

24 November 2009

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

Dear Sir/Madam

Re: 2009 AGM Chairman's and Managing Director's Address

Please find attached a copy of both the Chairman's and Managing Director's Address to shareholders to be issued today by Monadelphous Group Limited as part of the company's 2009 Annual General Meeting.

Yours sincerely



PHILIP TRUEMAN
Company Secretary

MONADELPHOUS GROUP LIMITED 2009 ANNUAL GENERAL MEETING

Chairman's Address John Rubino

SLIDE 1 – TITLE SLIDE

Good morning ladies and gentlemen.

My name is John Rubino and I am Chairman of the Board of Directors of Monadelphous Group Limited. On behalf of the Board of Directors, it is my pleasure to welcome you to the 2009 Annual General Meeting of Monadelphous Group.

As it is now a little past 10am and we have a quorum, I declare the meeting open.

For your safety, if we are required to leave the venue in an emergency please exit using the doors to my left and muster in the bottom car park.

SLIDE 2 – BOARD OF DIRECTORS

Before commencing the business of the meeting, I would like to start by introducing you to each of my fellow Directors and Officers.

Starting from my immediate left are:

- Robert Velletri, Managing Director
- Peter Dempsey, Non-Executive Director & Chairman of Audit Committee
- Chris Michelmore, Non-Executive Director & Chairman of Remuneration Committee

and to my right are:

- Zoran Bebic, CFO and Company Secretary and
- Irwin Tollman, Non-Executive Director

Thank you gentlemen.

Here today, representing our Auditors, Ernst & Young, is Peter McIver. On behalf of the Board I would like to thank the auditors, once again, for a job well done.

SLIDE 3 – AGENDA

The order of business for today will be as follows. First, I will take this opportunity to speak briefly about the group and financial highlights for the year, our historical performance and finally, our competitive advantage in the market place.

Then I will hand over to Rob to deliver his address on the business highlights, strategy, market conditions and the outlook for the Group. After Rob's presentation, there will be an opportunity for shareholders to ask questions.

Following this, Zoran will take us through the formal business of the day. That will conclude the Annual General Meeting and light refreshments will then be served in the rear ante-room.

SLIDE 4 – CHAIRMAN'S ADDRESS

SLIDE 5 – GROUP HIGHLIGHTS

I am pleased to report Monadelphous Group has continued its strong year-on-year performance with the achievement of record sales and earnings for the year ended 30 June 2009.

Profit after tax was a record \$74.2 million, up 12 per cent on an underlying basis compared to the prior corresponding period. Similarly, earnings per share rose 11 per cent to 87.5 cents.

The Board of Directors declared a total dividend of 74 cents per share fully franked, an increase of 3 per cent on the prior corresponding period. The full year dividend payout represents an 85 per cent payout rate and is in line with the Board's dividend payment policy.

All of the company's operating divisions achieved solid organic growth during the year as our sales increased 18 per cent to \$1.12 billion. Group margins remained healthy but have eased in line with market conditions. Strong operating cash flow performance continued to be a key feature of our business increasing 23 per cent to \$113.8 million.

Strong operational performance was driven by the high value of contracts awarded in the previous financial year along with continued volume growth on established contracts. The company's workforce numbers increased in line with these work levels, and was up 9 per cent at the end of the period to 4,211 employees. Another feature of the year was the healthy level of tendering success across a number of markets with the award of approximately \$700 million in new contracts and contract extensions.

The year saw further progress in diversifying our business from our traditional mining and minerals markets. To that end, we secured approximately \$250 million in oil and gas and infrastructure work.

Faced with a more uncertain and competitive business environment, we also focussed our efforts on improving our operating efficiency, working on reducing our operating and fixed costs and consolidating some parts of our organisational structure.

Finally, our strong net cash position of \$127.3m and prudent financial approach continue to provide us with a good level of financial flexibility as we go forward.

SLIDE 6 – HISTORICAL PERFORMANCE

Looking back through time, it is evident this unique approach, positioning and reputation in the market place is creating significant value to shareholders.

During this time, the business has also undertaken a significant transformation on the back of our continued organic growth, strengthening position in core markets, diversification into a number of new markets and ultimately, our focus on earnings quality.

