



# ***2009 Interim Results***

## ***“Solid result - challenging market”***

***Gareth Mann – Group Managing Director / Chief Executive Officer***  
***Graeme Williams – Chief Financial Officer***

# Group Overview



## Value streams

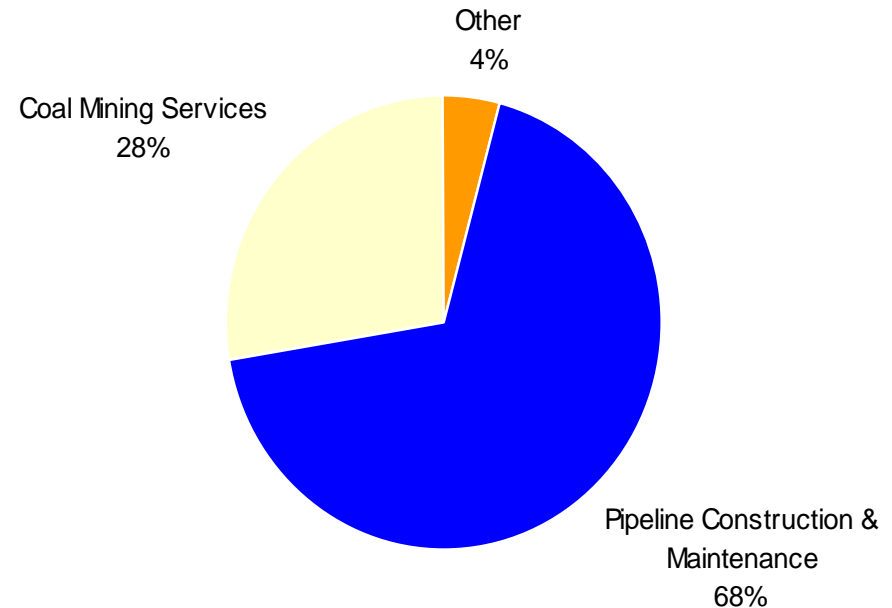
- Pipeline Construction
- CSG Gathering Systems
- Process Design
- Oil & Gas Field Contracts
- Mechanical & Electrical Installations
- Fabrication of Specialised Equipment
- Water & Sewage Pipelines
- Civil Infrastructure
- Civil Tunnelling
- Micro-tunnelling/Pipe Jacking
- Contract Mining Services
- Equipment Engineering & Maintenance
- Mechanical & Electrical Installations
- Mine Development & Planning
- Shotcreting & Specialist Support
- Fabrication of Specialist Mine Equipment
- Ventilation Systems
- Conveyor Installation



# Diversified Revenue Streams

- Over two-thirds of annual revenue generated from Construction Division
- Long term relationships with Blue Chip customer base
- Significant component of revenue generated from core production cycles
- Work in Hand of \$353 million at 31 December
- \$4 billion of new tender opportunities over next 2 years

*Revenue by Division  
First Half 2009*



# Financial Highlights

- Group revenue of \$268 million\* – up 105% on pcp
- EBITDA of \$37.2 million\* - up 86% on pcp
- NPAT of \$15.9 million\* - up 113% on pcp
- Group gearing at 31% and interest cover of 10 times
- Operating cash flow increased by 30% to \$16.1 million
- Interim dividend of 4 cents per share (fully franked)
- Basic EPS of 15.3 cents up 72% on pcp

# Operational Highlights

## ■ Construction:

- ❑ AGL Berwyndale to Wallumbilla \$40 million pipeline construction under way
- ❑ Arrow CSG development contracts issued, total value circa \$80 million
- ❑ \$150M Toowoomba to Esk, Linkwater pipeline project commenced
- ❑ Formalised gas gathering system and gas compression contract with QGC
- ❑ Third EPC Central Gas Production Facility for Arrow (Surat Basin) on target
- ❑ Braemar 2 Pipeline (EPC) completed for approximately \$60 million
- ❑ Assembling of Gas Compressors for GSI under way at Lytton
- ❑ Integration of Ackroyd Engineering Services within the Group

