



ABN 95 118 300 217

Interim Financial Report

For the Half-Year Ended

31 December 2012

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APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the Half-Year Ended 31 December 2012

NRW Holdings Ltd

ACN 118 300 217

	<i>% Change up / (down)</i>	Half-year ended 31 Dec 2012 \$'000	Half-year ended 31 Dec 2011 \$'000
Revenues from ordinary activities	32.8%	810,697	610,447
Profit from ordinary activities after tax attributable to members	7.2%	48,575	45,315
Net profit for the period attributable to members	7.2%	48,575	45,315

Interim Dividend

Date dividend is payable	28 March 2013	30 March 2012
Record date to determine entitlements to dividend	1 March 2013	2 March 2012
Interim dividend payable per security (cents)	8.0	8.0
Franked amount of dividend per security (cents)	8.0	8.0

Ratios and Other Measures

Net tangible asset backing per ordinary security	\$1.17	\$0.98
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CORPORATE DIRECTORY

Directors

Ian Burston – Non-executive Chairman

Julian Pemberton – Chief Executive Officer and Managing Director

Michael Arnett – Non-executive Director

John Cooper - Non-executive Director

Company Secretary Kimberley 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 2012. 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 and re-elected at the 2011 Annual General Meeting.
Julian Pemberton	Chief Executive Officer and Managing 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 Cooper	Non-Executive Director	Mr Cooper was appointed as a Director on 29 March 2011

Company Secretary

Mr Kimberley Hyman holds the position of Company Secretary, appointed 10 July 2007.

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 2012.

Review of Operations and Results

Financial Performance

The Board of Directors are pleased to report first half results for the 2013 financial year. The Group performance is highlighted by the following achievements:

- o Revenue of \$810.7 million
- o EBITDA of \$101.4 million, 12.5% of revenue
- o EBIT of \$78.8 million, 9.7% of revenue
- o Net profit after tax of \$48.6 million, 6.0% of revenue
- o Strong cash position of \$210.4 million.
- o Interim dividend of 8.0 cents per share.
- o Net Debt / Equity of 8%.

OPERATING PERFORMANCE (\$m)	1HY 2013	1HY 2012	Change
Sales Revenue			
Civil	479.3	323.9	48%
Mining	272.4	246.5	10%
Action Drill & Blast	94.0	50.9	85%
Action Mining Services	21.1	21.0	0%
Other*	(56.1)	(31.8)	
Total Sales	\$810.7	\$610.4	33%
EBITDA	101.4	89.4	13%
EBIT	78.8	70.4	12%
NPAT	48.6	\$45.3	7%
EPS (basic) cents	17.83	16.20	10%
DPS cents	8.00	8.00	6%

*other includes unallocated income and consolidation eliminations for Action Drill & Blast (\$53.9)m, Action Mining Services (\$2.2)m

NRW has delivered a solid first half result notwithstanding a challenging economic environment occurring in the second quarter of the financial year. Revenue for the Group increased by 33% compared to the prior corresponding period that translated to a 7% increase in net profit of \$48.6 million.

NRW's balance sheet is in a strong position with a cash balance of \$210.4 million and net debt of \$28.8 million at 31 December 2012. The strength in the balance sheet provides the business with a solid foundation to withstand the volatile market conditions.

NRW is in the process of building its order book from its current value of \$1.35 billion and is tendering over \$4.0 billion of projects.

Net earnings equated to 17.83 cents per share, a 10% increase compared to the prior corresponding period. In light of the performance and cash position, NRW's Board has declared an interim dividend of 8.0 cents per share. The dividend represents a 46% payout ratio for the half year.

The fully franked interim dividend will be paid on 28 March 2013, with a record date of 1 March 2013.

