

MEDIA RELEASE

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**MONADELPHOUS CONTINUES RECORD PROFIT GROWTH -
FORECASTS STRONG MARKET OUTLOOK NEXT 2-TO-3 YEARS**

• Sales Revenue	\$390.6M	(+77%)
• EBITDA	\$29.2M	(+81%)
• Profit after Tax	\$16.7M	(+95%)
• Earnings per Share	21.1c	(+90%) *
• Final Dividend	9cps ff	(+89%) *

National engineering Company Monadelphous Group Limited (**ASX: MND**) has had another year of record financial performance, today announcing an after tax profit of \$16.7 million, up 95% compared to the previous corresponding period. The profit result was achieved on sales revenue of \$390.6 million, an increase of 77%.

* In June, Monadelphous completed a one-to-four split of existing shares in a move aimed at increasing market liquidity in its stock. Today's results announcement was provided on a post share split basis. The final dividend for 2004/05 of 9 cents per share fully franked was therefore the equivalent of 36 cents per share on the previous basis – this represented an increase of 89% on the final dividend of 19 cents per share for the previous year. Earnings per share on the pre-split basis were 84.6 cents per share.

The final dividend of 9 cents per share took the 2004/05 full year's dividend payouts to shareholders to 19.25 cents per share fully franked – this included a special dividend of 5 cents per share which was paid in March 2005 with the interim dividend.

The Monadelphous Board has reaffirmed its intention to pay further special dividends in addition to its established policy of paying 60% to 70% of after tax profit as normal dividends. Subject to unforeseen events, the Board has confirmed its intention to pay special dividends together with its final dividends for the 2005/06 and 2006/07 financial years.

"Projects flowing from developments in the iron ore industry in Western Australia and the coal industry in Queensland, coupled with our broad exposure to the whole minerals and resources sector, will continue to drive healthy revenue growth for Monadelphous," said Mr Rob Velletri, Managing Director of Monadelphous.

"The second half of the year continued the trend set in the first six months. Workload levels are expected to at least continue at current levels for the 2005/06 financial year and the outlook is strong for the next two to three years."

Further indications of the health of Monadelphous' business is highlighted by net cash flows for the year which increased nearly four-fold from \$6.6 million to \$24 million. Declared dividends for shareholders more than doubled from \$5.4 million to \$11.8 million.

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Mr Velletri said the year's exceptional performance reflects a surge in sales revenue from the execution of an increasing number of major engineering construction and industrial services contracts in a very buoyant resources sector.

"Record levels of resource development activity have continued to provide numerous opportunities with most customers undergoing major expansions of their operations. Monadelphous has continued to capitalise on its reputation as one of Australia's leading resource development contractors. We have rapidly expanded our capacity and capability throughout the year in response to increasing customer demand," he said.

"Skilled labour shortages continue to constrain capacity and remain a major challenge for the broader construction industry. Staff recruitment and retention strategies have been a major focus for the Company during the year and will continue to be a major management issue for some time."

Engineering Construction

The Company's Engineering Construction division underwent rapid expansion during the year, with revenues surging 137% to \$239 million from a number of increasingly larger construction contracts associated with some of Australia's major resource development projects.

Subsequent to the end of the reporting period, Monadelphous won further work in the iron ore industry, securing a \$65 million contract with BHP Billiton Iron Ore for construction work associated with the 'Rapid Growth Project 2' at the Nelson Point and Finucane Island port facilities in Port Hedland, WA.

Major construction contracts completed or substantially completed during 2004/05 included:

- Structural, mechanical and electrical construction works for the expansion of Comalco's bauxite operations at Weipa in Queensland.
- Design and construction of coal handling facilities for Xstrata's Rolleston Coal Project in Queensland.
- Structural and mechanical works including the installation of a new iron ore rail car dumper for Rio Tinto's Dampier port upgrade project in WA.
- Structural and mechanical works for the Burrup fertiliser ammonia plant in Karratha, WA.
- Major expansion of Rio Tinto's Yandi iron ore plant in WA.

Other major construction contracts won and underway include:

- Major expansion of iron ore stockyards associated with Rio Tinto'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 in Queensland.

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Maintenance and Industrial Services

Revenues from the Maintenance and Industrial Services division increased 26% to \$151 million. Growth was experienced in most of the division's operations. The division continued to develop its revenue base by securing a number of new long-term contracts and new major customers.

In particular, the Company achieved significant growth in the Queensland market following the establishment of a long-term contract at the new Comalco alumina refinery in Gladstone as well as being selected as preferred contractor to provide mechanical services at Comalco's Boyne smelter, also in Gladstone.

Other highlights of the reporting period include:

- Retention of all major contracts with contract extensions secured with Chevron at Barrow Island in WA and Alcan at the Gove alumina refinery in the Northern Territory.
- Successful completion and close out of the general services contract associated with Woodside Energy's North West Shelf LNG4 expansion project in Karratha, WA.
- Commencement of site operations for the provision of minor capital works at BHP Billiton's Worsley alumina refinery in WA.
- The award and commencement of a long-term contract for the provision of maintenance services at Rio Tinto's Hls melt steel operations in Kwinana, south of Perth.
- The selection as preferred contractor for a major maintenance shutdown contract for Incitec Pivot at their Gibson Island works in Brisbane.
- Substantial growth of the Company's subsidiary, Skystar Airport Services, with new contracts secured with Malaysian Airlines and Value Air in Perth and establishment of operations at Brisbane airport.

Dividend Entitlements

The final dividend will be paid to shareholders on September 16, 2005, with the record date for entitlements being September 9, 2005.

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Monadelphous Group Limited is a leading national engineering group providing services to the resources, energy and infrastructure industry 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 encompasses 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. Website: www.monadel.com.au