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**ABN 95 118 300 217**

## **Interim Financial Report**

**For the Half Year Ending 31 December 2008**



ABN 95 118 300 217

## APPENDIX 4D

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the Half Year Ended 31 December 2008

NRW Holdings Ltd

ACN 118 300 217

	<i>% Change up / (down)</i>	Half-year ended 31 Dec 2008 \$'000	Half-year ended 31 Dec 2007 \$'000
Revenues from ordinary activities	5.1%	266,472	253,496
Profit from ordinary activities after tax attributable to members	45.0%	19,830	13,679
Net profit for the period attributable to members	45.0%	19,830	13,679*

#### Interim Dividend

Date dividend is payable	31 March 2009	31 March 2008
Record date to determine entitlements to dividend	3 March 2009	3 March 2008
Interim dividend payable per security (cents)	1.0	4.0
Franked amount of dividend per security (cents)	1.0	4.0

#### Ratios and Other Measures

Net tangible asset backing per ordinary security**	\$0.40	\$0.32
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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 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 Burstn – Non-executive Chairman

Jeffery McGlenn – Chief Executive Officer

Julian Pemberton – Executive Director and Chief Operating Officer

Michael Arnett – Non-executive Director

**Company Secretary** Kim Hyman

**Registered Office**

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Email: [info@nrw.com.au](mailto:info@nrw.com.au)

**Auditor**

Deloitte Touche Tohmatsu  
Level 14  
Woodside Plaza  
240 St Georges Terrace  
PERTH WA 6000

**Share Registry**

Link Market Services Limited  
Level 2  
118 Bennett Street  
EAST PERTH WA 6004  
Telephone: +61 2 8280 7111  
Facsimile: +61 2 8287 0303

**ASX Code** NWH – NRW Holdings Limited Fully Paid Ordinary Shares

**Web Page** [www.nrw.com.au](http://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 ("the Group") for the half year ended 31 December 2008. 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 McGlinn	Chief Executive Officer	Mr McGlinn 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.

### Company Secretary

Mr Kim Hyman holds the position of Company Secretary.



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## State of Affairs

There were no significant changes in the state of affairs of the Company or the Group during the half year ended 31 December 2008.

## Review of Operations and Results

### Financial Performance

The Board of Directors are pleased to report first half results for the 2009 financial year. The Group performance is highlighted by the following achievements:

- o Operating revenue of \$266.5 million
- o Earnings before interest, depreciation and tax of \$43.1 million, 16% of operating revenue
- o Earnings before interest and tax of \$32.9 million, 12.2% of operating revenue
- o Net profit after tax of \$19.8 million, 7.4% of revenue

	31 December 2008	31 December 2007	% Change
<i>\$ millions</i>	<i>Statutory</i>	<i>Statutory</i>	<i>Stat Vs Stat</i>
NRW Civil Contracting	156.1	220.5	(29)%
NRW Mining Services	93.6	18.9	395%
Promac	15.9	10.7	49%
Action Mining	15.4	13.6	14%
Other / Eliminations*	(14.5)	(10.2)	
<b>Total Revenue</b>	<b>\$ 266.5</b>	<b>\$ 253.5</b>	5.1%
EBITDA	43.1	30.2	43%
EBIT	32.9	22.7	45%
Net profit after tax**	19.8	13.7	45%

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

\*\* The period ended 31 December 2007 included tax-effected adjustments 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.



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## Review of Operations and Results (continued)

### **NRW Group**

NRW experienced another strong half year building upon 2008 with excellent financial and operational results. We achieved record revenue of \$266.5m to December 2008 with EBITDA and EBIT increasing 43% and 45% respectively against the previous corresponding period.

The results represent strong returns in the context of a challenging economic environment and despite some minor contractual delays (FMG rail suspended at 47% complete in October and recommencement deferred to 2HY09) and \$6.0m in costs written off pertaining to technical issues encountered in a mining contract; completed early in the first half of the 2009 financial year.

The core fundamentals of the business continue as NRW is committed to remaining focussed upon safe working practices, the training of personnel, revenue growth, client diversification, capital management and effective cost control.

### **NRW Civil and Mining**

NRW's strong first half revenue was driven by the performance of both Civil and Mining operations. Total revenue for the combined operations increased by 4.3% to \$249.7m compared to the previous half year result of \$239.4m.

The Civil operations recorded lower revenue due to the slower ramp up of the new Rio Tinto Brockman contracts where the workforce peak of 500+ personnel was not effected until October, however, production was unaffected at BHP-Billiton Newman, various miscellaneous contracts and FMG at Christmas Creek (until contract suspension).

