



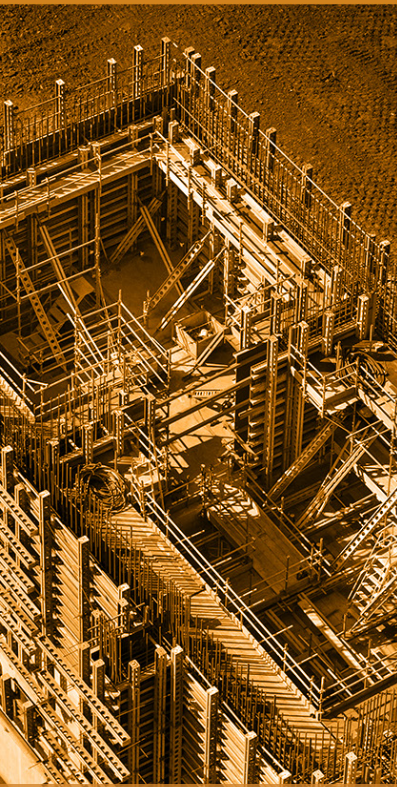
# NRW Holdings Limited (ASX: NWH)

ABN 95 118 300 217

## Interim Financial Report

For the Half-Year Ended

31 December 2013



NRW Civil



NRW Mining



Drill & Blast



Equipment  
Refurbishment Facility



## APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the Half-Year Ended 31 December 2013

### NRW Holdings Limited

ACN 118 300 217

	<b>% Change up / (down)</b>	Half-year ended 31 Dec 2013	Half-year ended 31 Dec 2012
		\$'000	\$'000
Revenues from ordinary activities	(35.74 %)	520,931	810,697
Profit from ordinary activities after tax attributable to members	(53.94 %)	22,376	48,575
Net profit for the period attributable to members	(53.94 %)	22,376	48,575

#### Interim Dividend

Date dividend is payable	9 April 2014	28 March 2013
Record date to determine entitlements to dividend	12 March 2014	1 March 2013
Interim dividend payable per security (cents)	4.0	8.0
Franked amount of dividend per security (cents)	4.0	8.0

#### Ratios and Other Measures

Net tangible asset backing per ordinary security	\$1.19	\$1.17
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## CORPORATE DIRECTORY

**Directors**

Ian Burston – Non-executive Chairman  
Michael Arnett – Non-executive Director  
Julian Pemberton – Chief Executive Officer and Managing Director  
John Cooper – Non-executive Director  
Jeff Dowling – Non-executive Director

**Company Secretary** Kimberley Hyman

**Registered Office**

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BELMONT WA 6104  
Telephone: +61 8 9232 4200  
Facsimile: +61 8 9232 4232  
Email: [info@nrw.com.au](mailto:info@nrw.com.au)

**Auditor**

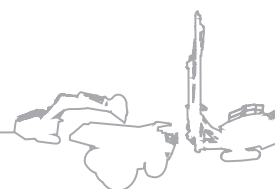
Deloitte Touche Tohmatsu  
Level 14  
Woodside Plaza  
240 St Georges Terrace  
PERTH WA 6000

**Share Registry**

Link Market Services Limited  
Level 2  
178 St Georges Terrace  
PERTH WA 6000  
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**ASX Code** NWH – NRW Holdings Limited Fully Paid Ordinary Shares

**Web Page** [www.nrw.com.au](http://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 2013. 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
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.
Jeff Dowling	Non-Executive Director	Mr Dowling was appointed as a Director on 21 August 2013.

### 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 2013.

## RESULTS FOR THE HALF YEAR AND REVIEW OF OPERATIONS

### Financial Performance

NRW reported Revenue of \$520.9 million and net after tax profits ("NPAT") of \$22.4 million both down on the same period last year (Revenue of \$810.7 million and NPAT of \$48.6 million). This reflects the challenging market environment and the slower ramp up in new projects during the first quarter of the current financial year.

The Company's balance sheet continued to strengthen through the period with both cash balances and net debt improving in the six months to \$174.3 million and \$39.8 million respectively. The improvement was mostly due to full conversion of EBITDA to cash and lower working capital.

Profit before tax ("PBT") of \$27.6 million was down on the same period last year reflecting lower activity across the business and an impairment expense (\$4.8 million) further details of which are provided below. The full year effective tax rate at 19% reflects income tax and R&D credits. Net interest expense for the half year improved to \$7.5 million from \$9.4 million in the prior comparative period due to lower financing costs and lower net debt.

