



NRW HOLDINGS LIMITED

2016 Half Year Results

19 February 2016

FINANCIAL OVERVIEW

- Revenue of \$150.4 million in line with expectations
- EBITDA of \$24.0m; compared to \$2.7m for the same period last year
- Net profit after tax \$6.1m; compares to a loss of \$120.6m in the same period last year
- A reduction of \$27.1m in net debt to \$80.5m
- Cash holdings increased by \$3.9m to \$38.5m
- Full compliance with banking covenants
- Credit approved debt rescheduling agreement reached with NRW's banking group
- New work secured during half year FY16 of \$235m
- Order book increased to \$780m from \$695m at June 15
- Overhead costs reduced by >40% compared to the same period last year

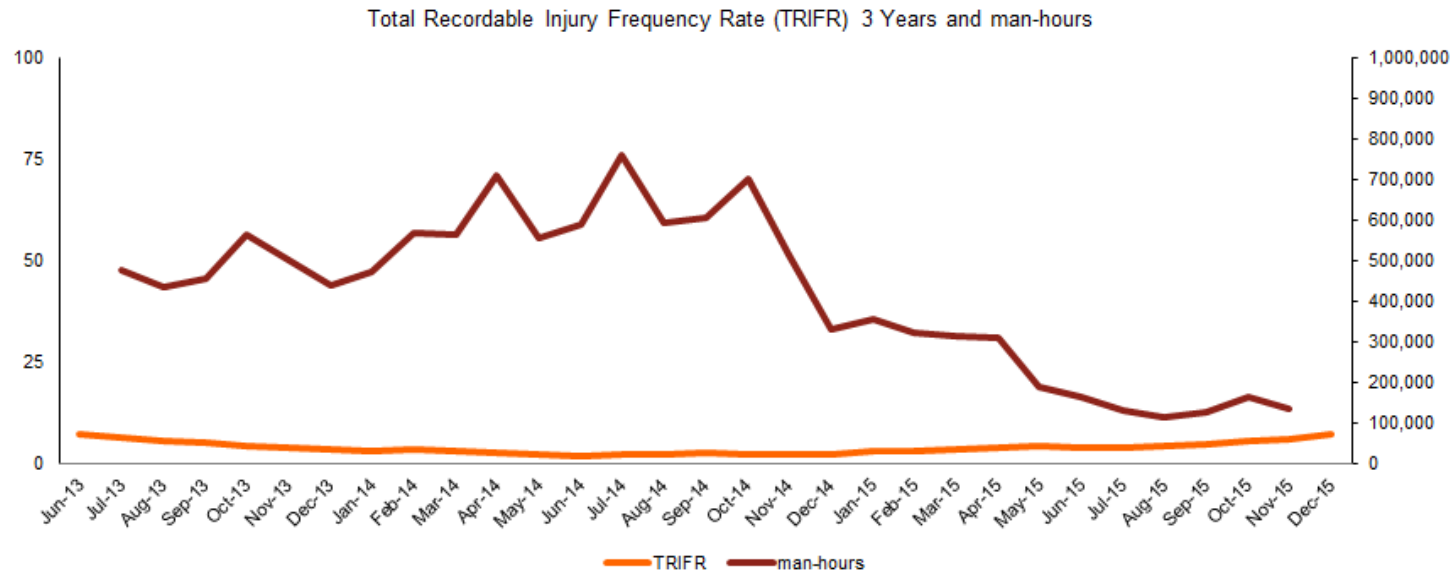


OPERATIONAL OVERVIEW

- Nammuldi Mining and Crushing contract win \$140m
- Action Drill and Blast contract wins of \$68m
 - Goldings Contractors (Isaac Plains)
 - Gold Fields (St Ives)
- NRW's total fleet utilisation has improved to 80%
- Continued to right-size and restructure the business to recognise current market environment
 - Headcount reduced from 2011 (December 2014) to 863 at 31st December 2015
- Finalised Roy Hill Rail contract with Samsung
- Successfully completed the Roy Hill Concrete project during half year 2016.



