



2012 Full Year Results

21 August 2012

Safety and Wellbeing | Integrity | Achievement | Teamwork | Loyalty

Company Profile

Monadelphous Group Limited (ASX:MND) is an S&P/ASX 100 company that provides construction, maintenance and industrial services to the resources, energy and infrastructure sector throughout Australasia



(as at 30 June 2012)

Engineering Construction Division



Maintenance and Industrial Services Division



Infrastructure Division



Group Highlights

Financial

- Sales revenue up 31% to \$1,897m
- NPAT up 44% to \$137m, underlying NPAT[^] up 32% to \$126m
- Underlying EPS[^] up 31% to 142c, DPS up 32% to 125c

Corporate

- Included in the S&P/ASX 100 index
- Divested stake in Norfolk

Operating

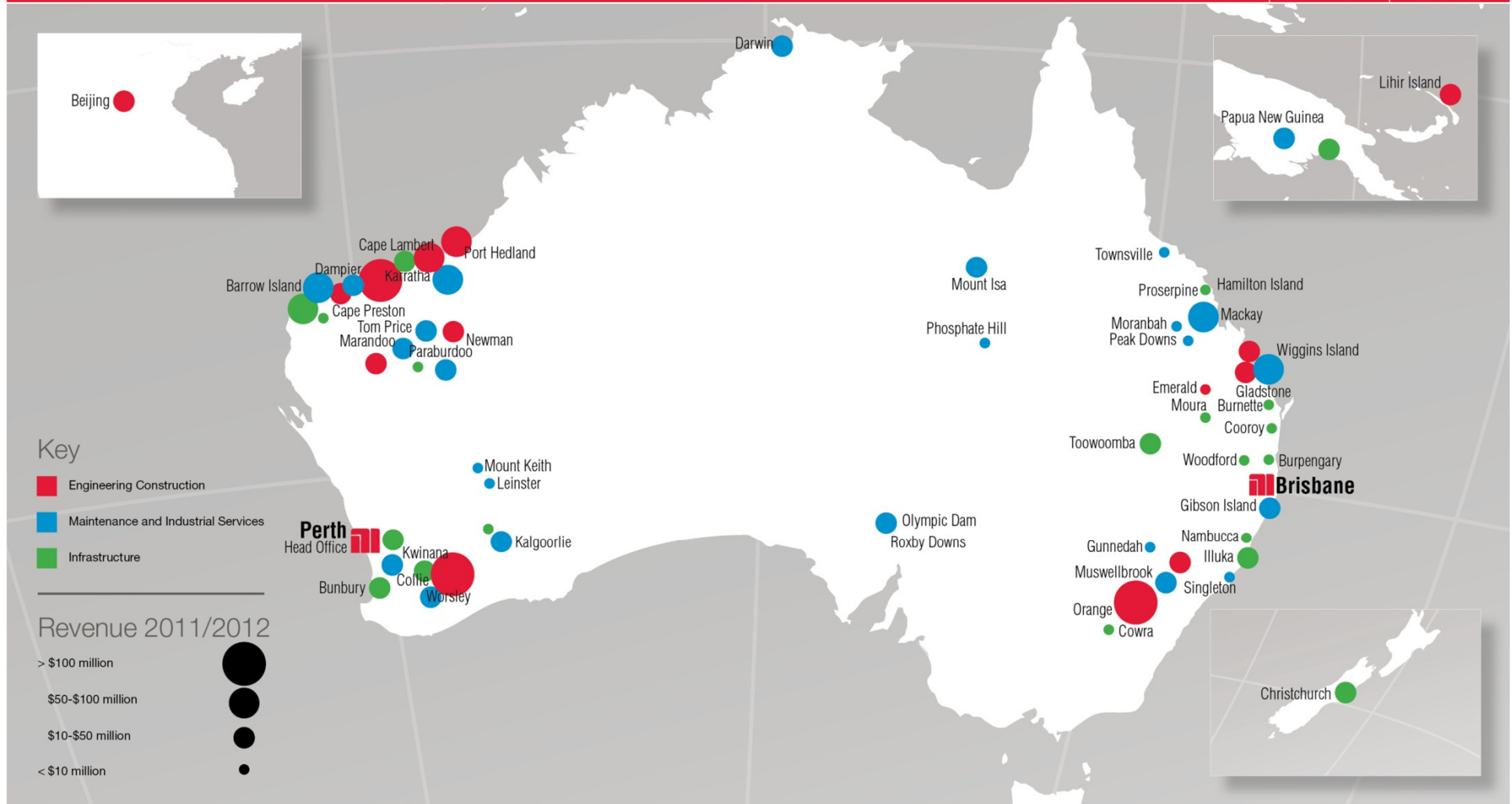
- Strong demand across all markets
- Significant growth from the Maintenance and Industrial Services and Infrastructure divisions
- Awarded ~\$2b of new contracts and contract extensions

