cancelled 94,009 shares.

On 2 December 2008, Moway International Limited (a 100% owned subsidiary of Monadelphous Group Limited) incorporated an entity in China, Moway AustAsia Steel Structures Trading (Beijing) Company Limited.

On 18 December 2008, the company established the Monadelphous Group Limited Employee Share Trust. The trust has been established for the sole purpose of subscribing for, allocating, holding and delivering shares in the Company under the Monadelphous Group Limited Employee Option Plan for the benefit of participants to the plan. During the year, the trust acquired 589,323 ordinary shares, of which 465,074 shares were issued to employees upon exercise of options under the Monadelphous Group Limited Employee Option Plan. At 30 June 2009, 124,249 remained as reserved shares.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

On 4 August 2009, Monadelphous Group Limited announced the resignation of the company's Chief Financial Officer, Mr Giles Everist. Mr Zoran Bebic, currently General Manager Business Services, will replace Mr Everist as Chief Financial Officer, effective 24 August 2009.

On 17 August 2009, the directors of Monadelphous Group Limited declared a final dividend on ordinary shares in respect of the 2009 financial year. The total amount of the dividend is \$37,762,648 which represents a fully franked final dividend of 44 cents per share. This dividend has not been provided for in the 30 June 2009 Financial Statements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Other than as referred to in this report, further information as to likely developments in the operations of the consolidated entity would, in the opinion of the directors, be likely to result in unreasonable prejudice to the consolidated entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Monadelphous Group Limited is subject to a range of environmental regulations.

During the financial year Monadelphous Group Limited met all reporting requirements under any relevant legislation. There were no incidents which required reporting.

The company aims to continually improve its environmental performance.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 4,922,500 unissued ordinary shares under options as follows:

- 180,000 options to take up one ordinary share in Monadelphous Group Limited at an issue price of \$4.71. The options expire on 31 January 2010.
- 112,500 options to take up one ordinary share in Monadelphous Group Limited at an issue price of \$9.06. The options expire between 31 January 2010 and 31 January 2011.
- 4,630,000 options to take up one ordinary share in Monadelphous Group Limited at an issue price of \$10.00. The options expire between 30 September 2010 and 30 September 2012.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate or in the interest issue of any other registered scheme.

Shares issued as a result of the exercise of options

During the financial year, employees and directors have exercised the option to acquire 2,190,000 fully paid ordinary shares at a weighted average exercise price of \$2.05. 465,074 shares owned by Monadelphous Group Limited Employee Share Trust were utilised for the option exercise, with the remaining 1,724,926 issued as new fully paid ordinary shares.

No options have been exercised since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the end of the financial year, the company has paid premiums in respect of a contract insuring all the directors of Monadelphous Group Limited against a liability incurred in their role as directors of the company, except where:

- (a) the liability arises out of conduct involving a wilful breach of duty; or
- (b) there has been a contravention of Sections 182 or 183 of the Corporations Act 2001.

The total amount of insurance contract premiums paid was \$76,804 (2008: \$73,718).

INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS WITH THE COMPANY

During or since the end of the financial year, no director has had any interest in a contract or proposed contract with the company, being an interest, the nature of which has been declared by the director in accordance with Section 300(11)(d) of the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the Managing Director and senior General Managers of the Parent and the Group.

Details of Key Management Personnel (including the five highest paid executives of the Company and the Group)

(i) Directors

C. G. B. Rubino	Chairman
R. Velletri	Managing Director
I. Tollman	Director (Non-Executive)
P. J. Dempsey	Director (Non-Executive)
C. P. Michelmore	Director (Non-Executive)

(ii) Executives

D. Foti	Executive General Manager, Engineering Construction
A. Erdash	General Manager, Maintenance & Industrial Services Western Region
G. Everist	Chief Financial Officer and Company Secretary (resigned, effective 24 August 2009)
M. Jansen	General Manager, Maintenance & Industrial Services Eastern Region
S. Murray	General Manager, MiE

Remuneration Philosophy

The performance of the company depends upon the quality of its directors and executives. To prosper, the company must attract, motivate and retain highly skilled directors and executives.

To this end, the company embodies the principles of providing competitive rewards to attract high calibre executives, and the linking of executive rewards to shareholder value, in its remuneration framework.

