

2012 Half Year Results Presentation

February 2012

Stephen Bizzaca, Managing Director & CEO
Tony McFadden, CFO & Company Secretary
Gabe Meena, COO

Agenda

1. Overview
2. Financial Performance
3. Operational Review
4. Outlook





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1. Overview



Company



- ▲ Delta SBD is a leading Australian mining services company
- ▲ Servicing the underground coal mine contracting sector for more than 16 years
- ▲ Delivering growth
- ▲ Expanding range of fit-for-purpose equipment
- ▲ Excellent management team & proven Board of Directors

Highlights 1H FY12



Safety

Outstanding achievements:

- ▲ Leading indicators increased by 80%
- ▲ Total recordable injury frequency rate of 16, improvement of 15%

1H FY12 Results

- ▲ Exceeded expectations
- ▲ Underlying NPAT \$3.5m (+61%)
- ▲ Revenue \$55.6m (+40%)

Balance sheet

- ▲ Strong cash in hand \$4.9m
- ▲ Net debt \$21.6m

Workbook outlook

- ▲ Leveraging for continued strong growth
- ▲ Award of new long and short term contracts

Operational

- ▲ Delivered growth through additional contracts and equipment utilisation
- ▲ Acquired additional longwall relocation and coal drivage development equipment
- ▲ Completed six longwall projects
- ▲ Increased workforce by 17%



2. Financial Performance

2012 Financial Highlights

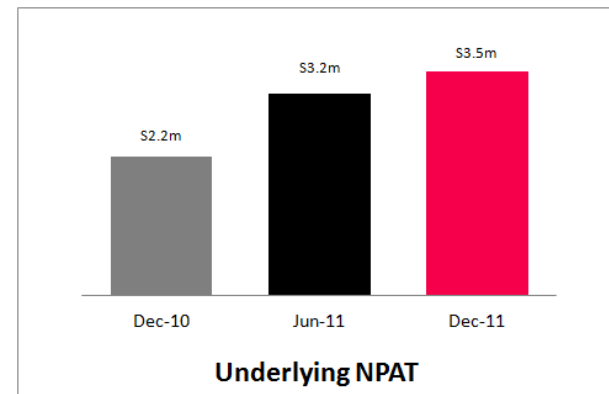
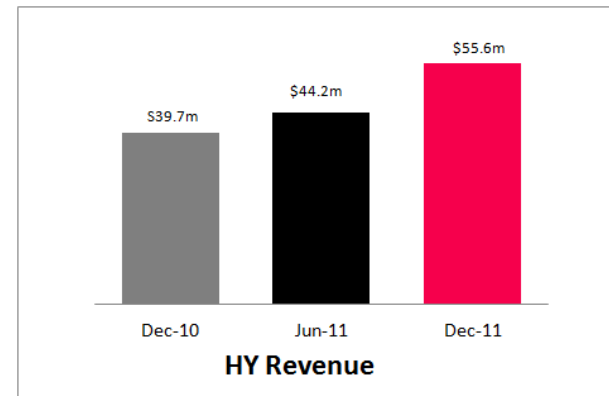


- ▲ NPAT \$3.3m (2010 prior corresponding period (pcp): \$1.7m)
- ▲ Underlying NPAT up 61% \$3.5m (2010 pcp: \$2.2m)
- ▲ Revenue up 40% to \$55.6m (2010 pcp: \$39.6m)
- ▲ EBITDA of \$6.3m (2010 pcp: \$4.2m)
- ▲ Underlying EBITDA of \$6.5m (2010 pcp: \$4.5m)
- ▲ Cash on hand 31 Dec \$4.9m (June 2011: \$9.8m)
- ▲ Net debt \$21.6m (June 2011: \$6.2m)
- ▲ EPS 7.52c (2010 pcp: 4.64c)
- ▲ Final dividend of 3.60 cents per share, fully franked and paid September 2011
- ▲ Interim dividend of 1.5 cents per share, fully franked, payable 15 March 2012

Profit & Loss (underlying)



	Actual Half Year Dec 2010 \$m	Actual Half Year Jun 2011 \$m	Actual Half Year Dec 2011 \$m
Revenue	39.7	44.2	55.6
EBITDA	4.5	5.3	6.5
Depreciation	-1.4	-1.0	-1.5
EBIT	3.1	4.3	5.0
Net Finance Costs	- 0.7	- 0.5	- 0.5
NPBT	2.4	3.7	4.5
NPAT	2.2	3.2	3.5
EPS (cents)	4.6	7.0	7.5
EBITDA margins	11.4%	11.9%	11.7%
EBIT margins	7.8%	9.7%	9.1%



