

# Investor Presentation Singapore / Hong Kong

9<sup>th</sup> – 11<sup>th</sup> November 2009



**Julian Pemberton**

**Chief Operating Officer**

**Kim Hyman**

**Company Secretary**

**Mark Wallace**

**Chief Financial Officer**

# History

## Key milestones

- 1994 — NRW established by Jeff McGlinn and John Silverthorne
- 1997 — Established presence in the Pilbara with a 5 year services contract for BHP
- 2002 — Achieved Rio Tinto pre-qualification status for Mining and Civil tenders
- 2004 — Won first major Mining services contract at Tom Price for Rio Tinto
- 2004 — Promac commenced operations
- 2007 — Acquired Action Mining
  - Initial Public Offering (5 September)
  - Commenced work at Rio Tinto's Simandou project - West Africa (Guinea)
  - Won 105 km rail formation contract for FMG
- 2008 — Won \$250 million contract for works on Rio Tinto's Brockman 4 Project
  - Won three year contract for Mining works at OM Holdings' Bootu Creek NT
- 2009 — Won BHP Rail Duplication South Package
  - Won Cape Preston Bulk Earthworks and Breakwater Construction contract

# Diversified business

## Complementary and diversified service offering to the resources sector



### Civil Contracting

Provides construction services including rail formation, bulk earthworks, detailed road and tunnel construction, greenfields mine development and concrete installation.



### Mining Services

Provides a wide range of contracting services including earth moving, waste stripping, ore haulage, drill and blast, as well as related ancillary services.



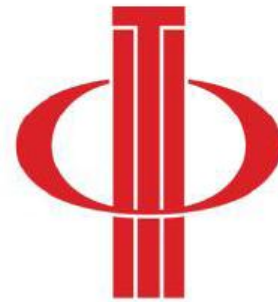
Provides the sale of new and used, heavy mining and ancillary equipment and the distribution of Off-the-Road (OTR) tyres, lighting plants, generator sets, excavators and loaders.



Provides equipment repairs, sand blasting and painting services, service truck and tanker fabrication and import services (including quarantine cleaning)

# Key clients

NRW is firmly integrated into major resource companies' supply chains



CITIC PACIFIC  
MINING

RIO  
TINTO



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# Strong share register

## TOP INVESTOR GROUPS (by parent company)

Investor	22 Oct 2009	% of isc	Change	05 Aug 2009	City
1 Directors, Employees & Related Parties	66,593,347	26.5%	(4,354,765)	70,948,112	Combined
2 BT Investment Mgt	16,670,374	6.6%	8,361,772	8,308,602	Sydney
3 AMP Capital Investors	14,516,971	5.8%	7,555,267	6,961,704	Sydney
4 Barclays Bank	13,510,327	5.4%	3,147,947	10,362,380	Combined
5 Aviva Investors	8,758,932	3.5%	1,646,175	7,112,757	Melbourne
6 Contango Asset Mgt	6,883,467	2.7%	3,361,552	3,521,915	Melbourne
7 Paradice Investment Mgt	6,357,534	2.5%	3,766,726	2,590,808	Sydney
8 Franklin Resources	5,657,882	2.3%	-	5,657,882	Combined
9 Private Stakeholders (Australia)	5,242,706	2.1%	81,200	5,161,506	Combined
10 Acorn Capital	5,079,422	2.0%	2,000,000	3,079,422	Melbourne