Over the last five years, the Company has delivered consistent and strong financial performance. During this time, we have continued to deliver well above average returns to our shareholders.

Since 2003/04, dividends per share have risen nearly ten-fold (7.5 to 74.0 cents) amounting to cumulative dividend payments to shareholders of \$227 million. This represents a dividend payout rate of 89 per cent per annum over the past five years and is consistent with the Board's dividend payment policy to return between 80 and 100 per cent of earnings in the form of dividends.

These strong and consistent results are a testament to our long term operational and financial strategies.

Finally, the essence of our competitive advantage in the marketplace, our conservative approach, execution focus and reputation, together with our financial flexibility continue to position us well in the current industry and economic environment.

Before I hand over to Rob, I would like to congratulate both our management and our staff on the solid results that Monadelphous achieved again this year. I am always impressed by the dedication and enthusiasm our people bring to their work and I would like to thank them all for their ongoing efforts.

I will now ask Rob to present an overview of the business highlights and strategy and provide further information on our market conditions and outlook.

Managing Director's Address

Robert Velletri

SLIDE 7 – MANAGING DIRECTOR'S ADDRESS

Thank you John and good morning ladies and gentlemen.

As John has advised, the 2008/09 financial year has been one of significant financial, operating and strategic progress as we continue to deliver strong results.

SLIDE 8 – DIVISIONAL HIGHLIGHTS

One of the key features of the result this year was the achievement of strong organic revenue growth across all divisions. On an underlying basis, sales growth across each of our divisions was between 11 and 43 per cent – a solid outcome in any environment.

The Engineering Construction division recorded sales revenue of \$674.8 million, an increase of 17.2 per cent on the prior period. The record level of activity reflected the strong forward workload moving into the 2008/09 year, plus scope extensions on a number of construction contracts. During the year, the Division was awarded more than \$500 million in new construction contracts across a broad base of resources, energy and infrastructure sectors. A major highlight for the period was the award in May of a \$170 million contract with Woodside for major works associated with their \$12 billion Pluto LNG Project in Western Australia.

The MiE division consolidated its national electrical and instrumentation services capability following the award and substantial completion of a number of significant projects. The division recorded sales of \$100.2 million, which is up 31.8 per cent on the prior corresponding period. On the 1st July 2009, the MiE division was incorporated into the Engineering Construction division. This restructure will enable more efficient and effective delivery of multi-disciplinary structural, mechanical and electrical installation services to our customers.

Finally, the Maintenance and Industrial Services division continued to perform solidly with the retention of all key customers, contracts and sites. The Division produced record sales of \$351.9 million, an increase of 11.1 per cent on the prior period. Pleasingly, a total of approximately \$200 million in new contracts and contract extensions were awarded also over the past year.

SLIDE 9 – 2008/09 MAJOR CONTRACT WINS

During the year, all of our operating divisions achieved a healthy level of tendering success across all key markets; resources, energy and infrastructure.

Importantly, we were awarded approximately \$700 million in new contracts and contract extensions during the year across a variety of customers, services and geographies.

SLIDE 10 – 2009/10 MAJOR CONTRACT WINS TO DATE

Since June 2009, our tendering workload has continued to be strong and I'm pleased to report that we have been awarded a total of over \$400 million in new construction and maintenance services contracts across all our key markets; resources, energy and infrastructure.

New major constructions contracts include:

- The Pluto Offshore HUC for Woodside in WA
- Cape Lambert Mesa A Dust Suppression Works for Rio Tinto Iron Ore in WA
- Rio Tinto Iron Ore's Brockman 4 Project in WA and
- BHP Billiton Iron Ore's RGP5 Yandi Hub works in WA.

The company was also awarded new construction contracts in the water market including:

- Water Fluoridation Dosing Projects for SEQWater in Qld and
- The Nambucca Heads Sewerage Treatment Plant in northern NSW.

New major services contracts secured to date this financial year include:

- Two three-year shutdown and maintenance services contracts across Rio Tinto Iron Ore's Coastal and Inland West Operations in WA and
- A three year facilities management contract associated with the massive \$43 billion Gorgon LNG Project on Barrow Island in WA.

