

MEDIA RELEASE

February 21, 2006

MONADELPHOUS RECORD PROFIT GROWTH CONTINUES **- Directors Forecast \$500 million Revenue for Full Year**

• Sales Revenue	\$243M	(+22%)
• EBITDA	\$20.8M	(+53%)
• Profit after Tax	\$12.5M	(+56%)
• Earnings per Share	15.6c	(+53%)
• Interim Dividend	9cps	(+71%)

Monadelphous Group Limited (**ASX: MND**) has maintained its record year-on-year profit growth, today announcing an interim net profit of \$12.5 million for the six months ended December 31, 2005.

The result consolidated the company's compound growth momentum – the 56% increase in after tax profit for the latest six-month reporting period was achieved on top of an exceptional 101% jump in the bottom line for the previous corresponding half-year.

Revenues for the reporting period were \$243 million, up 22%. The Directors have forecast continuing healthy business growth in the second half, fuelled principally by the mining and minerals processing boom, with total revenues expected to reach \$500 million for the first time for the full year.

The Board declared an interim dividend of 9 cents per share fully franked, an increase of 71%. Earnings per share were up 53% to 15.6 cents per share. Cash flows from operating activities was a record \$37.1 million (compared to \$15.6 million previously).

“Record levels of resources sector development activities continue to drive strong demand, with a pipeline of projects mainly in Western Australia and Queensland. This is providing numerous opportunities for both our Engineering Construction and Maintenance and Industrial Services divisions. Margins should continue to improve from the favourable market conditions and increasing economies of scale. The market outlook is forecast to remain positive for the next two to three years,” Mr Rob Velletri, Managing Director of Monadelphous, said.

The buoyant outlook resulted in the Monadelphous Board reaffirming the company's intention of paying shareholders a special dividend together with the September final dividends for both the 2005/06 and 2006/07 financial years.

Maintenance and Industrial Services Division Strategies Reaping Results

Sales revenue from the Maintenance and Industrial Services division increased a healthy 66% to \$112.8 million for the half-year period. This mainly reflected revenues flowing through for the full six months reporting period from contracts secured in the previous financial year in the rapidly growing Queensland market – principally the Boyne Smelters and Comalco Alumina Refinery facilities, both located in Gladstone.

“Three years ago we split Engineering Construction and Maintenance and Industrial Services into separate divisions to give each of them greater focus. We also set up a separate office in Brisbane to develop the Maintenance and Industrial Services division business in eastern Australia. We are now reaping the results of those strategies,” Mr Velletri said.

The company’s Skystar Airport Services ground handling business is on track to achieve a more than doubling of revenue to \$15 million for the full year. However, with new contracts won with Singapore Airlines in Perth and Brisbane, Qantas in Kalgoorlie, WA and the establishment of operations in New Zealand servicing Jetstar at Christchurch airport, Skystar’s annualised revenues have now reached \$20 million.

“This is an emerging market. We see significant opportunities for sustained growth in Skystar’s business in the Australian and New Zealand markets.”

Engineering Construction Winning New Work

The performance of Monadelphous’ Engineering Construction division continued to be strong with all projects delivering solid operational performance. Revenues of \$130.6 million were recorded for the six-month period. Only the timing of new contracts prevented the company from at least matching the unprecedented spike in revenues in the first half of the previous financial year (\$131.6 million).

Around \$200 million of major new contracts have been secured by the division since December 2005, providing momentum for further revenue growth in engineering construction in the second half. These included:

- Structural and mechanical construction works associated with the expansion of iron ore facilities at Rio Tinto Iron Ore’s Yandicoogina mine in WA.
- Structural, mechanical and electrical works for the Yabulu Nickel Extension Project at BHP Billiton’s Yabulu Nickel Refinery at Townsville in Queensland.
- Structural and mechanical construction works for Rio Tinto Iron Ore’s Dampier Port Upgrade Phase B project in WA.

Highlights for the half-year reporting period included substantial progress on major contracts, including:

- Expansion of iron ore stockyards associated with Rio Tinto Iron Ore’s Dampier Port Upgrade project in WA.

- Construction of the Sulphuric Acid Plant associated with BHP Billiton's Ravensthorpe Nickel Project in WA.
- Extension of stockpile capacity at the BHP Billiton Mitsubishi Alliance (BMA) Hay Point Coal Terminal at Mackay in Queensland.
- Major expansion of iron ore facilities associated with BHP Billiton's Rapid Growth Project 2 (RGP2) at the Nelson Point and Finucane Island port facilities at Port Hedland in WA.

Mr Velletri said iron ore expansions in Western Australia continued to provide major opportunities for the Engineering Construction division, with activity in the sector forecast to continue strongly for the next few years.

He said a separate business unit had been established to expand and diversify engineering construction services further into industrial sectors not tied to minerals commodity prices. The new unit will target the oil and gas sector and the infrastructure areas of power and water. The strategic restructure will increase the capacity of the division for further long-term growth, as well as developing a broader revenue base.

Skills Shortages Remains a Major Challenge

Mr Velletri said skilled labour shortages continue to restrain the company's capacity for growth. Strategies to attract, recruit and retain the right people continue to receive a high level of attention by management. Recruitment campaigns for professional engineering personnel were conducted during the period in the UK, Canada and South Africa, with further overseas recruitment activities to be undertaken on an ongoing basis.

"Our international recruitment activities have enabled us to secure some high-level professionals to assign to key impact areas of our operations. However, people resource constraints will continue to provide our greatest management challenge in the current business environment," he said.

Dividend Entitlements

The interim dividend will be paid to shareholders on March 17, 2006, with the record date for entitlements being March 10, 2006.

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Monadelphous Group Limited is a leading engineering group providing extensive engineering construction, maintenance and industrial services to the resources, energy and infrastructure sectors. The company has a solid track record in the safe and reliable delivery of major multi-disciplinary construction projects and maintenance and industrial services for customers throughout Australia. Website: www.monadel.com.au