Revenue from Mining operations eclipsed 1HY08 four fold to December 2008 due to the commencement of new contracts at Cloudbreak for Fortescue Metals Group, ongoing operations at the Rio Tinto Simandou Guinea project and our other mining division projects in the Pilbara for Rio Tinto.

The Group continues to strengthen its expertise across the company's divisions, focusing upon project execution and diversifying and expanding its tendering program with a strong emphasis on longer term contracts.

### **Promac Rental & Sales Pty Ltd**

The performance of Promac exceeded the 1HY08 results and is on track to complete a successful 2009 full year outcome. The division was the recipient of benefits made through distribution agreements with major outlets throughout Australia and further expansion is planned over the course of the calendar year.

Promac derives its revenue from four categories of products and service, being; hire equipment and sales of tyres, spare parts and plant and equipment.

Tyre sales for the first six months of FY09 exceeded the full year sales of FY08 due to the expansion of outlets and development of relationships on the Australian eastern coast, notably in Queensland and Victoria.



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## Review of Operations and Results (continued)

The division reported strong plant and equipment sales notwithstanding delays of stock deliveries of lighting towers and generators. Increases in sales of water and service trucks were achieved through intensive marketing efforts; positioning stock in key locations to accelerate product awareness.

The hire equipment division is tracking in line with the prior corresponding period due to no significant additions to the hire fleet as part of our capital optimisation strategy within the Group.

### **Action Mining Services Pty Ltd**

Action Mining Services continues to perform well, complimenting the other Civil, Mining and Equipment sales divisions with cost synergies due to access to extensive workshop facilities and a centre of mechanical expertise.

Action Mining performed well in the first half of FY09 growing sales by 14% to \$15.4m compared to 1HY08 and maintaining pre-acquisition margins. Expansion of fabrication capabilities at the Hazelmere premises has resulted in an increase in the number of service and water trucks produced.

Action Mining has successfully employed its design of water tanks suitable for larger trucks. The tanks are manufactured in Vietnam, imported into Australia and sold at competitive prices.

### **Operating Cash Flow and Capital Expenditure**

	31 December 2008	31 December 2007	% Change
<b>\$ millions</b>			
Operating cash flow	65.4	23.1	183%
Capital expenditure			
Maintenance	2.0	0.7	
Growth	13.4	38.4	
<b>Total Capex</b>	<b>15.4</b>	<b>39.1</b>	<b>(61%)</b>

Operating cash flow for the six months ended 31 December 2008 was \$65.4 million, driven by revenue growth, increases in net earnings before interest and tax, a focus upon working capital through expedient collection of cash receivable and cost efficiencies.

Capital expenditure for the 1HY09 was \$15.4 million in marked contrast to the prior comparative period. NRW was able to reduce expenditure on capital items due to investments being made in the 2008 financial year related to civil and mining projects at Simandou and Hope Downs and for the Promac hire division.

NRW does not expect capital expenditure to be greater than \$20m for the full year, subject to significant project wins currently not accounted for in our internal forecast.



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## Review of Operations and Results (continued)

### Balance Sheet and Capital Management

<i>\$ millions</i>	31 Dec 2008	30 Jun 08
Assets		
Cash	25.4	3.3
Property, plant and equipment	127.3	123.4
Other assets	155.2	185.0
<b>Total assets</b>	<b>307.9</b>	<b>311.7</b>
Current liabilities		
Interest bearing liabilities	41.7	53.2
Other current liabilities	92.7	87.5
Non current liabilities		
Interest bearing liabilities	36.8	44.9
Other non current liabilities	9.6	8.9
<b>Total liabilities</b>	<b>180.8</b>	<b>194.5</b>
<b>Net assets</b>	<b>127.1</b>	<b>117.2</b>
<b>Shareholders equity</b>	<b>127.1</b>	<b>117.2</b>
EBIT / net interest	7.2 x	8.1 x
Net debt / (Net debt + equity)	29%	44.7%



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Interest bearing liabilities have decreased by 20% between June and December 2008 with total debt reducing from \$98.1m to \$78.5m. As a consequence, the ratio of net debt relative to equity has decreased from 81% in June 2008 to 42% in December 2008. NRW will continue to de-gear the balance sheet with a program of accelerated debt repayment and a continued focus on cash management strategies.

