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ABN 95 118 300 217

Interim Financial Report

For the Half Year Ending 31 December 2007



ABN 95 118 300 217

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the Half Year Ended 31 December 2007

NRW Holdings Ltd

ACN 118 300 217

	% Change up / (down)	Half-year ended 31 Dec 2007 \$'000	Half-year ended 31 Dec 2006 \$'000
Revenues from ordinary activities	89.2%	253,496	133,963
Profit from ordinary activities after tax attributable to members	54.5%	13,679*	8,852
Net profit for the period attributable to members	54.5%	13,679*	8,852

Interim Dividend

Date dividend is payable	31 March 2008	-
Record date to determine entitlements to dividend	3 March 2008	-
Interim dividend payable per security (cents)	4.0	Nil
Franked amount of dividend per security (cents)	4.0	Nil

Ratios and Other Measures

Net tangible asset backing per ordinary security**	\$0.32	\$0.17
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* The results for the half year ended 31 December 2007 are statutory results which include the impact of one off transactions that occurred during the 6 months as a result of the Company's initial public offering ('IPO') and business development costs. Pro forma net profit after tax for the current period before the effects of these one off transactions was \$22.3 million.

** Net tangible asset backing per ordinary security is based on the number of ordinary shares on issue, where the number of ordinary shares on issue at the end of the previous corresponding period reflects the impact of the share split at a ratio of 226,250,000 / 65,974,869 that occurred as part of the IPO in September 2007.

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CORPORATE DIRECTORY

Directors

Ian Burston – Non-executive Chairman

Jeffery McGlinn – Chief Executive Officer

Julian Pemberton – Executive Director and Chief Operating Officer

Michael Arnett – Non-executive Director

Company Secretary Kim Hyman

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ASX Code NWH – NRW Holdings Limited Fully Paid Ordinary Shares

Web Page www.nrw.com.au



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DIRECTORS' REPORT

The Directors present their report together with the financial report of NRW Holdings Limited and its subsidiaries for the half year ended 31 December 2007. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows.

Directors

The following persons that held office as Directors of NRW Holdings Limited during or since the end of the half year are:

Name	Status	
Ian Burston	Chairman Independent Non-Executive Director	Dr Burston was appointed as a Director and Chairman on 27 July 2007.
Jeffery McGlenn	Chief Executive Officer	Mr McGlenn was appointed as a Director on 10 February 2006.
Julian Pemberton	Chief Operating Officer and Executive Director	Mr Pemberton was appointed as a Director on 1 July 2006.
Michael Arnett	Non- executive Director	Mr Arnett was appointed as a Director on 27 July 2007.
John Silverthorne	Executive Director	Mr Silverthorne was appointed a Director on 10 February 2006 and resigned on 27 July 2007
Keith Bounsell	Executive Director	Mr Bounsell was appointed a Director on 10 February 2006 and resigned on 2 July 2007.
Lexan Piper	Executive Director	Mr Piper was appointed a Director on 10 February 2006 and resigned on 27 July 2007.

Company Secretary

Mr Kim Hyman was appointed to the position of Company Secretary on 10 July 2007. Mr Jeffery McGlenn held the position of Company Secretary from 10 February 2006 to 10 July 2007.



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State of Affairs

Significant changes in the state of affairs of the Group during the half year were as follows:

On 5 September 2007 the Company successfully completed its initial public offering ('IPO') raising \$46.6 million from the issue of 23,723,000 new ordinary shares to investors (including 433,000 ordinary shares issued to employees for no monetary consideration). The shares began trading on a normal basis on the Australian Securities Exchange ('ASX') under the issuer code of 'NWH'. As a result of the raising undertaken as part of IPO, the following significant transactions occurred:

- o The Group repaid \$27.5 million of debt relating to the acquisition of Actionblast Pty Ltd in March 2007, including a \$24 million acquisition facility and a \$3.5 million working capital facility.
- o The vendor of Actionblast Pty Ltd was issued 1.25 million ordinary shares as partial deferred consideration for acquisition of 100% of Actionblast Pty Ltd's issued shares.

Other than as set out above there were no significant changes in the state of affairs of the Company or the Group during the half year ended 31 December 2007.