NRW Civil Contracting

The Civil Division's growth increased 48% over the previous corresponding period. The Division concentrated on key projects at Wheatstone (Bechtel), Cape Lambert and Western Turner

Syncline/Brockman (Rio Tinto), Herb Elliott Port (Fortescue), Port Hedland Inner Harbour Project (BHP Billiton Iron Ore) and the Yandi Sustaining Project (Rio Tinto).

Civil Contracting		1HY13	1HY12	Change
Revenue	\$m	479.3	323.9	48%
Gross Profit	\$m	52.0	36.7	42%
Return		11%	11%	

The Civil Division performed well achieving growth in revenue and profit whilst maintaining margin.

Outlook

We expect a strong outlook for the Civil Division particularly from Q4 FY2013 and into FY14 subject to contract award timing and commencement. A number of opportunities have been tendered which if successful would give the civil business strong visibility well into FY15. The civil division has current active tenders: \$2.85 billion

NRW Mining Services

The Mining division navigated a challenging first half to increase revenue by 11% over the prior corresponding period to \$272.4 million although suffered a reduced margin. The division incurred changes to contracts with major iron ore clients in Q2 of FY13. This resulted in holding costs of labour and plant of approximately \$2.0 million and redundancy costs of \$4.0 million for the half. Revenue at Simandou was \$10 million less than expected due to early termination of project.

Mining Services		1HY13	1HY12	Change
Revenue	\$m	272.4	246.5	11%
Gross Profit	\$m	14.9	31.7	(53)%
Return		6%	13%	

Queensland operations at Middlemount incurred a loss in the first half of \$10.35 million due to heavy rains in Q1 FY13 and operational challenges. After a period of negotiation with Peabody Energy and Yancoal (Middlemount Coal JV owners), NRW is transitioning to a 4.5 year dry hire contract at Middlemount which includes maintenance of equipment. As both Yancoal and Peabody Energy (joint venture owners of Middlemount Coal) are coal mine operators they have determined to move to an owner operator model.

In order to address the reduction in Mining projects the division shed its subcontractor workforce and labour hire and where possible, direct employees were redeployed into the Civil division. Owned assets were redeployed throughout the Group displacing hired subcontract equipment.

Outlook

We expect reduced full year revenue and margin for the Mining Division due to contract changes to date, with some further impact at Middlemount during Q3 FY2013 from heavy rainfall generated by ex-tropical cyclone Oswald in early 2013. The revenue will take time to replace as a result of a subdued domestic mining environment.

We do however expect to see good traction back in the Division during FY14 as we have both domestic and international tenders submitted and pending decision. The Mining division is currently tendering \$1.0 billion worth of projects.

Action Drill and Blast Pty Ltd

The Drill and Blast entity continues to perform strongly with revenue increasing 85% compared to the prior corresponding period. Despite the pleasing result, the business incurred \$1.0 million in redundancy and holding costs due to the transition of projects at Fortescue.

The business was able to secure two long term projects for John Holland (Isaac Plains) comprising 3 years plus a 2 year option to extend and for Fortescue (Cloudbreak) comprising 4 years plus a 2 year option to extend.

Drill & Blast		1HY13	1HY12	Change
Revenue	\$m	94.0	50.9	85%
Gross Profit	\$m	14.4	6.9	109%
Return		15%	14%	

The Drill & Blast business has continued to expand services to both the NRW Mining and Civil divisions and to external clients. The company has successfully expanded operations Australia wide with exposure to a diversified portfolio of clients, geography and commodity including coal, iron ore and base metals.

Outlook

Action Drill & Blast will continue to expand Australian operations by focusing on new external clients and long term contracts. Specifically, the business will seek new opportunities involving the development of explosives services, particularly in Queensland. Action Drill & Blast has also commenced tendering opportunities overseas, in particular West Africa and currently has active tenders of \$347.0 million

Action Mining Services Pty Ltd

Action Mining Services has achieved flat revenues and a decrease in margin. The business experienced strong demand for both water and service trucks in the first quarter however the dramatic changes within the Resources sector saw demand slow in quarter 2. It is expected that demand will continue to be low for products but gain some traction in the 4th quarter of the 2013 financial year.