Remuneration Committee

The Remuneration Committee of the Board of Directors of the company is responsible for determining and reviewing compensation arrangements for the directors and the executive management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and the executive management team on a periodic basis. This assessment is made with reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

In determining the levels of remuneration of directors and executives, the Remuneration Committee takes into consideration the performance of the Group and the individual.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive management remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The most recent determination was at the Annual General Meeting held on 27 November 2007 when shareholders approved an aggregate remuneration of \$400,000 in the 'not to exceed sum' paid to non-executive directors.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive directors have long been encouraged by the board to hold shares in the company (purchased by the director on-market). It is considered good governance for directors to have a stake in the company.

The non-executive directors do not receive retirement benefits, nor do they participate in any incentive programs.

The remuneration of non-executive directors for the period ending 30 June 2009 is detailed in Table 1 on page 54 of this report.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Executive Remuneration

Objective

The company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the company so as to:

- reward executives for Group, business unit and individual performance;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee considers market levels of remuneration for comparable executive roles when making its recommendations to the Board.

Remuneration consists of a fixed remuneration element and variable remuneration elements in the form of Short Term and Long Term Incentives.

The proportion of fixed remuneration and variable remuneration is established for each member of the executive management team by the Remuneration Committee. Tables 1 and 2 on pages 54 and 55 of this report detail the proportion of fixed and variable remuneration for each of the executive directors and the members of the executive management team of the company.

Fixed remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and competitive in the market.

Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of company-wide, business unit and individual performance, relevant comparative remuneration in the market and internally, and where appropriate, external advice on policies and practices.

Structure

Executive team members are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

The fixed remuneration component of the executive directors and the 5 most highly remunerated members of the executive management team of the company is detailed in Tables 1 and 2 on pages 54 and 55 of this report.

Variable Remuneration – Short Term Incentive (STI)

Objective

The objective of the STI program is to link the achievement of the company's operational targets with the remuneration received by the executives charged with meeting those targets. The total STI is set at a level so as to remunerate the executives for achieving the operational targets and such that the cost to the company is reasonable in the circumstances.

Structure

On an annual basis at the end of the financial year, after consideration of performance against KPIs, an overall performance rating for the company and each individual business unit is approved by the Remuneration Committee. The individual performance of each executive is also rated and all three are taken into account when determining the amount, if any, of the short-term incentive payment made to each executive.

The aggregate of annual STI payments available for executives across the company is subject to the approval of the Remuneration Committee. Payments made are usually delivered as a cash bonus.

Variable Remuneration – Long Term Incentive (LTI)

Objective

The objective of the LTI plan is to retain and reward the members of the executive management team in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Structure

LTI grants to executives are delivered at the discretion of the Remuneration Committee in the form of options. The individual performance rating of each executive is taken into account when determining the amount, if any, of options granted to each executive. During the year ended 30 June 2009, there were 1,270,000 options granted as part of director and executive remuneration. All executives are eligible to participate in the Monadelphous Group Limited Employee Option Plan.

In accordance with the rules of the Monadelphous Group Limited Employee Option Plan, options may only be exercised in specified window periods (or at the discretion of the directors in specified circumstances):

25% 2 years after the options were issued

25% 3 years after the options were issued

50% 4 years after the options were issued

REMUNERATION REPORT (AUDITED) (CONTINUED)
Executive Remuneration (continued)
Variable Remuneration – Long Term Incentive (LTI) (continued)

In addition, for options issued under the Monadelphous Group Limited Employee Option Plan during the year ended 30 June 2009, the ability to exercise options during each applicable window period is subject to the financial performance of the company during the option vesting period. The options shall only be capable of exercise during that window period where the company's Earnings Per Share (EPS) metric is growing at a rate of at least 10% per year. If, however, this hurdle is not achieved for a particular window period, rather than lapsing, the options will be re-tested during all later window periods in respect of that issue and may become exercisable at that later date.

Employment Contracts

All executives have non-fixed term employment contracts. The company or executive may terminate the employment contract by providing 4 weeks written notice. The company may terminate the contract at any time without notice if serious misconduct has occurred.

Company Performance

The profit after tax for the Group for the last six years is as follows:

	2009 \$'000	2008 \$'000	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000
Profit after income tax expense	74,241	69,543	60,418	29,396	16,658	8,528

The 2005 comparatives have been restated based on Australian Accounting Standards and International Financial Reporting Standards. The 2004 comparatives are based on Australian Generally Accepted Accounting Principles.

