Monadelphous

MEDIA RELEASE
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MONADELPHOUS REPORTS RECORD INTERIM PROFIT WITH FULL YEAR OUTLOOK POSITIVE

• Sales Revenue	$109M	(+39.1%)
• EBITDA	$7.19M	(+27.3%)
• Profit after Tax	$3.24M	(+44.3%)
• Earnings/Share	17.6c	(+43.1%)
• Dividend	8.0c ff	(+45.5%)

Monadelphous Group Ltd **(ASX: MND)** has reported a record net profit of $3.24 million (up 44.3%) for the six months ended December 31, 2002.

The engineering group's revenues surged to record levels for the half-year, reflecting improved performance across all the company's operations plus recent success in securing major engineering construction and industrial services contracts, flowing from increased activity in resources industry development investment across Australia.

"The order book is healthy and the outlook for the second half is positive. Sales revenue is on track to achieve our forecast of $200 million for the full year," Mr John Rubino, Monadelphous Group Ltd Chairman, said.

"The outlook for at least the next few years remains buoyant. There are some significant developments planned to come on stream in the resources sector which will deliver further opportunities for Monadelphous' continuing business growth. Our strong balance sheet and diversified regional operational network see us well placed to continue to grow the company's revenues."

Profit before tax for the six-month period was $4.67 million (up 50.6%). Earnings per share were 17.6 cents (compared to 12.3 cents for the previous corresponding period).

Mr Rubino said Monadelphous was in a sound position to fund growth with cash of $10.84 million at balance date ($4.91 million as at December 31, 2001). He said the interim figures announced today confirm the company's return to levels of sustained performance which were signalled by the 2001-2002 full year results. Those showed a resurgence of profits after the Australia-wide industry downturn in 2000-2001 had dented Monadelphous' previously unbroken track record of record year-on-year business growth.

Major Projects Across Australia Boost Revenues

Monadelphous' revenues were boosted by progress achieved on a number of major contracts during the period, including:

- Design and construction of alumina handling facilities for Queensland Alumina at the Gladstone alumina refinery.
- Construction works for a major plant optimisation project for Alcan at the Gove alumina refinery in the Northern Territory.
- Construction works associated with the Mt Arthur North Coal project for BHP Billiton in New South Wales.
- Provision of general services to the North West Shelf LNG4 expansion project for Woodside Energy at Karratha, Western Australia.
- Completion of deconstruction works associated with the HIsmelt steel project at Kwinana, WA.

New Contracts Worth $80M Secured Late in Half

Late in the reporting period, Monadelphous secured three major construction contracts with BHP Billiton Iron Ore in the north west of WA. The contracts, valued at approximately $80 million and scheduled for completion by the end of 2003, are for:

- Supply and installation of structural, mechanical and electrical works for the iron ore handling plant for the Mining Area C project.
- Supply and installation of civil, structural and mechanical works for the Products and Expansion project at Nelson Point in Port Hedland.
- Supply and installation of structural and mechanical works for Finucane Island tunnel, ship loading routes and lump re-screening plant in Port Hedland.

These latest contract wins follow a number of highly successful major construction projects which Monadelphous has completed in recent years for iron ore industry developments in the Pilbara.

Organisational Review to Achieve Long-Term Growth

Monadelphous completed a strategic organisational review during the reporting period aimed at developing an upgraded management structure to achieve long-term growth by targeting larger contracts.

As a result of the review, the company will be moving to a structure which is focussed on two main operating divisions: the Engineering Construction division and the Maintenance and Industrial Services division. Each division will be organised regionally in western and eastern Australian sections.

“The revised structure will allow the company to capitalise on our strengthening competitive position in both the construction and industrial services markets,” Mr Rubino said.

“This will further improve our capability and capacity to undertake larger contracts in an improving market and to also better penetrate the industrial services market in the eastern states.”

Dividend Increased

The Monadelphous Group Board has declared an interim dividend of 8.0 cents per share, fully franked (5.5 cents per share fully franked for the previous corresponding period).

The interim dividend will be paid to shareholders on March 7, 2003, with the closing date for entitlements February 28, 2003.

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