# Operational Highlights

## ■ Mining:

- ❑ Completion of the Peabody Metropolitan Drift development on time and on budget
- ❑ Contract extensions with Peabody valued at circa \$15 million
- ❑ Continuing to provide services to Xstrata at Oaky Creek & Tahmoor mines
- ❑ Finalising Devlin Street civil tunneling on time and on budget
- ❑ Completed “soft tunnelling” for Carborough Downs new conveyor drift
- ❑ Development of India NRE Minerals Mine #1 nearing completion & have extended scope of services provided
- ❑ Consolidated engineering capability to Cameron Park in Newcastle with increased servicing capacity

# Financial Performance H1 2009

\$ Million	H1 FY09	H1 FY08	Change from PCP %
<b>Revenue</b>	<b>268.4</b>	<b>130.7</b>	<b>105%</b>
Construction	193.9	74.0	162%
Mining	74.5	56.7	18%
<b>EBITDA</b>	<b>37.2</b>	<b>20.0</b>	<b>86%</b>
Construction	28.7	13.3	116%
Mining	10.2	6.7	52%
Unallocated O/H	<1.7>	0	N/A
<b>NPAT and minorities</b>	<b>15.9</b>	<b>7.5</b>	<b>113%</b>
<b>Basic EPS (cents) (Annualised)</b>	<b>15.3</b>	<b>8.9</b>	<b>72%</b>
<hr/>			
<b>Cap-Ex (\$M)</b>	<b>15.8</b>	<b>10.7</b>	

- Group revenue of \$268 million
- NPAT of \$15.9 million
- Unallocated overheads primarily comprised of provision for legal costs in relation to client and contractual dispute with Tenix
- EBITDA margin of group at 13.8%, below target range. Impacted by non-recurring items, normalised at 14.5%
- Interim dividend of 4 cents per share (fully franked)

<sup>1</sup>Includes Delco contribution for 5 months

# Balance Sheet 31 December 2008

Assets	\$ million		
	As at 31/12/08	As at 30/06/08	% Change
Cash	3.1	7.9	
Receivables	80.8	50.1	
Inventories	2.0	1.5	
Other	2.3	4.0	
<b>Total Current Assets</b>	<b>88.2</b>	<b>63.5</b>	<b>39%</b>
Property, plant and equipment	78.1	68.3	
Deferred tax assets	6.3	6.7	
Intangibles	70.3	45.9	
Equity Investment	0.5		
<b>Total Non-Current Assets</b>	<b>155.2</b>	<b>120.9</b>	<b>28%</b>
<b>Total Assets</b>	<b>243.4</b>	<b>184.4</b>	<b>32%</b>

Liabilities and Equity	\$ million		
	As at 31/12/08	As at 30/06/08	% Change
Payables	44.6	25.0	
Financial liabilities	13.1	3.2	
Income tax liability	2.2	–	
Provisions	9.1	13.1	
<b>Total Current Liabilities</b>	<b>68.9</b>	<b>41.3</b>	<b>65%</b>
Borrowings	47.0	51.0	
Deferred tax liabilities	1.1	1.1	
Provisions	2.1	0.3	
<b>Total Non-Current Liabilities</b>	<b>50.2</b>	<b>52.4</b>	<b>&lt;2%&gt;</b>
<b>Total Liabilities</b>	<b>119.1</b>	<b>93.7</b>	<b>26%</b>
Share capital	84.3	61.8	
Retained earnings	37.9	27.2	
Other reserves	2.1	1.7	
<b>Total Equity</b>	<b>124.3</b>	<b>90.7</b>	<b>37%</b>

- Headroom available in \$95 million GE facility – 3 year facility renegotiated June 2008 to 2011
- Gearing (net debt to net debt plus equity) at 31% Dec 08 (was 34% June 08)
- Interest cover 10 times (EBIT/INT)

# Group Overview

## Description

- WDS is Australia's largest integrated provider of specialist development, design, engineering, construction, fabrication and maintenance related services to the cross section of CSG and underground coal sectors.