NRW has successfully renegotiated its lending facilities ahead of schedule to give the Group certainty pertaining to its funding position. The Group has been able to increase borrowing facilities from \$75m to \$85.4m owing to a strong balance sheet, effective working capital management, increasing operational cash flow and sustainable performance. Other lending facilities are also being negotiated in the context of a "club banking" arrangement in conjunction with our lead banker (ANZ) in order for NRW to be well positioned to pursue growth opportunities.

## Outlook

The Board of NRW remain focused and positive for the long term outlook of the Group based on a solid performance, a strong balance sheet and a dedicated team of highly experienced management and staff. Despite the current economic uncertainty, the Group is well positioned to benefit from opportunities that are expected to be presented.

Whilst NRW expect a strong second half and a solid order book into 2010 our optimism is cautious as the number of projects being tendered has certainly declined over the past 4-6 months and therefore a far more competitive and price sensitive environment currently exists. NRW is also not immune to exposure from existing clients whose requirements may change in the future as they cope and adjust with their recovery from the financial crisis.

Notwithstanding, the opportunities that are in front of us in the civil and mining divisions are significant fully funded projects with blue chip clients. These are expected to contribute strongly to operations late in the second half and more particularly through 2010. Together with secured contracts and opportunities under negotiation the value of NRW's order book for 2010 is approximately \$400 million.

NRW remains committed to client and project diversity by working on attaining full pre qualification for Australia wide government infrastructure projects, creating an in house concrete division for infrastructure projects, continuing our focus on securing long term mining projects such as Bootu Creek which successfully commenced operations in December 2008 and securing opportunities overseas particularly in the middle east and Africa where we already have significant local experience.

## Dividends

A fully franked interim dividend of 1.0 cent per ordinary share has been declared by the Board. The dividend will be paid on 31 March 2009 on shares registered at 5.00pm on 3 March 2009.



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### **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 auditor's independence declaration is included on page 13 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 stylized, handwritten signature in black ink, appearing to be 'J. McGlenn'.

**Jeffrey W McGlenn**  
Chief Executive Officer

24 February 2009

A handwritten signature in black ink, appearing to be 'Ian Burston'.

**Ian Burston**  
Chairman

24 February 2009

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

We have reviewed the accompanying half-year financial report of NRW Holdings Limited, which comprises the balance sheet as at 31 December 2008, 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 13 to 24.

### *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 2008 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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## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of NRW Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

  
DELOITTE TOUCHE TOHMATSU

  
A T Richards  
Partner  
Chartered Accountants  
Perth, 23 February 2009

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## DIRECTORS' DECLARATION

The directors 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 flourish 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 24<sup>th</sup> day of February 2009

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## CONDENSED CONSOLIDATED INCOME STATEMENT

For the half year ended 31 December 2008

	<i>Note</i>	<b>Consolidated Half-year ended 31 December 2008 \$'000</b>	<b>Consolidated Half-year ended 31 December 2007 \$'000</b>
Revenue		266,472	253,496
Other income		2,987	523
Financial income		107	612
Financial expenses		(4,654)	(3,412)
Materials and consumables used		(45,731)	(26,117)
Employee benefits expense		(61,381)	(46,195)
Subcontractor costs		(50,889)	(61,421)
Depreciation and amortisation expenses		(10,217)	(7,492)
Plant and equipment costs		(48,119)	(60,856)
Travel and accommodation		(12,299)	(9,769)
Other expenses		(7,946)	(19,500)
<b>Profit before income tax</b>		<b>28,330</b>	<b>19,869</b>
Income tax expense		(8,500)	(6,190)
<b>Profit for the period</b>		<b>19,830</b>	<b>13,679</b>
Attributable to:			
Equity holders of the Company		19,830	13,679
		<b>19,830</b>	<b>13,679</b>
<b>Earnings per share (cents per share)</b>			
Basic earnings per share (AUD)		8.0	5.8
Diluted earnings per share (AUD)		7.9	5.7

