



Investor Presentation October 2012

Stephen Bizzaca, Managing Director & CEO



Agenda



1. Background
2. FY12 Highlights
3. Operational Review
4. Outlook
5. Summary

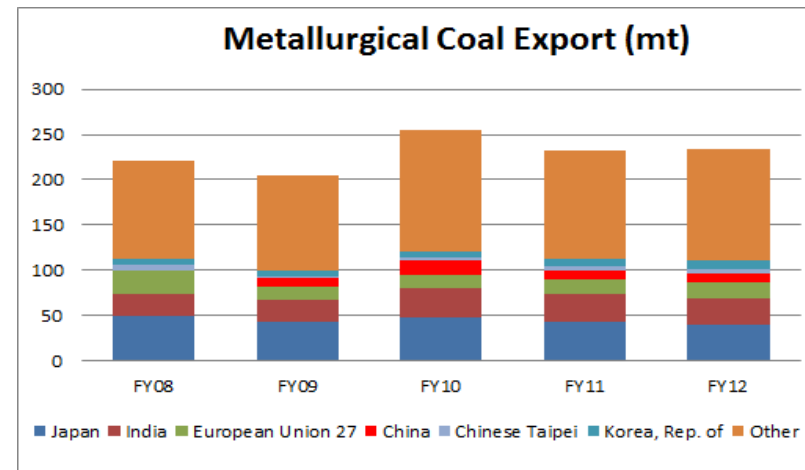
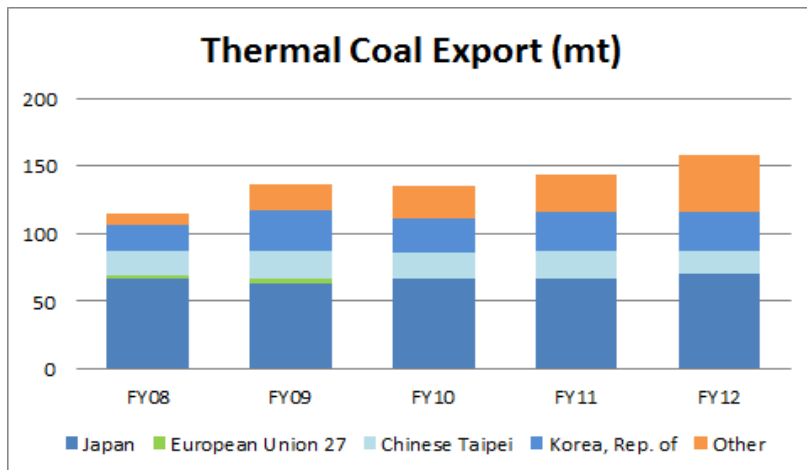
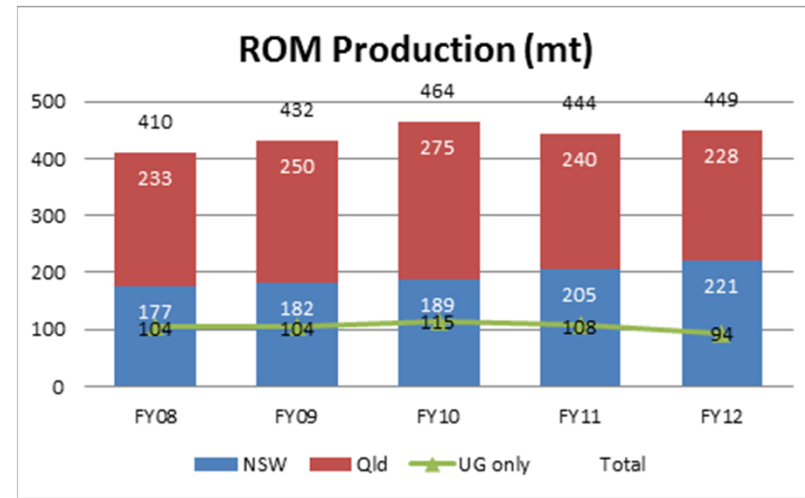
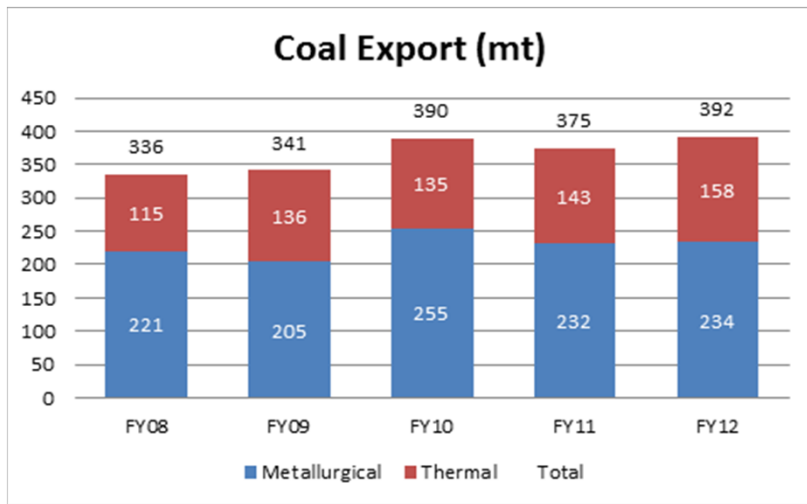