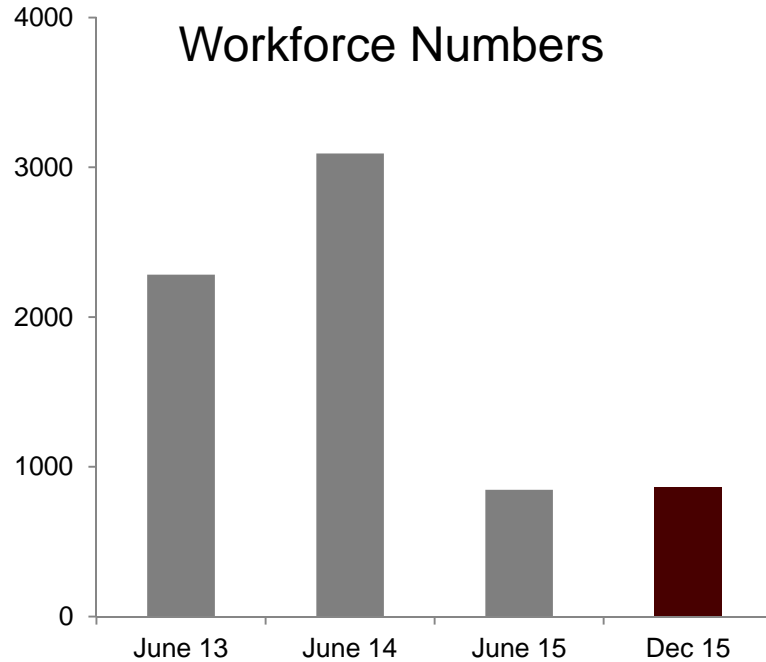
HEALTH SAFETY AND ENVIRONMENT



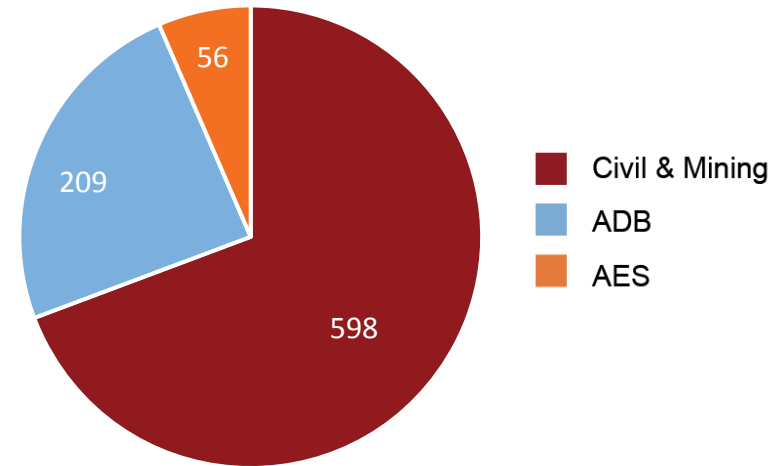
- 18% increase in lead safety indicators from June 2015 to December 2015, demonstrating a proactive safety culture driving ongoing improvement
- 23% reduction of recordable injuries in first half of FY16
- Zero lost time injuries recorded