Review of Operations and Results

Financial Highlights

The Board of Directors are pleased to report considerable progress towards the financial forecasts and operational objectives detailed in the Prospectus dated 27 July 2007 as highlighted by the following achievements during the half year:

- o Pro Forma Revenue of \$253.5 million (58% of full year Prospectus forecast)
- o Pro Forma EBIT of \$34.9 million (54% of full year Prospectus forecast)
- o Pro Forma NPAT of \$22.3 million (56% of full year Prospectus forecast)
- o Fully franked interim dividend of 4.0 cents per share declared (payment date of 31 March 2008).
- o Successful integration of Actionblast Pty Ltd

	FY07 Actual	HY08 Actual	HY08 Actual*	FY08 Prospectus Forecast
\$ millions	Pro Forma	Statutory	Pro Forma	Pro Forma
NRW Civil Contracting	162.0	220.5	220.5	305.7
NRW Mining Services	77.8	18.9	18.9	91.4
Promac	28.6	10.7	10.7	39.6
Action Mining	20.7	13.6	13.6	26.0
Other / Eliminations**	(11.5)	(10.2)	(10.2)	(22.4)
Total Revenue	277.6	253.5	253.5	440.4
EBITDA	45.2	30.2	42.4	85.4
EBIT	33.6	22.7	34.9	64.2
Net profit after tax	20.1	13.7	22.3	40.2

* The following tax-effected Pro Forma adjustments have been made in the current interim period in relation to:

- o Costs of \$10.8 million were incurred by NRW relating to the sale of shares by the vendor shareholders under the IPO.
- o The issue of shares to eligible employees under the IPO resulting in a share-based payments expense of \$0.9 million.
- o Business development costs of \$0.5 million relating to the appraisal of potential business acquisitions.

** Primarily comprises the elimination of sales by Promac to NRW Civil and Mining and sales by Action Mining to Promac.

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Review of Operations and Results (continued)

NRW Civil and Mining

NRW's strong first half revenue was driven by the performance of the Civil Contracting division. Rail and camp construction projects for FMG and various Rio Tinto expansion projects including Simandou contributed to the Civil Contracting division revenue. NRW's component of the FMG rail construction is progressing well and approximately 90% complete with additional works being undertaken by variation.

The strength of the Civil Contracting division required utilisation of Mining Services equipment which impacted the revenue of the Mining Services division. Mining Services revenue is expected to increase in the second half of FY08 as capital and resources will be redeployed for future Rio Tinto projects. In addition, Simandou will become a Mining Services project in the second half of FY08.

Promac

Promac revenue was below forecast, impacted by changes in market conditions for tyre sales. Tyre sales are expected to improve in the second half as negotiations are continuing with major retail outlets for Australia wide distribution. Tyre sales occur on a low margin and the change in market conditions is not expected to significantly impact the earnings contribution of Promac to the Group result for the full year.

Action Mining

NRW has successfully integrated the acquisition of Action Mining and implemented NRW's detailed safety and financial systems. Action Mining performed well in the first half of 2008 and is expected to achieve the full year Prospectus revenue forecast of \$26.0 million. NRW is currently expanding the fabrication capabilities of Action Mining to increase the number of service and water trucks produced. Action Mining is also commencing the design of water tanks suitable for larger trucks.

NRW Group

NRW Group achieved a Pro Forma EBITDA margin for the half year 2008 of 16.7% compared to 16.3% for the full year 2007. The low margin on the camp construction for FMG impacted EBITDA margins in the first half. This was a strategic project undertaken to secure accommodation requirements for NRW to enable the timely completion of the FMG rail contract.

The Pro Forma EBIT and NPAT margins for the half year 2008 were 13.8% and 8.8% respectively, compared to 12.1% and 7.2% for the full year 2007.

Review of Operations and Results (continued)

Operating Cash Flow and Capital Expenditure

	FY07 Actual	HY08 Actual	FY08 Prospectus
<i>\$ millions</i>	<i>Pro Forma</i>	<i>Pro Forma</i>	<i>Forecast</i>
			<i>Pro Forma</i>
Operating cash flow	45.0	33.8	74.0
Capital expenditure			
Maintenance	4.4	0.7	8.7
Growth	36.4	38.4	52.4
Total	40.8	39.1	61.1

Operating cash flow for the half year 2008 was \$33.8 million, driven by increased EBIT and movements in working capital from increased accounts receivable and revenue.

Capital expenditure for the half year 2008 was \$39.1 million and primarily related to projects at Simandou (\$12.7 million) and Hope Downs (\$11.0 million) and the Promac division (\$6.4 million). For the full year 2008, NRW does not expect capital expenditure to be materially different from the Prospectus forecast of \$61.1 million unless Rio Tinto accelerates expansion of the Simandou project.

Balance Sheet and Gearing

NRW has a conservative balance sheet and gearing structure.

