



Monadelphous



*Valuing our People Integrity & Respect Delivering Quality Reliability & Flexibility Performance Focused*

## **2006 annual** results

another outstanding year of growth

*Engineering Success...*

## highlights

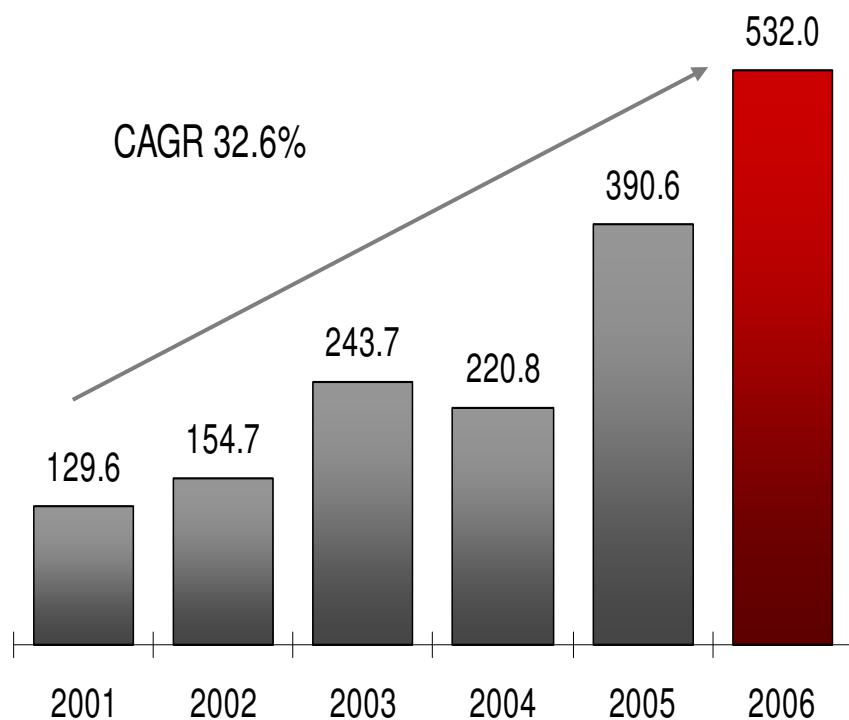
- Record Results
  - Sales **over \$500m**
  - Net Profit After Tax (NPAT) **↑76%**
  - Earnings Per Share (EPS) **↑72%**
  - Dividends **↑71%**
- **Over \$500m** new contracts won since December 2005
- Capacity increased; workforce over **3,000** **↑ >50%**
- Health and Safety performance improved; TCIFR **↓ 23%**
- Strong competitive position in booming market
- Further growth expected in 2006/07

## financial highlights

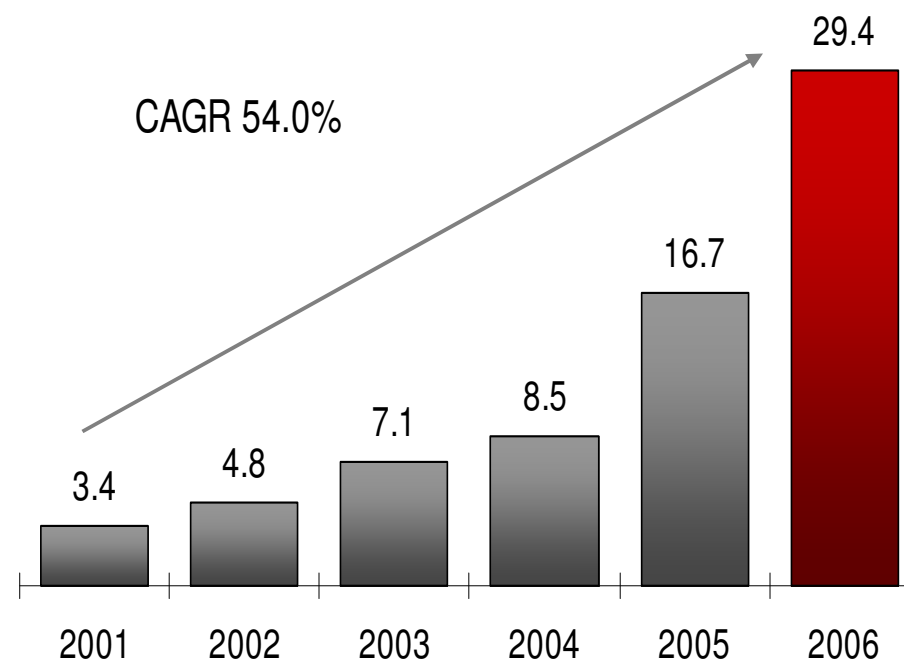
|                      | Jun 06       | Jun 05       | % Change |
|----------------------|--------------|--------------|----------|
| Sales Revenue        | \$532.0m     | \$390.6m     | +36%     |
| EBITDA               | \$49.0m      | \$29.0m      | +68%     |
| Net Profit After Tax | \$29.4m      | \$16.7m      | +76%     |
| Earnings Per Share   | 36.5 c       | 21.1 c       | +72%     |
| Total Dividends      | 33.00 cps ff | 19.25 cps ff | +71%     |
| Operating Cash Flow  | \$66.8m      | \$24.0m      | +179%    |
| Net Cash             | \$61.6m      | \$22.2m      | +177%    |
| Capex                | \$24.2m      | \$18.7m      | +29%     |
| Return on Equity     | 47.3%        | 36.1%        | +31%     |