PEOPLE

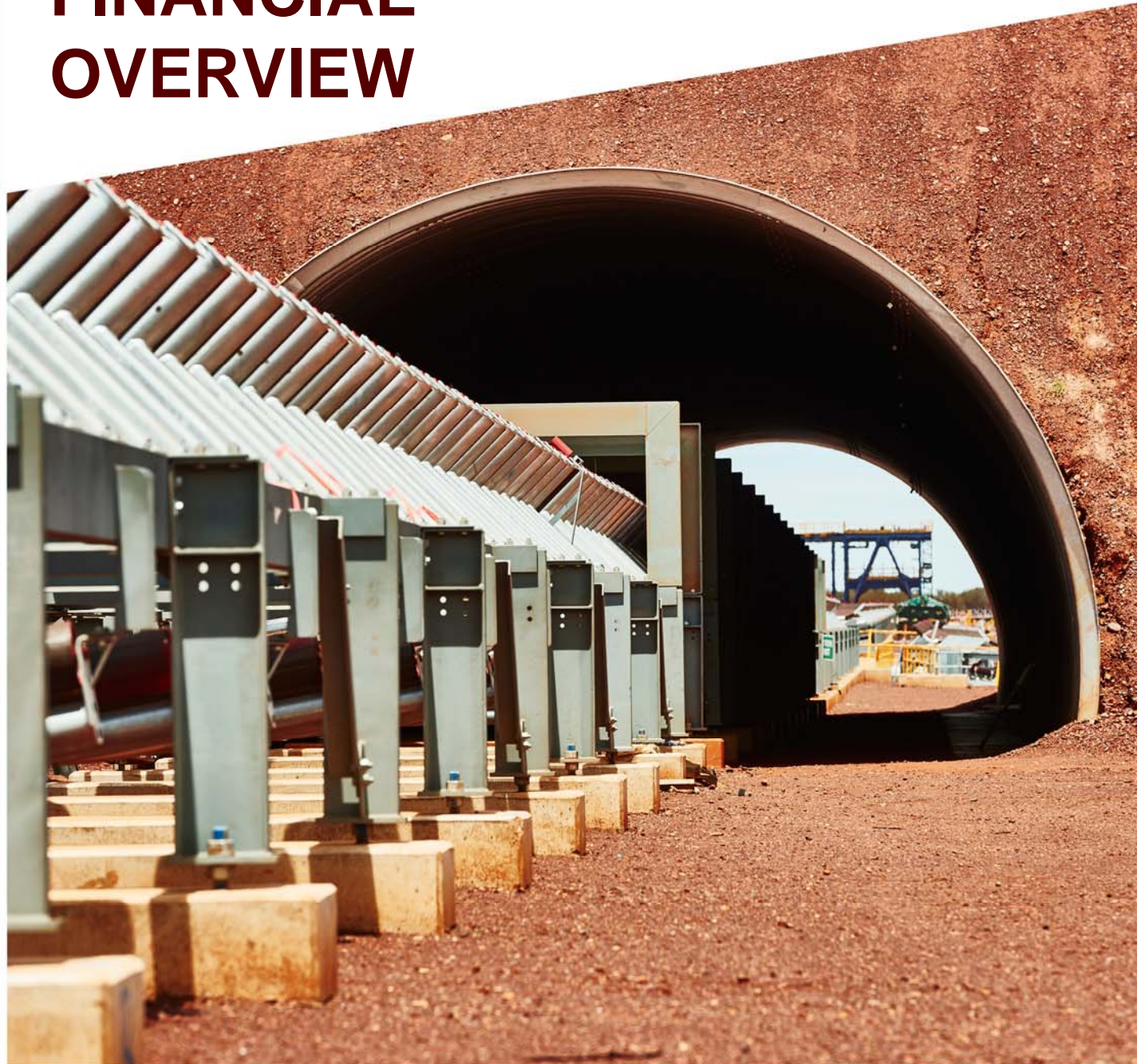


Workforce by Business Unit



- Excellent industrial record with no lost time due to industrial issues across group
- Maintained low levels of labour hire to reduce cost and retain key staff
- Commitment to Indigenous participation continues with 6.5% as a percentage of direct employees and greater than 80% retention rate.
- HR support systems in place to quickly identify candidates for new projects and allow rapid mobilisation
- New Coal Mining Enterprise Agreement registered and approved by Fair Work.

FINANCIAL OVERVIEW



SUMMARY FINANCIALS

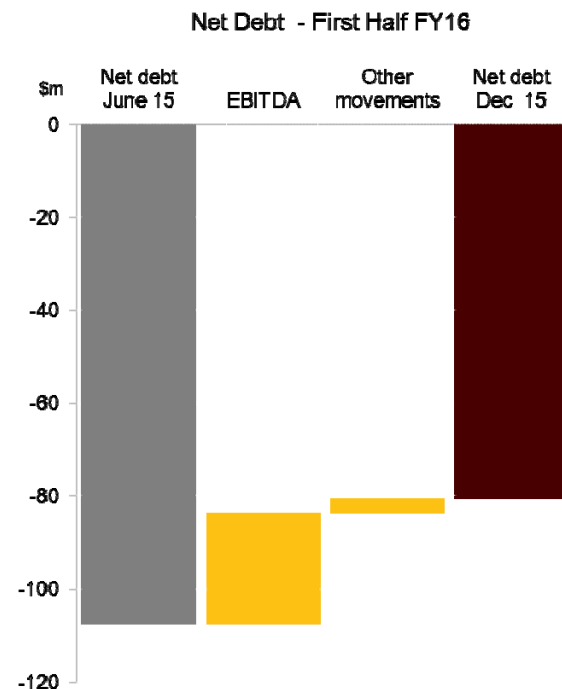
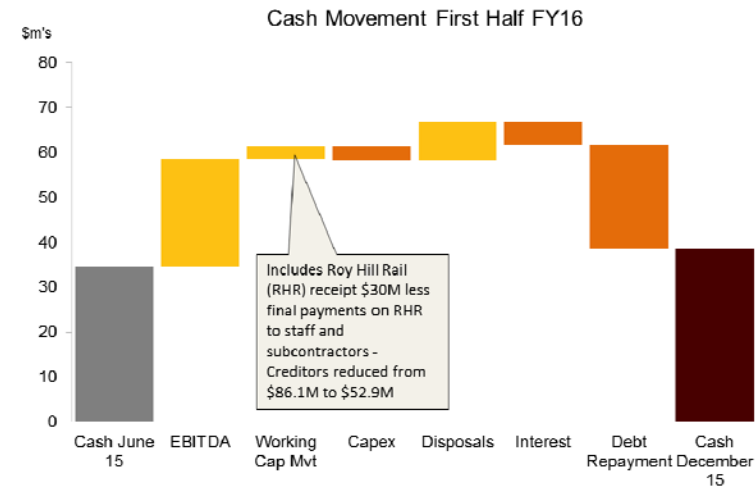
- Revenue in line with guidance
- Civil and Mining lower due to completing projects and lower or deferred client spend
- ADB margin reflects lower drill utilisation during the half; Improvement expected with new contract wins
- Lower finance costs as debt reduces
- No tax expense due to unrecognised tax losses