A review of the company's performance over the last six years has been provided on page 42 of this report.

Remuneration of Key Management Personnel and the Five Highest Paid Executives of the Company and the Group
Table 1: Remuneration for the year ended 30 June 2009

	Short Term Benefits			Post Employment		Share-based Payments	Other	Total	Total Performance Related	Total Options Related
	Salary & Fees	Non Monetary	Cash STI	Super-annuation	Retirement Benefits	Options LTI				
Non-Executive Directors										
I. Tollman	40,000	489	-	-	-	-	-	40,489	-	-
P. J. Dempsey	70,000	856	-	-	-	-	-	70,856	-	-
C. P. Michelmores	70,000	856	-	-	-	-	-	70,856	-	-
Subtotal Non-Executive Directors	180,000	2,201	-	-	-	-	-	182,201	-	-
Executive Directors										
C. G. B. Rubino	313,759	8,368	-	-	-	-	-	322,127	-	-
R. Velletri	673,377	17,562	200,000	13,741	-	147,203	-	1,051,883	33.01%	13.99%
Subtotal Executive Directors	987,136	25,930	200,000	13,741	-	147,203	-	1,374,010	25.27%	10.71%
Other Key Management Personnel										
D. Foti	526,931	13,732	125,000	13,757	-	82,137	-	761,557	27.20%	10.79%
A. Erdash	395,658	10,207	60,000	13,741	-	41,809	-	521,415	19.53%	8.02%
M. Jansen	384,892	9,835	60,000	13,741	-	41,809	-	510,277	19.95%	8.19%
G. Everist	379,339	9,858	60,000	13,741	-	41,809	-	504,747	20.17%	8.28%
S. Murray	287,235	7,322	40,000	13,741	-	49,141	-	397,439	22.43%	12.36%
Subtotal Other Key Management Personnel	1,974,055	50,954	345,000	68,721	-	256,705	-	2,695,435	22.32%	9.52%
Total	3,141,191	79,085	545,000	82,462	-	403,908	-	4,251,646	22.32%	9.50%

REMUNERATION REPORT (AUDITED) (CONTINUED)**Remuneration of Key Management Personnel and the Five Highest Paid Executives of the Company and the Group (continued)****Table 2: Remuneration for the year ended 30 June 2008**

	Short Term Benefits			Post Employment		Share-based Payments	Other	Total	Total Performance Related	Total Options Related
	Salary & Fees	Non Monetary	Cash STI	Super-annuation	Retirement Benefits	Options LTI				
Non-Executive Directors										
I. Tollman	30,000	334	-	-	-	-	-	30,334	-	-
P. J. Dempsey	70,000	779	-	-	-	-	-	70,779	-	-
C. P. Michelmore*	35,000	390	-	-	-	-	-	35,390	-	-
Subtotal Non-Executive Directors	135,000	1,503	-	-	-	-	-	136,503	-	-
Executive Directors										
C. G. B. Rubino	300,976	7,881	-	-	-	-	-	308,857	-	-
R. Velletri	536,468	16,322	200,000	13,130	-	29,670	-	795,590	28.87%	3.73%
Subtotal Executive Directors	837,444	24,203	200,000	13,130	-	29,670	-	1,104,447	20.80%	2.69%
Other Key Management Personnel										
D. Foti	417,941	12,334	125,000	13,130	-	15,824	-	584,229	24.10%	2.71%
A. Erdash	329,230	9,223	60,000	13,130	-	9,890	-	421,473	16.58%	2.35%
M. Jansen	313,059	8,879	60,000	13,130	-	9,890	10,907	415,865	16.81%	2.38%
G. Everist	322,663	9,027	60,000	13,130	-	11,039	-	415,859	17.08%	2.65%
S. Murray	218,641	6,251	30,000	13,130	-	37,131	-	305,153	22.00%	12.17%
Subtotal Other Key Management Personnel	1,601,534	45,714	335,000	65,650	-	83,774	10,907	2,142,579	19.55%	3.91%
Total	2,573,978	71,420	535,000	78,780	-	113,444	10,907	3,383,529	19.16%	3.35%

* Appointed 1 October 2007

REMUNERATION REPORT (AUDITED) (CONTINUED)
Remuneration of Key Management Personnel and the Five Highest Paid Executives of the Company and the Group (continued)
Table 3: Compensation options: Granted during the year ended 30 June 2009