Background – Growth in the Coal Sector

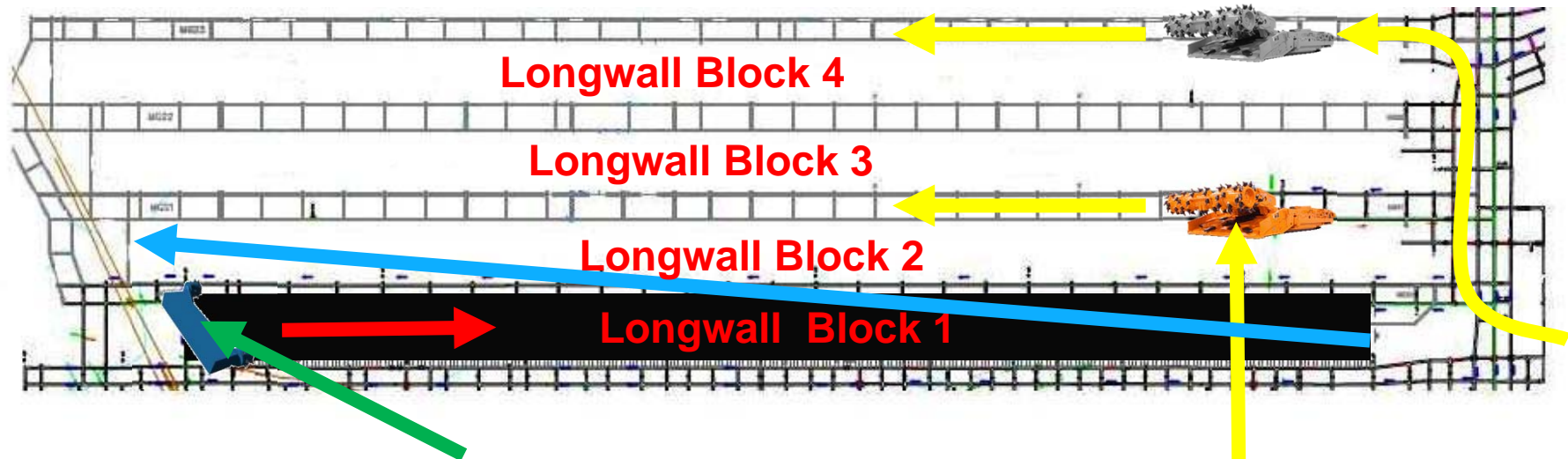


▲ 17% export growth in the last 5 years

▲ FY11 impacted by Queensland floods



Background – Underground Mine



Longwall Mining System

Continuous Miner



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

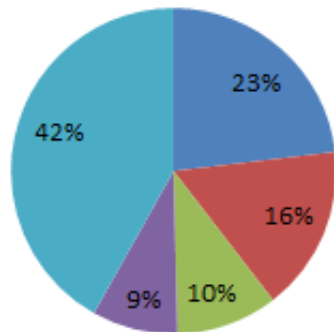
Background – UG Coal Sector Market Size



- ▲ 2008 market size of underground coal service estimated at \$750m per year
- ▲ **FY2012 Estimate**
 - ▲ 15,000 people employed in the underground coal sector, approximately 35% (5,500) are contractors
 - ▲ Estimated \$1,100m in contracting services

FY12 Market Distribution

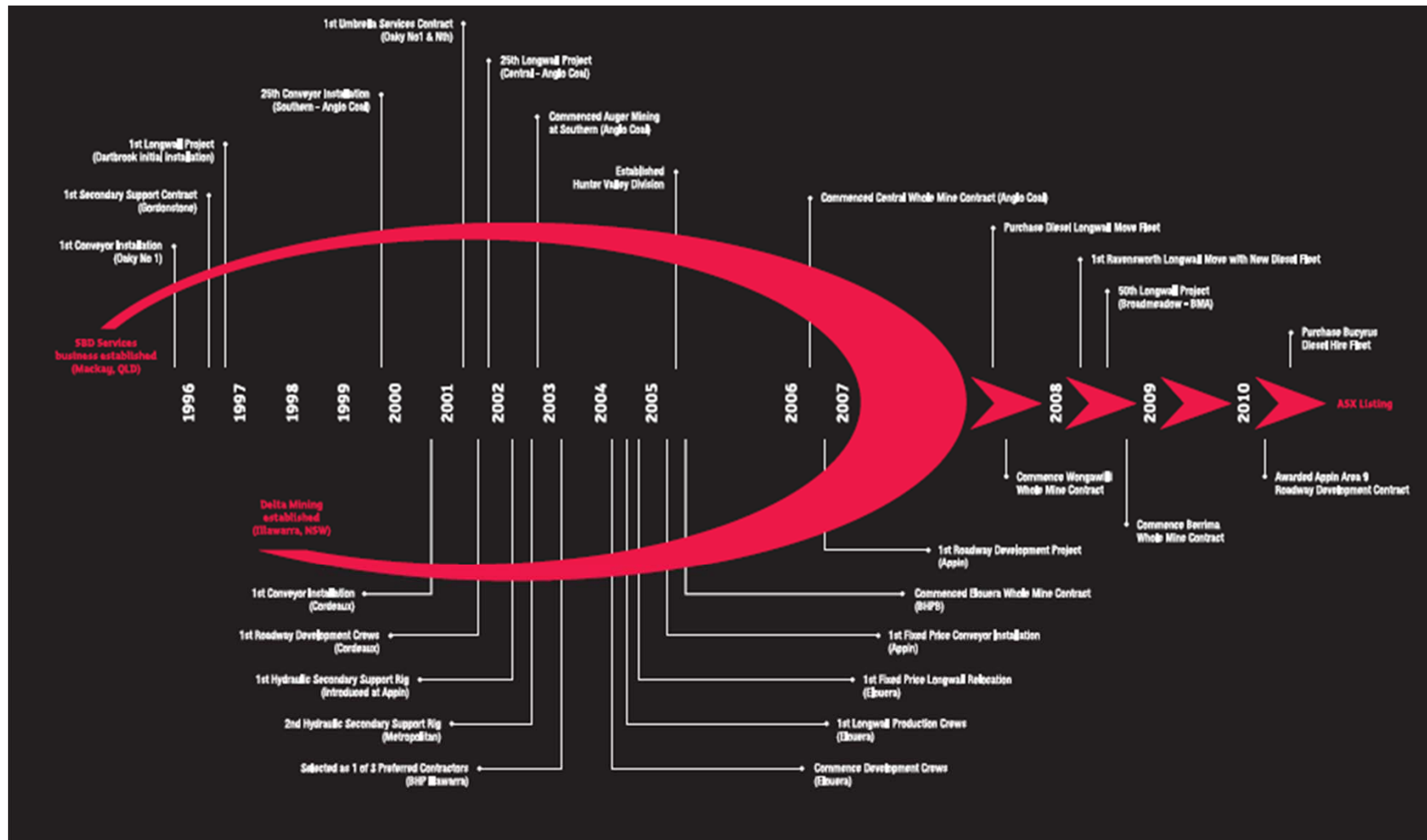
■ MYE ■ WDS (mining) ■ DSB ■ UGM ■ Others



