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MONADELPHOUS DELIVERS EARNINGS GROWTH FOR TENTH CONSECUTIVE YEAR

• Sales Revenue	\$1,444M	(+13.2%)
• EBITDA	\$153.3M	(+18.5%)
• Operating Cash Flow	\$125.2M	(+30.5%)
• Net Profit After Tax	\$95.1M	(+14.2%)
• Earnings per Share	108.8c	(+12.4%)
• Final Dividend [cps ff]	55.0c	(+14.6%)
• Net Cash Position	\$129.5M	(+11.1%)

Perth: Leading Australian engineering company Monadelphous Group Limited (**ASX: MND**) (“Monadelphous” or “the company”) today announced a record profit after tax of \$95.1 million for the full year ended 30 June 2011. The 14.2 per cent increase on the previous year ensured Monadelphous maintained its upward performance trend to deliver the tenth consecutive year of earnings growth.

Strong revenue growth was achieved across the Company’s operations and in all key markets – resources, energy and infrastructure – with total sales revenue for the year increasing by 13.2 per cent to a record \$1.44 billion.

Earnings before interest, tax, depreciation and amortisation were \$153.3 million, up 18.5 per cent. Earnings per share rose 12.4 per cent to 108.8 cents.

The Group’s balance sheet remained robust with a net cash position of \$129.5 million at year-end, resulting from a continued strong cash conversion rate.

The Board of Directors has declared a final dividend of 55 cents per share fully franked, up 14.6 per cent on the previous corresponding period. This takes the full-year dividend to 95 cents per share fully franked, a 14.5 per cent increase on the previous year.

Monadelphous continued to win work during 2010/11 with approximately \$650 million in new contracts and contract extensions secured and a further \$350 million awarded subsequent to the reporting period.

The Company maintained an increasing focus on its goal of zero harm with ongoing investment in health and safety management. The implementation of the Company-wide safety leadership program continued with the rollout of “*The Safe Way is the Only Way*” policy message, a powerful directive that underpins safety culture across the Group.

The total workforce increased to 5,649 at year-end, up 4 per cent on 12 months earlier. Monadelphous intensified its domestic and international recruitment campaign to attract people who will contribute to the Company’s continued success and meet increasing resource requirements into the future.

Other employee recruitment and retention initiatives implemented by the Group included the redevelopment of its careers website, an increased graduate intake, a focus on Indigenous and apprentice participation and an Employee Benefits Program.

The Monadelphous Integrated Learning Centre at the University of Western Australia (UWA) was opened officially in April 2011. The world-class facility is part of UWA's Faculty of Engineering, Computing and Mathematics and is designed to support the development of more job-ready engineers.

Performance Drivers

Managing Director Rob Velletri said Monadelphous's strong revenue growth for the period was achieved across all three operating divisions and in all markets – resources, energy and infrastructure.

“Continued strengthening of the resources and energy markets and significant scope growth on a number of major projects has contributed to the strong result achieved by the Group,” Mr Velletri said.

In line with its diversification strategy, Monadelphous established its Infrastructure division on 1 July 2010. This division consists of water, transmission pipelines, solid waste management and aviation support services.

The Company expanded its footprint in the infrastructure market through the acquisition of specialist transmission pipelines constructor KT Pipeline Services, which enhanced capabilities and broadened the services available to resource and energy customers.

On 5 July 2011 Monadelphous purchased asset management company PearlStreet Energy Services Pty Ltd, which has been renamed Monadelphous Energy Services Pty Ltd. This business has two long-term contracts in the power sector. The acquisition will strengthen Monadelphous's operation and maintenance capabilities and expand infrastructure services into the power sector.

Outlook

Mr Velletri said the long-term outlook for major engineering construction services remains positive with record levels of forecast capital investment in domestic resources and energy projects over the next few years. Monadelphous's strong position in these markets will enable it to capitalise on the emerging pipeline of opportunities across all market sectors, particularly in Western Australia and Queensland.

Growth opportunities for recurring revenue streams from maintenance and industrial services will continue as the pipeline of resources and energy projects reach completion and become operational.

With a number of significant projects underway across its core markets, Monadelphous has entered the 2011/12 financial year with a healthy workload.

“In the past few months Monadelphous has seen an unprecedented volume of tendering activity, signalling the approach of a large new wave of development activity in its core markets. Construction and maintenance services opportunities in iron ore, coal and LNG developments in Western Australia and Queensland dominate the Company's long list of prospects,” Mr Velletri said.