Strategic

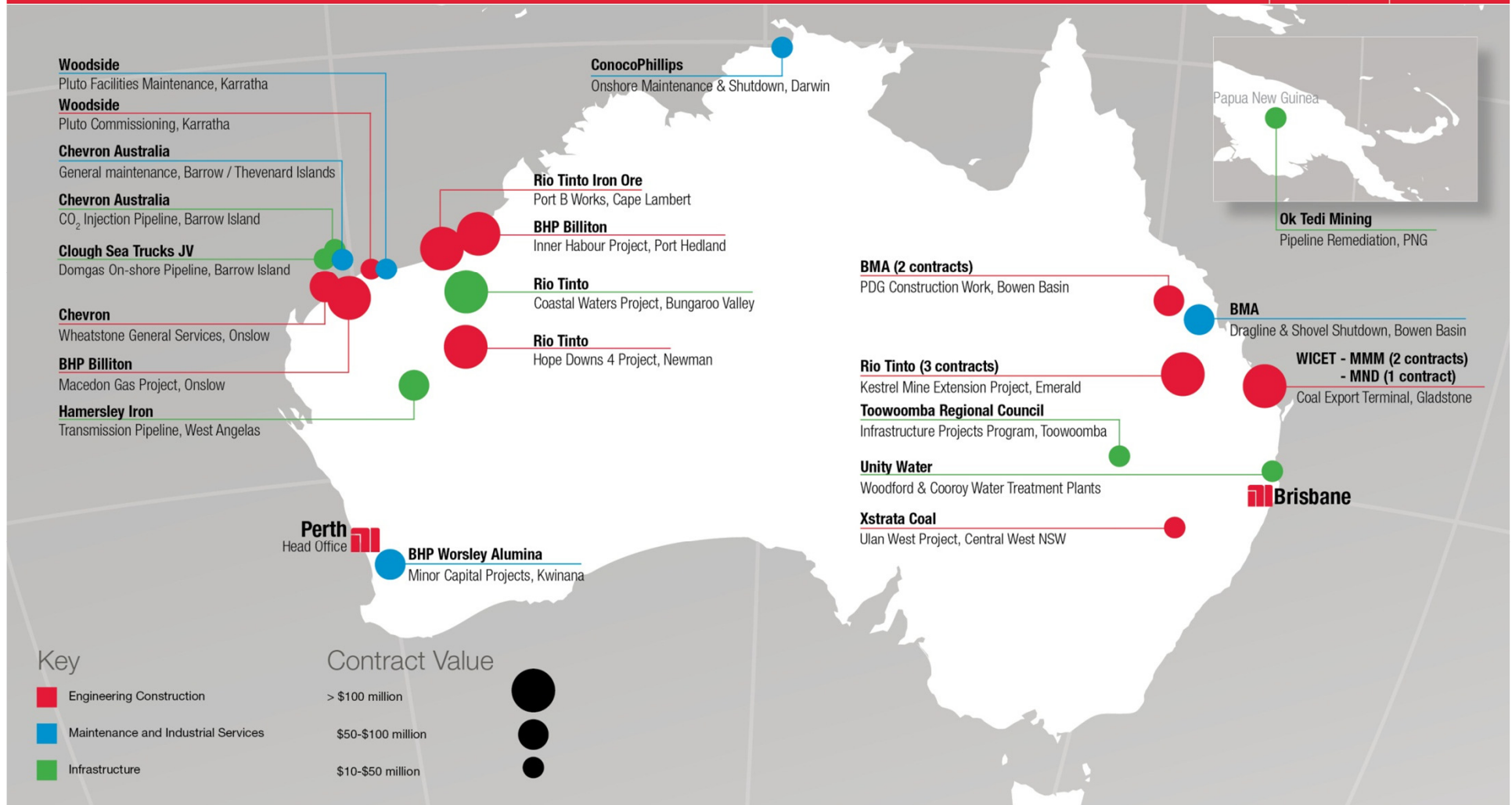
- Consolidated the Company's position in the energy market
- Awarded first marine construction contract
- Expansion into power through PearlStreet acquisition

[^]Underlying basis. Refer to slide 24 for reconciliation.

Contract Activity



Contracts Secured

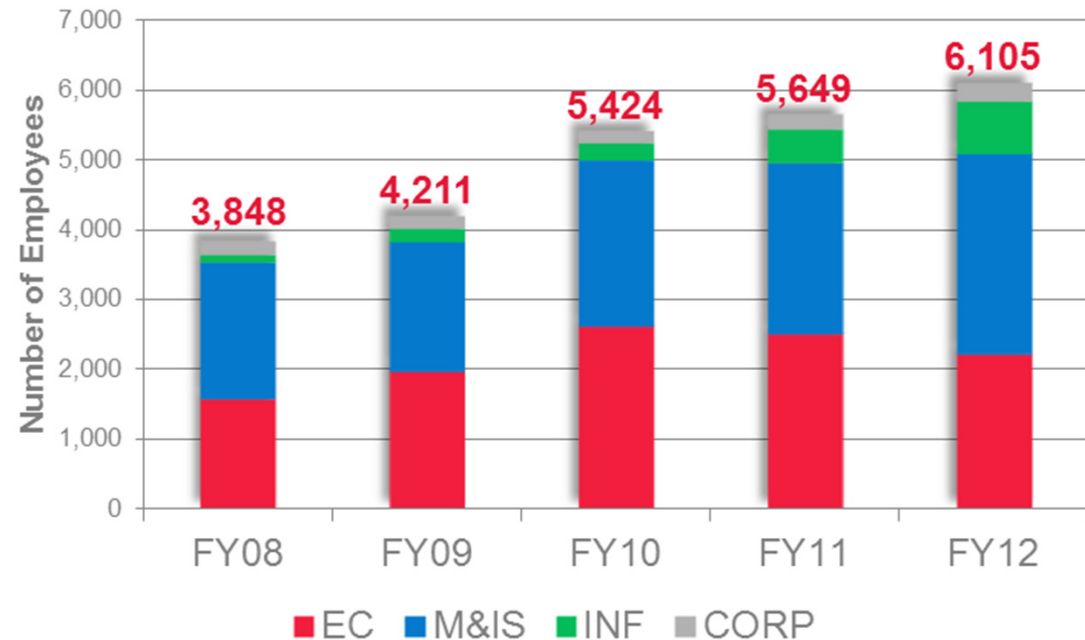


People Performance

Highlights

- End of year employee numbers at record levels
- Restructure of human resources function to support expanding operations
- Continued implementation of attraction, development and retention initiatives
- New long-term employee incentive program