SLIDE 11 – PEOPLE PERFORMANCE

During the period, we continued to invest considerable time and resources in our most important strategic asset – our people. The Company's workforce numbers increased in line with work levels, ending the period with 4,211 employees – an increase of 9 per cent.

Over the past year, we have seen a welcome easing in labour market conditions. This easing in labour market conditions has supported the development of a more experienced and skilled workforce, enhancing business productivity. We have also gone some way to right size the business to meet the challenges of a more uncertain environment.

People and culture continue to be the key differentiator for Monadelphous. They deliver significant value to the business, support our market leadership position and create a barrier to entry.

Across the business, we further developed and consolidated our people performance and talent management programs with the aim of increasing the overall capability, skills and efficiency.

Notwithstanding the change in labour market conditions in recent times, people remain one of the key risks and opportunities for the Company.

SLIDE 12 – SAFETY SCORECARD

The health and safety of our employees remains our number one priority – it is fundamental to our culture and strategy.

Monadelphous has held an enviable reputation in recent times as an industry leader in health and safety performance – we aim to maintain and build on that position.

During the 2008/09 period, we maintained our strong safety performance. Our total case injury frequency rate (TCIFR) improved slightly to 8.3 incidents per million man hours worked.

A comprehensive review was conducted with the assistance of the leading world resources safety consultants, DuPont Safety Resources, which was aimed at determining the next stage of the company's health and safety improvement program.

The program is designed to lead us through the next phase of improvements over the next couple of years as we continue to strive for zero harm in our business.

As part of our Group HSE Strategic Plan, we have set ambitious HSE performance targets for 2009/10 and beyond to improve our performance. We will continue to target zero harm and ensure our people have a safe day, every day.

SLIDE 13 – OUR STRATEGY & 2009 PROGRESS

Now we move on to our strategy, market conditions and outlook.

Across 2008/09, we made substantial progress on each of our three strategic themes – markets and growth, people and productivity.

Looking at our Markets & Growth strategy – we continued to maintain a strong position in our core markets and significantly expanded our multi-disciplinary services capability; we've grown & strengthened our recurring revenue base and continued our market expansion into energy and infrastructure markets including taking a strategic stake in listed services company, Norfolk Group.

On the People side of the business – we have maintained our health and safety leadership position. We also worked hard at right sizing the business in a more challenging economic environment. Retention of staff has remained high and we also developed and consolidated our people performance and talent management programs through the year.

The Productivity component has received increased focus this year given the market environment. We have rolled-out our group business services function; we continued streamlining our management processes and; made some reductions in operating and fixed costs. Finally, we merged the EC/MiE operations to enable more efficient and effective delivery of multi-disciplinary services to our customers – which is a key feature of our growth strategy going forward.

SLIDE 14 – MARKET CONDITIONS

Over the last year, there has been a marked change in industry and economic conditions at a macro level. These conditions have been principally driven by a deteriorating credit market, lower commodity prices and the general economic environment.

While our traditional resources markets have softened, energy markets are forecast to grow significantly. The official go ahead of the massive Gorgon LNG Project in WA is a clear indication of the strength of this sector. We also see a healthy pipeline of opportunities available in infrastructure markets, particularly in the water and power industries.

Finally, on the outlook.

SLIDE 15 – OUTLOOK

Following the achievement of record sales and earnings in 2008/09, the company entered the 2009/10 financial year with a healthy forward workload.

With a high level of tendering activity from a broadening revenue base, the flow of work has continued at a steady pace with over \$400 million in new contracts secured since June 2009.

At this stage the company expects full year sales revenue to be similar to last financial year.

The heightened competitive environment is expected to continue to put pressure on margins though at this stage of the year margins for the first half appear to be holding.

Energy and infrastructure markets in 2009/10 are expected to insulate us from the full effects of the softness in our traditional resources markets.

Having said that, in more recent months a recovery in commodity markets and improving customer confidence particularly in the bulk commodity markets of iron ore and coal, provides us with cautious optimism for the medium to long term outlook for these sectors.

The company's strategies in recent years to broaden our services, diversify outside traditional resources markets and focus on organic growth has placed us in a strong position to capitalise on the growth prospects across all our key market sectors.

- ENDS -