



ASX Announcement

19 February 2016
NRW Holdings Limited
181 Great Eastern Highway
Belmont, 6104, Western Australia

NRW delivers positive earnings and agrees debt rescheduling

Australian civil and mining contractor NRW Holdings Limited (ASX: NWH) is pleased to provide its reviewed results for the first half of the year to 31st December 2015.

Highlights

- Revenue of \$150.4 million; in line with expectations
- EBITDA of \$24.0million; compared to \$2.7 million for the same period last year
- Net Profit after Tax \$6.1 million; compares to a loss of \$120.6 million in the same period last year
- A reduction of \$27.1 million in Net Debt to \$80.5 million
- Cash holdings increased by \$3.9 million to \$38.5 million
- Full compliance with banking covenants
- Credit approved Debt rescheduling agreement reached with NRW's banking group
- New work secured in the half year of \$235 million which includes the Nammuldi contract for Rio Tinto secured in July (\$140 million), and work secured by Drill & Blast business \$68 million
- Asset utilisation improved to 80%
- Order Book increased to \$780 million from \$695 million at June 15.
- Roy Hill Rail dispute settled and all outstanding cash received.
- Overhead costs reduced by >40% compared to the same period last year

Commenting on the results Jules Pemberton, NRW's Chief Executive Officer and Managing Director, said:

"I am pleased to report that the business has stabilised following the significant challenges we faced in 2015. Our focus on the successful delivery of our current projects and cost reduction measures has contributed to the EBITDA result for the six month period.

"This solid operating performance has also assisted the business in achieving agreement on a complete debt rescheduling package with our existing banking group. In broad terms, all debt due as at April 2016 will be repaid in equal installments over a 33 month period ending December 2018. The agreement reduces current debt obligations of \$70 million due to be paid in the next twelve months to \$42 million under our revised terms and allows NRW to operate in an environment where debt obligations and current operating cashflows are well aligned".

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Outlook

Despite the challenging market conditions that our business and the sector continue to face, NRW has grown its forward order book during the period to \$780 million. The increase follows the award of the Nammuldi mining and crushing contract for Rio Tinto and the award of two large Drill and Blast contracts for clients in Gold and Coal. The order book includes work for delivery during the second half of FY16 of around \$144 million which is in line with our 2016 full year revenue estimate of \$300m as stated at the Annual General Meeting on the 25th November 2015.

The tender pipeline at around \$2.2 billion includes a number of solid prospects for the Civil and Mining and Drill and Blast businesses including a large government infrastructure opportunity, the Forrestfield Airport Link project, where NRW in joint venture with Salini Impregilo have recently been selected as the Preferred Contractor.

Now that the debt rescheduling is complete and the business has stabilised, we look forward to converting current tenders into profitable new work with several current prospects expected to commence during the final quarter of the 2016 financial year.

The business expects to remain EBITDA and NPAT positive in FY16

Interim Dividend

The Board has elected not to declare an Interim dividend

For further information, please contact:

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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 and Queensland, 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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