In addition to external revenue, Action Mining Services continues to complement NRW's Civil, Mining and Equipment sales divisions with cost synergies due to the business' extensive workshop and quarantine facilities as well as a skilled mechanical work force.

Action Mining		1HY13	1HY12	Change
Revenue	\$m	21.1	21.0	<1%
Gross Profit	\$m	1.7	2.1	(19)%
Return		8%	10%	

Outlook

Action Mining Services' performance will be influenced by investment in the resource sector for sales of products, and outlook remains positive for growth, particularly from Q4 FY13.

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Operating Cash Flow and Capital Expenditure

As at 31 December 2012, cash on hand totalled \$210.4 million.

		1HY13	1HY12	Change
Operating Cash flow	\$m	133.6	113.9	17%
Capital Expenditure				
Maintenance	\$m	0.5	3.4	(85)%
Growth	\$m	74.5	44.5	67%
Total	\$m	75.0	47.9	57%

Operating cash flow for the six months ending 31 December 2012 was \$133.6 million, an increase of 17% compared to the previous corresponding period. The strong cash position reflects the continuation of efficient working capital management and improved operating performance of the business.

Capital expenditure for the first half of the financial year was \$75.0m and comprised mining related equipment for the expansion of the Middlemount Coal Project.

Interest

Net interest expense for the half year increased to \$9.4 million from \$5.5 million; reflective of the increased spend on capital. However, it is important to note the business did not require funding of working capital due to strong cash flows.

Tax

Group income tax expense increased to \$20.8 million from \$19.5 million, in line with the increased profit before tax for the half year. The tax expense represents an effective tax rate for the half year of 30 per cent.

Balance Sheet, Funding and Gearing Levels

In the six months to 31 December 2012, NRW has continued to strengthen the balance sheet concentrating on efficient working capital management and adding to the fleet in line with the business' internal return hurdles. The result is net debt of \$28.8 million at December 2012 compared to \$60.8 million at 30 June 2012.

The cash position and reduction of debt has translated to net debt / equity of 8% for the half compared to 18% at June 2012.

\$ m's	Dec 2012	June 2012	Change
Cash	210.4	138.0	52%
Property, plant and equipment	408.5	366.7	11%
Other assets	253.1	342.4	(26)%
Total Assets	872.0	847.0	3%
Liabilities	(283.1)	(319.1)	(11)%
Interest bearing liabilities	(239.2)	(198.8)	20%
Total Liabilities	522.3	517.9	1%
Shareholder Equity	349.7	329.2	6%
Net Debt / Equity ratio	8%	18%	(56)%

As at December 2012 the NRW Group had drawn \$403.3 million from a total \$623.3 million of overall funding facilities. Undrawn facilities of \$220.0 million provide NRW with sufficient scope to fund capital growth of the fleet as well as bonding requirements for the Civil division to undertake new projects.

FACILITY		Limit	Drawn	Available
Bonding	\$m	180.0	151.2	28.8
Asset Finance	\$m	344.8	252.1	92.7
Working Capital	\$m	98.5	0	98.5
TOTAL	\$m	\$623.3	\$403.2	\$220.1

Outlook

NRW expects its full year revenue to be \$1.4-\$1.5 billion, pending timely award and commencement of contracts during the remainder of 2HFY13. The corresponding NPAT margin is expected to be 6%.

A focus on internal efficiencies, rationalising input costs and realising synergies across the Group will continue as we retain NRW's capacity to grow organically or through acquisition. The strong cash position with substantial funding facilities in place provides flexibility for this growth enabling NRW to execute its strategy into FY2014 and beyond.

With a current order book of \$1.35 billion, we anticipate solid conversion of a potential \$4.0 billion of work tendered across the Civil, Mining and Drill and Blast divisions during the second half. This will continue to strengthen the order book into FY14 and FY15.

