



ASX/MEDIA RELEASE

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Sedgman delivers record revenue and profits

- ❖ Record combined revenue of \$211.1 million, up 27.2% (HY07: \$166 million).
- ❖ Record cash earnings per share of 7.9 cents per share up 36.2% (HY07: 5.8 cents per share).
- ❖ Record EBITA of \$21 million, up 56.7% (HY07: \$13.4 million).
- ❖ Strong order book replenishment to \$620 million.
- ❖ Fully franked dividend of 3.5 cents per share up 16.7% (HY07: 3 cents per share).

Expanding resource services company, Sedgman Limited (ASX: SDM) today announced a 56.7 per cent rise in half year earnings before income tax and amortisation to a record \$21 million and a strong order book of \$620 million to drive future earnings growth.

The result was underpinned by record combined revenue of \$211.1 million, a 27.2 per cent increase on the comparative half year, putting the company on track to achieve a record 2008 full year profit.

A record net profit after tax of \$11.3 million was reported, up 17 per cent from the previous corresponding period (HY07: \$9.7 million).

Earnings per share (cash) increased 36.2 per cent to 7.9 cents per share (HY07: 5.8 cents).

Sedgman increased its net operating cash flows to \$10.2 million (HY07: \$9.2 million) and achieved a solid cash balance of \$39.8 million.

On the strength of these results, the Board declared an interim fully franked dividend of 3.5 cents per share reflecting a 16.7 per cent increase from the 3 cents paid in the previous corresponding period.

The dividend will be payable on 25 March 2008 to shareholders registered by 10 March 2008. Shareholders can now also participate in Sedgman's dividend reinvestment plan.

Sedgman's Managing Director, Mr Peter Hay, said the strong result reinforced the value of the company's commitment to its strategies of resource diversification and international expansion.

"Our record earnings reflect the continuing underlying growth in our coal business and the successful integration of our metals business acquisitions Pac-Rim and Intermet," he said.

Mr Hay said the company's strong order book of \$620 million was buoyed by newly awarded contracts such as the Thiess Sedgman Joint Venture's Lake Vermont Coal Handling and Preparation Plant contract which had a value in excess of \$100 million.

"We have also secured an expansion of the Sonoma contract from \$75 million to more than \$180 million for additional project scope and a five-year operations agreement.

"Practical completion of Sonoma's first stage has now been achieved ahead of schedule and on budget, an outstanding result in the current environment.

"In the last six months we have been servicing a record number of feasibility studies in both engineering services and operations, which we are confident of converting into contracts in the future.

"These identified opportunities represent a \$3.2 billion pipeline that has the potential to generate substantial future growth for Sedgman," he said.

Sedgman continues to retain and attract talented staff in a tight labour market with 615 personnel at half-year end, up 35 per cent from 455 staff in the comparative period.

Outlook

"The global resources market continues to grow and we expect demand for our services to remain strong," Mr Hay said.

"We are financially positioned to continue pursuing our strategy for growth via acquisitions where a business is assessed to offer value through complementary services or markets.

Mr Hay said since securing the \$20 million design contract with Vale (ex CVRD) for the Moatize Project in Mozambique, the company has further accelerated its international expansion.

"In Africa, we are providing consulting services for several project opportunities, whilst recruiting for and establishing an office in Johannesburg," he said.

"Our presence in Chile is expanding too, with larger office space obtained in Santiago, and an aggressive recruitment campaign in progress, as we target coal handling projects for power generation facilities.

"In China, we have established a corporate structure, secured office space, are recruiting in-country personnel and expatriating experienced Sedgman employees," Mr Hay said.

Guidance

Mr Hay said Sedgman remained on track to post a record full year result.

"We remain comfortable with our guidance to deliver 15-20 per cent growth in cash earnings per share to shareholders in the current financial year and the \$3.2 billion pipeline provides the foundation for our future growth," Mr Hay said.

Results at a Glance

(\$ million)	Half year ending 31- Dec-07	Half year ending 31- Dec-06	Growth
Combined revenue ¹	211.1	166.0	27.2%
EBITA	21.0	13.4	56.7%
EBIT	18.3	13.1	39.7%
NPAT	11.3	9.7	17.0%
EPS ² – cash (cents)	7.9	5.8	36.2%
DPS (cents)	3.5	3.0	16.7%

Notes

1. This represents revenue of Sedgman together with Sedgman's share of revenues from Joint Ventures.
2. EPS (cash) excludes amortisation of intangible assets.

About Sedgman

Sedgman Limited (ASX:SDM) was established in 1979 and has become a leading provider of multi-disciplinary engineering, project delivery and operations services to the international 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.

After listing on the ASX in June 2006, Sedgman expanded into the metalliferous sector in December 2006 with the acquisition of ore crushing and screening services provider Pac-Rim. In July 2007, Sedgman further expanded into this sector with the acquisition of minerals process engineering and project management company Internet Engineering Pty Ltd.

Sedgman's structure comprises two core divisions of Sedgman Coal and Sedgman Metals, encompassing the business units of Engineering Services and Operations.

www.sedgman.com.au

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