Employee Numbers

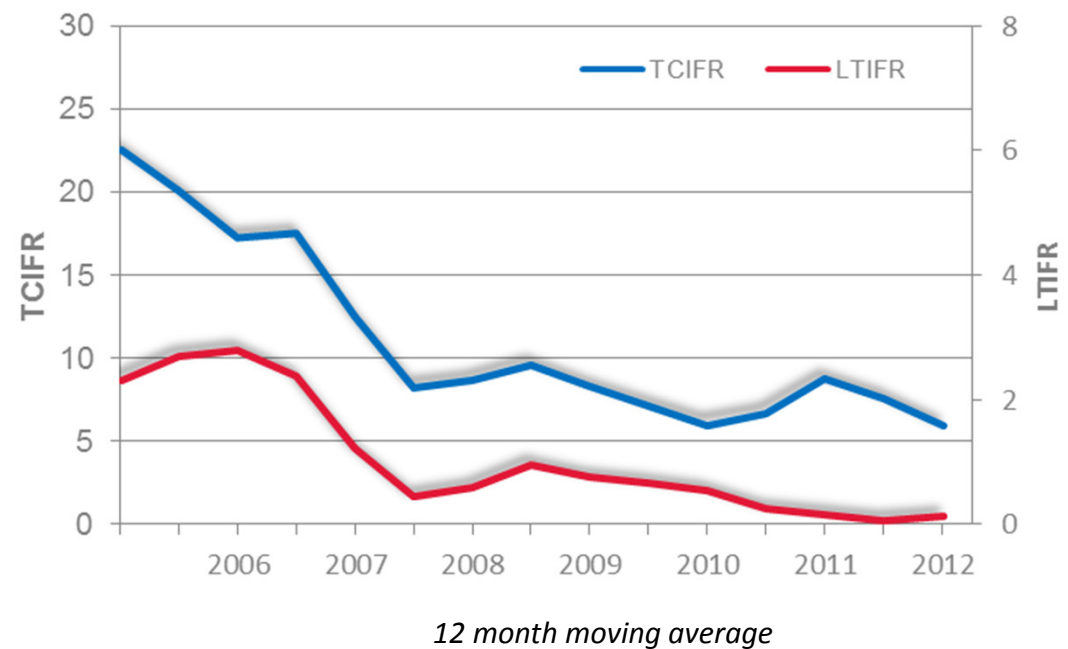


Safety Scorecard

The Safe Way is the Only Way

- TCIFR improved 31.6% to 6.0
- LTI improved 18.8% to 0.13
- Achieved 12-months LTI free for first time in January
- Continued implementation of Safety Leadership Program

Injury Frequency Rate (per million hours worked)



Financial Performance

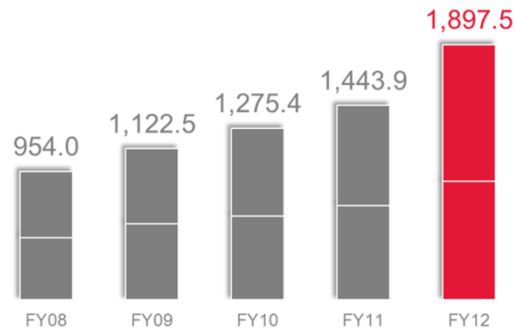
		FY12	FY11	Change
Sales Revenue	\$m	1,897.5	1,443.9	+31.4%
EBITDA [^]	\$m	196.5	153.3	+28.2%
EBITDA Margin [^]	%	10.35	10.62	-0.27pp
NPAT [^]	\$m	126.0	95.1	+32.5%
NPAT Margin [^]	%	6.64	6.58	+0.06pp
EPS [^]	cps	142.4	108.8	+30.8%
Operating Cash Flow	\$m	138.6	125.2	+10.7%
DPS (Fully Franked)	cps	125.0	95.0	+31.6%
Return on Equity [^]	%	53.77	49.20	+4.57pp

[^]Underlying basis. Refer to slide 24 for reconciliation.

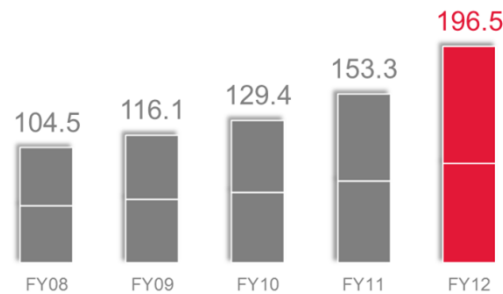
Financial Position and Funding

		June 12	June 11	Change
Cash at Bank	\$m	203.6	172.5	+18.0%
Net Cash Position <i>(Cash less interest bearing loans and borrowings)</i>	\$m	152.9	129.5	+18.1%
Capital Expenditure <i>(Cash and Hire Purchase)</i>	\$m	74.2	54.5	+36.0%
Capital Expenditure Commitments	\$m	19.6	11.0	+79.1%
Bank Guarantee & Performance Bond Facilities				
Utilised	\$m	331.4	129.2	+156.5%
Available	\$m	89.8	65.8	+36.5%
Total Facility	\$m	421.2	195.0	+116.0%