## Stability

- Maintaining business continuity in an uncertain environment:
  - FY09 revenue forecast & EBITDA in line with market consensus
  - Strong reputation for safety & quality of service provision

## Strategy

- Continue to pursue multi-pronged diversification strategy
- Focus on capital management:
  - Integration of corporate functions across the business under way
  - Increase value proposition to clients
  - Business grown from \$120M to \$285M revenue in under three years to 2008

## Fundamentals

- Fundamentals underlying business remain sound:
  - Safety and Quality
  - Diversified platform, broad value proposition to clients
  - Exposure primarily to energy, coal and infrastructure sectors; long term fundamentals for these sectors remain strong
  - Business engaged in core production cycles
  - Exposure to domestic infrastructure sector within CSG/Gas/Water sectors
  - Blue chip client base

# Group Overview

Project Life Cycle

Exploration

Development

Construction

Operations & Production

Rehabilitation & Restoration

Exploration Drilling

Test Drilling

Directional Drilling

Production Drilling

Decommission

Acquisition

 Planning

 Engineering

 Plant Operation

Dismantle

Surveys

 Feasibility

 Procurement

 Production

Removal

 Design

 Fabrication

 Maintenance

Restoration

 Approvals

 Installation

 Repairs

 Construction

 Equipment Hire


 Commission

Equipment Supply

Services

 Activities by Others

 Existing Capabilities

 Future or Contracted Capabilities



# Managing the Challenges

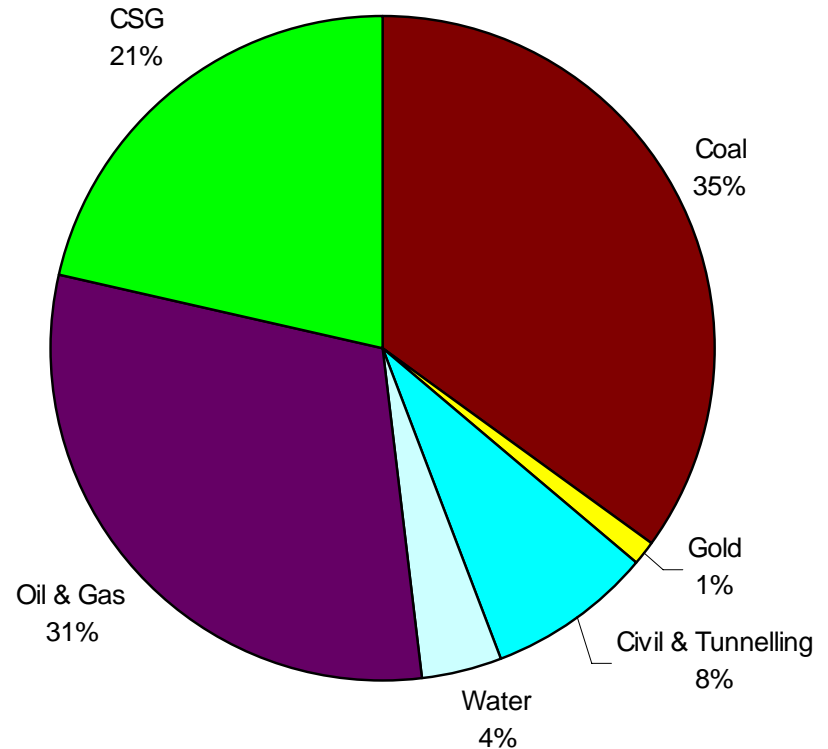
- **Our current business focus includes:**

- Continue with diversification strategy
- Support existing client base
- Structural review of business & approach to market
- Corporatisation and cost control initiatives under way
- Targeting growth opportunities in the CSG sector, water and civil infrastructure tunnelling

# Diverse Business Mix

- Work in hand December 08 remains robust at \$353 million driven by diversity of operations
- This sector diversity is demonstrated through our range of projects:
  - Pipeline construction & Installation- CSG sector
  - Mechanical and electrical installation
  - Ongoing maintenance/term contracts in mining & CSG space
  - Water infrastructure projects (pipelines & micro tunneling)
  - Civil tunnelling
  - Engineering, fabrication & installation of specialised equipment
  - Coal Mining & services