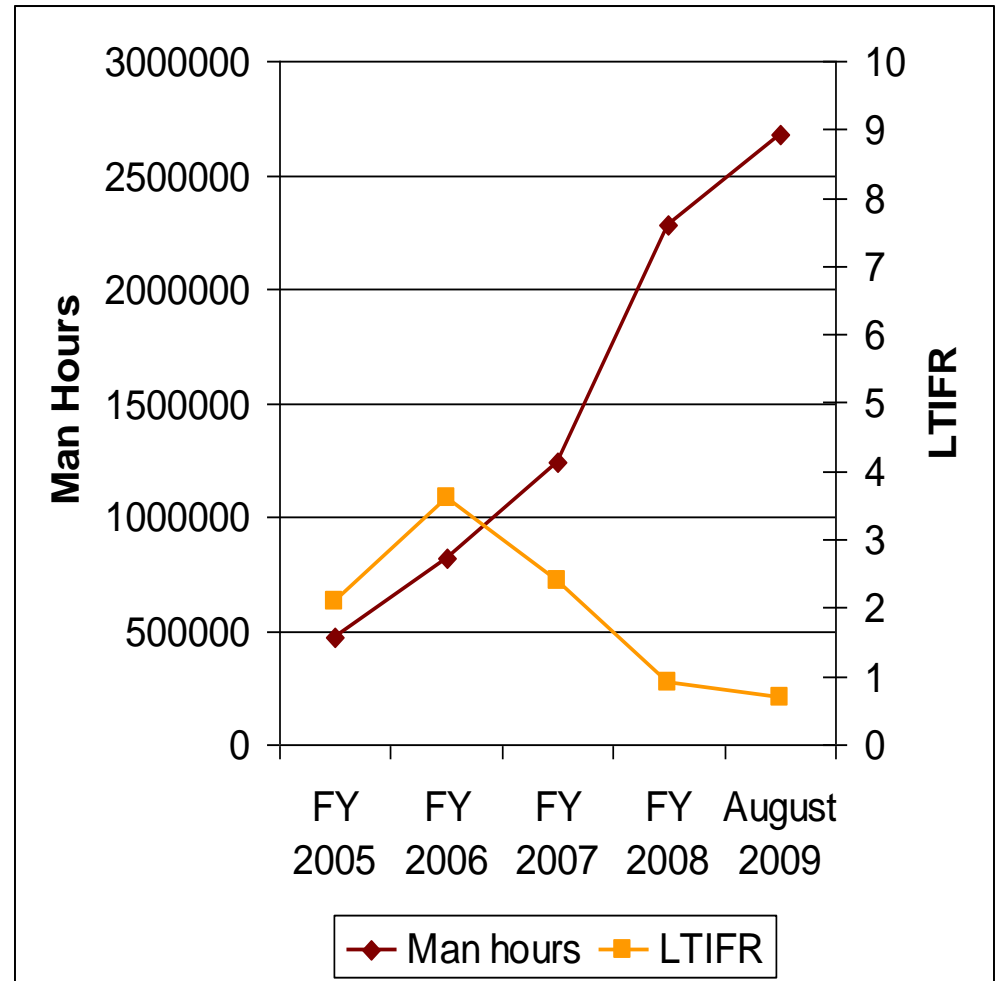
# Highlights 2009

## Financial and Operational Highlights

- Revenue of \$509.6m  8% increase on FY2008
- EBIT of \$60.1m  12% increase on FY2008
- NPAT of \$37.1m  13% increase on FY2008
- Net debt \$40.2 million  58% decrease on FY2008
- Total dividends for the year of 2.0 cents per share.
- Diversification of client base through the award of significant new civil infrastructure contracts for CITIC Pacific at Cape Preston and BHPB at RGP5 (South)
- Focus on longer term revenue stream resulting in 76% revenue increase in mining services division with contract awards from OM Holdings Ltd at Bootu Creek and FMG at the Christmas Creek mine.

# People and Safety

- At 30 June 2009 NRW employed 829 staff together with a significant number of contractors
- Continue to have very high employee retention rates
- Approximately 10% of total employees are indigenous with a target of 16%
- Strong focus on safety and training as employee numbers increase





# Civil Projects

## Current Contracts

### Project name

### Description

**RGP5 (South)**

BHPBIO

- Rail duplication - 54km of the southern section from Cowra siding to Yandi mine
- Contract includes: Rail formations, drill and blast, track and signals and a 300 man camp
- JV with Laing O'Rourke & John Holland
- Total NRW workforce of approximately 250



**Cape Preston**

CP Mining




- Port infrastructure and mine site earthworks.
- 6 million cubic meters of drill and blast rock
- Contract includes: 3.7km breakwater construction, plant site and bulk earthworks
- JV with VDM Group
- Peak workforce in excess of 400