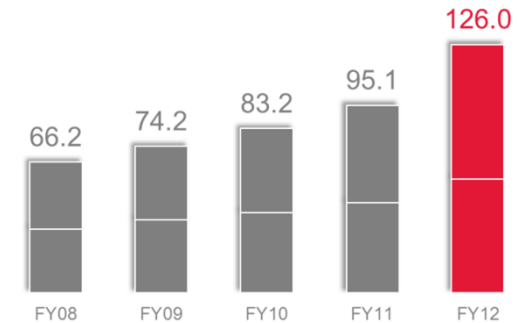
Historical Performance



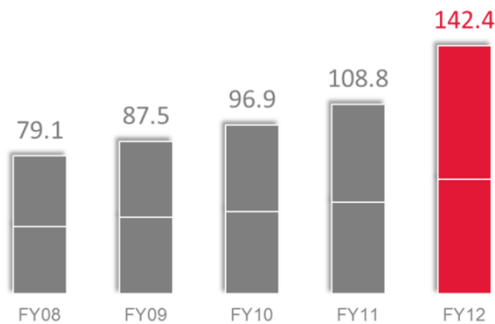
Sales Revenue (\$M)
+31.4%



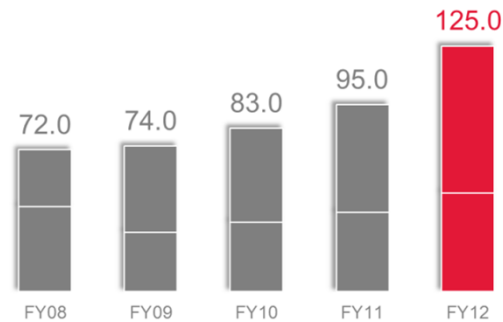
EBITDA^ (\$M)
+28.2%



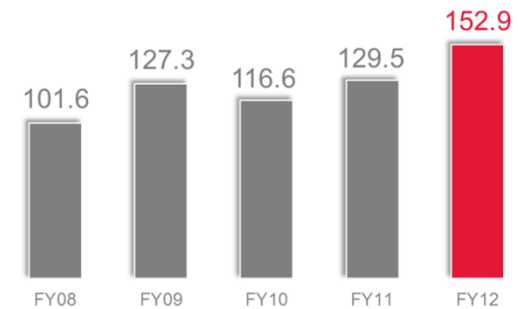
Net Profit After Tax^ (\$M)
+32.5%



Earnings Per Share^ (Cents)
+30.8%



Dividends Per Share (Cents)
+31.6%

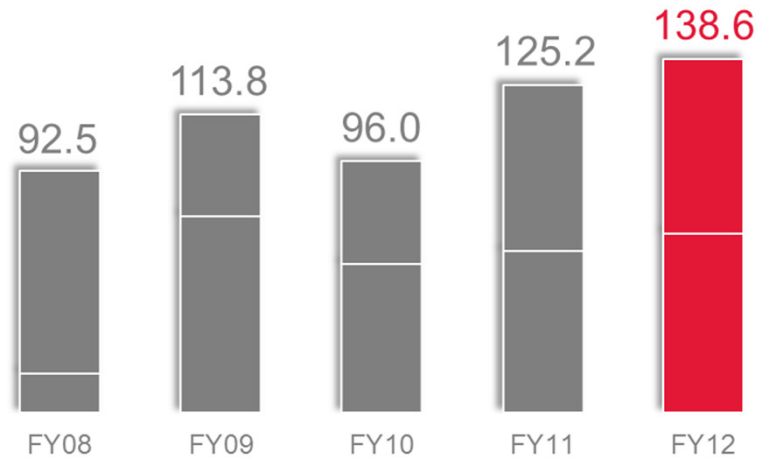


Net Cash Position (\$M)
+18.1%

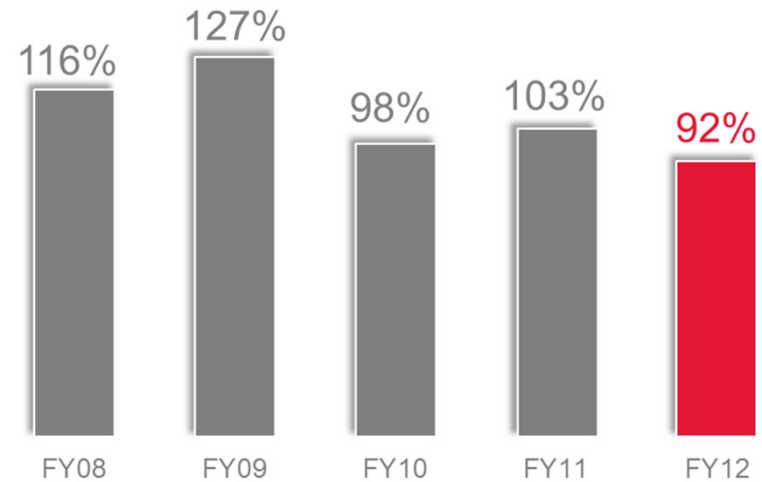
[^]Underlying basis. Refer to slide 24 for reconciliation.

Cash Flow Performance

Operating Cash Flow (\$M)



Cash Flow Conversion (%)

