

MEDIA RELEASE

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MONADELPHOUS BOOSTS PROFIT and DIVIDENDS AS RESOURCES SECTOR REMAINS BOUYANT

• Sales Revenue	\$220.8M	(-9.4%)
• EBITDA	\$16.13M	(+ 5.3%)
• Profit after Tax	\$8.53M	(+20.6%)
• EPS	44.5c	(+16.5%)
• Final Dividend	19cps	fully franked

Monadelphous Group Limited (**ASX:MND**) has capitalised on its increasingly dominant position in a buoyant resources sector by securing a record number of new engineering construction and maintenance contracts for the 12-month period ended June 30, 2004, consolidating its strong year-on-year profit growth.

Monadelphous today announced an after tax profit of \$8.53 million (up 20.6%) from sales revenue of \$220.8 million (down 9.4%). Earnings before interest, tax, depreciation and amortisation were \$16.3 million (up 5.3%), with earnings per share rising 16.5% to 44.5 cents per share.

The Board declared a final dividend of 19 cents per share fully franked, taking the full year's dividend to 30 cents per share fully franked – up 20% from the 25 cents per share payout for the previous corresponding period.

“We have consolidated on the gains made in 2002-03 when Monadelphous effectively recorded two years’ growth in one year. The company warned last year that it faced a big challenge to sustain revenues following that period of exceptional growth,” Mr Rob Velletri, Managing Director of Monadelphous, said. “We’ve delivered improved margins from a strong operational performance and better quality of earnings, cementing our revenue base over the year.

“In the last six months Monadelphous has won over \$200 million worth of work in new contracts. We are confident of growing sales revenue in 2004-05.”

Iron Ore Leads Record Contract Wins

Monadelphous’ operational performance was highlighted by new work won in the iron ore sector over 2003-04 and that trend is continuing in the new financial year.

Major contracts in Western Australia’s Pilbara region valued at a total of \$130 million were either successfully completed or substantially completed during the reporting period.

These contracts were for BHP Billiton at Mining Area C project and Nelson Point and Finucane Island in Port Hedland; Robe River at Cape Lambert; and Hamersley Iron at the Yandi project.

During the second half of the year, Monadelphous announced a record number of major engineering construction contract wins, including:

- In January, the company was awarded a \$20 million construction contract associated with the expansion of Comalco's bauxite operations at Weipa in Queensland. The contract is scheduled for completion in November 2004.
- In April, the company signed a Heads of Agreement to execute a \$40 million contract for structural, mechanical and commissioning works associated with the Burrup Fertilisers Ammonia Plant Project in Karratha, WA. The work is scheduled to be completed in July 2005.
- Also in April, the company was awarded a \$30 million construction contract associated with Hamersley Iron's Parker Point expansion in Karratha, WA. The work is scheduled for completion in January 2005.

The company continues to pursue its longer term goal of growing a more sustainable revenue base from its maintenance and industrial services business, particularly in eastern states markets. A number of highlights in this division of the business were:

- Monadelphous, in joint venture with Fluor Australia, was awarded a five-year reliability services contract for Comalco's new alumina refinery in Gladstone, Queensland. This followed the establishment of the Maintenance and Industrial Services division headquarters in Brisbane during the year.
- Late in the reporting period Monadelphous - in joint venture with Fluor Australia and electrical and instrumentation services company Broadspectrum - was awarded a major three-year comprehensive, multi-disciplinary maintenance services contract by WMC Resources at their copper-uranium mine and processing facilities at Olympic Dam in South Australia. Monadelphous has been providing services to the WMC operations at Olympic Dam for over ten years and this latest contract has secured the company's long-term position as the major provider of maintenance services at the facility.

Post Balance Date Major Contract Wins

In July, subsequent to balance date, Monadelphous secured:

- Its largest ever lump sum contract for works associated with the expansion of Hamersley Iron's Yandi iron ore plant. The contract is valued at approximately \$50 million and is scheduled for completion in January 2005.
- A \$25 million contract for the design and construction of the coal handling facilities associated with the Rolleston Coal Project for Xstrata Coal in the Bowen Basin in central Queensland. The contract is due for completion in October 2005.

Market Outlook & Skills Resourcing Challenge

“The market outlook for the Australian resources industries continues to be strong, particularly fuelled by demand from China,” Mr Velletri said. “A wealth of major resources projects are in the pipeline over the next few years, with ongoing developments in the iron ore, oil and gas, alumina, nickel and coal industries promising a continuing flow of work.

“However, to deal with the workload Monadelphous - and indeed the whole industry - will be challenged by the shortage of skilled labour which is becoming increasingly evident.”

He said the company had significantly beefed up its engineering and construction recruitment section staffing. A corporate restructuring had also seen the appointment of a General Manager Human Resources with an increased investment being made in staff retention and training programs.

Dividend

The 2003-04 final dividend of 19 cents per share fully franked will be paid to Monadelphous shareholders on September 17, 2004, with a closing date for entitlements of September 10, 2004.

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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 encompasses 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. Website: www.monadel.com.au

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