NRW is a leading contractor in the mining and civil construction industries reporting its results through four business units the performance of which is outlined below:



### ***NRW Civil Contracting***

The Civil Division delivers high quality civil projects, including earthworks and concrete projects. The business secured a \$620 million contract for the Roy Hill project to construct approximately 330 kilometres of main line heavy haul rail formation together with sidings and level crossing and associated works. Sales in the six months at \$365.1 million were below the historic high levels reported last year and included work for Rio Tinto on a number of iron ore projects and earthworks for the Roy Hill mine site development. The business continued to deliver consistent margins (9.8%) resulting in EBIT of \$35.7 million.

### ***NRW Mining Services***

The Mining Division provides coal and iron ore mining services throughout WA's Pilbara region and Queensland's Bowen Basin. Sales of \$101.9 million were down on last year following the decision made by the client at the Middlemount coal mine to transition to a dry hire model and the loss of certain iron ore contracts as part of the industry majors cost improvement initiatives. Whilst EBIT reduced to \$7.9 million reflecting the sales reduction it was pleasing to see an improvement in margins following cost restructuring initiatives implemented over the last 12 months.

### ***Action Drill and Blast Pty Ltd***

Action Drill & Blast (ADB) provides contract drill and blast services to mining (including iron ore and coal mining) and civil companies throughout Australia. Revenues of \$52.0 million and EBIT of \$1.2 million were below last year reflecting the downturn in the market and consequent underutilisation of assets. The business has secured a number of new contracts which is expected to improve utilisation in the second half.

### ***Action Mining Services Pty Ltd***

Action Mining Services (AMS) provides maintenance services to the mining and resources sectors including the fabrication of water and service trucks. Revenues in the business reduced to \$15.6 million compared to \$21.1 million in the prior comparative period reflecting a significant downturn in market activity. The lower revenues resulted in an operating loss of \$0.4 million in the first half of the current financial year compared to an operating profit of \$1.7 million in the corresponding period. The business is expected to recover to profit in the second half however reviews of the ongoing business have concluded that the current carrying value of Goodwill should be reduced by \$4.8 million to reflect a more competitive market environment going forward. This impairment charge has been included in the half year result.

### **Balance Sheet, Operating Cash Flow and Capital Expenditure**

Net assets increased to \$361.3 million in the six month period. Cash balances improved by \$43.3 million to \$174.3 million whilst debt levels improved slightly to \$214.1 million. The improved net debt balance was due to the operating result in the period, lower capital expenditure (\$15.4 million), tax refunds and improvements in working capital balances partly driven by major project advances expected to be utilised through 2014. Capital expenditure mostly relates to conversion of existing drilling and civil fleet asset operating leases. Gearing improved to 11% as at 31 December 2013.

### **Outlook**

The award of new contracts during the period, existing contracts which contribute to the \$1.3 billion order book and a robust tender pipeline of \$3.3 billion provide the basis for revenue growth in the second half and good visibility for FY15. The Group's balance sheet, funding facilities and solid cash position provide a strong foundation for future organic growth and to continue to review potential acquisitions. Workforce levels have increased to 2,626 from 2,283 at June 2013 to meet the ramp up in work particularly on the Roy Hill contract in the second half. Revenue guidance for the full financial year is reconfirmed at \$1.0 to \$1.2 billion as advised at the Annual General Meeting of Shareholders in November 2013.

**Dividend**

The Directors have declared a fully franked interim dividend of 4.0 cents per share for the half year ended 31 December 2013. The dividend will be paid on 9 April 2014 on shares registered at 5.00pm on 12 March 2014.

**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 7 of the half-year financial report.

**Rounding of Amounts**

The Company is of a type referred to in ASIC Class Order 98/0100 issued by ASIC and in accordance with that Class Order amounts in the Directors' report and the 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

Dated this 26 February 2014



## AUDITOR'S INDEPENDENCE DECLARATION

**Deloitte.**

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

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26 February 2014

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 2013, 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 26 February 2014



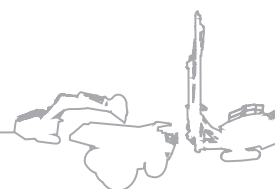
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 2013**

	Consolidated Half-year ended 31 December 2013 \$'000	Consolidated Half-year ended 31 December 2012 \$'000
<b>Revenue</b>	<b>520,931</b>	<b>810,697</b>
Finance income	978	458
Finance costs	(8,495)	(9,859)
Materials and consumables used	(99,031)	(126,303)
Employee benefits expense	(171,288)	(247,674)
Subcontractor costs	(100,470)	(183,029)
Depreciation and amortisation expenses	(24,494)	(22,619)
Impairment expense	(4,800)	-
Plant and equipment costs	(79,655)	(144,350)
Other expenses	(6,048)	(7,972)
<b>Profit before income tax</b>	<b>27,628</b>	<b>69,349</b>
Income tax expense	(5,252)	(20,774)
<b>Profit for the period</b>	<b>22,376</b>	<b>48,575</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences arising on translation of foreign operations	(2)	(5)
<b>Total comprehensive income</b>	<b>22,374</b>	<b>48,570</b>
Profit Attributable to:		
Equity holders of the Company	22,376	48,575
Total Comprehensive Income Attributable to:		
Equity holders of the Company	22,374	48,570
<b>Earnings per share (cents per share)</b>		
Basic earnings per share	8.0	17.8
Diluted earnings per share	8.0	17.7