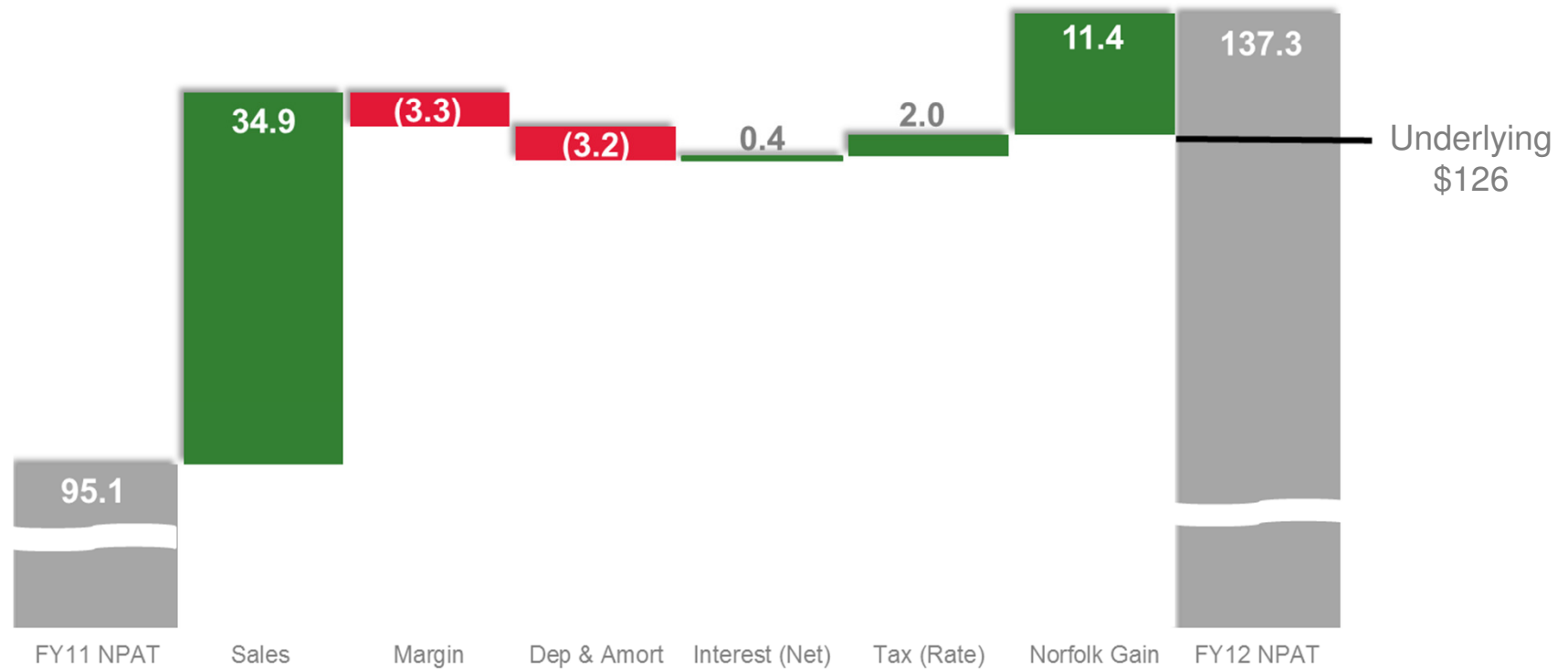


Cash flow conversion (%) = cash flow (ungeared, pre-tax)/EBITDA[^]

[^]Underlying basis. Refer to slide 24 for reconciliation.

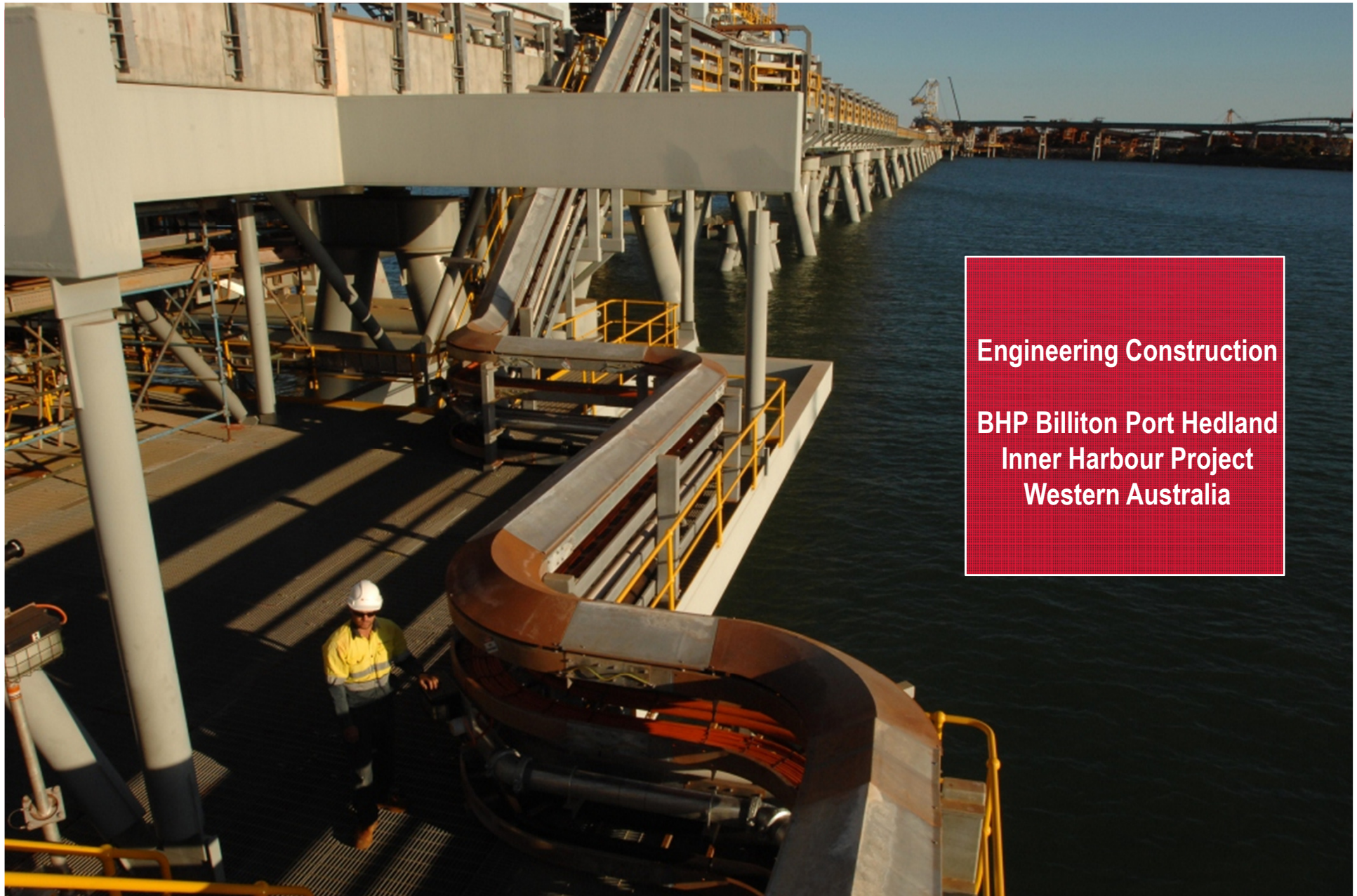
NPAT Contribution Analysis

NPAT Contribution (\$M)



Divisional Sales Revenue Summary

		FY12	FY11	Change
Engineering Construction	\$m	1,058.0	929.8	+13.8%
Maintenance & Industrial Services	\$m	634.5	401.3	+58.1%
Infrastructure	\$m	219.8	157.8	+39.3%
<i>Internal Eliminations</i>	\$m	<i>-14.8</i>	<i>-45.0</i>	
Total	\$m	1,897.5	1,443.9	+31.4%



Engineering Construction

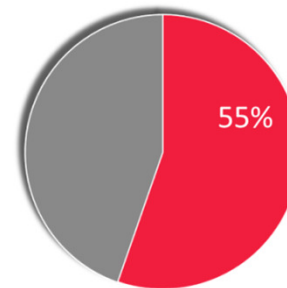
**BHP Billiton Port Hedland
Inner Harbour Project
Western Australia**

