



## Highlights

- Maintained our strong position in core markets
- Continued market expansion and diversification
- Change in focus from expanding capacity to maximising efficiency

Darwin LNG Facility, Darwin NT

# Strategy and Outlook



The recent Global Financial Crisis (GFC) has created an opportunity for Monadelphous to adapt, learn and develop a more resilient business for the future. Our continued focus is on broadening our quality customer base and building long term relationships with blue chip customers. A consolidated focus on efficiency and productivity improvements will enable the business to deliver value to our customers.

## Strategy

With our focus on maximising growth and returns from core resources and energy market sectors, we have identified two clear strategies which are to protect and strengthen our position in current markets of iron ore, coal and mineral processing; while pursuing growth opportunities in newer markets, namely oil & gas, water and marine.

Success of this strategic objective will be realised by the retention of all current customers, expansion with current customers through new complementary capabilities and services, and securing new, high quality customers.

Our goal is to maintain a leadership position in the resources and energy sector, which will require a relentless focus on the delivery of high quality work. This is backed up by our internal data gathered via our customer feedback process which shows that customer satisfaction and our ability to meet and exceed customers' expectations is at a record high.

Over the next decade, oil & gas investment has one of the strongest outlooks amongst our markets as a raft of projects in Western Australia and Queensland get underway. Rising demand for LNG in Asia and the United States over the medium to long term is driving the development of LNG production projects.

The recent contract win for the Woodside Pluto project underlines our sound positioning for participation in the oil & gas projects coming on stream and establishes the sector as a core market for the Company.

Further diversification will be necessary to build a resilient business, with our focus on building a stronger position in the buoyant infrastructure sector. Our entry into the infrastructure industry has already commenced with our water team making significant inroads, while analysis of acquisition opportunities will continue.

People and culture is the key differentiator for Monadelphous. They deliver significant value to the business, support our leadership position and create a barrier to entry. Dedication to the development of our people, through talent management processes, has helped to increase the overall capability and skills of the entire organisation and resulted in improved performance. Over the coming year a new performance management framework will be implemented which links behaviour and values to performance.

Productivity and continuous improvement of our service delivery will assist in realising cost efficiency. New initiatives focus on responding quickly to customers and identifying operational efficiencies, while reducing overhead expenditure. Improving field execution productivity and benchmarking overhead cost drivers are just some examples of the immediate response to improving productivity levels.

Following the Group-wide structural review in 2007/08, further progress was made in streamlining services with the development of a Business Services division in 2008/09. New systems to support cost efficiencies and productivity improvements have begun including; streamlining the business management system framework, reviewing the utilisation of Information Communication Technology infrastructure, development of an internal customer service delivery model and further development of project and cost management systems.

## Outlook

Monadelphous is committed to being recognised as a leader in the resources and energy sectors.

Through acquisition and continued growth of our infrastructure portfolio, we anticipate the development of a new operating division in the medium term to focus on infrastructure markets.

The longer term outlook for Monadelphous remains positive as the broader market recovers over the coming years, with a greater proportion of revenue to be generated from oil & gas and infrastructure sectors.