## strong revenue & profit growth

**sales revenue \$m**

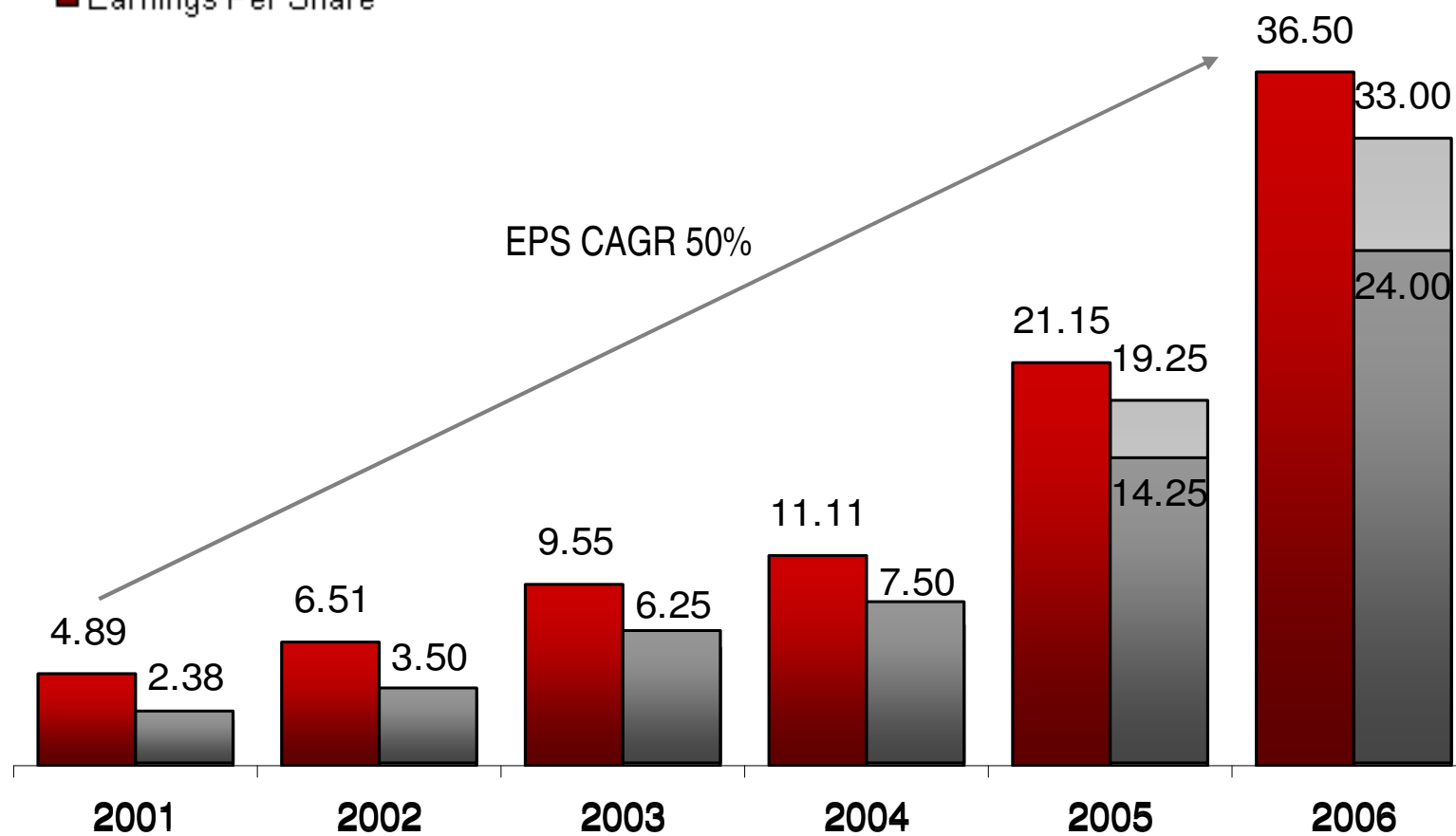


**profit after tax \$m**



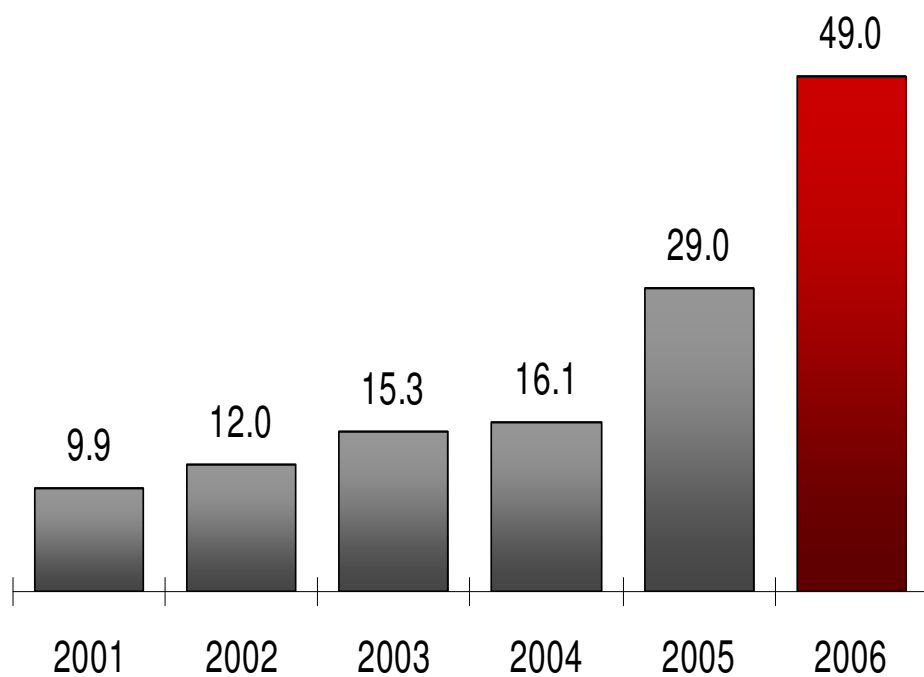
# high earnings & dividend growth

- Special Dividend