▲ Services Provided

- ▲ *Roadway development*
- ▲ *Longwall Moves*
- ▲ *Conveyor Installations*
- ▲ *Secondary Roof Support*
- ▲ *Ventilation devices*
- ▲ *Outbye Services*
- ▲ *Gas Drainage*
- ▲ *Supplementary Labour*
- ▲ *Equipment hire*

Background – Delta SBD History



Background – Delta SBD Operations



Specialised support in extracting underground coal with over 550 skilled personnel and fit-for-purpose equipment.

A leading provider of:

- ▲ Whole mine operations
- ▲ Longwall relocations and support
- ▲ Roadway development
- ▲ Conveyor Installations and maintenance
- ▲ Mine Services
 - ▲ Secondary roof support installation
 - ▲ Drill and blast excavation
 - ▲ Ventilation device installation
 - ▲ Services/utility installation/ recovery
- ▲ Plant hire and maintenance
- ▲ Supplementary labour

FY12 - Highlights



Safety

Outstanding achievements:

- ▲ Leading indicators increased by 66%
- ▲ Total recordable injury frequency rate improved by 17%
- ▲ International OHSAS 18001 accreditation obtained

FY12 Results

Expectations achieved:

- ▲ Audited statutory NPAT \$6.2m (+30%)
- ▲ Unaudited underlying NPAT \$6.4m (+20%)
- ▲ Revenue \$118.8m (+42%)