*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 2008

	Note	Consolidated 31 December 2008 \$'000	Consolidated 30 June 2008 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		25,357	3,273
Trade and other receivables		101,523	132,666
Inventories		13,608	10,328
Other current assets		2,144	3,148
<b>Total current assets</b>		<b>142,632</b>	<b>149,415</b>
<b>Non-current assets</b>			
Trade and other receivables		8,991	8,495
Property, plant and equipment		127,321	123,356
Goodwill		27,127	27,127
Deferred tax assets		1,812	3,267
<b>Total non-current assets</b>		<b>165,251</b>	<b>162,245</b>
<b>Total assets</b>		<b>307,883</b>	<b>311,660</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		(84,072)	(68,008)
Borrowings		(41,654)	(53,155)
Current tax liabilities		(3,986)	(15,001)
Provisions		(4,658)	(4,452)
<b>Total current liabilities</b>		<b>(134,370)</b>	<b>(140,616)</b>
<b>Non-current liabilities</b>			
Trade and other payables		(8,991)	(8,495)
Borrowings		(36,835)	(44,923)
Provisions		(583)	(410)
<b>Total non-current liabilities</b>		<b>(46,409)</b>	<b>(53,828)</b>
<b>Total liabilities</b>		<b>(180,779)</b>	<b>(194,444)</b>
<b>Net assets</b>		<b>127,104</b>	<b>117,216</b>
<b>Equity</b>			
Issued capital	6	80,148	79,528
Reserves	7	1,540	1,475
Retained earnings	8	45,416	36,213
<b>Total equity</b>		<b>127,104</b>	<b>117,216</b>

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## CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the half year ended 31 December 2008

	Consolidated Half-year ended 31 December 2008 \$'000	Consolidated Half-year ended 31 December 2007 \$'000
Profit for the period	<u>19,830</u>	<u>13,679</u>
<b>Total recognised income and expense for the year</b>	<b><u>19,830</u></b>	<b><u>13,679</u></b>
<b>Attributable to:</b>		
Equity holders of the Company	<u>19,830</u>	<u>13,679</u>
<b>Total recognised income and expense for the year</b>	<b><u>19,830</u></b>	<b><u>13,679</u></b>

*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 half year ended 31 December 2008

	Consolidated Half-year ended 31 December 2008 \$'000	Consolidated Half-year ended 31 December 2007 \$'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	300,736	246,403
Cash paid to suppliers and employees	(212,772)	(213,400)
Interest paid	(4,560)	(2,802)
Interest received	107	612
Income tax paid	(18,088)	(7,716)
<b>Net cash provided by operating activities</b>	<b>65,423</b>	<b>23,097</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries net of cash acquired	-	(125)
Proceeds from the sale of property, plant and equipment	900	853
Acquisition of property, plant and equipment	(4,236)	(17,819)
<b>Net cash used in investing activities</b>	<b>(3,336)</b>	<b>(17,091)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of share capital	-	46,070
Proceeds from borrowings	9,332	12,247
Repayment of borrowings and finance/hire purchase liabilities	(27,661)	(42,661)
Proceeds from repayment of Employee Share Plan loans	619	-
Payment of dividends to shareholders	(10,627)	-
Payment of costs relating to initial public offering	-	(12,911)
Repayment of director related party loans	-	(3,557)
<b>Net cash used in financing activities</b>	<b>(28,337)</b>	<b>(812)</b>
<b>Net increase in cash and cash equivalents</b>	<b>33,750</b>	<b>5,194</b>
Cash and cash equivalents at beginning of the period	(11,235)	16,551
<b>Cash and cash equivalents net of bank overdraft at the end of the period</b>	<b>22,515</b>	<b>21,745</b>
Bank overdraft balance at the end of the period	2,842	784
<b>Cash and cash equivalents at the end of the period</b>	<b>25,357</b>	<b>22,529</b>

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

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## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The consolidated financial report of NRW Holdings Limited (the company) and its controlled entities for the half-year ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors on 23 February 2009. NRW Holdings Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Company are described in the Directors Report.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is also recommended that the half-year financial report be considered together with any public announcements made by NRW Holdings Limited and its controlled entities during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

#### (a) Statement of Compliance

The half-year consolidated 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". The half-year financial report has been prepared on a historical cost basis, except where stated.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### (b) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2008.

#### (c) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of NRW Holdings Limited and its controlled subsidiaries ('the Group').

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Segment reporting

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.

#### Reportable segments

The Group comprises the following reportable 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:

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## NOTES TO THE FINANCIAL STATEMENTS

### 3. Segment reporting (continued)

#### Business Segments

	Civil Contracting		Mining Services		Equipment Rental and Sales		Services		Eliminations		Consolidated	
	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07	31 Dec 08	31 Dec 07
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total external revenue	156,079	220,457	93,592	18,861	8,634	5,442	8,165	8,736			266,472	253,496
Inter-segment revenue					7,308	5,288	7,210	4,886	(14,518)	(10,174)	-	-
Total segment revenue	156,079	220,457	93,592	18,861	15,942	10,730	15,375	13,622	(14,518)	(10,174)	266,472	253,496
Segment result	17,390	26,849	13,378	5,263	3,068	2,835	2,217	2,400	-	-	36,053	37,347
Unallocated corporate expenses											(3,175)	(2,966)
<b>Results from operating activities</b>											<b>32,878</b>	<b>34,381</b>
Unallocated IPO and employee share expenses											-	(11,712)
Net finance costs											32,878	22,669
Income tax expense											(4,547)	(2,800)
<b>Profit for the period</b>											<b>(8,500)</b>	<b>(6,190)</b>
											<b>19,830</b>	<b>13,679</b>

