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## **NRW Holdings Limited**

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### **Second Annual General Meeting**

**To be held at the Novotel Langley Hotel – Silver Room  
On Wednesday November 26, 2008 commencing at 10.00 am**

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### **CHAIRMAN'S ADDRESS**

#### **THE COMPANY**

For the year ended June 30, 2008 NRW reported revenues of \$471.2 million (up 70%) and EBITDA of \$84.2 million (up 86%)

Net Profit after Tax of \$41.4 million resulted in a full year franked dividend of 8.23 cents per share.

Revenue for the Civil Division was \$336.8 million up from \$158.9 million in 2007.

Revenue for the Mining Division was \$107.2 million up from \$77.8 million in 2007.

Revenue for the Promac Hire Division was down from the 2007 result, due mainly to a reduction in tyre sales. Action Mining Services performed strongly with revenue of \$26.2 million.

Obviously iron ore producers are making decisions in regard to capital expenditure and this is reflected in today's announcement regarding suspension of works on FMG's Christmas Creek Project. I would reiterate that the contract has not been terminated, merely suspended because of wider operational requirements by the Client.

A number of senior appointments have been made during the latter part of this year and the question of appropriate salary levels, applicable KPI's and both long and short term incentives throughout the company is being currently addressed.

Some disquiet has been expressed in respect to senior staff salary levels which I would point out were set at the time of listing. This issue of remuneration will be addressed in the wider context of competency and reward, on an ongoing basis.

It is worth noting that for FY2008 all budgets and forecasts for revenue, profit and dividends as outlined in the Prospectus, were achieved,

It is our view that salaries have been earned and performance has been evident. The Company has not implemented any share or option plans and if a wider review of performance or reward indicates such schemes are merited any proposal will be clearly presented to shareholders.

The Board clearly understands its responsibility to both corporate and operating aspects of the Company's future.

Indigenous training remains a high priority and with 16% of our total workforce drawn from indigenous peoples, we see no reason to lessen our commitment to continue developing this aspect of our business. We have been, through active training and providing exposure by experience, engaged in this program for many years now and the results speak for themselves.

Comprehensive and effective safety & health programs are paramount to our success and we have all been shocked by the recent tragic accident in Simandou which claimed the lives of two local employees, one a trainer and the other a trainee. Our thoughts are with their families and work colleagues.

## OUTLOOK

Despite the current climate of uncertainty and despondency affecting both individual and mining activities, it is our contention that the fundamentals of our business as a service provider to the mineral extractive industry remain relatively unchanged.

The Board also realises that NRW may not be immune to the fallout from the economic turmoil enveloping the world. With this in mind the Company has instigated a range of measures to mitigate any potential impact.

These include:

- Extending our footprint of activity to beyond an emphasis on the iron ore sector and to build relationships with a broader client base in both the civil and mining sectors.
- Exploring opportunities outside Australia apart from our existing contract at the Simandou project in Guinea. A recent invitation to provide civil engineering services in the UAE is currently being evaluated on a Joint Venture basis.
- Within Australia, we have recently been successful in gaining a significant mining contract in the Northern Territory for a new client and our recently established office in Queensland is gaining traction with several minor contracts already secured.

At this point in time there has been limited material impact on our operations however we would be naïve to think that we would be immune, given that many countries have moved or are moving into recession. That said, tendering activity remains at historically high levels with many quality projects still under active consideration.

The Board is also aware of the need to reduce debt level and is actively pursuing this objective. Among the measures being considered is a short term revision of the stated dividend policy.

The Company has previously indicated that profit expectations for FY2009 would grow by 15 – 20%. As mentioned, revenue and profit for the first quarter have been on target and we have no reason to amend this guidance.

The Board is aware of their obligations and the market will be kept fully informed if any revision to that forecast is necessary.

In closing, I would like to thank all of NRW's loyal and capable staff for their efforts during the year, NRW shareholders for their support and my fellow Directors for their valued input.

I would also assure all members that the Board of NRW is committed to guiding the Company through these troubled times and restoring value to shareholder equity.

Thank you.