- Dividend Per Share (Interim + Final)
- Earnings Per Share

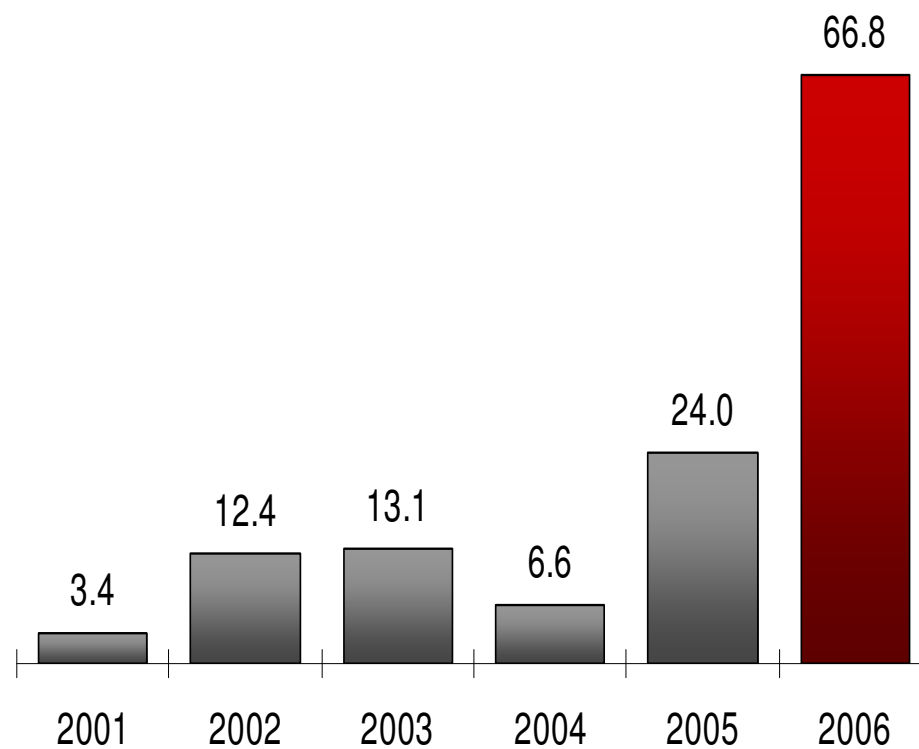


# record operating cash flow

## EBITDA \$m

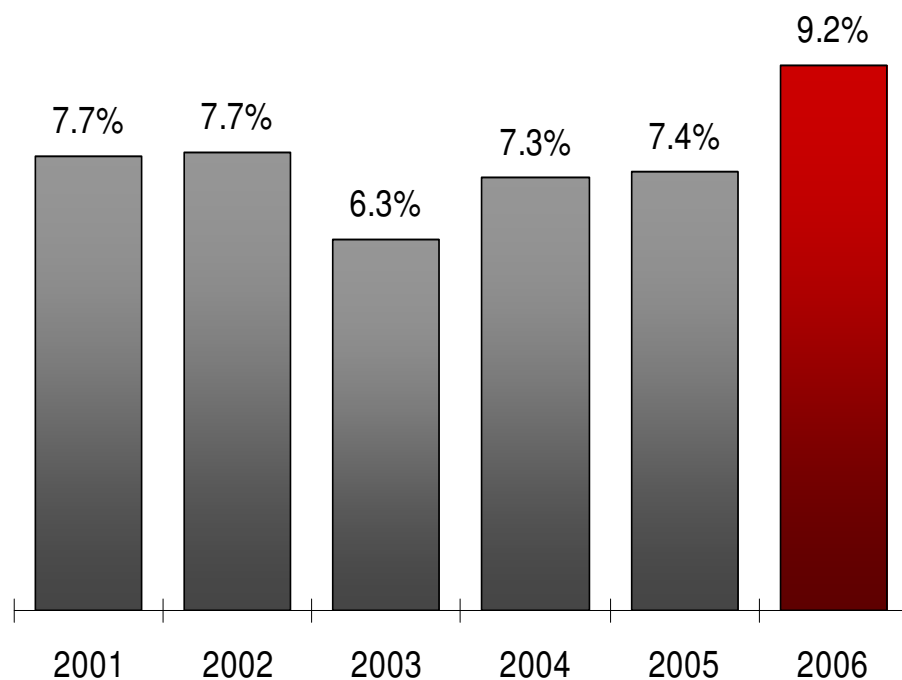