Revenue \$55.6m and NPAT \$3.5m 1H FY12 up 40% and 61% respectively compared with corresponding period

Balance Sheet & Cashflow



Balance Sheet	Dec11	FY11
Cash (\$m)	4.88	9.85
Total Assets (\$m)	96.14	79.34
Total Shareholder funds (\$m)	50.43	48.61
Net Debt (\$m)	21.60	6.20
Net Debt to Equity	43%	13%
Cashflow	Dec11	FY11
Operating activities (\$m)	3.98	8.85
Investing activities (\$m)	(16.19)	(1.94)
Financing activities (\$m)	7.24	(3.31)
Net (decrease) increase in cash (\$m)	(4.96)	3.59
Cash at beginning of period (\$m)	9.85	6.26
Closing cash (\$m)	4.88	9.85



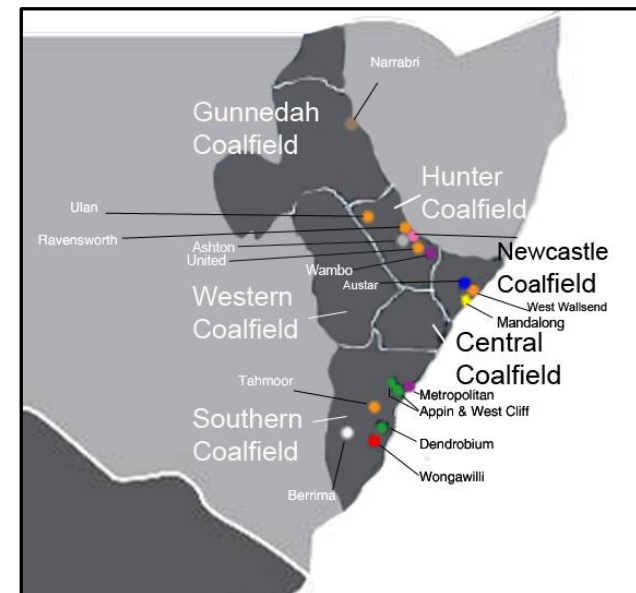
3. Operational Review

Major new contract Whitehaven Coal – Narrabri Mine



Drivage development contract at Whitehaven Coal's Narrabri Mine (October 2011)

- ▲ First major development contract outside the Illawarra region. Contracted development units increased from four to six
- ▲ Recruited more than 60 employees on a fly in fly out arrangement with attractive roster patterns



Major new longwall project

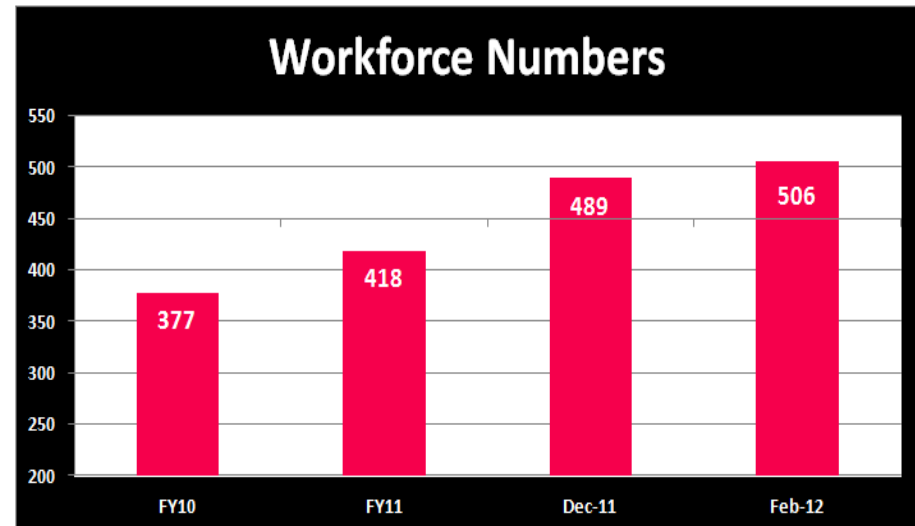
Longwall project at Whitehaven's Narrabri Mine.