Balance sheet

- ▲ Strong cash on hand \$5.1m
- ▲ Net debt \$18.8m

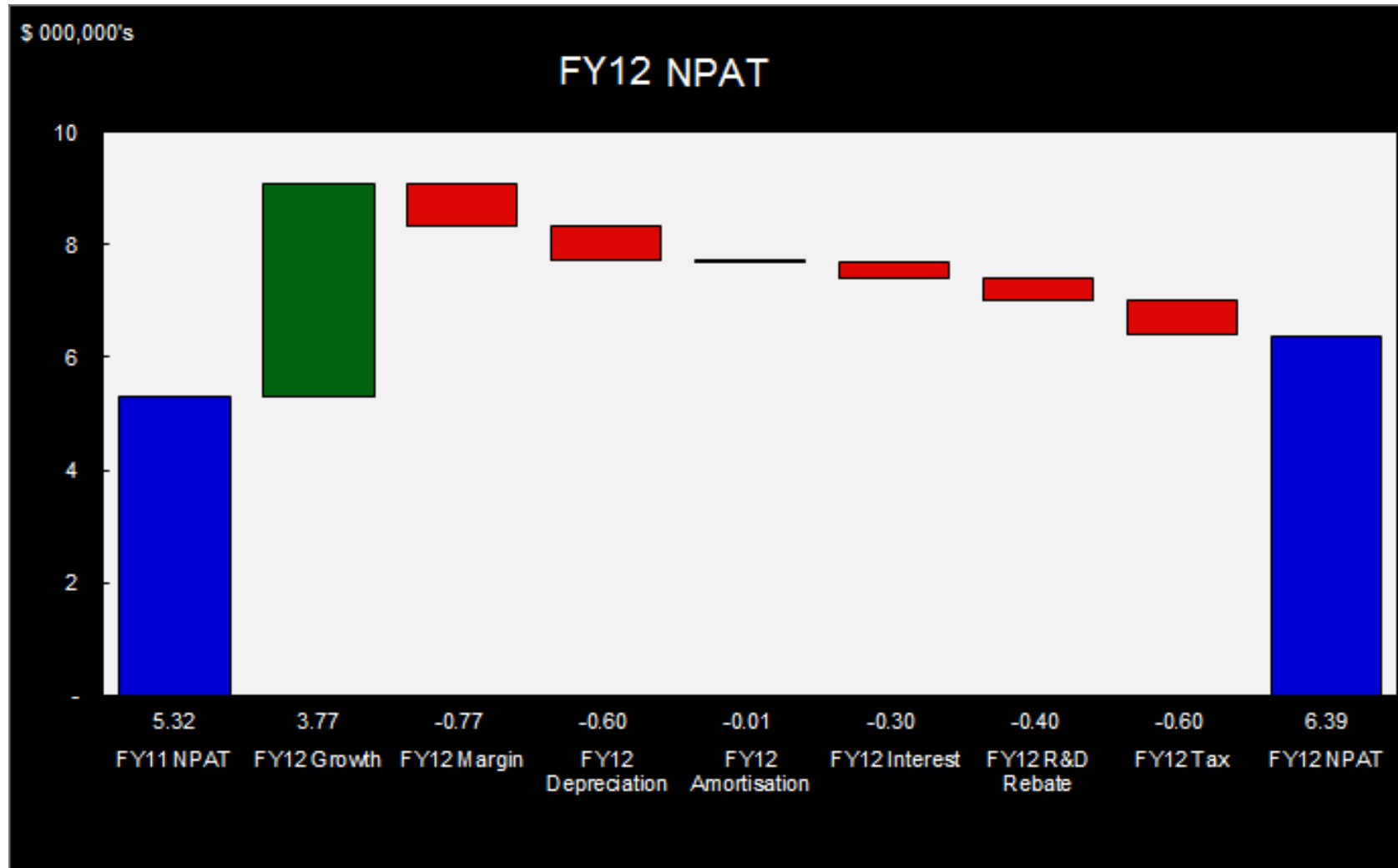
Workbook outlook

- ▲ Leveraging for continued growth
- ▲ New long and short term contracts

Operational

- ▲ Delivered growth
- ▲ Acquired additional “fit for purpose” equipment
- ▲ Completed eight longwall projects
- ▲ Increased workforce by 29% to 540 employees
- ▲ BHP Illawarra Coal supplier of the year FY12

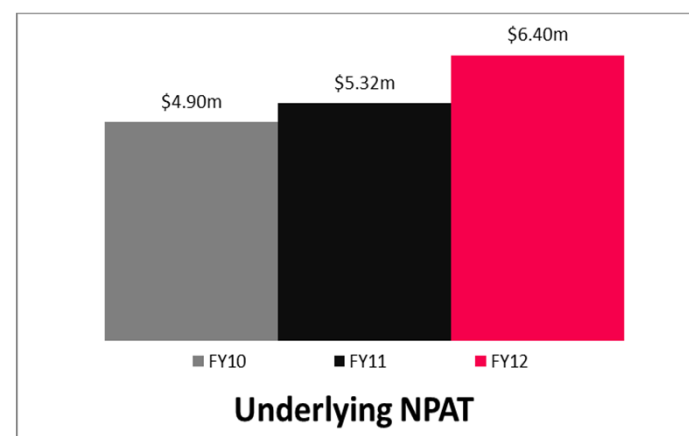
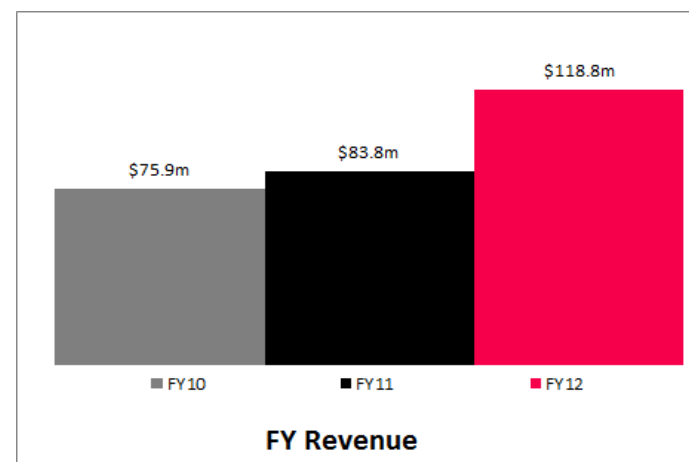
FY12 NPAT Waterfall



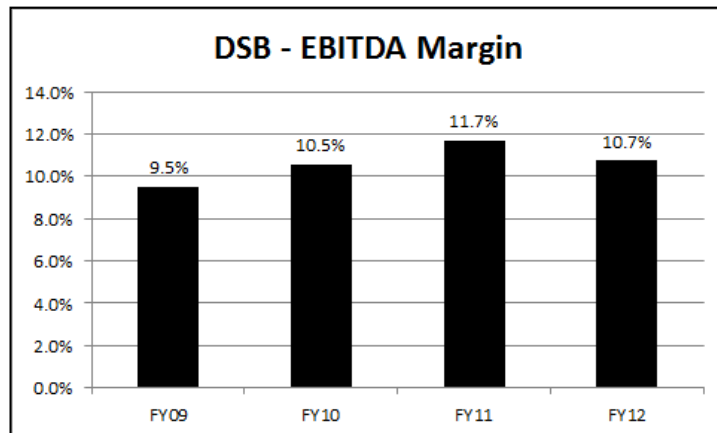
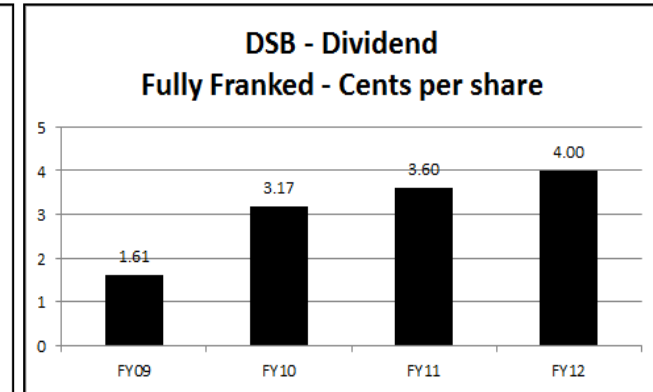
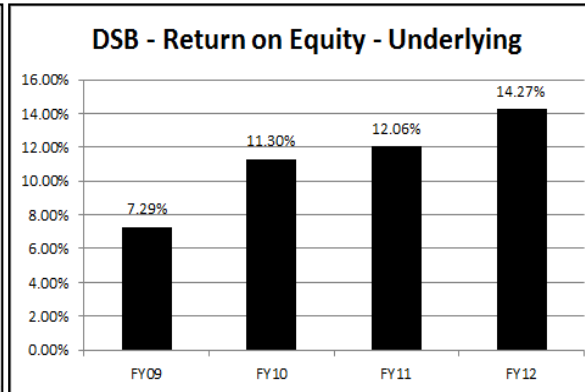
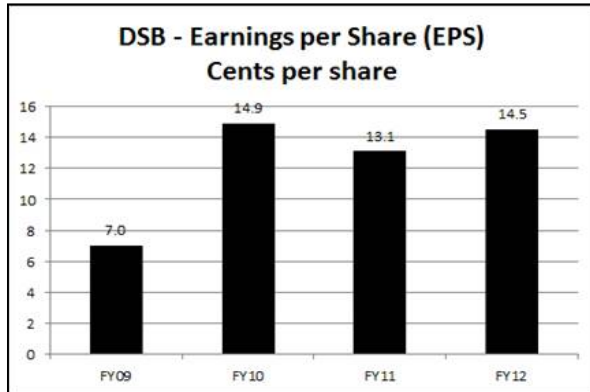
FY12 Highlights - Financial Review