Engineering Construction

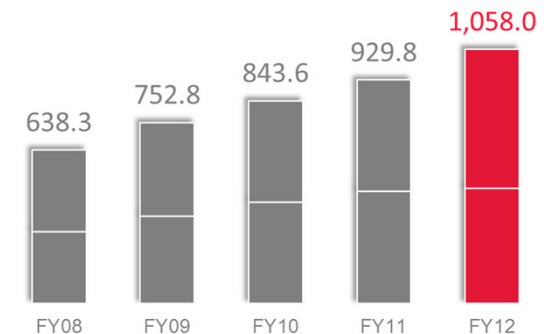
Highlights

- Secured ~ \$1.3b in new contracts
- First marine contract - WICET
- Two Rio Tinto Iron Ore Framework Agreements
- Significant investment in crane fleet

Revenue Contribution



Revenue



Major Project Involvement

- Woodside, Pluto LNG Project, Dampier, WA
- BHPB, Worsley Alumina Project, Collie, WA
- Newcrest, Cadia East Project, Orange, NSW

Major Projects Secured

- BHPB PHIH, Finucane Island and Nelson Pt, WA
- WICET, MMM, Gladstone, Queensland (2 contracts)
- Rio Tinto, Hope Downs 4, Pilbara region, WA
- BHPB, Macedon Gas Project, Onslow, WA
- Rio Tinto, Kestrel Mine, Queensland (3 contracts)
- Chevron, Wheatstone Project, Onslow, WA



Maintenance and
Industrial Services

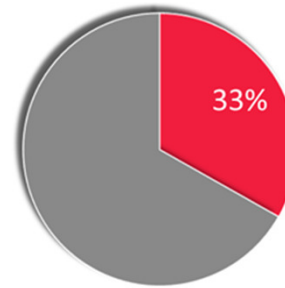
ConocoPhillips
Australia's Darwin
LNG Plant
Northern Territory

Maintenance and Industrial Services

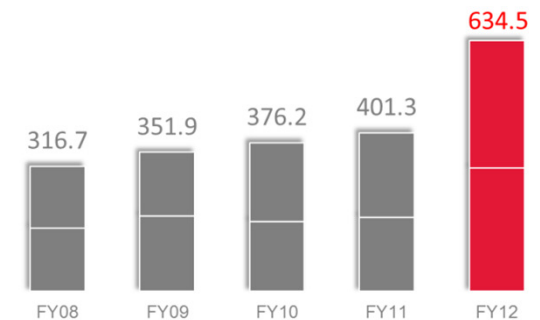
Highlights

- Record sales, growth of 58%
- Strengthened presence in coal
- Secured Woodside Pluto LNG contract
- Consolidation within division

Revenue Contribution



Revenue



Contract Extensions

- BHPB, Worsley Alumina, Collie, WA (3yr extension)
- ConocoPhillips Australia, Darwin LNG Plant, NT (2yr extension)
- Chevron-Australia, LNG Facilities, Barrow and Thevenard Islands, WA (1yr extension)

New Contracts

- BMA, Bowen Basin, Queensland (3yr contract)
- Woodside, Pluto LNG, WA (3yr contract)

Infrastructure

**Water Corporation's
Picton Waste Water
Treatment Facility
Western Australia**



Infrastructure

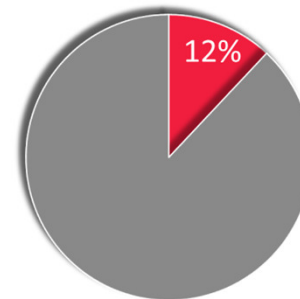
Highlights

- Strong sales growth of 39%
- Secured \$330m in new contracts
- Expansion into power through PearlStreet acquisition

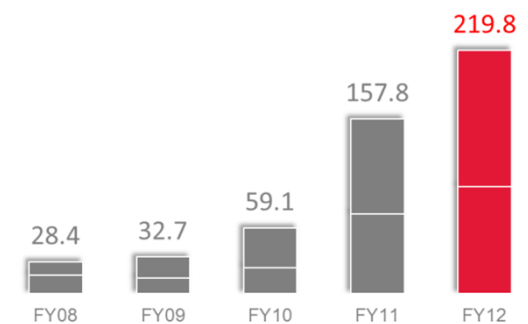
Major Project Involvement

- Chevron Australia-operated Gorgon Project, Pipelines, Cables and Tubes, WA
- Water Corporation, Wastewater Treatment Facility, Picton, WA
- WMRC, DiCOM Waste Processing Facility, Shenton Park, WA

Revenue Contribution



Revenue



Major Projects Secured

- Rio Tinto Coastal Waters Project, Potable Water Supply, Pilbara Region, WA
- Hamersley Iron, Transmission Pipelines and Facilities, West Angelas, WA
- Toowoomba Regional Council, Wastewater Infrastructure Project, Queensland
- Clough Sea Trucks JV, DomGas Pipeline, Barrow Island, WA

Strategic Progress

Markets and Growth

- To maximise growth and returns from core markets of resources and energy
- To build a substantial business in infrastructure markets



- Maintained leading position in core markets
- Increased presence in coal and energy
- Secured first marine construction contract
- Expanded pipeline business
- Moved into power
- Consolidated M&IS division

People

- To attract, develop and retain the right people who are highly competent, live our values and actively contribute to the long-term, overall success of Monadelphous



- Implemented Safety Leadership Program
- Restructured human resources function
- Launched new long-term equity program
- Formalised diversity initiatives