| Half Year to 31 December | Revenue | | Profit / (Loss) | |
|--|--------------|--------------|-----------------|----------------|
| | FY16 | FY15 | FY16 | FY15 |
| Civil & Mining | 108.1 | 525.3 | 9.2 | (131.6) |
| Drilling & Blasting Services | 39.9 | 49.2 | 0.0 | 2.8 |
| Fabrication & Repair Services | 8.2 | 9.7 | (0.3) | (21.3) |
| Eliminations | (5.9) | (13.7) | - | - |
| Total for continuing operations | 150.4 | 570.4 | 9.0 | (150.1) |
| Share of profit / loss in associates | | | (0.8) | - |
| Other unallocated expenses | | | 3.0 | (7.1) |
| Net finance costs | | | (5.1) | (6.1) |
| Income tax expense | | | 0.0 | 42.6 |
| Profit for the period | | | 6.1 | (120.6) |

Unallocated expenses in FY15 includes Impairment costs of \$7.5M

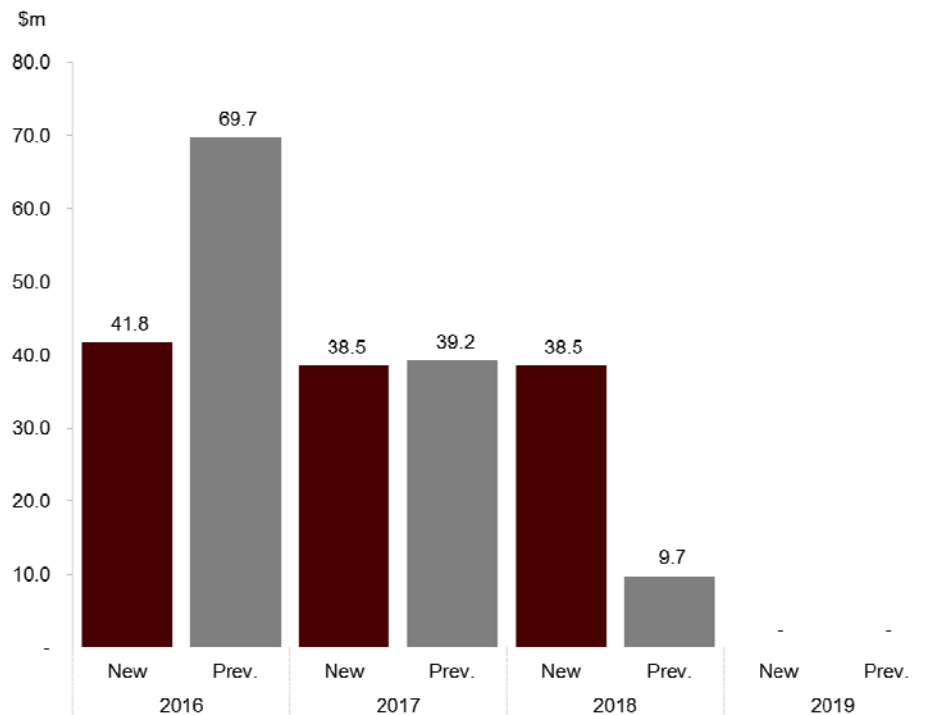
CASHFLOW

- Further reductions in net debt from \$107.6m to \$80.5m
- Full conversion of EBITDA (\$24.0m) into operating cashflow
- Capex spend – \$3.1m – major components
- Equipment disposals realised at book value \$8.6m
- Roy Hill Rail project closing settlement largely used to meet final plant hire costs and accrued staff entitlements
- Debt repayments all in line with existing bank commitments
- Cash at December 2015 - \$38.6m.



