

Monadelphous Group Limited

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17 February 2009

Company Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000
Australia

Dear Sir/Madam

RE: Monadelphous delivers on profit growth forecast

Please find attached a copy of the Media Release to be issued today by Monadelphous Group Limited as part of the company's interim 2009 results release.

Sincerely



Giles Everist
Company Secretary



ASX MEDIA RELEASE

17 February 2009

**MONADELPHOUS DELIVERS
ON PROFIT GROWTH FORECAST**

• Sales Revenue	\$562.7M	(+22.3%)
• EBITDA	\$57.5M	(+11.9%)
• Operating Cash Flow	\$74.5M	(+400.1%)
• Profit after Tax	\$36.8M	(+14.9%)
• Earnings per Share	43.7c	(+13.1%)
• Interim Dividend	30cps ff	(+3.4%)
• Net Cash Position	\$129.7M	(+187.5%)

Perth: Leading Australian engineering company Monadelphous Group Limited (**ASX: MND**) today announced a record after tax profit of \$36.8 million for the half year ended 31 December 2008, up 14.9 per cent on the previous corresponding period – a result in line with guidance outlined at the Annual General Meeting in November.

Sales revenue for the interim reporting period was up 22.3 per cent to \$562.7 million from increased levels of activity across all of the company's operations.

The Board declared an interim dividend of 30 cents per share fully franked, up 3.4 per cent on the previous corresponding period.

Monadelphous Managing Director Rob Velletri said while the global financial crisis and falls in commodity prices had rapidly changed market conditions, with a number of customers deferring projects and cutting back capital expenditure, the vast majority of the company's committed projects are proceeding as planned.

"The direct business impact of the global financial environment has to date not been of sufficient significance to revise the second half outlook. Monadelphous continues to expect to deliver on its forecast for double digit growth in normalised full year profit after tax," Mr Velletri said.

Solid revenue growth was achieved from the high value of contracts won in the previous financial year, coupled with volume growth on established contracts. The company continued to win work, with around \$400 million worth of new contracts and contract extensions secured during the interim period. The company is also preferred tenderer for around \$150 million worth of additional contracts going forward.

Cash flow from operations for the first half was a healthy \$74.5 million, resulting in a net cash position of \$129.7 million - up from \$45.1 million for the previous corresponding period. Net cash was \$101.6 million at 30 June 2008.

"Monadelphous' strong balance sheet provides the company with significant strength to pursue consolidation and acquisition opportunities which may arise from the current market," he said.

The company's workforce numbers increased in line with work levels, ending the half year reporting period with 4,782 employees - an increase of 26 per cent in the past 12 months.

Mr Velletri said in light of the challenges of a more uncertain economic outlook, the company's annual in-house strategic review has switched from the previous focus on *expanding capacity*, to one of *maximising efficiency*.

He said market financial realities dictated that pressure was likely to be placed on operating margins. In response, with the significant easing in labour and supply constraints, the review would be aimed at reducing operating and fixed costs and improving productivity. The review would also focus on opportunities to consolidate the organisational structure, with the goal of improving operating efficiencies.

Capital Management

The company's strong net cash position, low ongoing capex requirements and prudent financial management provides flexibility to take advantage of opportunities in the prevailing market environment.

In November 2008, the company announced its intention to buy-back up to two million shares over the coming 12 month period.

The on-market buy-back forms part of Monadelphous Group's ongoing commitment to maintain an optimal capital structure for the benefit of shareholders. It will not impact on any special cash requirements, or the company's capacity to continue to pay fully franked dividends for the foreseeable future.

Company Outlook

Monadelphous entered the 2008/09 financial year with a strong forward workload and in a solid position to deliver another year of growth.

The Board believes that while the global financial scenario has created significant uncertainties for growth prospects in the medium term, there remains customer confidence in long term resources and energy demand with a number of core customers continuing their development plans. This has been evident in the bulk commodity markets of oil and gas, coal and iron ore. BHP Billiton's recent announcement committing to their next iron ore expansion in Western Australia's Pilbara region, Rapid Growth Project 5 (RGP5), is particularly encouraging.

With the broader minerals sector slowing, Mr Velletri said Monadelphous will be accelerating efforts to grow its recurring revenue base and expand further into the oil and gas and infrastructure markets. In particular, the company's strengthening position in the water sector will provide ongoing revenue growth opportunities.