- ▲ Undertaken on behalf on Longwall OEM Caterpillar Global Products
- ▲ Phase one surface build completed Dec 2011
- ▲ Phase two dismantling surface build and transport, and install the longwall underground 2H FY2012



People

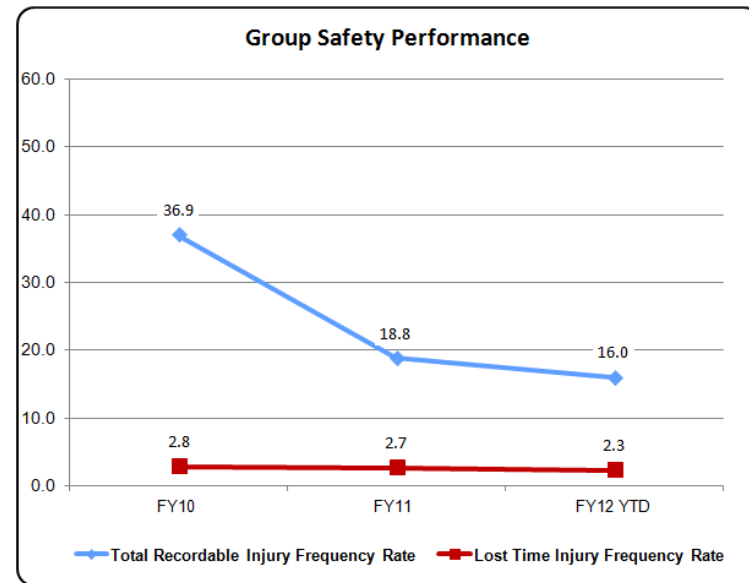
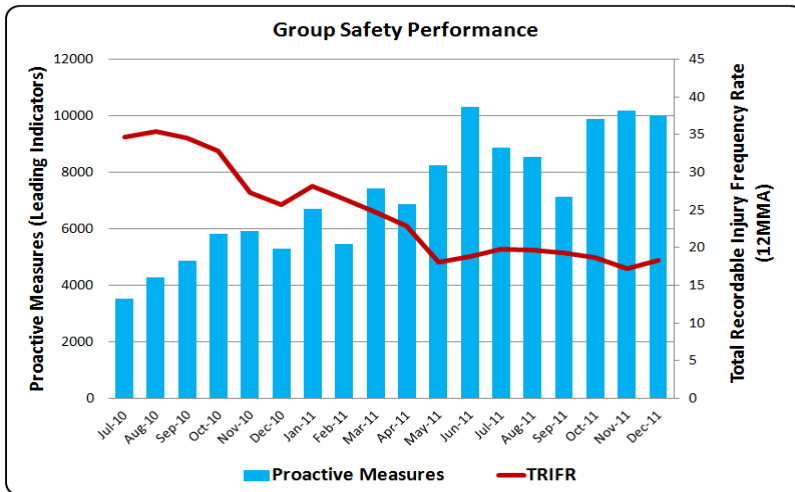
- ▲ Robust recruitment process with an increase in workforce to in excess of 500
- ▲ Proven Training programs
 - ▲ 39 employees undertaking underground traineeships
 - ▲ 35 completed underground traineeship program
 - ▲ 11 completed their Deputies course



Safety



- ▲ 80% increase in Leading Zero Harm initiatives compared with same report period FY11
- ▲ 15% improvement in Total Recordable Injury Frequency Rate
- ▲ 15% improvement in Lost Time Injury Frequency Rate
- ▲ Overall safety performance remains in top quartile of UG coal mine operators



Capital equipment growth



Coal drivage development equipment									
	30MB Continuous miner Delivered HY2012	Joy 12CM30 Continuous miner July 2012	Feeder breaker Delivered HY2012	Four RAM cars Delivered HY2012	Shuttle car Delivered HY2012	Two sub station Delivered HY2012	Two auxiliary ventilation fans Delivered HY2012	Brumby tool carrier Delivered HY2012	Two distribution control boxes Delivered HY2012

Longwall relocation equipment					
	60 tonne loader Delivered HY2012		Two 15 tonne loaders Delivered HY2012	130 tonne shearer carrier Quarter 3 FY2012	Five chock / roof support trailers Quarter 3 FY2012