<i>\$ millions</i>	31 Dec 07
Assets	
Cash	22.5
Property, plant and equipment	114.7
Other assets	125.8
Total assets	262.9
Current liabilities	
Interest bearing liabilities	40.0
Other current liabilities	80.2
Non current liabilities	
Interest bearing liabilities	35.0
Other non current liabilities	0.4
Total liabilities	155.6
Net assets	107.4
Shareholders equity	107.4
Pro Forma EBIT / net interest	12.5x
Net debt / (Net debt + equity)	32.8%



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Review of Operations and Results (continued)

As at 31 December 2007, interest bearing liabilities were \$75 million including \$15 million of trade finance (converted to hire purchase liabilities in January 2008) and \$60 million of hire purchase liabilities. NRW had a net debt of \$52.5 million as at 31 December 2007. NRW retains significant financial headroom to pursue growth opportunities with \$50 million in undrawn bank facilities and \$65 million in undrawn hire purchase liabilities. An additional \$45 million in hire purchase facilities is currently being negotiated.

NRW's existing facilities are hire purchase liabilities which mature evenly over a 3-5 year period. Interest cover for the half was 12.5x and net debt to net debt plus equity was 32.8%.

Outlook

After successfully listing on the ASX and integrating the acquisition of Action Mining Services, NRW remains well positioned to pursue further growth opportunities. In particular, the Company's key clients including Rio Tinto, Fortescue Metals Group and BHP Billiton have continued to increase investment and announce iron ore production increases in Western Australia and offshore. The Board of Directors expect continued strong demand for NRW's civil and mining services, mining equipment and maintenance services.

NRW's first half results reflect the demand for the Company's services and buoyant market conditions. The financial result for the first six months places NRW in a strong position to at least achieve its Prospectus forecasts for the full year.

The Group has secured or is in negotiations for 100% of the FY08 Prospectus revenue forecast of \$440.4 million. The Civil and Mining divisions have already secured revenue of \$160 million for the second half of FY08 with a further \$30 million under negotiation. The Group is on track to at least achieve the Prospectus Pro Forma NPAT forecast of \$40.2 million for FY08.

Strong growth is expected to continue in FY09. The Group is targeting 15-20% organic growth in revenue and profit and has \$200 million of revenue already secured or under negotiation for FY09.

Dividends

A fully franked interim dividend of 4.0 cents per ordinary share has been declared by the Board of Directors for the interim period, representing a 45% payout ratio based on Pro Forma net profit after tax. The interim dividend will be paid on 31 March 2008 on shares registered at 5.00pm on 3 March 2008.

Significant Events after Period End

No matter or circumstance has arisen since the end of the interim reporting period that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs in future financial periods.

Auditor's Independence Declaration

The Directors received the Auditor's Independence Declaration from the auditor of the Company, which is included on page 11 of the half-year financial report.



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Rounding of Amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'J. McGlinn', written over a horizontal line.

Jeffrey W McGlinn
Chief Executive Officer

21 February 2008

A handwritten signature in black ink, appearing to be 'Ian Burston', written over a horizontal line.

Ian Burston
Chairman

21 February 2008

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Independent Auditor's Review Report to the members of NRW Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of NRW Holdings Limited, which comprises the balance sheet as at 31 December 2007, and the income statement, cash flow statement, statement of recognised income and expense for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 12 to 23.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of NRW Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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DIRECTORS' DECLARATION

The directors of the company declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with the accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'J. McGlinn', with a large, stylized loop at the end.

JEFFERY W McGLINN

Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Ian Burston', written in a cursive style.

IAN BURSTON

Chairman

Dated this 21st day of February 2008

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CONDENSED CONSOLIDATED INCOME STATEMENT

For the 6 months ended 31 December 2007

	<i>Note</i>	Consolidated Half-year ended 31 December 2007 \$'000	Consolidated Half-year ended 31 December 2006 \$'000
Revenue		253,496	133,963
Other income		523	869
Materials and consumables used		(26,117)	(27,052)
Employee benefits expense		(46,195)	(25,592)
Subcontractor costs		(61,421)	(20,312)
Depreciation and amortisation expenses		(7,492)	(5,219)
Plant and equipment costs		(60,856)	(27,594)
Travel and accommodation		(9,769)	(5,934)
Other expenses		(19,500)	(6,786)
Profit from continuing operations		<u>22,669</u>	<u>16,343</u>
Financial income		612	234
Financial expenses		(3,412)	(2,136)
Net financing costs		<u>(2,800)</u>	<u>(1,902)</u>
Profit before income tax		19,869	14,441
Income tax expense		(6,190)	(5,242)
Profit for the period		<u>13,679</u>	<u>9,199</u>
Attributable to:			
Equity holders of the Company		13,679	8,852
Minority interest		-	347
		<u>13,679</u>	<u>9,199</u>
Earnings per share (cents per share)			
Basic earnings per share (AUD)	11	5.8	4.3
Diluted earnings per share (AUD)		5.7	4.3

The accompanying notes are an integral part of these condensed consolidated financial statements.