Group Revenue by Segment

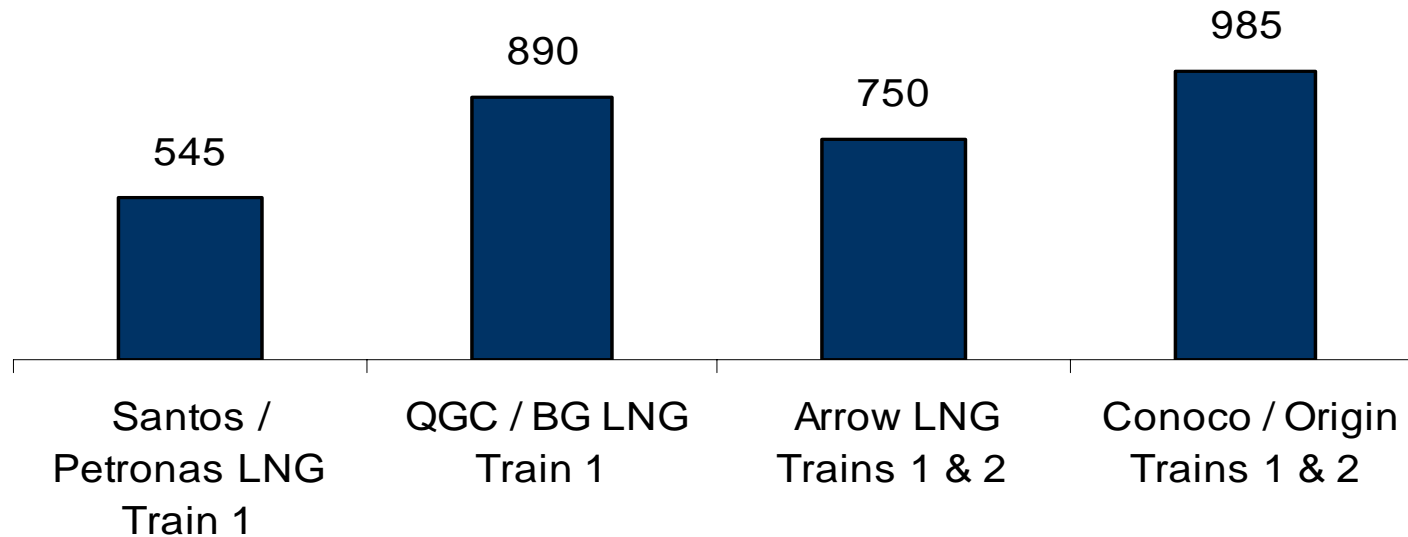


# New Tender Opportunities

- **Tender Opportunities - forward looking tender book of plus \$4 billion over the next 2 years including:**
  - ❑ Various Gladstone LNG projects including Arrow, QGC & Santos
  - ❑ Logan City water treatment upgrade
  - ❑ Arrow Central Qld and Surat to Gladstone Pipelines
  - ❑ CSG Compressor stations and well installations
  - ❑ Water & Sewage treatment projects across the East Coast
  - ❑ Airport link sub tender of civil works – Thiess/John Holland
  - ❑ Shaw R. Power station pipeline & compressors – Santos
  - ❑ Government infrastructure programs
  - ❑ Grampians Water Pipeline (Victoria)
  - ❑ Northern Beaches storage tunnel (Sydney)