Other capital				
	Four drift runner personnel and equipment transporters Delivered HY2012	Two drift runner personnel and equipment transporters Quarter 3 FY2012	Jumbo dyke extraction drill and blast rig Quarter 3 FY2012	Two load haul dump vehicles Delivered HY2012



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4. Outlook

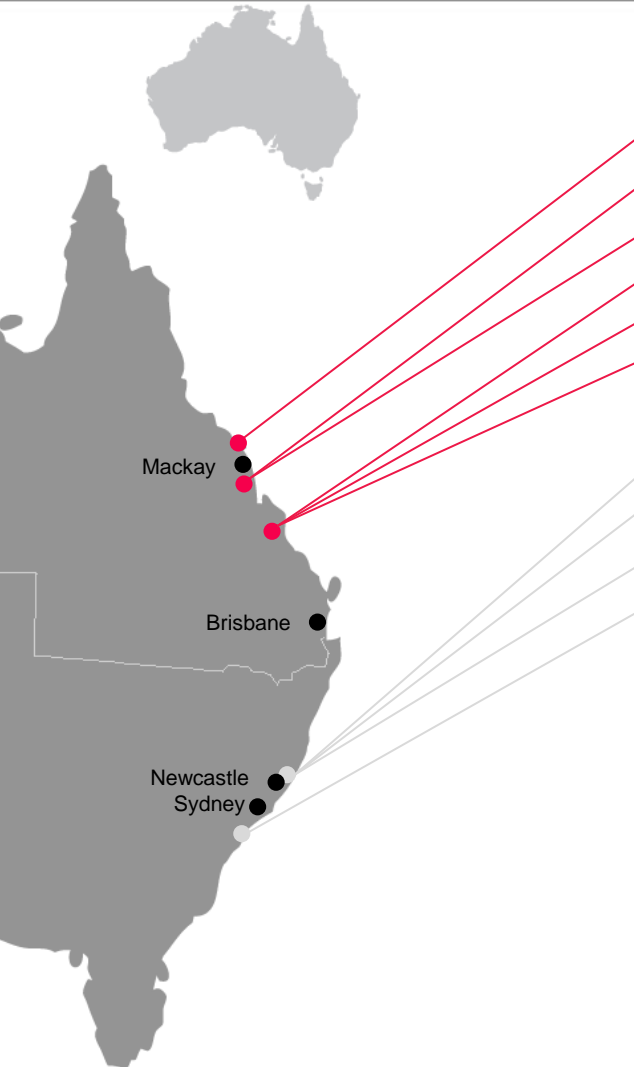


Sector Growth

Underground mines planned

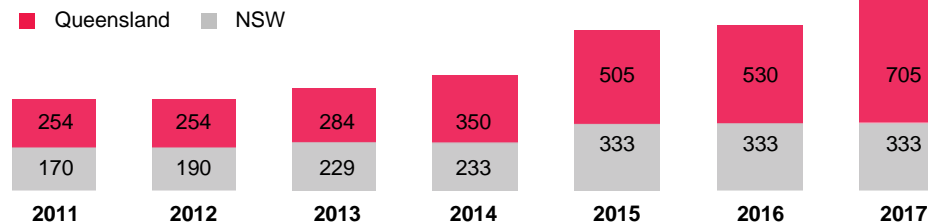


Port expansions planned

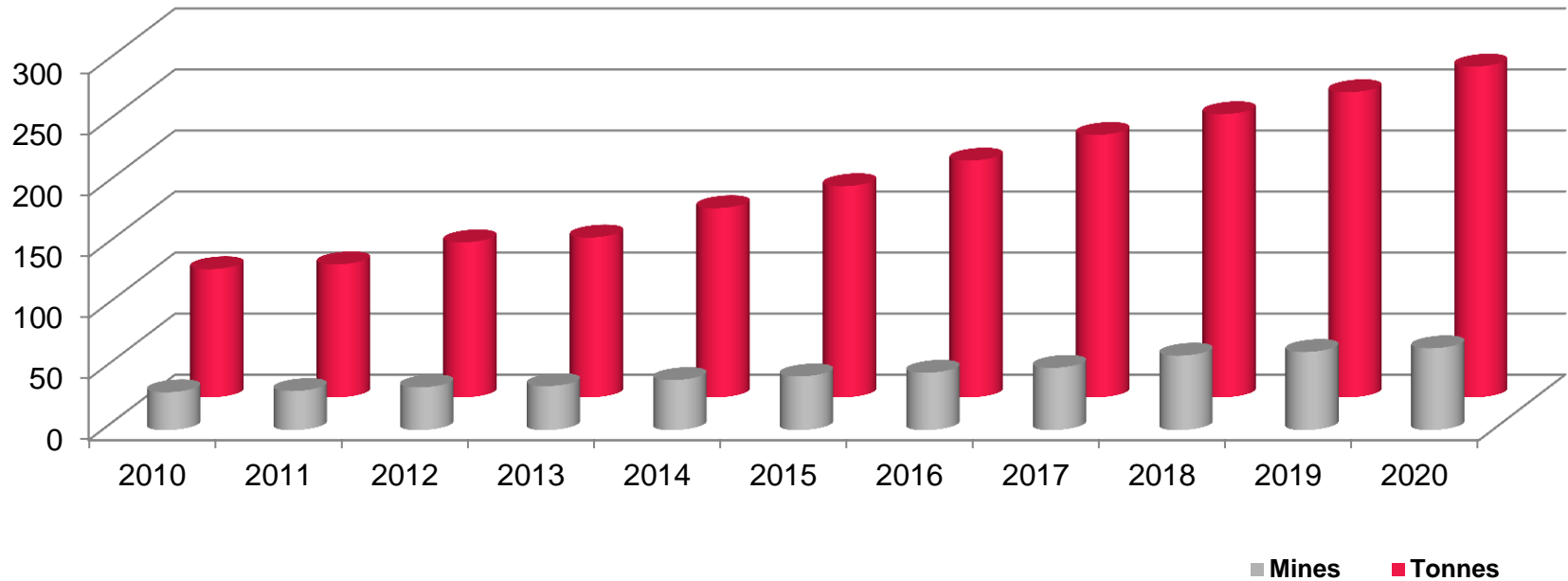


Location	2011	2012	2013	2014	2015	2016	2017
Abbot Point Coal Terminal	50		30	30	120		155
