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Sedgman affirms FY2010 guidance and strong growth posture

Leading resource sector services company Sedgman Limited (ASX Code: SDM) affirmed its FY2010 profit guidance at the Annual General Meeting in Brisbane today.

Managing Director and Chief Executive Officer Mr Mark Read said Sedgman's underlying FY2009 profitability and strong cash flows demonstrated just how well the Company had responded to the global financial crisis.

"I believe we will look back on this period as one of Sedgman's finest when our strategic platform for achieving sustainable growth really delivered when it counted most," Mr Read said.

"Sedgman has never been in a better position as global business conditions improve to take full advantage of a \$4.8 billion pipeline of project work being targeted over the next three years."

Mr Read told the meeting Sedgman's earnings guidance of 15 cents per share, excluding amortisation of intangible assets, post the Company's recent capital raising had been predicated on securing two high probability coal projects to replenish the Engineering Services order book.

"The good news is that a (\$75 million) design and supply contract for the first of these projects, Xstrata's ATCOM CHPP Upgrade, has been secured and work has commenced," Mr Read said.

"Design work on Riversdale Mining's Benga project, has also commenced under purchase order and we are confident that contracts for the design and supply of the 800 tonne per hour CHPP will be signed shortly."

Although both projects are running behind Sedgman's original schedule, Mr Read said the Company was confident most of this delay could be regained.

"This means that full year earnings will be significantly weighted to the second half of the financial year," he said.

"Accordingly, we are holding our profit guidance although it now represents the upper end of expectations."

Chairman Mr Russell Kempnich told the meeting Sedgman had survived the downturn and emerged as a stronger and more efficient company.

"We now stand ready to capitalise on the opportunities which an improving global economy will provide – particularly as Australia enters what some of our most

influential economic thinkers have described as ‘an unprecedented platinum age of prosperity’,” Mr Kempnich said.

“Much of this optimism is based on the continued growth of China, India and the other emerging Asian economies.”

Mr Kempnich also paid tribute to outgoing non-executive director and former managing director Mr Peter Hay who joined the Company in 1998.

“On behalf of the Board and all shareholders I would like to thank Peter for his valuable contribution and wish him every success in the future,” he said.

About Sedgman

Sedgman Limited (ASX:SDM) was established in 1979 and is a leading provider of mineral processing and associated infrastructure solutions to the global resources industry. Specialising in the design, construction and operation of coal handling and preparation plants (CHPPs), Sedgman is recognised internationally for its coal processing and materials handling technologies.

Sedgman listed on the ASX in June 2006. The Company is comprised of two core divisions – Coal and Metals – both of which have Engineering Services and Operations business units. Head office is in Brisbane with international offices established in Beijing, Santiago and Johannesburg to service the targeted growth regions of China/Mongolia, South America and southern Africa. The company has more than 650 staff and a market capitalisation of approximately \$330 million.

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