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CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2007

	Note	Consolidated 31 December 2007 \$'000	Consolidated 30 June 2007 \$'000
Assets			
Current assets			
Cash and cash equivalents		22,529	16,551
Trade and other receivables		86,100	66,964
Inventories		8,675	8,574
Other current assets		1,270	2,203
Total current assets		118,574	94,292
Non-current assets			
Property, plant and equipment		114,658	83,714
Goodwill		27,127	27,101
Deferred tax assets		2,587	-
Total non-current assets		144,372	110,815
Total assets		262,946	205,107
Liabilities			
Current liabilities			
Trade and other payables		(66,440)	(57,886)
Borrowings		(39,996)	(55,523)
Other financial liabilities		(819)	(6,749)
Current tax liabilities		(8,970)	(7,256)
Provisions		(3,992)	(2,883)
Total current liabilities		(120,217)	(130,297)
Non-current liabilities			
Borrowings		(34,993)	(27,691)
Deferred tax liabilities		-	(1,272)
Provisions		(356)	(334)
Total non-current liabilities		(35,349)	(29,297)
Total liabilities		(155,566)	(159,594)
Net assets		107,380	45,513
Equity			
Share capital	6	78,909	30,723
Reserves	7	1,290	1,290
Retained earnings	8	27,181	13,501
Total equity		107,380	45,513

The accompanying notes are an integral part of these condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the 6 months ended 31 December 2007

	Consolidated Half-year ended 31 December 2007 \$'000	Consolidated Half-year ended 31 December 2006 \$'000
Profit for the year	13,679	9,199
Total recognised income and expense for the year	13,679	9,199
Attributable to:		
Equity holders of the Company	13,679	8,852
Minority interest	-	347
Total recognised income and expense for the year	13,679	9,199

The accompanying notes are an integral part of these condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 31 December 2007

	Consolidated Half-year ended 31 December 2007 \$'000	Consolidated Half-year ended 31 December 2006 \$'000
Cash flows from operating activities		
Cash receipts from customers	246,403	134,585
Cash paid to suppliers and employees	(213,400)	(104,718)
Interest paid	(2,802)	(1,951)
Income tax paid	(7,716)	(780)
Net cash provided by operating activities	22,485	27,136
Cash flows from investing activities		
Interest received	612	234
Acquisition of subsidiaries net of cash acquired	(125)	(1,929)
Proceeds from the sale of property, plant and equipment	853	-
Acquisition of property, plant and equipment	(17,819)	(1,228)
Net cash used in investing activities	(16,479)	(2,923)
Cash flows from financing activities		
Proceeds from the issue of share capital	46,070	21,400
Proceeds from borrowings	12,247	368
Repayment of borrowings and finance/hire purchase liabilities	(42,661)	(15,407)
Payment of costs relating to initial public offering	(12,911)	(276)
Repayment of director related party loans	(3,557)	(12,638)
Net cash used in financing activities	(812)	(6,553)
Net increase in cash and cash equivalents	5,194	17,660
Cash and cash equivalents at beginning of the period	16,551	382
Cash and cash equivalents net of bank overdraft at the end of the period	21,745	18,042
Bank overdraft balance at the end of the period	784	-
Cash and cash equivalents at the end of the period	22,529	18,042

The accompanying notes are an integral part of these condensed consolidated financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AASB 134 ensures compliance International Financial Reporting Standards IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent Annual Report.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and half-year financial report are rounded off to the nearest thousand dollars, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2007 Annual Financial Report for the financial year ended 30 June 2007 except for the adoption of AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* in advance of their effective dates. The adoption of these standards have not resulted in any restatement to the results of the previous periods presented, but has changed the basis of the presentation of segment information.

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NOTES TO THE FINANCIAL STATEMENTS

2. Segment reporting

The Group has adopted AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* in advance of their effective dates, with effect from 1 July 2007. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, its predecessor standard AASB 114 *Segment Reporting* required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as a starting point for the identification of such segments.