DEBT RESCHEDULING

Debt Repayment - Calendar Year



- Agreement reached with NRW banking group to reschedule \$104.6m debt
 - Term – April 16 to December 18
 - Amortised monthly in equal installments
 - Facility cost similar to existing leases
 - Covenants based on NRW business plan
 - March quarter principle payments to be made to current schedule.
 - Legal documentation to be finalised in March
 - Structured to facilitate working capital and bank guarantee facilities
 - Ability to accelerate repayments if business conditions improve.

BUSINESS UNIT PERFORMANCE



BUSINESS UPDATE

NRW Civil and Mining

Civil

- Ravensthorpe Heavy Haul Route successfully completed
- Secured minor work for Fortescue – Trinity overpass
- Tenders submitted with potential project commencement dates in Q4 FY16
- Tender activity includes a number of Government Infrastructure projects
- Preferred contractor in Joint Venture with Salini Impregilo on the Forrestfield Airport Link project

Mining

- Nammuldi progressing well
- Additional assets deployed at Middlemount
- Tenders submitted for projects in Western Australia and Queensland - project start dates scheduled March / April 2016
 - Would utilise existing NRW fleet



BUSINESS UPDATE

Action Drill and Blast

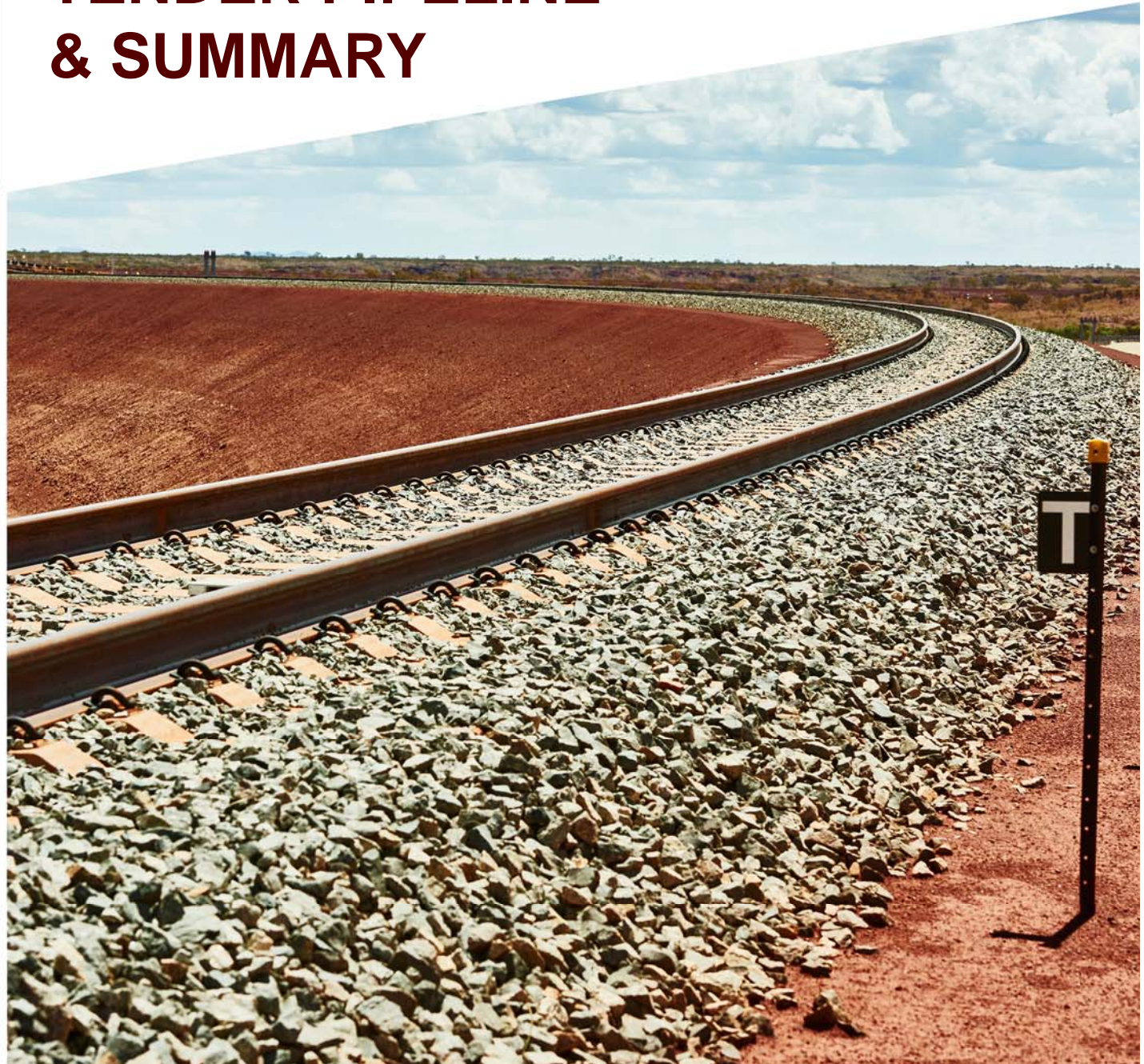
- Secured new contracts
 - Goldings Contractors (Isaac Plains)
 - Gold Fields (St Ives)
- Commenced contract extension for Fortescue (Cloudbreak)
- Solid tender activity in gold and coal across Western Australia and Queensland