	Terms and conditions for each Grant						
	Granted Number	Grant date	Fair value per option at grant date	Exercise price per option	Expiry date	First exercise date	Last exercise date
Executive Directors							
R. Velletri	500,000	31/10/2008	\$1.15	\$10.00	30/09/2012	1/09/2010	30/09/2012
Other Key Management Personnel							
D. Foti	280,000	31/10/2008	\$1.15	\$10.00	30/09/2012	1/09/2010	30/09/2012
A. Erdash	140,000	31/10/2008	\$1.15	\$10.00	30/09/2012	1/09/2010	30/09/2012
M. Jansen	140,000	31/10/2008	\$1.15	\$10.00	30/09/2012	1/09/2010	30/09/2012
G. Everist	140,000	31/10/2008	\$1.15	\$10.00	30/09/2012	1/09/2010	30/09/2012
S. Murray	70,000	31/10/2008	\$1.15	\$10.00	30/09/2012	1/09/2010	30/09/2012
Total	<u>1,270,000</u>						

During the financial year ended 30 June 2008, no options were granted as equity compensation benefits to key management personnel. No options granted during the year ended 30 June 2009 have vested.

Table 4: Shares issued on exercise of compensation options during the year ended 30 June 2009

	Options vested Number	Options exercised Number	Shares issued Number	Paid \$ per share
Directors				
R. Velletri	300,000	300,000	300,000	\$1.95
Executives				
D. Foti	160,000	160,000	160,000	\$1.95
A. Erdash	100,000	100,000	100,000	\$1.95
M. Jansen	100,000	100,000	100,000	\$1.95
G. Everist	100,000	100,000	100,000	\$1.95
S. Murray	12,500*	-	-	-
Total	<u>772,500</u>	<u>760,000</u>	<u>760,000</u>	

On 30 January 2009, the date of exercise of the above options, the closing share price was \$6.36.

* Options forfeited during the year had an exercise price of \$9.06.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration of Key Management Personnel and the Five Highest Paid Executives of the Company and the Group (continued)

Table 5: Shares issued on exercise of compensation options during the year ended 30 June 2008

	Options vested Number	Options exercised Number	Shares issued Number	Paid \$ per share
Directors				
R. Velletri	150,000	150,000	150,000	\$1.95
Executives				
D. Foti	80,000	80,000	80,000	\$1.95
A. Erdash	50,000	50,000	50,000	\$1.95
M. Jansen	50,000	50,000	50,000	\$1.95
G. Everist	150,000	150,000	150,000	\$1.41
Total	480,000	480,000	480,000	

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Directors' Meetings	Meetings of Committees		
		Audit	Remuneration	Nomination
Number of meetings held:	14	2	2	2
Number of meetings attended:				
C. G. B. Rubino	14	-	2	2
R. Velletri	14	-	-	-
I. Tollman	14	2	2	-
P. J. Dempsey	14	2	-	2
C. P. Michelmore	14	2	2	2

COMMITTEE MEMBERSHIP

As at the date of this report, the company had an Audit Committee, a Remuneration Committee and a Nomination Committee.

Members acting on the committees of the board during the year were:

Audit	Remuneration	Nomination
P. J. Dempsey (c)	C. P. Michelmore (c)	C. G. B. Rubino (c)
I. Tollman	C. G. B. Rubino	C. P. Michelmore
C. P. Michelmore	I. Tollman	P. J. Dempsey

Note: (c) Designates the chairman of the committee.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars (\$'000) (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Monadelphous Group Limited support and have adhered to the principles of Corporate Governance.

The company's Corporate Governance Statement is detailed on page 43 of this report.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the following declaration from the auditor of Monadelphous Group Limited.



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Auditor's Independence Declaration to the Directors of Monadelphous Group Limited

In relation to our audit of the financial report of Monadelphous Group Limited for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

In addition to our audit of the financial report, we were engaged to undertake the services disclosed in note 26 to the financial statements. The provision of these services has not impaired our independence.

Ernst & Young

C B Pavlovich
Partner
17 August 2009

Liability limited by a scheme approved under Professional Standards Legislation

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	\$
Tax compliance services	86,352
Assurance related	6,695
	<hr/>
	93,047
	<hr/>

Signed in accordance with a resolution of the directors.

C. G. B. Rubino
Chairman
Perth, 17 August 2009