## cashflow from operations \$m



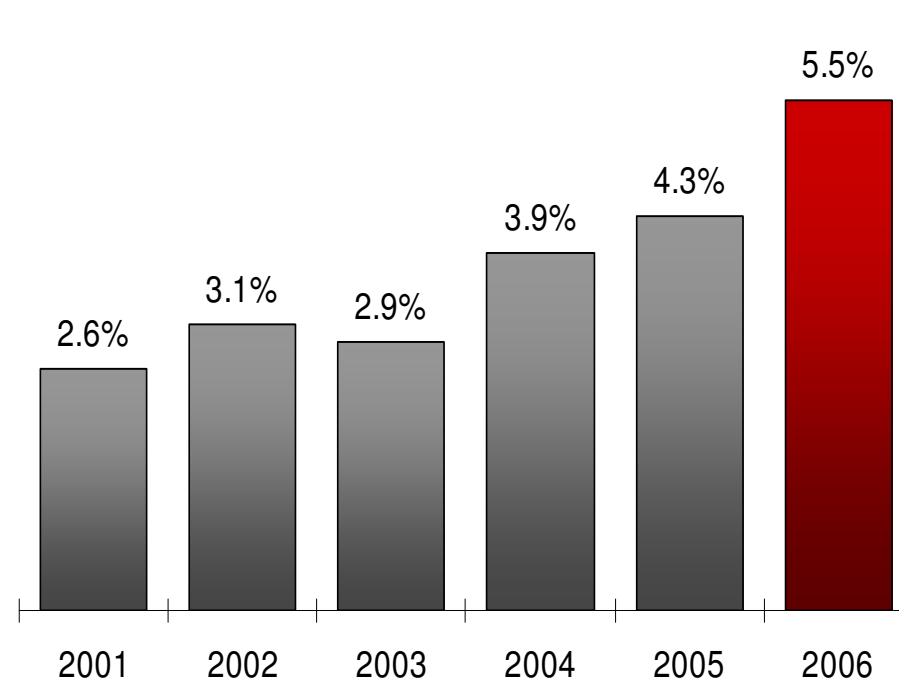
## buoyant market, strong margins

### EBITDA margin %



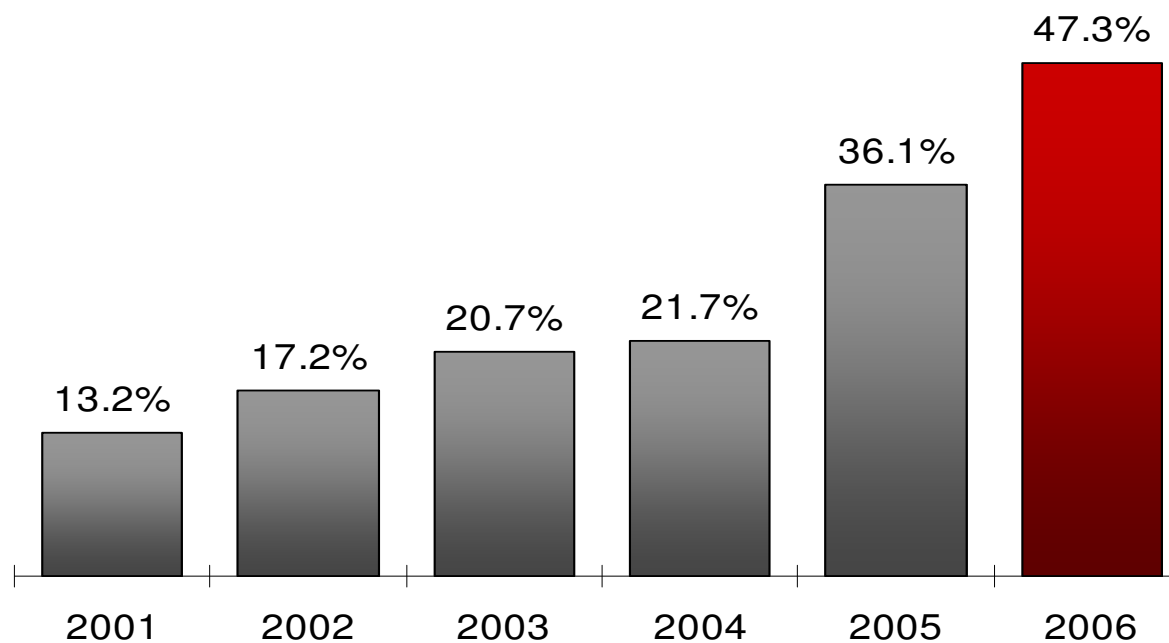