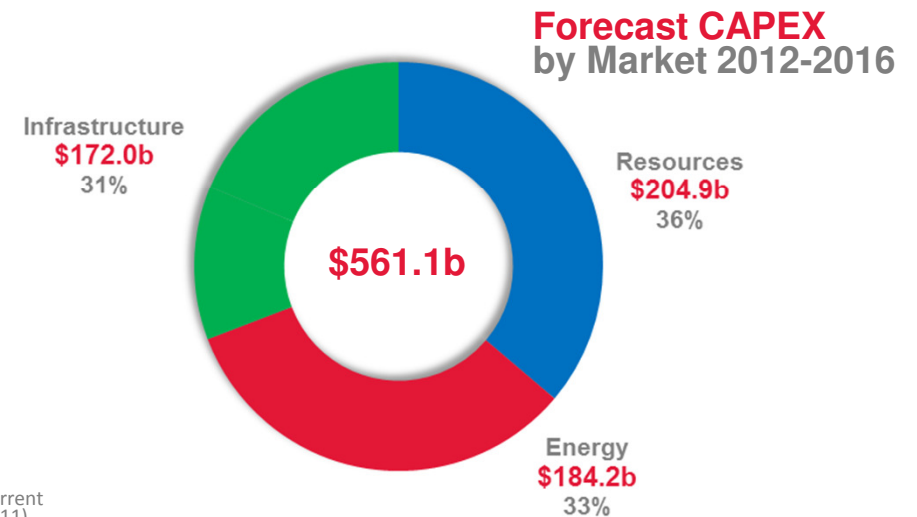
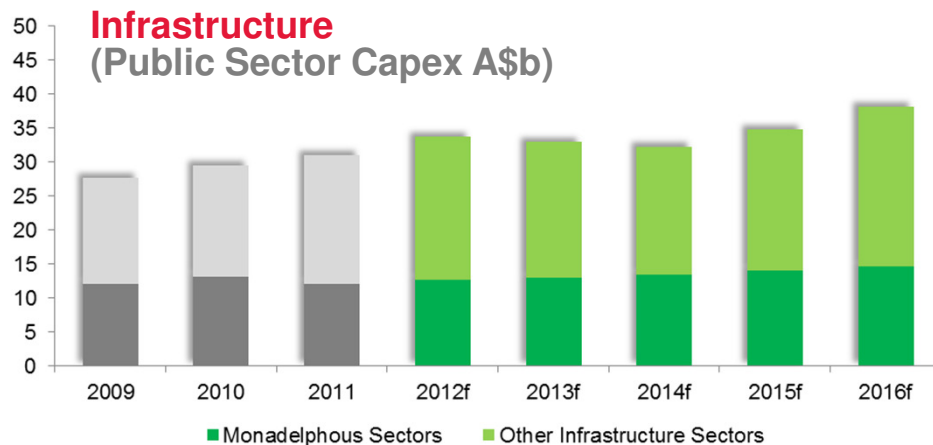
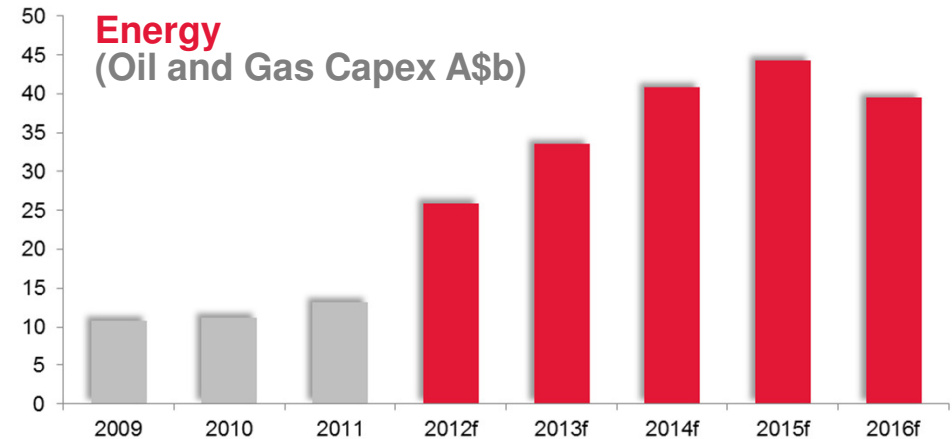
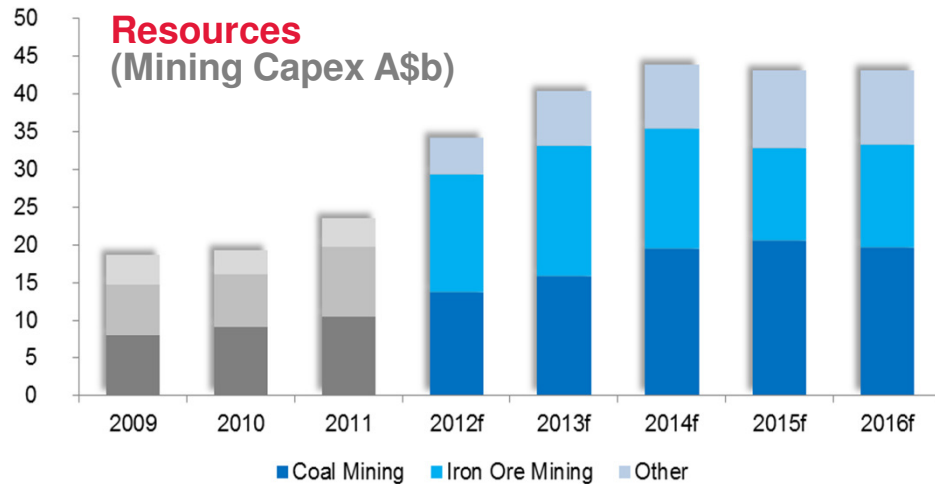
Productivity

- To continuously improve our service delivery and support processes to realise cost efficiency and margin improvement



- Enhanced heavy lift capability
- Strengthened group assurance function
- Reviewed tender risk assessment process