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

	Note	Consolidated 31 December 2013 \$'000	Consolidated 30 June 2013 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		174,290	130,994
Trade and other receivables		156,242	205,052
Inventories		40,329	48,547
Current tax assets		-	3,773
Other current assets		4,243	5,400
<b>Total current assets</b>		<b>375,104</b>	<b>393,766</b>
<b>Non-current assets</b>			
Property, plant and equipment		372,038	387,696
Other intangible assets		9,571	8,126
Goodwill		19,617	24,417
<b>Total non-current assets</b>		<b>401,226</b>	<b>420,239</b>
<b>Total assets</b>		<b>776,330</b>	<b>814,005</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		144,956	196,939
Borrowings		52,567	52,379
Current tax liabilities		10,653	-
Provisions		15,758	16,139
<b>Total current liabilities</b>		<b>223,934</b>	<b>265,457</b>
<b>Non-current liabilities</b>			
Borrowings		161,504	167,191
Provisions		1,343	1,201
Deferred tax liability		28,252	27,286
<b>Total non-current liabilities</b>		<b>191,099</b>	<b>195,677</b>
<b>Total liabilities</b>		<b>415,033</b>	<b>461,135</b>
<b>Net assets</b>		<b>361,297</b>	<b>352,870</b>
<b>Equity</b>			
Contributed equity	3	156,432	156,432
Reserves	4	2,771	2,777
Retained earnings	5	202,094	193,661
<b>Total equity</b>		<b>361,297</b>	<b>352,870</b>

*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 2013**

Consolidated	Contributed equity	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2012</b>	<b>156,456</b>	<b>(242)</b>	<b>3,211</b>	<b>169,753</b>	<b>329,178</b>
Profit for the period	-	-	-	48,575	48,575
Exchange differences arising on translation of foreign operations	-	(5)	-	-	(5)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>48,575</b>	<b>48,570</b>
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)	-	-
<b>Balance at 31 December 2012</b>	<b>156,432</b>	<b>(247)</b>	<b>3,077</b>	<b>190,440</b>	<b>349,702</b>
<b>Balance at 1 July 2013</b>	<b>156,432</b>	<b>(214)</b>	<b>2,991</b>	<b>193,661</b>	<b>352,870</b>
Profit for the period	-	-	-	22,376	22,376
Exchange differences arising on translation of foreign operations	-	(2)	-	-	(2)
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>22,377</b>	<b>22,375</b>
Payment of dividends	-	-	-	(13,944)	(13,944)
Share-based payments	-	-	226	-	226
Acquisition of treasury shares	(231)	-	-	-	(231)
Transfer to issued capital	231	-	(231)	-	-
<b>Balance at 31 December 2013</b>	<b>156,432</b>	<b>(216)</b>	<b>2,987</b>	<b>202,094</b>	<b>361,297</b>

*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 2013**

<i>Note</i>	<b>Consolidated Half-year ended 31 December 2013 \$'000</b>	<b>Consolidated Half-year ended 31 December 2012 \$'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	598,185	993,370
Cash paid to suppliers and employees	(523,425)	(825,926)
Interest paid	(8,495)	(9,858)
Interest received	978	458
Income tax refunded / (paid)	10,140	(31,937)
<b>Net cash provided by operating activities</b>	<b>77,383</b>	<b>126,107</b>
<b>Cash flows from investing activities</b>		
Proceeds from the sale of property, plant and equipment	1,010	10,081
Acquisition of property, plant and equipment	(15,423)	(75,001)
<b>Net cash used in investing activities</b>	<b>(14,413)</b>	<b>(64,920)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	28,933	72,844
Repayment of borrowings and finance/hire purchase liabilities	(34,432)	(32,452)
Acquisition of shares by NRW Employee Share Trust	(231)	(1,285)
Payment of dividends to shareholders	(13,944)	(27,888)
<b>Net cash used in financing activities</b>	<b>(19,673)</b>	<b>11,219</b>
Net increase in cash and cash equivalents	<b>43,296</b>	<b>72,406</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>130,994</b>	<b>137,955</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>174,290</b>	<b>210,361</b>

*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 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations described below.