Dividend

The directors have declared a fully franked interim dividend of 8.0 cents per share for the half year ended 31 December 2012. The dividend will be paid on 28 March 2013 on shares registered at 5.00pm on 1 March 2013.

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 12 of the half-year financial report.

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 units 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



Julian Pemberton
Chief Executive Officer



Ian Burston
Chairman

21 February 2013

The Board of Directors
NRW Holdings Limited
181 Great Eastern Highway
BELMONT WA 6014

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.

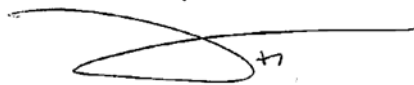
As lead audit partner for the review of the financial statements of NRW Holdings Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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

DELOITTE TOUCHE TOHMATSU



Darren Hall
Partner
Chartered Accountants

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



JULIAN PEMBERTON
Chief Executive Officer



IAN BURSTON
Chairman

Dated this 21 February 2013

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2012

	Consolidated Half-year ended 31 December 2012 \$'000	Consolidated Half-year ended 31 December 2011 \$'000
Revenue	810,697	610,447
Other income	(108)	223
Finance costs	(9,401)	(5,512)
Materials and consumables used	(109,483)	(80,913)
Employee benefits expense	(247,674)	(172,573)
Subcontractor costs	(183,029)	(133,477)
Depreciation and amortisation expenses	(22,619)	(19,015)
Plant and equipment costs	(144,350)	(117,871)
Travel and accommodation	(16,820)	(13,281)
Other expenses	(7,864)	(3,187)
Profit before income tax	69,349	64,841
Income tax expense	(20,774)	(19,526)
Profit for the period	48,575	45,315
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	(5)	(2)
Total comprehensive income	48,570	45,313
Profit Attributable to:		
Equity holders of the Company	48,575	45,315
Total Comprehensive Income Attributable to:		
Equity holders of the Company	48,570	45,313
Earnings per share (cents per share)		
Basic earnings per share	17.8	16.2
Diluted earnings per share	17.7	16.2

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	<i>Note</i>	Consolidated 31 December 2012 \$'000	Consolidated 30 June 2012 \$'000
Assets			
Current assets			
Cash and cash equivalents	11(a)	210,361	137,955
Trade and other receivables		187,486	280,438
Inventories		38,988	33,374
Other current assets		2,196	4,149
Total current assets		<u>439,031</u>	<u>455,916</u>
Non-current assets			
Property, plant and equipment	3	408,538	366,705
Goodwill		24,417	24,417
Total non-current assets		<u>432,955</u>	<u>391,122</u>
Total assets		<u>871,986</u>	<u>847,038</u>
Liabilities			
Current liabilities			
Trade and other payables		224,747	250,418
Borrowings		54,596	49,592
Current tax liabilities		17,871	22,913
Provisions		28,875	29,576
Total current liabilities		<u>326,089</u>	<u>352,499</u>
Non-current liabilities			
Borrowings		184,566	149,178
Provisions		1,593	26
Deferred tax liability		10,036	16,157
Total non-current liabilities		<u>196,195</u>	<u>165,361</u>
Total liabilities		<u>522,284</u>	<u>517,860</u>
Net assets		<u>349,702</u>	<u>329,178</u>
Equity			
Contributed equity	5	156,432	156,456
Reserves	6	2,830	2,969
Retained earnings	7	190,440	169,753
Total equity		<u>349,702</u>	<u>329,178</u>

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

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2012

NRW HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year ended 31 December 2012