“We are confident of securing a number of significant opportunities in the first half of the new financial year which will underpin strong ongoing revenue flows. Timing of projects remains a risk in the short term.”

Recognising that labour supply will tighten as large-scale projects enter the next development phase, Monadelphous will continue to invest in attraction, development and retention strategies to secure skilled labour.

The Group will continue to develop its growth strategy in infrastructure markets with its Infrastructure division continuing to focus on organic growth in the established markets of transmission pipelines, water, solid waste management and aviation support services and aiming to expand services to the power sector through the recent PearlStreet Energy Services acquisition.

Dividend Entitlements

The final dividend of 55 cents per share fully franked will be paid to shareholders on 16 September 2011, with the record date for entitlements being 9 September 2011.

FURTHER INFORMATION:

Analysts/Investors: Rachael Cutler
Investor Relations Manager
Monadelphous Group Limited
T: +61 8 9315 7429
M: +61 (0) 457 539 985
E: RCutler@monadel.com.au

Media: David Tasker
Group Director
PPR
T: +61 8 9388 0944
M: +61 (0) 433 112 936
E: david.tasker@ppr.com.au

ABOUT MONADELPHOUS

Monadelphous Group Limited is a leading Australian 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. For more information or to join our free email alerts service visit:

www.monadelphous.com.au

OPERATING DIVISIONS REVIEW

Annual Sales Revenues

Engineering Construction	\$929.8M	(+10.2%)
Maintenance and Industrial Services	\$401.3M	(+6.7%)
Infrastructure	\$157.8M *	(+167.0%)
Internal Sales Eliminations	(\$45.0M)	
TOTAL	\$1,443.9M	(+13.2%)

* Inaugural financial year, growth on a like-for-like basis

Engineering Construction Division

The Engineering Construction division achieved record sales revenue of \$929.8 million in 2010/11, an increase of 10.2 per cent on the previous year. The strong sales result reflected a healthy workload entering the financial year, combined with strong performance and significant scope growth on a number of major construction contracts.

Monadelphous was a key provider of engineering construction services on Woodside's Pluto LNG Project. This involvement has provided the platform for the further development of the Company's expertise in LNG construction and commissioning. The award of additional works and a new contract to provide mechanical commissioning support for Woodside at the Pluto LNG Plant endorses this capability. Monadelphous is now established as a major participant in the construction and commissioning of large-scale projects for LNG customers.

Major projects undertaken during the year included:

- Structural, mechanical, electrical and piping works associated with Rio Tinto's Brockman 4 Project at Brockman in Western Australia (WA);
- Structural, mechanical and piping works for BHP Billiton at Yandi Hub in WA;
- Structural, mechanical, electrical and piping works for BHP Billiton Worsley Alumina's Efficiency and Growth Project at Collie in WA;
- Structural, mechanical and piping works associated with Woodside's Pluto LNG Project at Karratha in WA;
- Installation of a new automated alumina delivery system and associated infrastructure for Boyne Smelters at Gladstone in Queensland (Qld);
- Mechanical and electrical instrumentation works for Boyne Smelters at Gladstone in Qld; and
- Ball mill structural and mechanical works for MCC at CITIC Pacific Mining's Sino Iron operation at Cape Preston in WA.

The division invested in plant and equipment and specialist personnel to further develop its heavy-lift capability. This has enhanced the division's ability to deliver on-site installation of pre-assembled modules on large-scale projects.

During the year, the division was awarded more than \$260 million in new projects. These included:

- Structural and mechanical works for BHP Billiton at the Finucane Island iron ore port facilities in WA;
- Structural and mechanical shutdown works for BHP Billiton at Nelson Point in WA;
- Train load out facility for BHP Billiton at Yandi Hub in WA;
- Structural and mechanical works at Newcrest Mining's Cadia East Project at Orange in New South Wales (NSW);
- Structural, mechanical and piping works for MCC at CITIC Pacific Mining's Sino Iron Project at Cape Preston in WA;
- Structural and mechanical works for Rio Tinto at its iron ore port facility at Cape Lambert in WA; and
- Electrical and instrumentation installation for Newcrest Lihir Gold at the Million Ounce Plant Upgrade Project at Lihir Island, in Papua New Guinea (PNG).