In the prior reporting period, primary segment information reported externally under AASB 114 was already based on the business segments for which separate internal financial reporting is made to the chief operating decision maker. As a result of the early adoption of AASB 8 and AASB 2007-3, the Group's reportable segments under AASB 8 remain unchanged. Information regarding these segments is reported below, and amounts reported in the previous period remain unchanged. The accounting policies for the reportable segments are the same as the Group's accounting policies.

Segment results and segment assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise predominantly income-earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses. Inter-segment pricing is determined on an arm's length basis.

Business segments

The Group comprises the following business segments:

- *Civil Contracting*. The provision of construction services including rail formation, bulk earthworks and detailed road and tunnel construction.
- *Mining Services*. Mining contracting services including earth moving, waste stripping, ore haulage and related ancillary services.
- *Equipment Rental and Sales*. Rental and sale of new and used, heavy mining and ancillary equipment and the distribution of off-road tyres, loaders, excavators and rollers.
- *Services*. The provision of equipment repairs, sandblasting and painting services, service truck and water tanker fabrication and import services, including quarantine cleaning.

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

NOTES TO THE FINANCIAL STATEMENTS

2. Segment reporting (continued)

Business Segments

	Civil Contracting		Mining Services		Equipment Rental and Sales		Services		Eliminations		Consolidated	
	HY2008 \$'000	HY2007 \$'000	HY2008 \$'000	HY2007 \$'000	HY2008 \$'000	HY2007 \$'000	HY2008 \$'000	HY2007 \$'000	HY2008 \$'000	HY2007 \$'000	HY2008 \$'000	HY2007 \$'000
Total external revenue	220,457	74,448	18,861	45,147	5,442	14,368	8,736				253,496	133,963
Inter-segment revenue					5,288	2,772	4,886		(10,174)	(2,772)		
Total segment revenue	220,457	74,448	18,861	45,147	10,730	17,140	13,622	-	(10,174)	(2,772)	253,496	133,963
Segment result	26,849	8,878	5,263	6,916	2,835	2,295	2,400	-	-	-	37,347	18,089
Unallocated corporate expenses											(2,966)	(1,746)
Results from operating activities											34,381	16,343
Unallocated IPO and employee share expenses											(11,712)	-
Net finance costs											22,669	16,343
Income tax expense											(2,800)	(1,902)
Profit for the period											(6,190)	(5,242)
											13,679	9,199

	Civil Contracting		Mining Services		Equipment Rental and Sales		Services		Consolidated	
	31 Dec 07 \$'000	30 Jun 07 \$'000	31 Dec 07 \$'000	30 Jun 07 \$'000	31 Dec 07 \$'000	30 Jun 07 \$'000	31 Dec 07 \$'000	30 Jun 07 \$'000	31 Dec 07 \$'000	30 Jun 07 \$'000
Segment assets	111,101	82,209	93,216	68,975	24,224	17,179	8,862	6,910	237,403	175,273
Unallocated assets									25,543	29,834
Total assets	111,101	82,209	93,216	68,975	24,224	17,179	8,862	6,910	262,946	205,107



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NOTES TO THE FINANCIAL STATEMENTS

3. Dividends

On the 21 February 2008, the directors declared a fully franked dividend of 4 cents per ordinary share for the interim 6 months ended 31 December 2007 (six months ended 31 December 2006: Nil) to be paid on 31 March 2008. The dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$10,049,000.

4. Income tax

The consolidated entity's effective tax rate for the 6 months ended 31 December 2007 equated to 31.2% (6 months ended 31 December 2006: 36.3%). The effective tax rate is impacted by the non-deductibility of share-based payments during this period, as compared to the impact of non-deductible stamp duty costs incurred as part of the Group's restructure in the 6 months to 31 December 2006.

NRW Holdings Limited and its wholly-owned subsidiary companies and trust are a consolidatable group for the purposes of the tax consolidation provisions of the *Income Tax Assessment Act 1997* and can elect to consolidate at any time on or after 1 July 2007.

As at 31 December 2007, no decision has been made as to whether the group will consolidate for income tax purposes. These financial statements as at that date have therefore been prepared on the basis of not being a consolidated group for income tax purposes.

5. Issuances of equity securities

During the half-year reporting period, NRW Holdings Ltd issued 24,973,000 ordinary shares for \$2.00 per share as part of its initial public offering completed on 5 September 2007. The effects of the issue of new ordinary shares as part of the IPO and the costs incurred in relation to the raising are disclosed at note 6.