# Civil Projects

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Project name	Description	
<b>Pannawonica Rail Bridge Replacement</b> Rio Tinto	<ul style="list-style-type: none"><li>Construction of two 24 metre diameter tunnels to replace flood damaged bridge.</li><li>Project value: \$15 million</li><li>JV with NYFL – local Indigenous landowners</li><li>Indigenous workforce = 25% of total</li></ul>	
<b>Christmas Creek Rail</b> FMG	<ul style="list-style-type: none"><li>Recommencement of Cloudbreak to Christmas Creek Mine Rail Spur Contract.</li><li>Project Value: Approx \$45 million remaining</li></ul>	
<b>Port Haven</b> BHPBIO	<ul style="list-style-type: none"><li>Camp earthworks, drainage and minor concrete works for a new camp adjacent to the Port Hedland airport</li><li>Just awarded variation to cover additional earthworks and services installation in Port Headland. Approx value \$29 million</li></ul>	

# Civil Projects

## Recently Completed Contracts

### Project name

**Brockman 4**

Rio Tinto

### Description

- Successful completion of Brockman 4: the largest resource earthworks project undertaken in WA.
- Project staffing reached a peak in excess of 550 personnel on site



# Mining Services

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## Project name

## Description

### Hope Downs Mining

Rio Tinto

- Drill and blast, excavation, haulage and waste dump management services
- In-pit works including pre-development pit establishment, waste pre-stripping, waste cutback and remnant ore mining



### Christmas Creek

FMG

- Drill & Blast, excavation of mine overburden, load and haul



# Mining Services

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## Project name

## Description

**Bootu Creek**

OM Holdings

- Drill and blast, excavation, haulage waste dump management services and crusher feed
- 3 + 2 year contract term



**Simandou Project**

Rio Tinto

- Renegotiated contract extension through to December 2010 plus one year option



# Promac / Action Mining

## Promac

- Water/Service truck sales successfully met budget. FY2010 expected to experience more challenging conditions
- Lighting towers and generator sets released on market with positive feedback
- In order to generate sales growth Promac is in the process of expanding the client base both domestically and internationally



## Action Mining Services

- Difficult trading conditions for repairs and maintenance services due to reduced activity in mining and construction sector however expected to improve due to major project commencements during FY2010.
- Provides ready workshop 24/7, not fully reliant on external sales as also adds great value for NRW's maintenance department



# Financial Summary

## Revenue by division

\$m	FY2009 Actual	FY2008 Actual	FY2007 Actual
NRW Civil Contracting	295.0	336.8	162.0
NRW Mining Services	188.6	107.2	77.8
Promac	31.8	21.2	28.6
Action Mining	25.6	26.2	20.7
Other / Eliminations <sup>1</sup>	(31.4)	(20.2)	(11.5)
<b>Total Revenue</b>	<b>509.6</b>	<b>471.2</b>	<b>277.6</b>

Note:

1 Primarily comprises the elimination of sales by Promac & Action Mining to NRW Civil Contracting and Mining Services divisions

- Civil Contracting revenue reduced due to delays in projects into FY2010
- Strong Mining Services revenue increase due to new projects with OM Holdings and FMG
- Promac revenue increased reflecting demand for trucks, tyres and hire machinery
- Action Mining revenue static due to economic conditions in 2H09

# Financial Summary

## Financials

\$m unless stated	FY2009 Actual	FY2008 Actual	FY2007 Actual
Revenue	509.6	471.2	277.6
<b>EBITDA</b>	<b>81.2</b>	<b>71.9</b>	<b>45.2</b>
<i>EBITDA margin (%)</i>	15.9%	15.3%	16.3%
Depreciation	(21.1)	(18.1)	(11.6)
<b>EBIT</b>	<b>60.1</b>	<b>53.8</b>	<b>33.6</b>
<i>EBIT margin (%)</i>	11.8%	11.4%	12.1%
Interest	(8.1)	(6.5)	(4.9)
<b>PBT</b>	<b>52.0</b>	<b>47.3</b>	<b>28.7</b>
Tax	(14.9)	(14.5)	(8.6)
<b>NPAT</b>	<b>37.1</b>	<b>32.8</b>	<b>20.1</b>
EPS	14.9 cents	13.4 cents	8.00 cents
DPS	2.0 cents	8.23 cents	-