Hay Point Coal Terminal	44			11			
Dalrymple Bay Coal Terminal	85						
Balaclava Island Coal Terminal					35		
Wiggins Island Coal Terminal				25		25	
RG Tanna Coal Terminal	75						
Queensland TOTAL	254	0	30	66	155	25	155
Kooragang Island Coal	113	20	12				
NCIG Export Terminal	43		23				
Kooragang Island T4					100		
Port Kembla	14		4	4			
NSW Total	170	20	39	4	100	0	0

Coal Port Capacity (mtpa)



Australian Underground Coal Forecast (Mines and Tonnes)

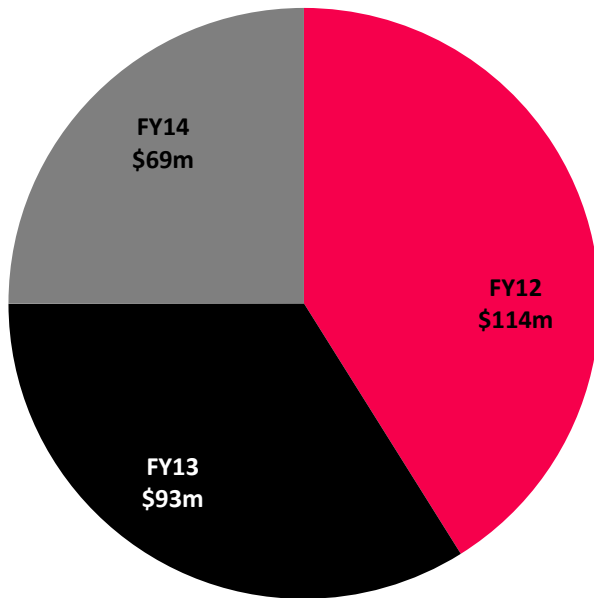


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tonnes	105	109	127	131	155	173	194	215	232	250	271
Mines	31	32	35	36	41	44	47	51	61	64	67