■ EBITDA margin ↑ 1.8pp to 9.2%

### profit after tax margin %



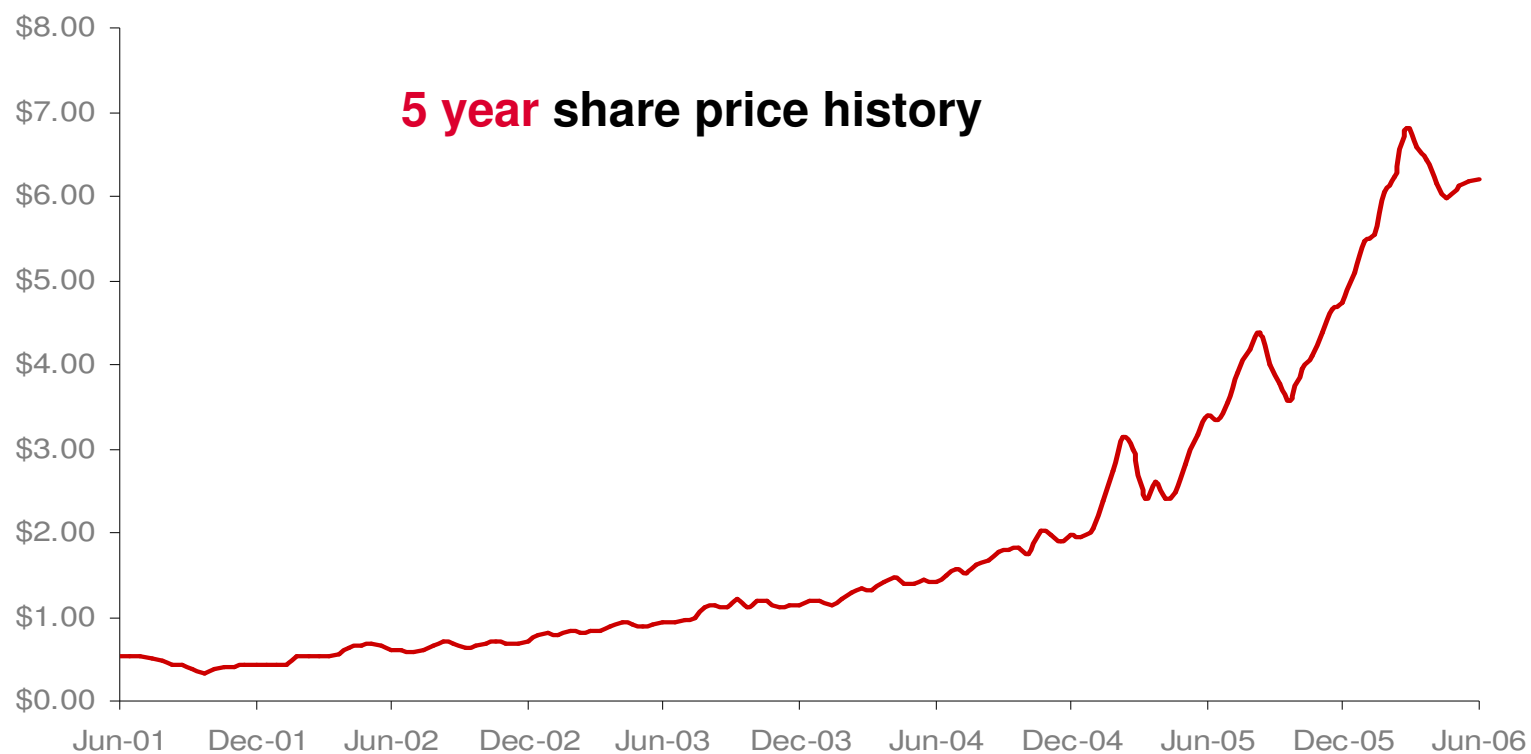
■ PAT margin ↑ 1.2pp to 5.5%

## exceptional return on equity



- ROE at **47.3%** historically highest level