Consolidated	Contributed equity	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011	156,456	(248)	1,635	108,866	266,709
Profit for the period	-	-	-	45,315	45,315
Exchange differences arising on translation of foreign operations	-	(2)	-	-	(2)
Total comprehensive income for the period	-	(2)	-	45,315	45,313
Payment of dividends	-	-	-	(13,945)	(13,945)
Balance at 31 December 2011	156,456	(250)	1,635	140,236	298,077
Balance at 1 July 2012	156,456	(242)	3,211	169,753	329,178
Profit for the period	-	-	-	48,575	48,575
Exchange differences arising on translation of foreign operations	-	(5)	-	-	(5)
Total Comprehensive Income for the period	-	(5)	-	48,575	48,570
Payment of dividends	-	-	-	(27,888)	(27,888)
Share-based payments	-	-	1,127	-	1,127
Acquisition of treasury shares	(1,285)	-	-	-	(1,285)
Transfer to issued capital	1,261	-	(1,261)	-	-
Balance at 31 December 2012	156,432	(247)	3,077	190,440	349,702

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year ended 31 December 2012

	Note	Consolidated Half-year ended 31 December 2012 \$'000	Consolidated Half-year ended 31 December 2011 \$'000
Cash flows from operating activities			
Cash receipts from customers		993,370	572,034
Cash paid to suppliers and employees		(818,390)	(446,187)
Interest paid		(9,858)	(6,212)
Interest received		458	700
Income tax paid		(31,937)	(6,433)
Net cash provided by operating activities	11(b)	133,643	113,902
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		10,081	3,120
Acquisition of property, plant and equipment		(18,794)	(14,788)
Net cash used in investing activities		(8,713)	(11,668)
Cash flows from financing activities			
Proceeds from borrowings		9,101	4,282
Repayment of borrowings and finance/hire purchase liabilities		(32,452)	(23,152)
Acquisition of shares by NRW Employee Share Trust		(1,285)	-
Payment of dividends to shareholders		(27,888)	(13,945)
Net cash used in financing activities		(52,524)	(32,815)
Net increase in cash and cash equivalents		72,406	69,419
Cash and cash equivalents at beginning of the period		137,955	70,628
Cash and cash equivalents at the end of the period	11(a)	210,361	140,047

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

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

(a) Statement of compliance

The half-year 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*'.

Compliance with AASB 134 ensures compliance to 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 financial report.

(b) Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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 indicated.

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 2012 annual financial report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. In addition the group has introduced a warranty provision for defects relevant to completed work as per contractual requirements in the performance and defects period relevant too each project. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Application of new and revised Accounting Standards

Standards and Interpretations adopted in the current year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, being the half year ended 31 December 2012.

The following new and revised Standards and Interpretations have been adopted in the current financial reporting period that are relevant to the Group are:

- AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of AASB 2011-9 has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half year financial statements.

Standards and Interpretations in issue not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the half year ending 31 December 2012.

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Management are in the process of assessing the impact of the adoption of these standards and interpretations on the Group.

2. Segment Information

Information regarding these segments is reported below. 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 interest bearing loans, borrowings, and corporate assets and expenses. Inter-segment pricing is determined on an arm's length basis.

(a) Reportable segments

The board has identified the following reportable segments:

- **Civil Contracting.** The provision of civil infrastructure and other construction services including rail formation, concrete works, bulk earthworks and detailed road and tunnel construction.
- **Mining Services.** This segment operates in mining contracting services including earth moving, waste stripping, ore haulage and related ancillary services.
- **Fabrication and Repair Services.** The provision of equipment repairs, sandblasting and painting services, service truck and water tanker fabrication and import services, including quarantine cleaning and the marketing and sales of the fabricated water and service trucks.
- **Drilling and Blasting Services.** The provision of services to meet internal and external requirements regarding drilling and blasting activities in Australia predominantly in civil and mining projects.