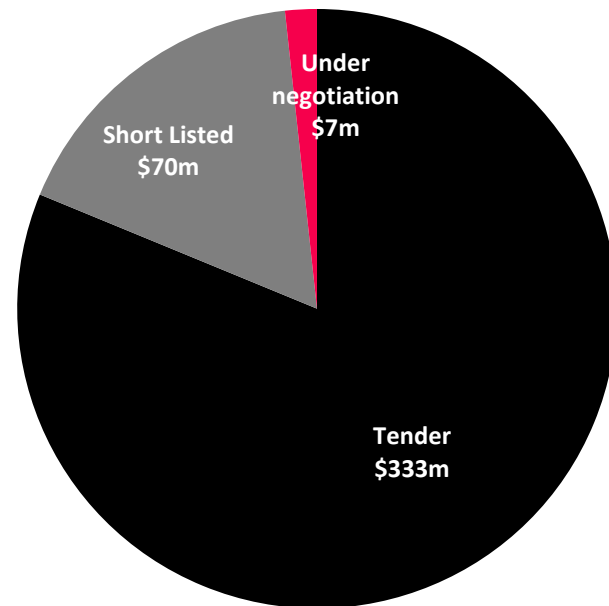
Workbook and Pipeline



Workbook for the next three years
Workbook - \$276m



Targeted Pipeline - \$410m



Summary



Safety	Continue safety improvement target Zero Harm
Sector growth	Approvals of new underground projects and expansion of existing mines is increasing the size of the sector
Growth	Deployment of new acquired capital equipment Target areas of sector growth – develop new client relationships Continue to improve utilisation of equipment
Sustainability	Maintain our excellent client relationship Maintain margins
People	Continued recruitment programs Training of personnel
Shareholder	Focus on the growth of return on shareholders equity Continue to increase EPS
Guidance	Workbook will continue to grow

Contact us



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Appendices



About Delta SBD Limited



- ▲ Delta SBD is one of the largest contract companies servicing Australia's underground coal mining industry. The Group is geographically diverse, with operations across NSW at the Southern, Western, Hunter Valley and Narrabri coalfields and across the Bowen Basin in Queensland
- ▲ The Group's objective is to provide value-add services to clients by forging profitable long term partnerships. Delta SBD provides each project/mine with competent work teams, fit for purpose equipment and excellent site management backed by a supportive corporate management. The Group uses safe and efficient work methods enabling on-time completion of all works and services to client requirements
- ▲ With improving demand and stable prices, the coal industry forecast looks positive. Structural changes in global coal markets and the cyclical rebound in global growth is driving increasing demand for thermal and metallurgical coal. For Australia this bodes well in terms of increasing production and expansion projects which should provide a continuing set of business opportunities for Delta SBD

Strong Board



**Gordon Galt
Chairman**



- Gordon has worked in the resources and finance industries for over 35 years
- He currently heads a specialist resources funds manager
- He has senior management experience in the Australian coal industry at Thiess, Capicorn Coal, Exon Coal and Minerals, Ulan Coal Mines and Cumnock Coal including as Managing Director at Cumnock Coal and Newcrest Mining
- Gordon is currently a Non Executive Director of ASX listed Aquila Resources, Chairman of Discovery Metals and NuCoal Resources. He is a former Non Executive Director of Gloucester Coal

**Stephen Bizzaca
Executive Director**



- Stephen is an electrical engineer with 30 years' experience in the underground coal and metalliferous coal mining industries
- His experience is wide ranging, including large project management, longwall moves, conveyor installations and maintenance, and operational management in mining and engineering
- Stephen was responsible for the purchase and commissioning of Queensland's first modern longwall at Central Colliery in 1985, 1989 he became project and operations manager for TiWest Ltd and later became project manager for feasibility studies for Newcrest's Telfer expansion
- Stephen founded the SBD services in 1995 and has led its growth since then to merge with Delta to form Delta SBD

**Glyn Dawkins
Non Executive
Director**



- Glyn has over 40 years experience in the underground coal industry starting in the UK
- In 1978, Glyn started at Appin Colliery where he rose to mechanical engineer in charge at Appin Colliery in 1980
- In 1997, Glyn left Appin to join Aklynd Engineering
- Glyn founded Delta 1998
- Glyn is currently Chairman of Delta SBD's Risk Committee and Remuneration Committee