In August 2011, subsequent to the reporting period, the division secured four new contracts with key customers in the Queensland coal industry.

These included two contracts totalling approximately \$100 million for civil, structural, mechanical and electrical work to supply and install ore handling and conveyor facilities associated with the extension project at the Rio Tinto Coal Australia-managed Kestrel Mine in Queensland.

The division was also awarded two contracts with BHP Billiton Mitsubishi Alliance's (BMA) Project Delivery Group for ongoing construction work on various sites in the northern region of the Bowen Basin over two years.

Maintenance and Industrial Services Division

The Maintenance and Industrial Services division achieved record sales revenue of \$401.3 million, an increase of 6.7 per cent on the previous year.

During the year, the division was awarded more than \$220 million in new contracts and contract extensions.

Major new contract wins included a three-year sustaining capital works contract for Queensland Alumina Limited in Queensland and an initial one-year maintenance services contract with Rio Tinto Dampier Salt in Western Australia.

Major service contract extensions included:

- A three-year contract extension with Oil Search for multidisciplinary maintenance and construction services, including additional associated gas works for the LNG project, in PNG;
- A three-year contract extension to provide support to BHP Billiton's Olympic Dam copper-uranium operation in South Australia (SA); and
- A one-year extension of a general services contract with Chevron (WA Oil) at Barrow Island in WA.

In August 2011, subsequent to the reporting period, the division secured a major three-year contract valued at approximately \$100 million with BHP Billiton Mitsubishi Alliance (BMA) to undertake dragline and shovel shutdown work across its Bowen Basin coal operations.

Also in August 2011, the division was awarded a new three-year contract to provide minor capital project services for BHP Billiton Worsley Alumina's Refinery Project at Collie in Western Australia. The contract formally extends a continuous service relationship with Worsley Alumina which commenced in 2004.

The Maintenance and Industrial Services division was named the winner of the Rio Tinto Iron Ore Supplier of the year award for excellence in the category of Construction and Maintenance. This was a highlight of the reporting period and testament to the quality of services provided by Monadelphous.

Infrastructure Division

Monadelphous made significant progress in the execution of its infrastructure market expansion strategy during the year. The Infrastructure division delivered sales revenue of \$157.8 million in its inaugural financial year resulting in growth on a like-for-like basis of 167 per cent.

The inception of the division on 1 July 2010 consolidated a portfolio of businesses in water, transmission pipelines, solid waste management (through a joint venture with AnaeCo) and aviation support services. The division's formation reflects the successful execution of Monadelphous's diversification strategy that has occurred through organic growth and acquisition in selected infrastructure segments. The acquisition of PearlStreet Energy Services Pty Ltd (renamed Monadelphous Energy Services Pty Ltd) will expand infrastructure services to the power sector.

Major infrastructure projects substantially completed include:

- Design, supply, commissioning and maintenance of reverse osmosis water treatment systems for Chevron Australia's Gorgon LNG project at Barrow Island in WA;
- Civil, structural, mechanical and electrical works for the Nambucca Heads Sewage Treatment Plant and associated infrastructure for the Nambucca Shire Council in NSW;
- Construction of the Burpengary East Sewage Treatment Plant Upgrade for Unity Water in Qld; and
- Construction of the Cowra Sewage Augmentation Project for the Cowra Shire Council in NSW.

During the year the division was awarded \$170 million in new infrastructure contracts. These included:

- Pipes, cables and tubes project for Chevron Australia's Gorgon LNG Project at Barrow Island in WA;
- Construction of intake and outfall pipelines for the desalination plant with Sino Iron at CITIC Pacific Mining's Sino Iron Project at Cape Preston in WA;
- Construction of a new waste water treatment plant at Iluka for the Clarence Valley Council in NSW;
- Supply and construction of a new waste water treatment facility for the Water Corporation at Picton, near Bunbury in WA; and
- Design and construction, with joint venture partner AnaeCo, of the Stage 2 expansion of the DiCOM bioconversion waste processing facility for the Western Metropolitan Regional Council at Shenton Park in WA.

Following the acquisition of KT Pipeline Services, Monadelphous made a significant investment in specialised pipeline equipment to support its future growth.

The Company's aviation support services business, Skystar Airport Services, continued to grow. Strong operational performance was maintained with exceptional on-time performance of 99.5 per cent.

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