2. Segment Information (Continued)....

(b) Segment Revenues and Profit

	Segment Revenue		Segment Profit (Loss)	
	1HY2013	1HY2012	1HY2013	1HY2012
	\$'000	\$'000	\$'000	\$'000
Civil Contracting	479,312	323,905	52,044	36,664
Mining Services	272,380	246,464	14,954	31,773
Drilling & Blasting Services	94,026	50,861	14,391	6,888
Fabrication & Repair Services	21,087	21,019	1,734	2,146
Eliminations	(56,108)	(31,802)	-	-
Total for continuing operations	810,697	610,447	83,123	77,471
Other unallocated expenses			(4,373)	(7,117)
Net finance costs			(9,401)	(5,512)
Income tax expense			(20,774)	(19,526)
Profit for the period			48,575	45,315

(c) Segment Assets

Segment assets	Segment Assets	
	1HY2013	FY2012
	\$'000	\$'000
Civil Contracting	296,750	274,221
Mining Services	466,179	477,661
Drilling & Blasting Services	51,240	39,082
Fabrication & Repair Services	39,636	39,817
Other unallocated assets	⁽¹⁾ 18,180	16,257
Consolidated assets	871,986	847,038

(1) Represents corporate head office and systems improvement costs that cannot be allocated to other segments.

3. Property, plant and equipment

Property, plant and equipment held by the consolidated entity include:

	Buildings	Leasehold improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Cost				
Balance at 1 July 2011	1,959	1,083	386,485	389,527
Effect of foreign currency exchange differences	-	-	2	2
Other acquisitions	4,290	122	140,011	144,423
Disposals	(2)	-	(7,466)	(7,466)
Balance at 30 June 2012	6,247	1,205	519,032	526,484
Effect of foreign currency exchange differences	-	-	(1)	(1)
Other acquisitions	2,187	24	72,794	75,005
Disposals	-	-	(28,134)	(28,134)
Balance at 31 December 2012	8,434	1,229	563,691	573,354
Depreciation				
Balance at 1 July 2011	385	339	120,266	120,990
Depreciation and amortisation expense	545	121	41,228	41,894
Effect of foreign currency exchange differences	-	-	1	1
Disposals	(2)	-	(3,104)	(3,106)
Balance at 30 June 2012	928	460	158,391	159,779
Depreciation and amortisation expense	511	66	22,042	22,619
Effect of foreign currency exchange differences	-	-	(1)	(1)
Disposals	-	-	(17,581)	(17,581)
Balance at 31 December 2012	1,439	526	162,851	164,816
Net book value				
At 1 July 2012	5,318	745	360,650	366,705
At 31 December 2012	6,995	703	400,840	408,538

4. Capital Commitments

As at 31 December 2012 capital commitments by way of cash, finance or leases are estimated at \$26,108,855 (2012: \$60,620,395). Where finance is used to fund these acquisitions the term is likely to be set at 60 months. The commitments are aimed at servicing the continued growth of the national and international projects. Delivery times and commissioning dates for these commitments are anticipated over the coming 24 months, subject to market and supply constraints.

5. Contributed equity

Ordinary shares	Consolidated Half-year ended 31 December 2012		Consolidated Full-year ended 30 June 2012	
	No.	\$'000.	No.	\$'000
Balance at the beginning of the period	278,888,011	156,456	278,888,011	156,456
Acquisition of treasury shares	(586,641)	(1,285)	-	-
Transfer to contributed equity	575,849	1,261	-	-
Balance at the end of the period	278,877,219	156,432	278,888,011	156,456

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

During the half-year, the Group acquired 586,641 ordinary shares for \$1,285,043 and reissued 575,849 ordinary shares for \$1,261,403 on vesting of performance rights.

6. Reserves

	Consolidated Half-year ended 31 December 2012 \$'000	Consolidated Full-year ended 30 June 2012 \$'000
Balance at the beginning of the period	2,969	3,211
Share based payments	1,127	-
Shares issued for vested rights	(1,261)	-
FX Translation Reserve	(5)	(242)
Balance at the end of the period	2,830	2,969

7. Retained earnings

	Notes	Consolidated Half-year ended 31 December 2012 \$'000	Consolidated Full-year ended 30 June 2012 \$'000
Balance at the beginning of the period		169,753	108,866
Net profit attributable to members of the parent entity		48,575	97,142
Dividends paid	8	(27,888)	(36,255)
Balance at the end of the period		190,440	169,753