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NOTES TO THE FINANCIAL STATEMENTS

6. Issued capital

Ordinary shares	Consolidated Half-year ended 31 December 2007		Consolidated Half-year ended 31 December 2006	
	No.	\$'000	No.	\$'000
Balance at the beginning of the period*	65,974,869	30,723	100,000	1
Issued as consideration for acquisition of NRW Unit Trust and 45% of Promac Rental & Sales Pty Ltd	-	-	42,000,000	4,948
Issued to Stark NRWHPL Holding Limited to raise new capital for growth	-	-	18,042,857	21,400
Issued as consideration for acquisition of 55% of Promac Rental & Sales Pty Ltd	-	-	4,374,260	4,374
Effect of the share split**	160,275,131	-	-	-
Share issue – initial public offering	23,290,000	46,580	-	-
Share issue – deferred consideration for acquisition of Actionblast Pty Ltd	1,250,000	2,500	-	-
Share issue – employee gift offer	433,000	866	-	-
Less cost of the initial public offering	-	(1,760)	-	-
Balance at the end of the period	251,223,000	78,909	64,517,117	30,723

* The balance of ordinary shares on issue at 1 July 2007 includes 1,457,752 ordinary shares issued to senior executives under the Employee Share Plan ('ESP'), the details of which are disclosed in the most recent Annual Report. This issue of shares has been accounted for as an in-substance option plan, with the in-substance options having a fair value of \$1,289,725 on issue date (15 March 2007).

** The Company undertook a share split at a ratio of 226,250,000 / 65,974,869 shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

7. Reserves

Option reserve	Consolidated Half-year ended 31 December 2007 \$'000	Consolidated Half-year ended 31 December 2006 \$'000
Balance at the beginning and end of the period	1,290	-

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NOTES TO THE FINANCIAL STATEMENTS

8. Retained earnings

Notes	Consolidated Half-year ended 31 December 2007 \$'000	Consolidated Half-year ended 31 December 2006 \$'000
Balance at the beginning of the period	13,502	(2)
Net profit attributable to members of the parent entity	13,679	8,852
Balance at the end of the period	<u>27,181</u>	<u>8,850</u>

9. Property, plant and equipment

Capital commitments

The consolidated group has entered into commitments with certain suppliers for the purchase of fixed assets, primarily rental fleet assets in the amount of \$8,995,000 payable over the next 36 months, as compared to \$12,825,000 of capital commitments outstanding as at 31 December 2006.

10. Contingencies

Other than shown below there have been no material changes in the contingent assets and contingent liabilities of the Group.

Contingent Liabilities	Consolidated Half-year ended 31 December 2007 \$'000	Consolidated Half-year ended 31 December 2006 \$'000
Bank guarantees*	<u>16,674</u>	<u>10,711</u>
	16,674	10,711

* Bank guarantees are issued in the normal course of business to clients to guarantee the performance of NRW under contracts and the period of each guarantee varies depending upon contract terms.

11. Earnings per share

In determining the denominator used in calculating earnings per share for the 6 months ended 31 December 2006, the number of ordinary shares on issue (basic and dilutive) reflects the impact of the share split at a ratio of 226,250,000 / 65,974,869 that occurred as part of the IPO in September 2007, to provide a meaningful comparison.

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NOTES TO THE FINANCIAL STATEMENTS

12. Share based payments

Senior Management and Director Option Plan ('SMDOP')

During the interim period to 31 December 2007, the consolidated entity established a Senior Management and Director Option Plan. No options have been issued under the SMDOP to date. The terms and conditions of the plan are disclosed in the most recent annual financial report.

Employee Gift Shares

During the 6 months to 31 December 2007, the company issued 433,000 ordinary shares with a fair value of \$2.00 per share to eligible employees of the consolidated group as part of the initial public offer. An employee benefits expense has been recorded for the 6 months to 31 December 2007 for the fair value of shares issued totalling \$866,000.

13. Subsequent events

There has been no significant event that has occurred between the balance date and the date of this report that has significantly affected, or may significantly affect the operations of the economic entity, the results of these operations or the state of affairs of the entity in future periods.

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The Board of Directors
NRW Holdings Limited
73 – 76 Dowd Street
WELSHPOOL WA 6986

21 February 2008

Dear Board Members

NRW Holdings Limited


In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of NRW Holdings Limited.

As lead audit partner for the review of the financial statements of NRW Holdings Limited for the financial half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely


DELOITTE TOUCHE TOHMATSU


A T Richards
Partner
Chartered Accountants

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