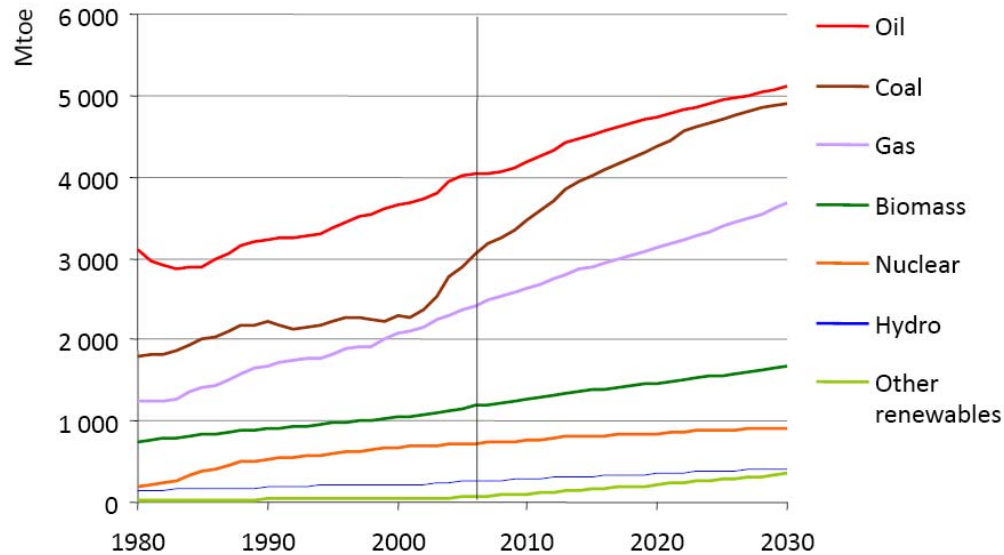
# New Business Opportunities- CSG Sector

Wells required for first LNG production



- Major investment by leading energy producers in the development of NSW and QLD CSG assets to serve local and overseas markets
- Investment will drive demand for CSG infrastructure and pipeline services
- WDS is well established in the market with a strong track record of service delivery

# Business Fundamentals – Coal Mining Sector



**World energy demand expands by 45% between now and 2030 – an average rate of increase of 1.6% per year – with coal accounting for more than a third of the overall rise**

© OECD/IEA - 2008

Source: World Energy Outlook 2008, OECD / IEA

- Significant long term growth forecast in global energy demand

- **Governments are making a significant investment in the development of new and upgrading of ageing infrastructure in order to:**
  - ❑ Meet population growth
  - ❑ Enhance productivity and competitiveness
  - ❑ Stimulate economic growth
  
- **Opportunity to leverage specialist skills and services into key markets:**
  - ❑ CSG Field Design & Construct
  - ❑ Micro-tunnelling
  - ❑ Tunnelling (Civil and Mining)
  - ❑ Pipeline Services
  - ❑ Water Infrastructure

# Summary

- Diversified Platform
- FY09 revenue target on track
- Expect to maintain EBITDA margins across group of 13% to 14%
- Strong balance sheet
  - ❑ Modest gearing ratio of 31% maintained
  - ❑ No refinancing required until 2011
- Diversified exposure across energy, coal and infrastructure sectors
  - ❑ Exposure to domestic infrastructure sector within CSG/Gas/Water sectors
  - ❑ Blue chip client base

# ANNEXURES

# PROJECTS – CONSTRUCTION

## ▪ COOPER BASIN

**Client:** Santos Limited

**Scope:**

- Design and construction of oil and gas pipelines and installation of instrumentation, lease spooling and refurbishment of pipelines, oil facilities, beam pumps etc
- HDPE water disposal lines of 315mm and 160mm.



## ▪ FAIRVIEW

**Client:** Santos Limited

**Scope:**

- Design and installation of coal seam gas and water gathering pipelines, including lease facilities, water reinjection and instrumentation and electrical.
- HDPE water pipelines for irrigation use of treated CSG water

## ▪ **TARBAT TO JACKSON PIPELINE**

**Client:** Santos Limited

**Scope:**

- Construction of 135km x 250mm Oil Pipeline.
- Completed June 2007



## ▪ **JACKSON TO MOOMBA PIPELINE**

**Client:** Santos Limited

**Scope:**

- Construction of 275km x 250mm Oil Pipeline.
- Completed July 2008

# PROJECTS – CONSTRUCTION

- **COMET RIDGE TO WALLUMBILLA PIPELINE** Client: Santos Limited

**Scope:**

- Design and construction of 127km x 350mm steel gas transmission main to connect the Fairview field to the Wallumbilla hub



- **BERWYNDALE TO WALLUMBILLA PIPELINE** Client: AGL

**Scope:**

- Design and construction of 113km x 400mm of X70 pipe
- Construct launcher and receiver stations
- 2 x HDD elements