# Balance Sheet

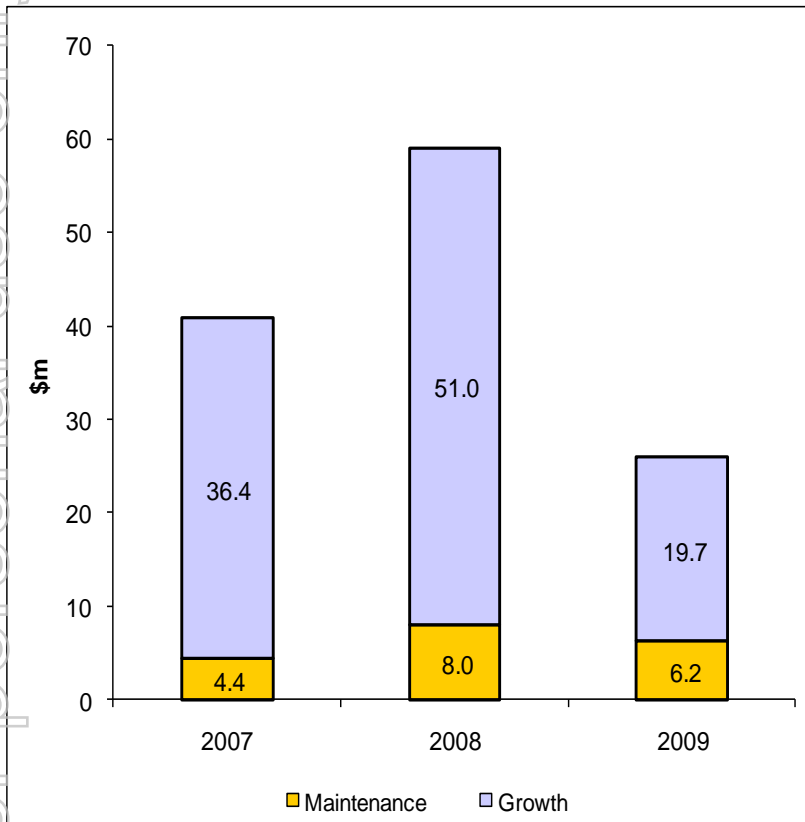
## Summary Balance Sheet

<b>\$m unless stated</b>	<b>2009</b>	<b>2008</b>
Cash	20.6	3.3
PPE	125.9	123.4
Other assets	165.3	185.0
<b>Total assets</b>	<b>311.8</b>	<b>311.7</b>
Current liabilities		
Interest bearing liabilities	34.7	53.2
Other current liabilities	108.1	87.5
Non current liabilities		
Interest bearing liabilities	26.1	44.9
Other non current liabilities	0.6	8.9
<b>Total liabilities</b>	<b>169.5</b>	<b>194.4</b>
<b>Net assets</b>	<b>142.3</b>	<b>117.2</b>
<b>Shareholders equity</b>	<b>142.3</b>	<b>117.2</b>
<b>Debt/Balance Sheet metrics</b>		
EBIT/net interest	7.4x	8.4x
Net debt/EBITDA	0.5x	1.3x
Net debt/(Net debt + equity)	22.0%	44.7%
Return on Equity	26.1%	28.0%

## Highlights

- Increase in cash reserves
- Decrease of interest bearing liabilities
- Reduction in working capital
- Increase in shareholders equity
- Sufficient funding for future growth

# Capital Expenditure



- FY2009 capital expenditure of \$25.9m comprising:
  - \$19.7m Growth.
  - \$6.2m Maintenance.
- Capital expenditure primarily relates to:
  - NRW Civil & Mining (\$22.7m)
  - Promac division (\$2.9m)
  - Action Mining (\$0.2m)