- Five year average return **35.2%pa**

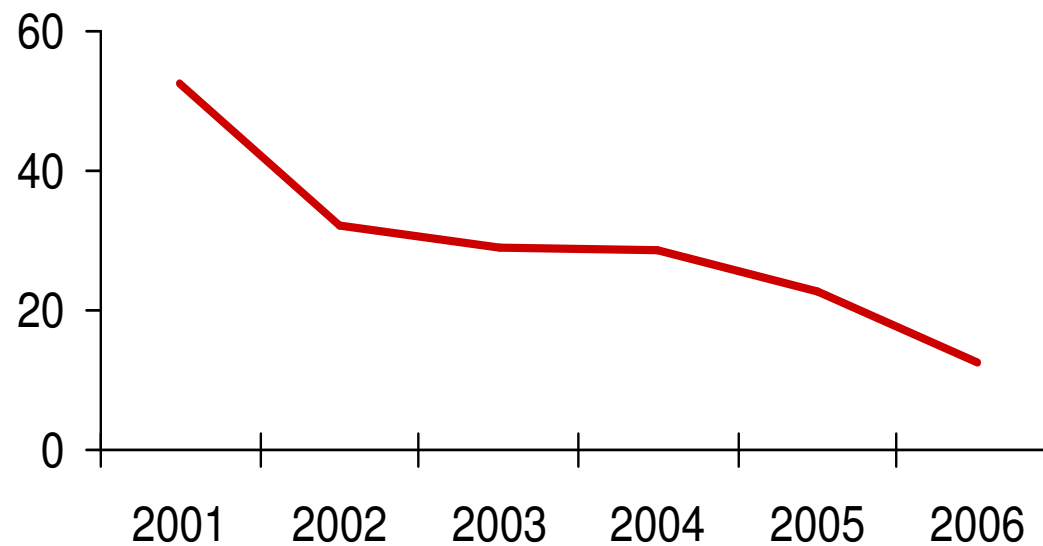
## strong shareholder returns



- Total shareholders returns:
  - 1 year **88%**
  - 5 years **1226% (68.0%p.a)**