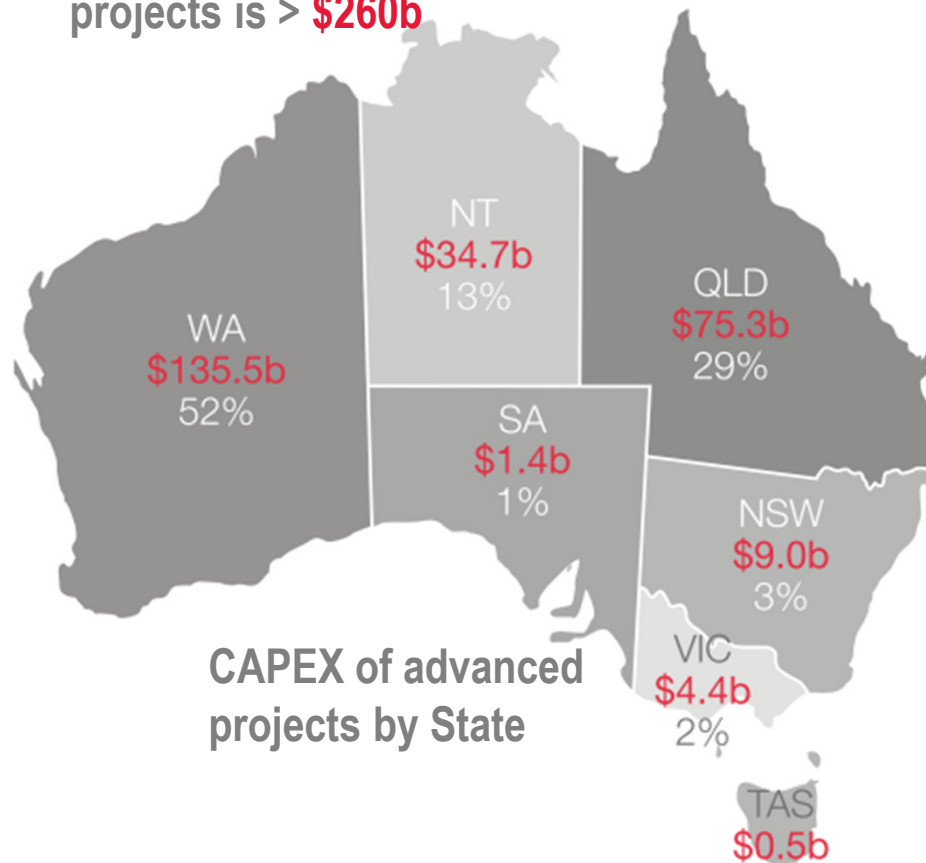
Australian Market Conditions



Source: BIS Schrapnel Mining Investment by Commodity New Fixed Capital Expenditure by Commodity Fixed Current Prices (Updated March 2012) and Australia Value of Work Done Constant 2008/2009 Prices (Updated August 2011)

Project Pipeline

Proposed CAPEX on the **98** advanced Australian resources and energy projects is > **\$260b**



SIGNIFICANT PROSPECTS	EXPECTED COMPLETION	CAPEX
Wheatstone LNG Chevron/Apache/KUFPEC/Shell	2016	\$28b
Australia Pacific LNG Origin/ConocoPhillips/Sinopec	2016	\$14b
Gladstone LNG Santos/Petronas/Total/Kogas	2015	\$16b
Ichthys Gas Field (including Darwin LNG Plant) Inpex/Total	2017	\$33b
Queensland Curtis LNG BG Group	2014	\$20b
Rio 333 (mines) Rio Tinto	2014	\$6b
Rio 333 (ports and rail) Rio Tinto	2013	\$3b
Jimblebar BHP Billiton	2014	\$3b
Inner Harbour and Optimisation BHP Billiton	2014	\$4b
BMA Coal Expansion BHP Billiton	2014	\$6b

Source: BREE's list of major minerals and energy projects, April 2012

Outlook

- **Positioned for growth**
 - High volume of secured work and high levels of projects in execution phase provide strong revenue visibility for FY13 and beyond
 - Further growth in sales revenue expected in FY13
- **Strong pipeline of opportunities**
 - Pipeline of engineering construction opportunities expected to continue
 - Maintenance opportunities growing as projects reach completion and startup
- **Supply constraints**
 - Industry-wide supply and infrastructure constraints expected to continue
 - Focus on managing execution risks and improving productivity
 - Labour availability expected to further tighten
- **Foundation for sustainable growth**
 - Robust levels of capital expenditure to support core business and expansion
 - Market leadership position and infrastructure diversification strategy will support sustainable growth

Non-IFRS Financial Information

Monadelphous Group Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

Underlying EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. Underlying EBITDA represents earnings before interest, income taxes, depreciation, amortisation and gain from sale of Norfolk Group Limited shares. This measure is important to management as an additional way to evaluate the Company's performance. The gain from sale of Norfolk Group Limited shares in FY12 has been excluded for comparative purposes to FY11. Underlying NPAT represents NPAT excluding the after tax gain from sale of Norfolk Group Limited shares in FY12 for comparative purposes to FY11.

The word "underlying" used within this document, refers to the statutory result for the year ended 30 June 2012 excluding the one-off gain from the sale of Norfolk Group Limited shares. This measure is important to management as an additional way to evaluate the Company's performance. Underlying measures are unaudited.

^Reconciliation

	2012	2011
	\$'000	\$'000
Underlying EBITDA		
Profit before income tax	187,259	131,576
Gain from sale of Norfolk Group Limited shares	-16,262	0
Interest expense	3,447	2,672
Interest revenue	-6,717	-5,356
Depreciation expense	26,541	23,341
Amortisation expense	2,195	1,074
Underlying EBITDA	196,463	153,307
Underlying NPAT		
Net profit after tax	137,335	95,067
After tax gain from sale of Norfolk Group Limited shares	-11,383	0
Underlying NPAT	125,952	95,067

Disclaimer and Important Notice

Information, including forecast financial information, in this presentation, should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in Monadelphous Group Limited or any other company. Due care and attention has been used in the preparation of forecast information, however, actual results may vary from forecast and any variation may be materially positive or negative.

Forecasts, by their very nature, are subject to uncertainty and contingencies may occur which are outside the control of Monadelphous Group Limited. Before making or varying any decision in relation to holding, purchasing or selling shares, securities or other instruments in Monadelphous Group Limited, investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

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