8. Dividends

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

	Consolidated Half-year ended 31 December 2012		Consolidated Half-year ended 31 December 2011	
	<i>Cents per share</i>	<i>\$'000</i>	<i>Cents per share</i>	<i>\$'000</i>
Fully paid ordinary shares				
Final dividend	10.00	27,888	5.00	13,945

On 20 February 2013, the directors declared a fully franked interim dividend of 8 cents per share to the holders of fully paid ordinary shares in respect of the half-year ended 31 December 2012, to be paid to shareholders on 28 March 2013. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$22,311,041.

9. 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 2012 <i>\$'000</i>	Consolidated Full-year ended 30 June 2012 <i>\$'000</i>
Contingent Liabilities (Utilised)		
Insurance bonds	119,118	95,985
Bank guarantees	32,049	36,426
	<u>151,167</u>	<u>132,411</u>

Insurance bonds and 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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10. Operating Leases

Operating leases as lessee

Non cancellable operating lease rentals (excluding property rentals - see below) are payable are as follows:

	Consolidated	
	Half-year ended 31 December 2012	Year end 30 June 2012
	\$'000	\$'000
Less than one year	13,987	15,963
Between one and five years	2,464	7,453
More than five years	-	-
Total	16,451	23,416

Property lease rentals are payable as follows:

	Consolidated	
	Half-year ended 31 December 2012	Year end 30 June 2012
	\$'000	\$'000
Less than one year	3,085	5,157
Between one and five years	10,928	18,271
More than five years	1,958	854
Total	15,971	24,282

The majority of property leases relate to commercial property.

The Group does not have the option to purchase the leased assets at the end of the lease period.

11. Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated Half-year ended 31 December 2012 \$'000	Consolidated Half-year ended 31 December 2011 \$'000
Cash and cash equivalents	210,361	140,047
	<u>210,361</u>	<u>140,047</u>

(b) Reconciliation of profit for the period to net cash flows from operating activities

	Consolidated Half-year ended 31 December 2012 \$'000	Consolidated Half-year ended 31 December 2011 \$'000
Cash flows from operating activities		
Profit for the half year	48,575	45,315
<i>Adjustments for:</i>		
Gain on sale of property, plant and equipment	468	902
Net foreign exchange gain/(loss)	(5)	(2)
Depreciation	22,619	19,015
Working capital funding	7,537	-
Share based payments (Performance Incentive Rights Plan)	1,127	-
Operating profit before changes in working capital and provisions	<u>80,321</u>	<u>65,230</u>
Change in trade and other receivables	92,951	(39,507)
Change in provision for doubtful debts	-	(32)
Change in inventories	(5,614)	(2,934)
Change in other assets	1,953	5,118
Change in trade and other payables	(25,670)	62,844
Change in provisions and employee benefits	866	10,090
Change in provision for income tax	(5,043)	21,739
Change in deferred tax balances	(6,121)	(8,646)
Net cash from operating activities	<u>133,643</u>	<u>113,902</u>

(c) Non-cash investing activities

During the period the Group acquired \$56,028,725 (1HY 2012 \$37,185,305) of equipment under finance lease. These acquisitions will be reflected in the statement of cash flows over the term of the finance leases via repayments of borrowings and finance leases.

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12. Borrowings

During the period, the Group maintained its working capital and asset financing facilities. The facilities are available by way of overdraft, finance lease, operating lease, hire purchase agreement or secured progressive draw.

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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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 condensed statement of financial position as at 31 December 2012, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity 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 26.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 NRW Holdings Limited's financial position as at 31 December 2012 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of NRW Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 consolidated entity's financial position as at 31 December 2012 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

DELOITTE TOUCHE TOHMATSU



Darren Hall

Partner

Chartered Accountants

Perth, 21 February 2013