AES Equipment Solutions

- Cost base restructured but unlikely to be profitable until activity levels recover.
- Workshop activities expected to improve in the second half with further scope for longer term maintenance contracts.

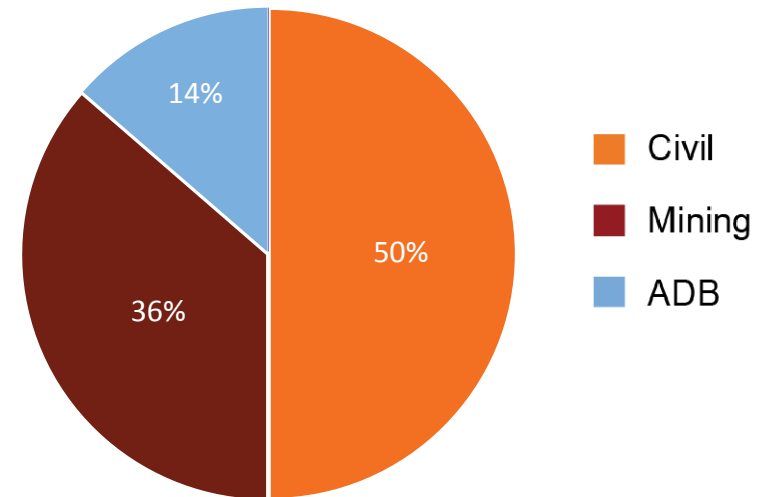


TENDER PIPELINE & SUMMARY



TENDER PIPELINE

- Order book of \$780m
- Tender pipeline valued at \$2.2 billion includes
 - Civil \$1.1b
 - Mining \$0.8b
 - Drill and Blast \$0.3b
- Opportunities for API and Carmichael Coal - not included in above.
- NRW recently selected as preferred contractor in joint venture with Salini Impregilo on the Forrestfield Airport Link project.
- Mining includes bids for clients in gold, coal and iron ore.



OUTLOOK

- We remain committed to working closely with our clients:
 - Focus on lowering operating costs and delivering improved productivity.
 - Capex spend on expansions and new projects in the resources sector is likely to remain subdued, though more prospective than in the first half FY16.
- NRW's forward order book totals \$780m of which \$140m is secured revenue for delivery in the second half of FY16.
 - Tender activity high - pipeline currently assessed at \$2.2 billion.
- NRW's total fleet utilisation has improved to 80%.
- Right sized and restructured business.
 - Headcount reduced from 2011(Dec 2014) to 863 at 31st Dec 2015.
 - Year on year overhead reductions > 40%.
- Business has stabilised ; debt rescheduling agreement in place.
- Business to remain EBITDA and NPAT positive in FY16.

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