# Operating Cash Flow

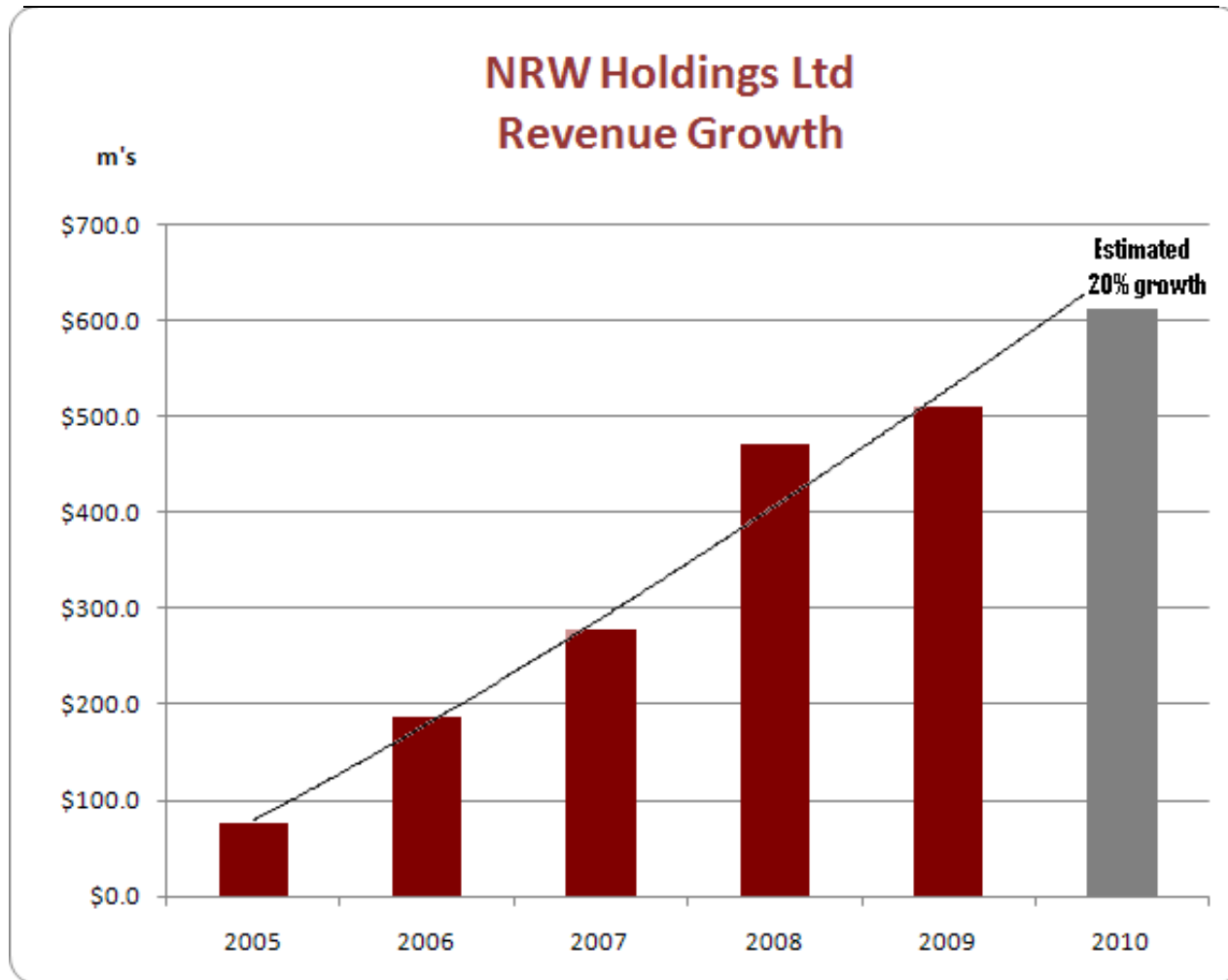
## Operating Cash Flow

\$m	FY2009 Actual	FY2008 Actual	FY2007 Actual
EBIT	60.1	53.8	33.6
Depreciation and amortisation	21.1	18.1	11.6
<b>EBITDA</b>	<b>81.2</b>	<b>71.9</b>	<b>45.2</b>
Working capital movements	6.9	(57.2)	(0.2)
<b>Cash flows from operations</b>	<b>88.1</b>	<b>14.7</b>	<b>45.0</b>

- Efficient management of working capital including the reduction of debtors days.
- Focus on cash conservation
- Increase in EBITDA

# Revenue Outlook

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# Outlook

- Strong FY2010 order book, tracking for revenue growth of 20%
- Tender activity high but remains competitive. Current pipeline in excess of \$1.5 billion
- Civil & Mining Division ~ \$460 million secured revenue for FY2010
- Civil expansion opportunities due to commencement of LNG and new mining projects in Australia and overseas. Also opportunities in government related infrastructure investment due to NRW achieving pre-qualification status with Main Roads in WA and Qld
- Mining tender activity increasing with a large number of prospects both in Australia and overseas
- NRW continues to look at suitable acquisition opportunities
- Partnering with indigenous owned civil and mining entities
- Development of JV's with domestic and international groups