"A solid forward workload with an expanding quality customer base, market leading reputation and a strong balance sheet, places Monadelphous in a very sound position to deal with the challenges ahead," he said.

Dividend Entitlements

The interim dividend of 30 cents per share fully franked will be paid to shareholders on 13 March 2009, with the record date for entitlements being 6 March 2009.

FURTHER INFORMATION:

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OPERATIONAL DIVISIONS REVIEW

Half Year Sales Revenues

Engineering Construction	\$324.5M	(+22.3%)
Maintenance and Industrial	\$190.2M	(+18.6%)
Electrical and Instrumentation	\$48.9M	(+21.5%)
Skystar Airport Services	\$4.9M	(+46.6%) *

Engineering Construction

The Engineering Construction division continued its high level of activity, recording sales revenue of \$324.5 million - an increase of 22.3 per cent on the prior corresponding period. As previously outlined at the 2007/08 full year results, the Engineering Construction division benefited from a strong forward workload entering the 2008/09 period.

In October 2008, Monadelphous announced that the Engineering Construction division had been awarded a \$140 million structural, mechanical, piping, electrical and instrumentation (SMPE&I) package of work associated with the Worsley Alumina Efficiency and Growth Expansion Project (E&G Project) in Western Australia.

In November 2008, the company also announced the award of \$76 million worth of multi-disciplinary packages of work associated with the Abbot Point Coal Terminal (APCT) X50 Expansion Project in Queensland.

These contract wins highlight both Monadelphous' growing capability to seamlessly undertake large scale, multi-disciplinary engineering construction projects and of the company's decision to expand MIE's operations in WA last year.

Monadelphous continues to successfully push into infrastructure markets when, late in the reporting period, the company was awarded a \$30 million contract to upgrade the Burpengary East Sewerage Treatment Plant in Queensland. This project continues to build on the company's growing presence in the water market and follows on from a number of successful water projects in WA and Queensland.

Other major projects which were in progress at the end of the period included:

- Structural, mechanical and piping works associated with Newmont's Boddington Gold Mine Expansion in WA;
- Construction of the onshore gas plant associated with Eni's Blacktip Development Project in the Northern Territory;
- Structural, mechanical and piping works at the Newman Hub associated with BHP Billiton Iron Ore's Rapid Growth Project 4 (RGP4) in WA; and
- Construction of the Lake Cathie / Bonny Hills Sewerage Treatment Plant for the Port Macquarie-Hastings Council in NSW.

The Engineering Construction division's healthy forward workload, including over \$250 million in new major construction contracts awarded during the interim 2008/09 period, largely underpins the company's growth across the remainder of 2008/09.

Maintenance and Industrial Services

The Maintenance and Industrial Services division continued its long standing sales growth trend during the reporting period, driven by both increased service volumes and new contracts. The major highlight was the award of new contracts and contract re-competes valued at over \$150 million, including those for:

- ConocoPhillips Darwin LNG Plant in the Northern Territory;
- Incitec Pivot across their operations in Queensland;
- Rio Tinto at their iron ore operations at Tom Price, Paraburdoo and Cape Lambert in WA;
- BHP Billiton's Olympic Dam Operations in South Australia; and
- Sandvik associated with Port Waratah Coal Services (PWCS) coal terminal in Newcastle, NSW.

Electrical and Instrumentation Services

Monadelphous' electrical and instrumentation services company, MIE also experienced solid growth during the period capitalising on its recent expansion into the WA market. Major highlights for the period included:

- Substantial progress on a major contract associated with Newmont's Boddington Gold Mine Expansion in WA;
- The award of major works associated with the Worsley Alumina E&G Project in WA; and
- Award of a major contract for the APCT X50 Expansion Project in Queensland.

Skystar Airport Services

Excluding the impact from the partial divestment of Skystar Airport Services (Skystar) operations to Toll Dnata in January 2008, Skystar delivered strong underlying* sales growth of 47 per cent to \$4.9 million during the period.

As part of our broad focus on service delivery excellence to the Qantas group, the company has also expanded the relationship following the award of a new contract with Jetstar at Perth International Airport.

– ENDS –

ABOUT MONADELPHOUS

Monadelphous Group Limited is a leading Australian engineering group providing construction, maintenance and industrial services to the resources, energy and infrastructure 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 encompass 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. www.monadelphous.com.au