

## Media Release

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24 August 2012

NRW Holdings Limited  
181 Great Eastern Highway  
Belmont, 6106, Western Australia

### NRW HOLDINGS LIMITED DELIVERS RECORD YEAR OF GROWTH

#### Financial Highlights:

- Record revenue of \$1.358 billion: 82% increase on FY11
- EBIT of \$154.0 million: 138% increase on FY11
- Net Profit After Tax \$97.1 million: 136% increase on FY11
- Conservative Net Debt / Equity position of 18%
- Cash balance \$138.0 million: 95% increase on FY11
- Final dividend of 10 cents (fully franked), totalling 18 cents for full financial year

#### Operational Highlights:

- Concrete capability increased and now represents 20% of civil revenue
- Awarded oil and gas contract at Wheatstone Project
- 60% of civil contracts negotiated based on strong reputation with key clients
- 2 year Special Services Agreement signed with BMA in Queensland
- Action Drill & Blast achieves 307% growth in revenue
- Awarded 3 year extension to services contract at Simandou
- Order book of \$2.0 billion (excludes Framework and ECI projects)

NRW Holdings Limited (ASX: NWH) is pleased to report its results for the financial year ended 30 June 2012.

For the fifth consecutive year since listing on the Australian Stock Exchange NRW has recorded record revenue. This financial year revenue was \$1.358 billion, an increase of 82% on the previous corresponding period. This reflects an increase in net profit after tax (NPAT) of \$97.1 million, up 136%. Returns on average capital employed reached 41%, and the Company preserved a conservative net debt to equity position of 18%.

CEO and Managing Director Jules Pemberton said: "This has been a record year for NRW, with all Divisions reporting revenue growth and increased profitability. Conditions for the 2012 financial year were generally very positive with the majority of our order book secured at the commencement of the financial year. Over the last 12 months, our reputation for successfully delivering quality projects meant further awards and extensions were predominantly negotiated with key clients. We have grown our workforce to 4,500 people and have commenced or undertaken over \$500 million in projects with our Indigenous joint venture partners."

The NRW Civil Division had a successful year, with revenue of \$731.7 million, representing a 91% increase on FY11 (\$382.6 million). The award of a \$105 million earthworks contract for access roads at the Wheatstone Project represented a key strategic win for the business, heralding NRW's entry into the oil and gas sector. We expanded our geographical civil footprint nationally, and this was achieved with the BHP Billiton Mitsubishi Alliance (BMA) Special Services Agreement, and Minmetals Resources' Dugald River Project, both in Queensland.

"The expansion of NRW's concrete capability continued with the award of a \$69 million concrete and earthworks package at Rio Tinto Iron Ore's (RTIO) Western Turner Syncline project, awarded as part of the large Western Turner Brockman Project. A number of other concrete projects were completed, commenced and continued through the financial year and our annualised revenue for in-house concrete delivery currently stands at more than \$150 million." said Mr Pemberton.

"NRW Mining continued its growth in revenue to \$542.2 million, representing a 69% increase on FY11. The key contributing projects for the Division were continuing operations at Fortescue's Christmas Creek Mine and RTIO's Western Turner Syncline in the Pilbara. The expansion of NRW's pre-mining development works contract at Solomon Hub and the continued ramp-up of operations at the Middlemount Project in Queensland further contributed to the Division's record revenue."

Mr Pemberton continued: "Our newest subsidiary, Action Drill & Blast, reinforced its position as an emerging market leader in the drill and blast sector Australia wide with contracts undertaken in WA, SA, the NT and Queensland. Created two years ago with the purpose of primarily servicing internal projects, Action Drill & Blast

has experienced exceptional growth with a 307% increase in revenue to \$113.1 million from \$27.8 million in FY11.”

Action Mining Services (AMS) also experienced impressive improvements in operations and revenue growth this financial year with \$46.6 million in revenue compared to \$28.2 million in FY2011, representing a 65% increase.

“Overall, the 2012 financial year has been a very successful one for the Company. NRW has been committed to diversifying into new locations, commodities, capabilities and clients, while remaining focused on existing markets. This has led to our record growth and profitability in line with our business strategy and we remain optimistic on continued growth into FY13 and beyond” said Mr Pemberton.

### **Company Outlook**

NRW is confident of continued growth with an order book of \$2 billion, including secured revenue for FY13 of \$1.3 billion.

Mr Pemberton said: “NRW is targeting growth in both revenue and earnings of at least 15-20% in FY13. We expect to secure further work in Queensland and currently have a number of tenders pending decision in the region, including with new clients across the LNG sector. This is in line with our ongoing strategic plan to diversify by geography, commodity and client.”

“With current tender activity still high and submitted tenders of \$4.6 billion, we are confident of not only securing additional works to achieve our targeted growth this year but also to further build our order book for FY14 and beyond.”

“Strategically, the Company is expecting the Civil Division’s concrete business to increase its scale and capability to represent up to 30% of the Civil Division’s revenue in FY13. Selected joint ventures on large infrastructure projects will also be a priority for future growth, both domestically and internationally,” Mr Pemberton continued.

“We anticipate future growth in our Mining Division from existing clients in iron ore and coal, and we will continue to assess opportunities in other commodities both domestically and in emerging markets.”

“We are confident Action Drill & Blast will continue its strong growth profile through its existing client base in WA and Queensland, as well as capitalising on new contract opportunities throughout Australia.”

“Action Mining Services’ performance will be influenced by investment in the resource sector for sales of products and outlook remains positive with increased sales to the East Coast through agency agreements as well as its traditional WA market expected to drive revenue,” finished Mr Pemberton.

The Group’s balance sheet, funding facilities and cash position provide a strong foundation for future organic growth or suitable acquisitions.

Despite continued uncertainty in global markets and delays in formal approval of some resource projects, NRW remains confident there is ample opportunity in the medium term for the business to continue to grow, as reflected by the strength of the current order book, tender pipeline and diversification strategy.

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### **About NRW Holdings Limited:**

NRW is a diversified provider of contract services to the resources and infrastructure sectors in Australia and internationally. With extensive operations in Western Australia, the Northern Territory and Queensland as well as Guinea (West Africa), NRW’s geographical diversification is complemented by its delivery of a wide range of operations. These encompass civil expertise including bulk earthworks and concrete installation; contract mining and drill and blast. NRW also encompasses a comprehensive refurbishment and rebuild service for earthmoving equipment and machinery.

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