	Actual FY 2010 \$m	Actual FY 2011 \$m	Actual FY 2012 \$m
Revenue	75.9	83.8	118.8
EBITDA	8.0	9.8	12.8
Depreciation	-1.5	-2.4	-3.0
EBIT	6.5	7.4	9.8
Net Finance Costs	- 1.0	- 1.2	- 1.5
NPBT	5.5	6.2	8.2
NPAT	4.9	5.3	6.4
EPS (cents)	14.9	13.1	14.5
EBITDA margins	10.5%	11.7%	10.7%
EBIT margins	8.6%	8.8%	8.2%



FY12 Highlights - Financial Review

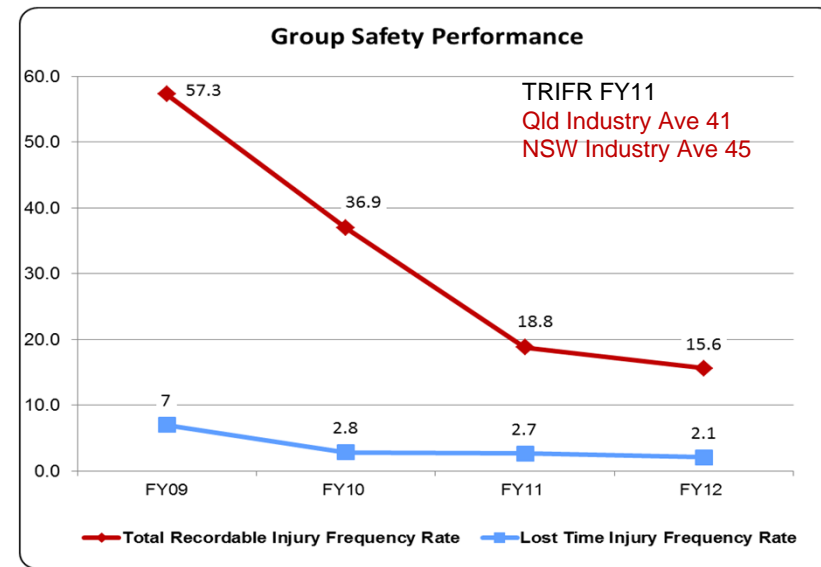
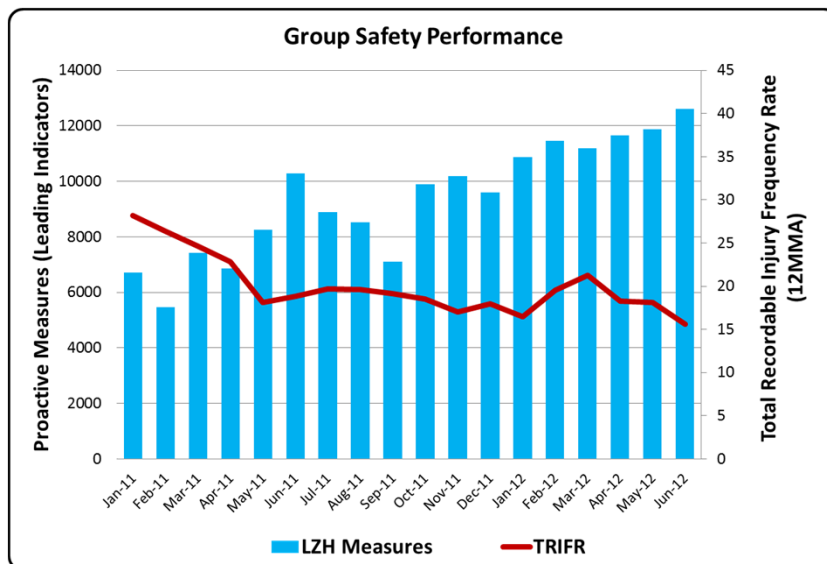


Balance Sheet	FY11	FY12
Cash (\$m)	9.85	5.10
PPE Assets (\$m)	20.1	39.1
Net Debt (\$m)	6.20	18.77
Net Debt to Equity	13%	35%

