



Annual General Meeting

28 October 2008

Timeline and History



1988
Tunnelling Division
commenced

1994
Mining Division
commenced

2005

Management Buyout
of Walter Mining with
Helmsman Capital

FAL Constructions
acquired

Waratah Hire
acquired

2006

Diversified
Construction
Corporation
acquired

Diversified
Engineering
Corporation &
IT Engineering
acquired

IPO & Listing with
Market cap
of \$118m

2007

Hooper Engineering
acquired

MacCormick
Civil & Tunnelling
business acquired

Niche international
expansion
assessed

2008

Advent Asia Pacific
formed

Ackroyd
Engineering
Services acquired

Delco Australia
acquired

Diversified MacCormick
Emirates General
Contracting LLC
registered

Clients and Services Provided



Blue Chip Client Base:

- Xstrata, BHP Billiton, Peabody, Vale, NRE, Anglo Coal
- Santos, QGC (including Sunshine Gas), Arrow Energy, AGL, Water Corp (WA), BCC, Caltex

Serviced by the following divisions:

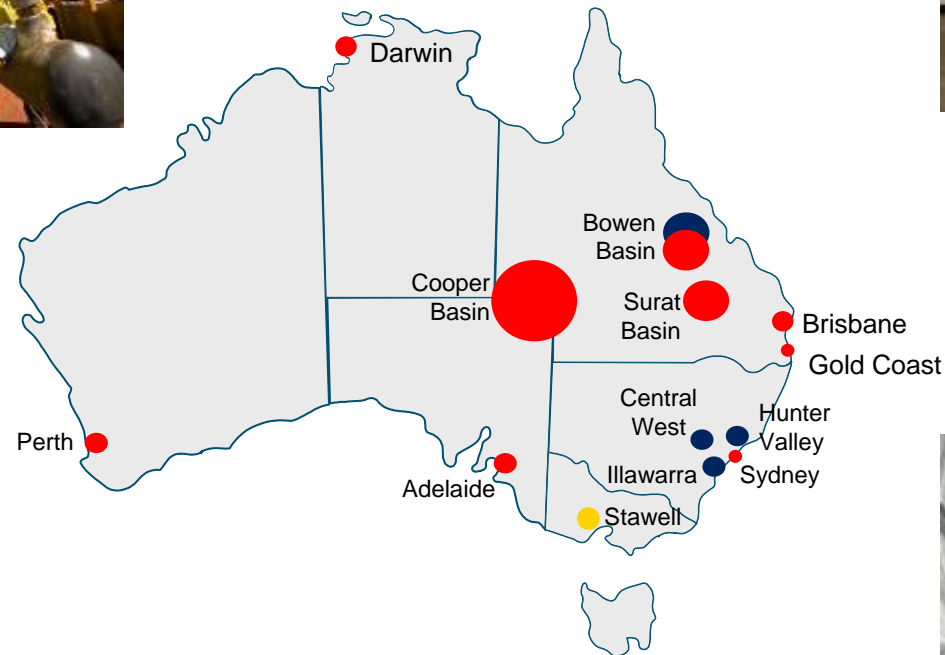
Walter Mining (WM):




underground mining, engineering and maintenance services in the coal industry (both above and below ground), civil tunnelling and specialist shotcrete services

Diversified Construction Corporation (DCC):

oil and gas pipeline and mechanical installations, water and waste water pipeline and infrastructure services, micro-tunnelling, civil engineering

Where we operate in Australia



-  Underground coal mining services locations
-  Infrastructure, construction and operational services locations
-  Metalliferous mining service locations

Financial Performance FY 08



\$ Million	FY 07 Actual	FY 08 Actual	Change from PCP %
Revenue	221	285	29%
DCC	118	176	49.2%
WM	103	109	5.8%
EBITDA	29.9	45.5	52.2%
DCC	16.2	31.0	91.4%
WM	13.7	14.5	5.8 %
Normalised NPAT	12.1	19.4	60.3%
Statutory NPAT	11.1	18	62.2%
Basic EPS (cents)	14.15	20.10	42%
Cap-Ex	27.7	17.4	
Dividends paid (fully franked)	4.8c	8c	

Operational Highlights FY2008



WM – experienced strengthening industry conditions

- Strong demand for continuous miners and other specialist mining equipment
- Continued growth in maintenance and support services to the Coal Industry (both above and below ground)
- Hooper Engineering – expanded access to the growing Central West region of NSW
- Shotcrete and support services at Stawell Gold Mine negotiating for a further two year extension of contract
- Opportunities in civil tunnelling (e.g. Ryde Tunnels)
- Infrastructure constraints still exist but are easing
- Advent Asia Pacific established to engage in consultancy work / feasibility studies specifically aimed at underground coal mining activities

Operational Highlights FY2008



DCC – enjoying strong industry conditions

- Environmental Management System certified to ISO 14001
- Jackson – Moomba pipeline successfully completed on time and on budget
- Linkwater pipeline project successfully converted to alliance project
- Coal Seam Methane opportunities expanding as major companies consolidate
- Selected for early contractor involvement on Fitzroy to Gladstone Pipeline and associated works. (GAWB project)
- Acquisitions – MCT in September 2007
AES in February 2008 (80%)
- Tenix Project on Gold Coast planned for completion in early 2009