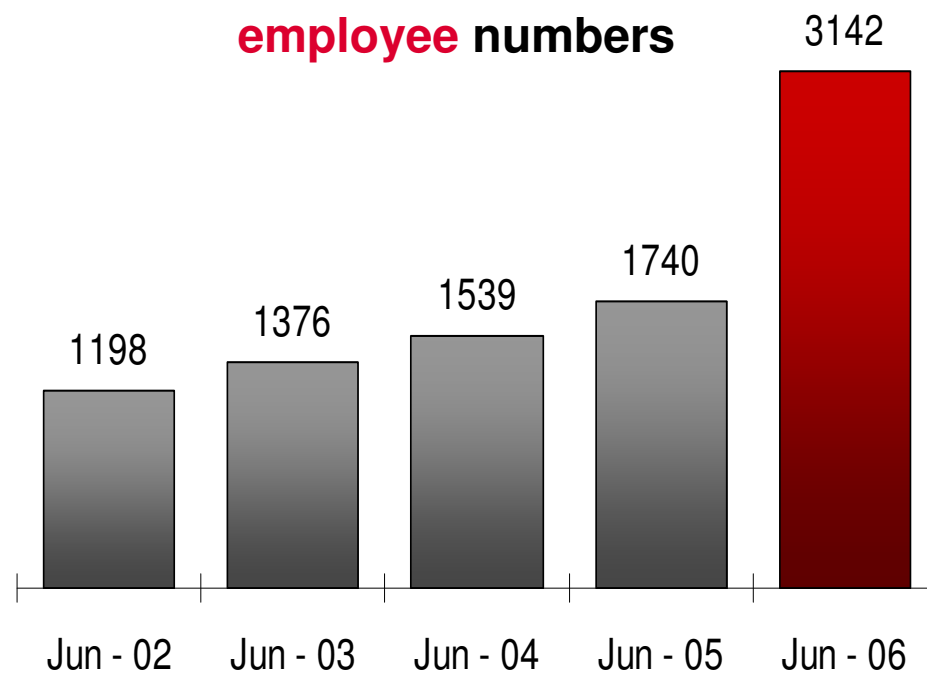
## safety performance

### total case injury frequency rate (TCIFR)



- TCIFR ↓ **23%** from previous year
- Successful implementation of injury reduction initiatives

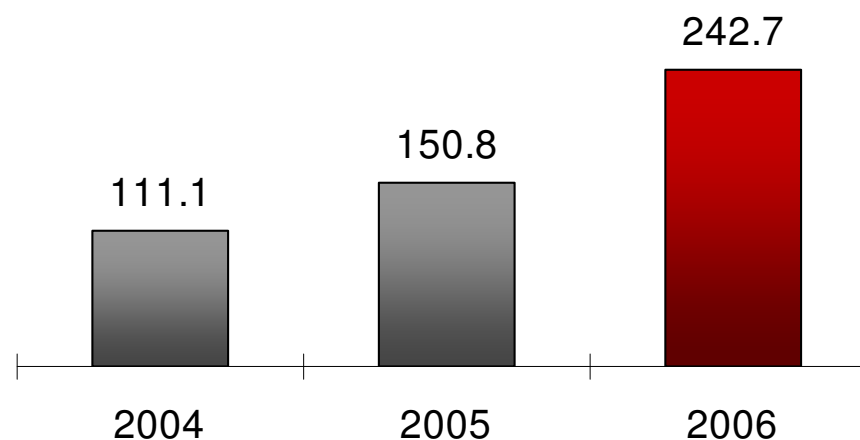
## increased workforce



- Right people recruitment and retention strategy a key focus
  - Overseas recruitment for professional staff ongoing
  - Expanded graduate program
  - Professional development and skill training programs

## maintenance & industrial services division

### sales revenue \$m



- Revenue ↑ 61% from previous year
  - Full year revenues from previous financial year contract wins
  - Rapidly growing Queensland market
  - New major contract wins
  - Strong performances across all operations of the division