### 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 2013.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'

## 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.** The provision of mining contracting services including earth moving, waste stripping, ore haulage and related ancillary services.
- **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.
- **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.



## 2. Segment Information (Continued)

### (b) Segment Revenues and Profit

	Segment Revenue Half-year ended		Segment Profit (Loss) Half-year ended	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
Civil Contracting	365,089	479,312	35,656	52,044
Mining Services	101,912	272,380	7,943	14,954
Drilling & Blasting Services	52,012	94,026	1,222	14,391
Fabrication & Repair Services	15,590	21,087	(400)	1,734
Eliminations	(13,672)	(56,108)	-	-
<b>Total for continuing operations</b>	<b>520,931</b>	<b>810,697</b>	<b>44,421</b>	<b>83,123</b>
Other unallocated expenses			(9,276)	(4,373)
Net finance costs			(7,517)	(9,401)
Income tax expense			(5,252)	(20,774)
<b>Profit for the period</b>			<b>22,376</b>	<b>48,575</b>

### (c) Segment Assets

	Segment Assets	
	31 Dec 2013	30 June 2013
	\$'000	\$'000
Civil Contracting	361,758	291,422
Mining Services	284,112	395,788
Drilling & Blasting Services	63,744	52,782
Fabrication & Repair Services	33,257	41,720
Other unallocated assets	<sup>(1)</sup> 33,459	32,292
<b>Consolidated assets</b>	<b>776,330</b>	<b>814,005</b>

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

## 3. Contributed equity

	No.	Consolidated Half-year ended 31 December 2013 \$'000	No.	Consolidated Full-year ended 30 June 2013 \$'000
<b>Ordinary shares</b>				
Balance at the beginning of the period	278,877,219	156,432	278,888,011	156,456
Acquisition of treasury shares	(146,011)	(231)	(586,641)	(1,285)
Transfer to contributed equity	146,011	231	575,849	1,261
Balance at the end of the period	<b>278,877,219</b>	<b>156,432</b>	<b>278,877,219</b>	<b>156,432</b>

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

During the half-year, the Group acquired 146,011 ordinary shares for \$230,564 and reissued 146,011 ordinary shares for \$230,564 on vesting of performance rights.



**4. Reserves**

	Consolidated Half-year ended 31 December 2013 \$'000	Consolidated Full-year ended 30 June 2013 \$'000
Share based payment reserve	2,987	2,991
Foreign currency reserve	(216)	(214)
<b>Total reserves</b>	<b>2,771</b>	<b>2,777</b>

	Consolidated Half-year ended 31 December 2013 \$'000	Consolidated Full-year ended 30 June 2013 \$'000
<b>Share based payment reserve</b>		
Balance at the beginning of the financial year	2,991	3,211
Shares issued for vested rights	(231)	(1,261)
Share based payments	227	1,042
<b>Balance at the end of the financial year</b>	<b>2,987</b>	<b>2,991</b>

	Consolidated Half-year ended 31 December 2013 \$'000	Consolidated Full-year ended 30 June 2013 \$'000
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the financial year	(214)	(242)
Exchange differences arising on translation of foreign operations	(2)	28
<b>Balance at the end of the financial year</b>	<b>(216)</b>	<b>(214)</b>

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the income statement when the foreign operation is disposed of.

**5. Retained earnings**

	Notes	Consolidated Half-year ended 31 December 2013 \$'000	Consolidated Full-year ended 30 June 2013 \$'000
Balance at the beginning of the period		193,661	169,753
Net profit attributable to members of the parent entity		22,376	74,107
Dividends paid	6	(13,944)	(50,199)
<b>Balance at the end of the period</b>		<b>202,094</b>	<b>193,661</b>



## 6. Dividends

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

	Consolidated Half-year ended 31 December 2013		Consolidated Half-year ended 31 December 2012	
	<i>Cents per share</i>	<i>\$'000</i>	<i>Cents per share</i>	<i>\$'000</i>
<b>Fully paid ordinary shares</b>				
Final dividend	5.00	13,944	10.00	27,889

On 26 February 2014, the Directors declared a fully franked interim dividend of 4 cents per share to the holders of fully paid ordinary shares in respect of the half-year ended 31 December 2013, to be paid to shareholders on 9 April 2014. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$11,155,089.

## 7. 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.

## 8. 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.

## INDEPENDENT REVIEW REPORT

Deloitte Touche Tohmatsu  
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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 consolidated statement of financial position as at 31 December 2013, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated 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 8 to 17.

### *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 consolidated entity's financial position as at 31 December 2013 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.



# Deloitte.

## *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 2013 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, 26 February 2014