	Civil Contracting		Mining Services		Equipment Rental and Sales		Services		Consolidated	
	31 Dec 08	30 Jun 08	31 Dec 08	30 Jun 08	31 Dec 08	30 Jun 08	31 Dec 08	30 Jun 08	31 Dec 08	30 Jun 08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	140,389	124,213	84,183	104,217	48,212	46,565	13,435	11,001	286,219	285,996
Unallocated assets									21,664	25,664
Total assets	140,389	124,213	84,183	104,217	48,212	46,565	13,435	11,001	307,883	311,660



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## NOTES TO THE FINANCIAL STATEMENTS

### 4. Dividends

During the period, NRW Holdings Ltd made the following dividend payments:

	Consolidated Half-year ended 31 December 2008		Consolidated Half-year ended 31 December 2007	
	<i>Cents per share</i>	<i>\$'000</i>	<i>Cents per share</i>	<i>\$'000</i>
<b>Fully paid ordinary shares</b>				
Final dividend	4.23	10,627	-	-

On the 23 February 2009, the directors declared a fully franked dividend of 1.0 cent per ordinary share for the interim 6 months ended 31 December 2008 (six months ended 31 December 2007: 4.0 cents per ordinary share) to be paid on 31 March 2009. The dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$2,512,230.

### 5. Issuances of equity securities

During the prior 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. No issuances of equity securities have been made during the six months to 31 December 2008.

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## NOTES TO THE FINANCIAL STATEMENTS

### 6. Issued capital

	Consolidated Half-year ended 31 December 2008		Consolidated Full-year ended 30 June 2008	
	No.	\$'000	No.	\$'000
<b>Ordinary shares</b>				
Balance at the beginning of the period*	251,223,000	79,529	65,974,869	30,724
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)
Repayment of limited recourse loan as part of the Employee Share Plan	-	619	-	619
<b>Balance at the end of the period</b>	<b>251,223,000</b>	<b>80,148</b>	<b>251,223,000</b>	<b>79,529</b>

\* 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

	Consolidated Half-year ended 31 December 2008	Consolidated Full-year ended 30 June 2008
	\$'000	\$'000
<b>Option reserve</b>		
Balance at the beginning of the period	1,475	1,290
Interest received on employee loan balances due under the Employee Share Plan	93	264
Related income tax	(28)	(79)
<b>Balance at the end of the period</b>	<b>1,540</b>	<b>1,475</b>

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## NOTES TO THE FINANCIAL STATEMENTS

### 8. Retained earnings

	Notes	Consolidated Half-year ended 31 December 2008 \$'000	Consolidated Full year ended 30 June 2008 \$'000
Balance at the beginning of the period		36,213	13,501
Net profit attributable to members of the parent entity		19,830	32,761
Dividends paid	3	(10,627)	(10,049)
<b>Balance at the end of the period</b>		<b><u>45,416</u></b>	<b><u>36,213</u></b>

### 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 \$4,712,000 payable over the next 36 months, as compared to \$10,992,000 of capital commitments outstanding as at 30 June 2008.

### 10. Contingencies

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

	Consolidated Half-year ended 31 December 2008 \$'000	Consolidated Full year ended 30 June 2008 \$'000
<b>Contingent Liabilities</b>		
Bank guarantees*	21,654	16,982
	<b><u>21,654</u></b>	<b><u>16,982</u></b>

\* 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.

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## NOTES TO THE FINANCIAL STATEMENTS

### 11. Share based payments

#### Senior Management and Director Option Plan ('SMDOP')

During the prior 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 prior interim period 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.

No share based payments have been made during the six months to 31 December 2008.

### 12. 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 -75 Dowd Street  
WELSHPOOL WA 6106

23 February 2009

Dear Board Members

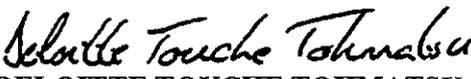
### NRW Holdings Limited

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 half-year ended 31 December 2008, 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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