## M&IS division highlights

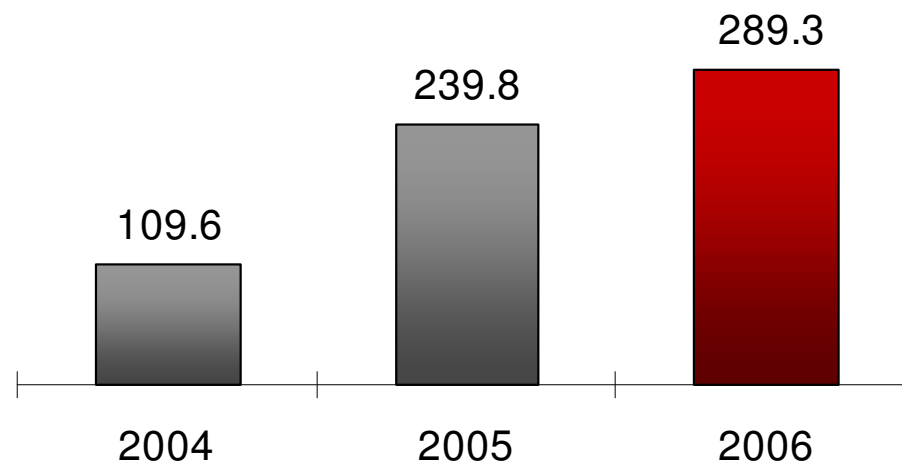


- **100%** of major service contracts retained
- Award & establishment of new service contracts :
  - Comalco's Boyne Smelter, Gladstone, QLD
  - Incitec Pivot shutdown, Gibson Island, QLD
  - Rio Tinto Iron Ore's Tom Price mine, WA
  - Rio Tinto's Cape Lambert operations, WA
- Important oil and gas services contract secured with ConocoPhillips for Darwin LNG facility
- Instrumentation and electrical subsidiary (MIE) revenue contribution of **\$26m**
- Skystar ground handling doubled revenue to **\$15m**

## engineering construction division



### sales revenue \$m



- Revenue **↑ 21%** from previous year
- **\$500m** new contracts secured since December 2005
- Recorded over **two million** manhours lost time injury free during the year

## EC division highlights

- Successful progress of major contracts:
  - Iron ore stockyards expansion; Rio Tinto Iron Ore Dampier Port Upgrade project, WA
  - Sulphuric acid plant construction; BHP Billiton's Ravensthorpe Nickel Project, WA
  - Stockpile capacity extension; BHP Billiton Mitsubishi Alliance (BMA) Hay Point Coal Terminal, QLD
  - Iron ore facility expansion; BHP Billiton's Rapid Growth Project (RGP2) at Nelson Point and Finucane Island, WA
  - Iron ore facility expansion; Rio Tinto Iron Ore Yandicoogina mine, WA



## EC division highlights

- **\$500m** of new major contracts secured:
  - Largest ever contract won (**\$180m**) with BHP Billiton Iron Ore for Rapid Growth Project 3 (RGP3), port expansion at Nelson Point and Finucane Island, WA
  - BHP Billiton's Yabulu Nickel Refinery Extension Project, QLD
  - Rio Tinto Iron Ore Dampier Port Upgrade Phase B project, WA
  - Central Queensland Port Authority (CQPA), Rail Receiving Station construction at Gladstone Port, QLD
  - Rio Tinto Iron Ore Yandi Junction South East project, WA
  - August 2006, secured another RGP3 contract (**\$120m**) with BHP Billiton Iron Ore for Mining Area C expansion



## our strategy

- Maximise core business – concentrate on earnings quality
  - Blue chip customers & long term relationships
  - Larger and longer contracts
- Growing recurring revenues
- Leverage capability further into oil and gas, power and water sectors
- Grow electrical and instrumentation services business
- Continue to pursue strategic acquisitions
- Processes and systems to match growth
- Protect and enhance reputation → right people-right culture

## outlook

- Strong and high quality workload expected to deliver further revenue and earnings growth in 2006/07
- Core market conditions expected to be strong for two to three years
- Growth dependent on project timing and industry capacity constraints
- Focus on earnings quality given continuing skills shortages and overheated supply chain
- Current extraordinary organic growth rates are not sustainable in the long term