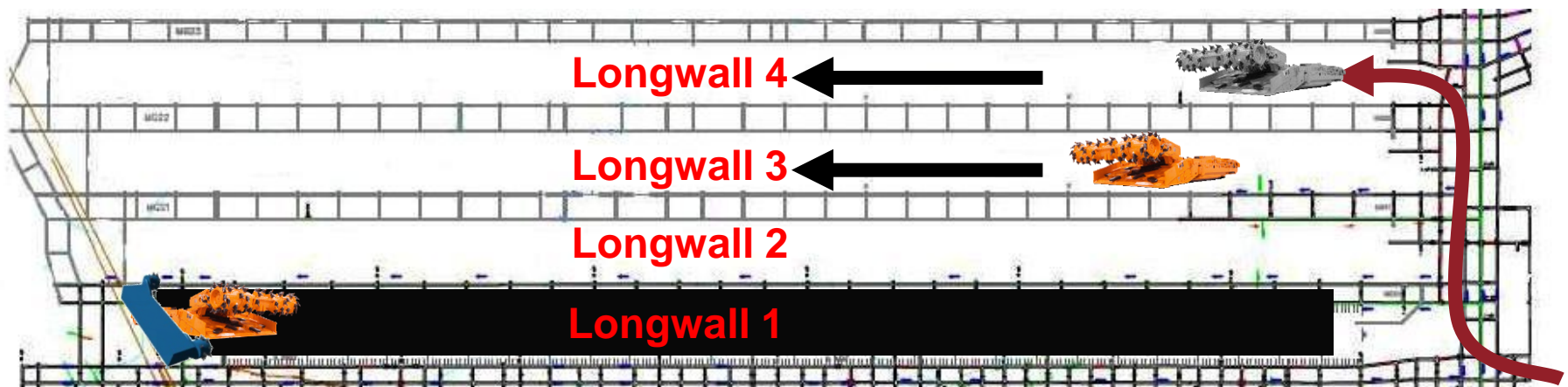
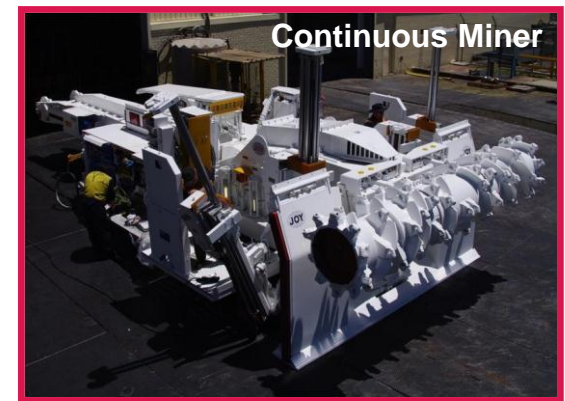
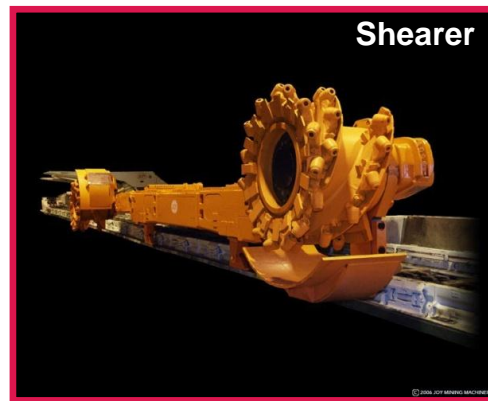
**Geoff Garside
Non Executive
Director**



- Geoff has worked in the Health care and financial services industry for over 40 years
- Geoff is a member of the Australian Institute of Company Directors; Chartered Institute of Secretaries and CPA Australia (FAICD, FCIS, FCPA)
- Geoff continues to be a Non-Executive Director, Principal and Corporate advisor to several financial services companies and manufacturing entities
- Geoff is currently the Chairman of Delta SBD's Audit and Compliance Committee

Mine plan development

Continuous miner longwall extraction



On Completion of Longwall block 1 full recovery and installation of longwall on Longwall block 2

Corporate Overview



- Capital structure
 - ▲ Shares on issues 44,096,195
 - ▲ Options 3,437,500
- Market capitalisation \$35 million (assumes \$0.80 share price)
- Shareholders – Top five
 - ▲ Stephen Bizzaca entities 33.2%
 - ▲ Glyn Dawkins entities 25.3%
 - ▲ Delta SBD Employee Trust 5.9%
 - ▲ Gardner entities 3.1%
 - ▲ Nehemine Pty Ltd 2.3%

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