Operational Review - Safety



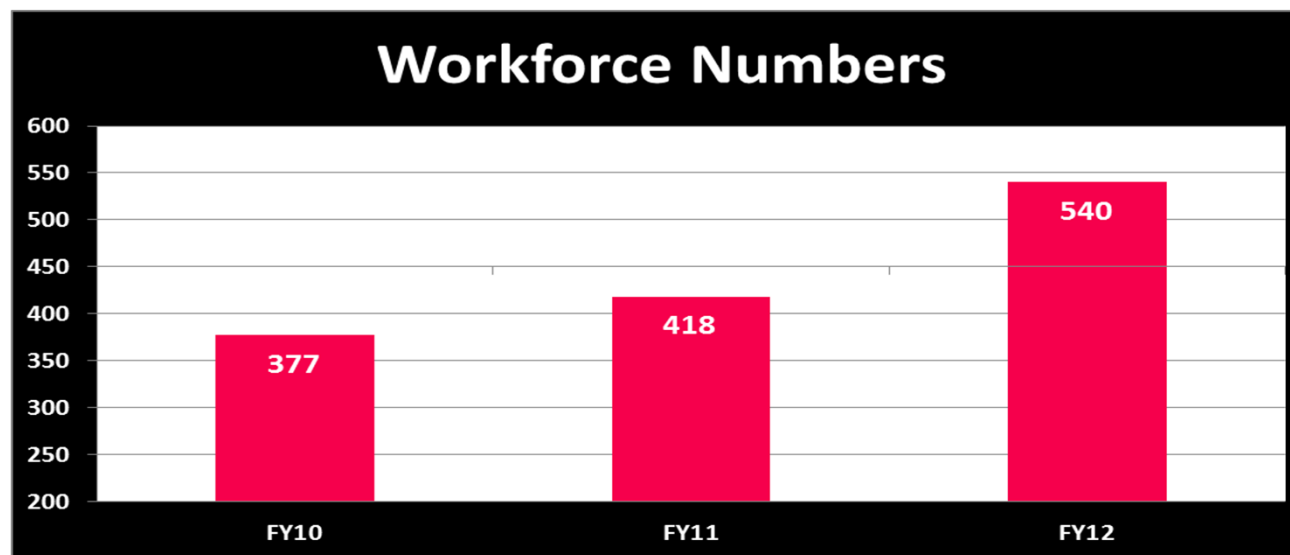
- ▲ Accredited with the International and Australian Standards
- ▲ 66% increase in Leading Zero Harm initiative
- ▲ 17% improvement in Total Recordable Injury Frequency Rate
- ▲ 22% improvement in Lost Time Injury Frequency Rate
- ▲ Overall safety performance remains in top quartile of UG coal mine operators



Operational Review - People



- ▲ Robust recruitment process with an increase in workforce by 29% to 540 as at 30 June 2012
- ▲ Proven training programs on site
- ▲ Off site machinery operating training centre being established in Mackay

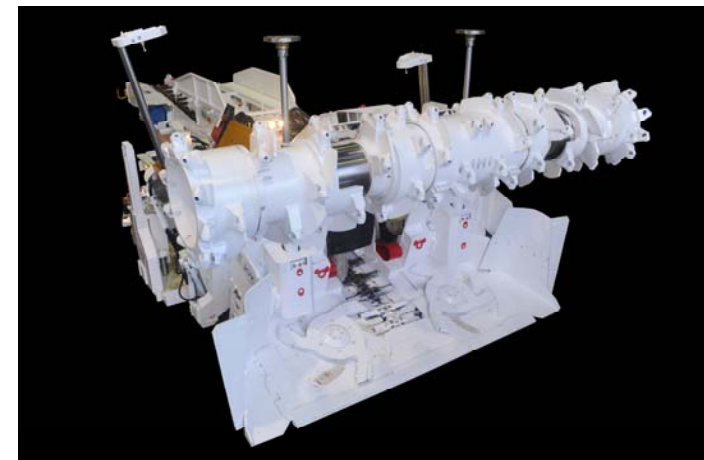


Operational Review - New contract



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
- ▲ In September 2012 the Joy 12CM20 Continuous Miner delivered and will be utilised for this contract
- ▲ Term extended until 30 December 2013



DSB JOY 12cm20 to Narrabri Sept 2012

Operational Review

Major Longwall Project Completed



Whitehaven's new Narrabri Longwall Mine

- ▲ Undertaken on behalf of Longwall OEM Caterpillar Global Products
- ▲ Phase 1: surface build
- ▲ Phase 2: dismantling surface build, transport and underground installation of the longwall



Operational Review



During the FY12 period the Group continued to provide:

- ▲ Whole of mine operations at Berrima coal mine in Medway, NSW;
- ▲ Roadwork development, secondary support, drill and blast activities and outbye support at Illawarra Coal's Appin mine;
- ▲ Secondary support and outbye services at Peabody's Metropolitan mine; and
- ▲ Longwall move/support at Xstrata's Ravensworth and Ulan mines, Peabody's Wambo mine, Anglocoal's Grasstree mine and BMA's Broadmeadow mine.

Operational Review – New contracts



Two new longwall projects in Queensland for FY 2013

- ▲ BMA's Broadmeadow mine expansion:
 - ▲ Phase 1 (Aug to Oct 2012): Surface mini build of longwall system
 - ▲ Phase 2 (Nov to Dec 2012): Dismantle the surface build, transport and underground installation of the longwall
- ▲ Rio Tinto's Kestrel mine expansion:
 - ▲ Phase 1 (Jul to Nov 2012): Surface build of longwall system
 - ▲ Phase 2 (Feb to Mar 2013): Dismantle the surface build, transport and underground installation the longwall
- ▲ The majority of recently expanded longwall diesel machinery will be deployed on these projects, following their successful introduction at the recent Narrabri longwall installation in FY12

Operational Review “Fit for purpose” Equipment



- ▲ New longwall move equipment successfully deployed for Narrabri longwall install
- ▲ New continuous miner to be deployed at Narrabri