# PROJECTS – CONSTRUCTION

## ■ CSG GATHERING SYSTEMS

**Client:** QGC

**Scope:**

- HDPE gathering system extension work on an area by area basis.
- 315mm and 160mm HDPE water lines of varying lengths
- Gas trunk lines – 52kms x 400mm of X42 and X60 steel – associated with Condamine Power Station and AGL



## ■ MECHANICAL AND COMPRESSION SERVICES (ACKROYD ENGINEERING)

**Client:** QGC

**Scope:**

- Fabrication of pipe supports and pipe spooling.
- Installation of mechanical equipment
- Installation of gas compressors – reciprocating and screw. (30 installations in 30 months)

# PROJECTS - CONSTRUCTION

## ▪ Braemar 2 Pipeline

**Client:** Newgen

**Scope:**

- EPC 110km DN400 Class 900 X70 Pipeline
- Fast Track Design, Procure and Construct
- Fabrication of Stations
- Pipeline, Civil, Mechanical, Structural, Piping, I&E
- Testing and Commissioning



## ▪ South Gippsland Natural Gas Pipeline

**Client:** Alinta

**Scope:**

- Construct 65km DN150 Class 600 X42 Pipeline
- Fabricate and Construct City Gate Stations
- Testing and Commissioning

## ▪ Central Ranges Gas Pipeline

**Client:** CRPPL

**Scope:**

- EPC 294km DN200 Class 600 X56 Pipeline
- Design, Procure, Construct, Test, Commission
- Pipeline and Stations



# PROJECTS - CONSTRUCTION

## ARROW ENERGY – CSG PROJECTS

### Kogan North Central Gas Processing Facility

- EPC CSG Compression and Dehydration Facility
- All Design, Fabrication and Construction
- Testing, Commissioning
- 3 off Universal 1200hp Recip Gas Drive Compressors

### Tipton West Development Project

- EPC CSG Gathering System, Compression and Dehydration Facility
- All Design, Fabrication and Construction
- Testing, Commissioning
- 6 off Universal 1700hp Recip Gas Drive Compressors
- 130km PE Gathering Pipelines

### Daandine CGPF and Gathering

- EPC CSG Gathering System, Compression and Dehydration Facility
- All Design, Fabrication and Construction
- Testing, Commissioning
- 7 off Universal 1700hp Recip Gas Drive Compressors
- 80km PE Gathering Pipelines

### Moranbah Gas Project (MGP) Expansion Projects

- EPC CSG Well Head, Gathering Systems and Compression
- Infield Well Head, Nodal Screw Compression Facilities
- Pipelines, Roads, Powerlines



# PROJECTS – MINING

- **Dendrobium – NSW**  
**Client:** BHP BILLITON  
**Start:** 2002  
**Finish:** Ongoing  
**Contract:** Alliance (KPI incentive) & schedule of rates

## Scope:

- Initial coal mine development and surface infrastructure
- Subsequent construction of roadways for first longwall blocks
- Secondary and ventilation support
- Conveyor installation (all mains/gate roads)
- Services, roadworks, high tension power



- **Metropolitan Colliery – NSW**

- Client:** PEABODY
- Start:** 2005
- Finish:** 2008
- Contract:** Schedule of rates and fixed price

## Scope:

- Gate road development comprising 7.5km of driveage
- Supply of management, operators and equipment
- Coal driveage and primary roof support
- Panel and belt moves
- Secondary support, ventilation, roadworks, services and excavations

# PROJECTS – MINING

## ▪ Top Ryde Carpark – NSW

**Client:** ROBSON CONSTRUCTION

**Start:** June 2008

**End:** November 2008

**Contract:** Schedule of rates

### **Scope:**

- Excavation of vehicular access ramps to new underground car park
- Ground support of excavation



## ▪ Stawell - VIC

**Client:** PERSERVERANCE

**Start:** 2005

**End:** Ongoing

**Contract:** Cost plus KPIs

### **Scope:**

- Shotcreting
- Ventilation
- Dam linings
- Workshop services
- Shaft capping

## **DISCLAIMER**

*The material in this presentation comprises general background information about the Company's activities current at the date of the presentations, on 25-27 February 2009. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.*