Growth strategy remains on course

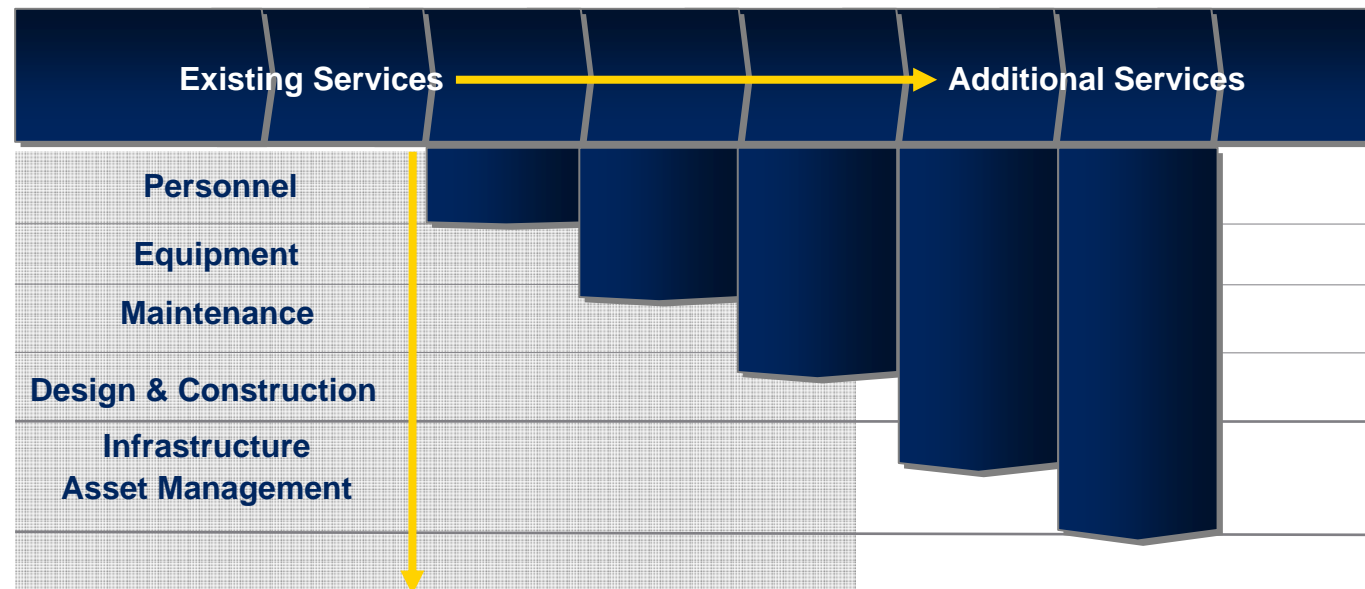


- WDS continues to demonstrate the capacity to expand its operations by continued development of core businesses and the application of expertise to adjacent industries/sectors

Apply expertise across adjacent industries



Grow Core Businesses



- Examples:

- Hooper Engineering – Enhanced engineering capacity in the growing Central West region of New South Wales
- Ackroyd Engineering – Enhanced capacity for DCC in CSM compression stations and fabrication
- MacCormick – Micro-tunnelling capacity – infrastructure tunnelling and geographic diversity
- Delco – Enhanced design capability and extended client diversity in CSM

Growth drivers



WDS Group capabilities	<ul style="list-style-type: none"> ➤ Financial Strength ➤ Certainty of Delivery ➤ Safety ➤ Quality
Increasing participation in expanding CSM markets	<ul style="list-style-type: none"> ➤ Strong opportunities continue for DCC and Delco in coal seam methane area particularly with rising demand
Increasing range of coal mining services to new and existing clients	<ul style="list-style-type: none"> ➤ Expand service offerings to include electrical services, technical services, conveyor and equipment maintenance
Increasing water, recycled water and waste water operations	<ul style="list-style-type: none"> ➤ Opportunities increasing across Australia due to planned government and private sector initiatives – particularly Eastern states
Infrastructure and civil tunnelling industries	<ul style="list-style-type: none"> ➤ Leverage the Company's large fleet of road headers and experience in the underground coal mining industry to pursue broader infrastructure opportunities
Acquisitions	<ul style="list-style-type: none"> ➤ Continue to pursue strategic acquisitions to consolidate position in mining and oil and gas services industries
Sustainability Initiatives	<ul style="list-style-type: none"> ➤ Carbon Capture and Storage (CCS) ➤ Water treatment and recycling ➤ Renewables
International expansion	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;"> <p>UAE</p> <p>Kuwait</p> <p>India</p> </div> <ul style="list-style-type: none"> ➤ Abu Dhabi for pipeline and micro-tunnelling work in conjunction with our local partner Al Nasr ➤ Consulting opportunities in India around the mechanisation of the coal industry </div>

Outlook



- Trading conditions remain strong despite financial market turmoil
- On track for FY 2009 results
 - >80% secured for balance of FY09
 - \$412 million work in hand
- Forecast demand for coal out to 2015 remains strong
- Coal seam methane and infrastructure sectors continues to expand
- Cross group Corporate synergies identified and implementation plans underway
- Caution needed however should market conditions deteriorate further

Summary



- WDS well positioned. Balance sheet conservative with low gearing levels
- Balanced outlook under current conditions
- Strong level of secured work
- Diversification strategy continues to prove advantageous



WDS is a leading provider of specialist services to the energy and infrastructure sectors through its underground coal mining and tunnelling division Walter Mining (WM) and through its division in the oil, gas, water and infrastructure sectors, Diversified Construction Corporation (DCC)