60 tonne loader



15 tonne loader with chock trailer

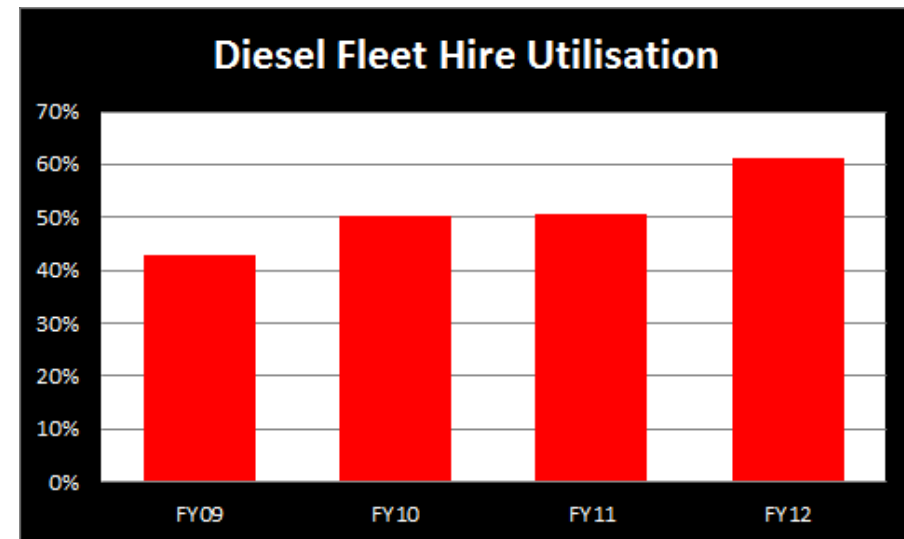


130 tonne Shearer Carrier

Operation Review - Assets



- ▲ Diesel asset hire utilisation increased by 20% to expected target
- ▲ Mining assets hire utilisation decreased to 81% with acquisition of additional equipment

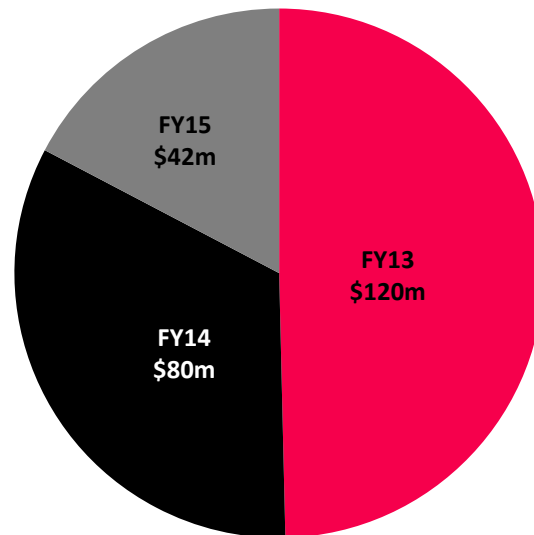


Operational Review – Competitive Advantage & Uniqueness



- ▲ Whole of mine operations
- ▲ Short term projects represent >20% of work
- ▲ Longwall install/move projects – largest provider
- ▲ Full in house turn key longwall projects
- ▲ Fit for purpose equipment – safer, reliable and productive
- ▲ Pillar extraction capability
- ▲ Diversity

Workbook for the next three years Workbook - \$242m



The FY13 portion of this workbook already exceeds the FY12 revenue result of \$118.8 million

Outlook - Workbook



Client	Mine	Location	Services	FY10	FY11	FY12	FY13	FY14	
Boral	Berrima	Illawarra, NSW	Whole Mine Operations	Current Contract					
BHP Billiton	Appin	Illawarra, NSW	Roadway Development	Current Contract				Contract options	
		Illawarra, NSW	Mine Services	Previous contract	Current Contract			Likely Re-occurring work	
Peabody	Metropolitan	Illawarra, NSW	Mine Services	Previous contract	Current Contract			Contract options	
	Wambo	Hunter Valley, NSW	Longwall Moves	Likely Re-occurring work	Current Contract			Contract options	
Xstrata	Ravensthorpe	Hunter Valley, NSW	Longwall Moves	Previous contract	Current Contract		Likely Re-occurring work		
		Hunter Valley, NSW	Mine Services	Likely Re-occurring work	Current Contract				
	Ulan	Upper Hunter Valley, NSW	Longwall Moves	Previous contract	Current Contract		Likely Re-occurring work		
Vale	Integra	Hunter Valley, NSW	Longwall Moves	Previous contract		Likely Re-occurring work			
		Hunter Valley, NSW	Longwall Installation	Current Contract			Likely Re-occurring work		
Whitehaven	Narrabri	Westen Coalfields, NSW	Roadway Development	Current Contract			Contract options		
Caterpillar Global	Narrabri	Westen Coalfields, NSW	Longwall Installation	Current Contract					
	KME	Bown Basin, Qld	Longwall Installation	Current Contract					
Anglocoal	Grasstree	Bown Basin, Qld	longwall Moves	Current Contract					
BMA	Broadmeadow	Bown Basin, Qld	longwall Moves	Previous contract		Likely Re-occurring work			
		Bown Basin, Qld	Longwall Installation	Current Contract			Likely Re-occurring work		

Legend

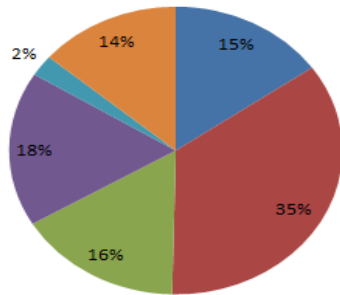
Current Contract
Previous contract
Contract options
Likely Re-occurring work

Outlook – Workbook Diversity



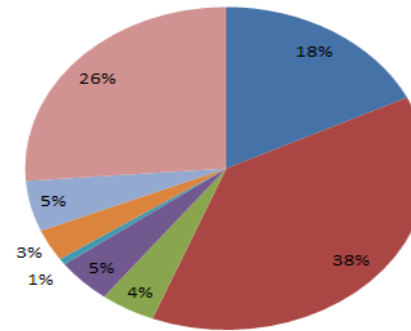
by Services

- Whole Mine Operations
- Roadway Development
- Longwall Projects
- Mine Service
- Conveyor Projects
- Equipment Hirer



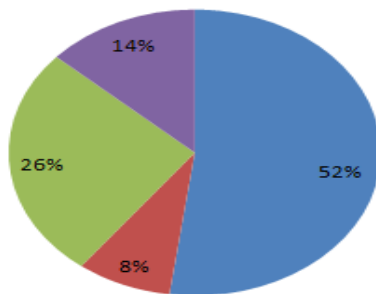
by Client

- Boral
- BHPB/BMA
- Xstrata
- Peabody
- Anglocoal
- Vale
- Rio Tinto
- Whitehaven



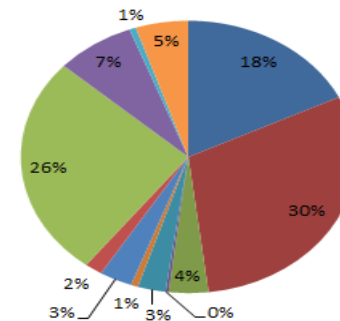
by Region

- Illawarra, NSW
- Hunter Valley, NSW
- West, NSW
- Bowen Basin, Qld



by Mine

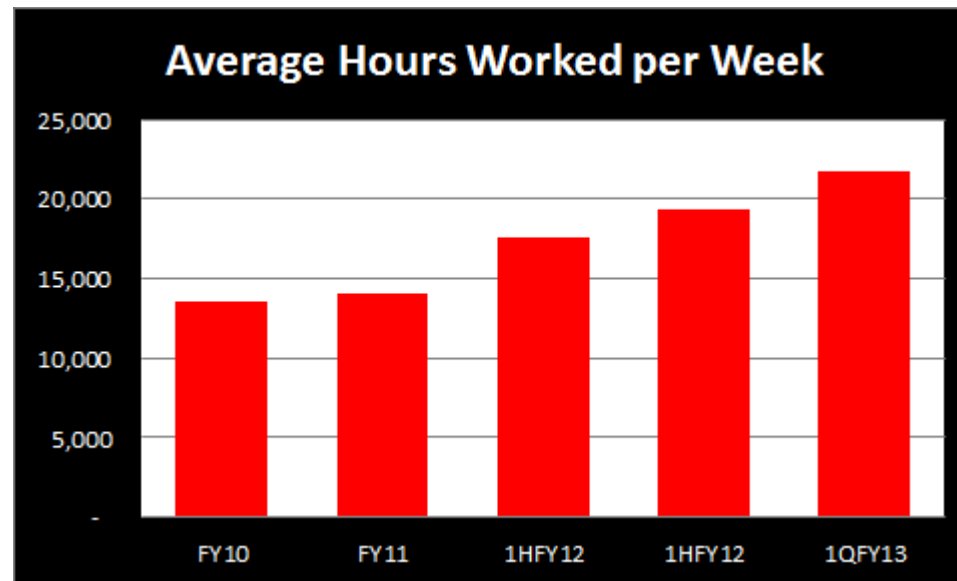
- Berrima
- Appin
- Metro
- Dendrobium
- Ravensworth
- Wambo
- Integra
- Ulan
- Narrabri
- Broadmeadow
- Grasstree
- Kestral



Outlook – 1Q FY13 Update



- ▲ Weekly hours worked increased by 18%
- ▲ Diesel equipment hire utilisation maintained



Summary



Safety	Continue safety improvement, target Zero Harm
Sector	Strength in Diversity Services, equipment, clients, geographical regions, coal types
Sustainability	Maintain our excellent client relationship Maintain margins
Growth Opportunities	Deployment of newly acquired capital equipment Continue to improve utilisation of equipment
People	Continued recruitment programs Training of personnel
Shareholders	Focus on the growth of return on shareholder's equity Continue to increase EPS

Contact us



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safer better dependable

Appendices



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

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

Strong Board



Gordon Galt
Chairman



- Gordon has worked in the resource and finance industries for over 35 years;
- He currently heads an Australian based resources investment fund manager;
- He has senior management experience in the Australian coal industry at Thiess, Capricorn Coal, Exxon Coal and Minerals, Ulan Coal Mines and Cumnock Coal including as Managing Director at Cumnock Coal, Newcrest Mining;
- Gordon is currently a Non Executive Director of the ASX listed Aquila Resources Limited, Discovery Metals Limited; US Masters Holdings Ltd and NuCoal Resources Limited.

Stephen Bizzaca
CEO & Managing Director



- Stephen is an electrical engineer with more than 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, in 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 business 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 Colliery to join Aklynd Engineering;
- Glyn founded Delta in 1998 and has remained a Director throughout the merger with SBD Services to form Delta SBD;
- Glyn is currently the Chairperson of the Delta SBD's Remuneration and Risk Committees.

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 principal and corporate advisor to several financial services companies and manufacturing entities.
- Geoff is currently the Chairperson of the Delta SBD's Audit and Compliance Committee and a member of the Remuneration and Risk Committee's.

Corporate Overview



- Capital structure
 - ▲ Shares on issue 44,820,242
 - ▲ Options 3,437,500
- Market capitalisation
 - \$36 million (assumes \$0.80 share price)
 - \$34 million (assumes \$0.75 share price)
- Shareholders – Top five
 - ▲ Stephen Bizzaca entities 33.2%
 - ▲ Glyn Dawkins entities 25.3%
 - ▲ Delta SBD Employee Trust 6.6%
 - ▲ Gardner entities 2.9%
 - ▲ Nehemine Pty Ltd 2.0%

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