

On the Move

Western Australian
quarterly growth report

June 2011

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Western Australian quarterly growth report

Quarterly review of fast performing Western Australian companies listed on the Australian Securities Exchange (ASX).

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Accounting Firm of the Year,
CFO Awards 2010 and 2009



Executive summary



In this 2010 review, based on interviews with the CEOs of the 20 fastest moving WA companies in 2010, *On the Move* charts a year when the local economy acquired real depth and strength, building out the foundations of sustainable growth beyond the resources boom.

Since 2007, *On the Move* has chronicled the trends behind the most rapidly growing ASX listed companies with a head office in Western Australia (WA). In 2010, every quarter, we found companies delivering growth, so far above average market levels, to warrant interest in the reasons behind their resounding and continued performance.

On an annual basis energy, mining and metals, oil and gas companies are continuing to perform well, as expected. However, focussing on companies outside these sectors we wanted to understand how they are performing. Looking at 2010 as a whole, the standout theme was the surprising number of these companies finding growth outside the resources sector.

This was particularly evident in the first quarter, which saw WA's most successful mid-cap industrials coming from a range of unusually diverse industries. The top ten included companies from: information technology, beverage and hospitality, telecommunications, property development, contracting, electrical control systems, pharmaceutical, engineering and construction

By the second quarter, the strength of the resources sector meant that nine out the top ten high growth large caps were in or serving the mining and metals industry – and five were gold miners. The exception was internet service provider, iiNet, whose \$40 million acquisition of Netspace was well received by the market.

In the following quarter, the spectacular performance of gold saw us narrow the usually broad view of *On the move*, to focus only on this sector. We found that WA's fastest growing gold stocks were more entrepreneurial than most miners, with explorers on the cusp of production dominating the top ten. The most successful producers were squeezing every opportunity out of the boom market with strict cost controls and efficient production. And all were leveraging their golden position in the equity markets.

Yet, despite the extraordinary growth seen in the resources sector, and gold in particular, pulling back to look at the full year's growth results reveals high performance across a much broader spread of industries than expected.

Of the top 20 fastest moving companies in 2010, nine operate completely outside the resources sector. Instead, they are leading growth in WA's telecommunications, medical, property development, hospitality, renewable energy and ship building industries.

The overall picture is one of a broad-based and therefore increasingly sustainable economy, as flow-on businesses from the resources boom acquire their own momentum, and the positive impact of major projects trickles down into the wider economy. WA's future is now riding on more than commodities - with the potential for inclusive growth across the entire economy.

Not surprisingly, aside from growing concerns over human capital constraints, the CEOs interviewed are confident about the future, particularly in terms of the strength of the WA economy. They believe WA is becoming increasingly competitive internationally, attracting considerable interest from overseas investors.

We hope you find the following review of their strategies and plans for sustaining growth into the future interesting.



Peter McIver
Partner
Entrepreneur Of The Year, Western Region Director
Strategic Growth Markets, National Leader

Strategies for sustainable growth

In-depth interviews with the CEOs of WA's top 20 fast moving large industrials in 2010 reveal the keys to sustaining above market performance across a diverse range of industries: mixed growth strategies that look beyond existing demand; a continued focus on business disciplines; and a constant focus on retaining staff and customers.

Leading the way with organic growth

Asked about their future strategies, the CEOs of these high-performing WA companies are looking at organic led growth, driven by burgeoning order books. All are open to acquisition opportunities, but few hold them as a primary growth strategy.

“We will consider acquisitions where they are aligned with strategy.”*

Much of their expected organic growth will come from increased demand in existing markets. For example, earthmoving equipment supplier, Emeco Holdings, sees important organic growth prospects in its three key markets of: Australia, Indonesia and Canada. At the same time, mining company, Mineral Resources, is focused on progressing existing projects; and Mermaid Marine, Australia's largest listed marine services provider to the offshore oil and gas industry, is expecting growth to come from new developments in its current projects and from the increased capacity it added to its fleet in 2010.

Similarly, after a year of consolidating its business by divesting or closing non-core assets, design, civil engineering and construction company, Decmil, will continue to focus on organic growth in Western Australia, while assessing potential merger and acquisition opportunities for small to medium sized deals. The optimised company has tendered for short-term contracts with a combined potential value of up to \$3.7 billion in the 2011 calendar year.

Engineering, project delivery and asset management company, LogiCamms, also has a growing pipeline of opportunities, currently valued at \$320 million. While engineering company, RCR Tomlinson, is relying on its strong portfolio of projects in high growth sectors.

Meanwhile, Cedar Woods Properties is confidently forecasting substantial profit growth, based on its large bank of presales. In the medium term, the property developer is looking forward to progressing the Williams Landing town centre project, as well as new projects at Camberwell, Piara Waters, Carine and the start of the newly awarded South Hedland project.

Ship builder, Austal, owns another formidable line of future orders, having been awarded a ten ship block buy contract for the Independence class LCS, with an initial order for one vessel at \$432 million and options for nine additional vessels over five years. The average pricing for the nine additional vessels is \$379 million.

The Forge Group, a holding company for investments in engineering and construction, also has an excellent order book. Its business unit focus in the coming year is to organically grow each division.

Growing ahead of the market

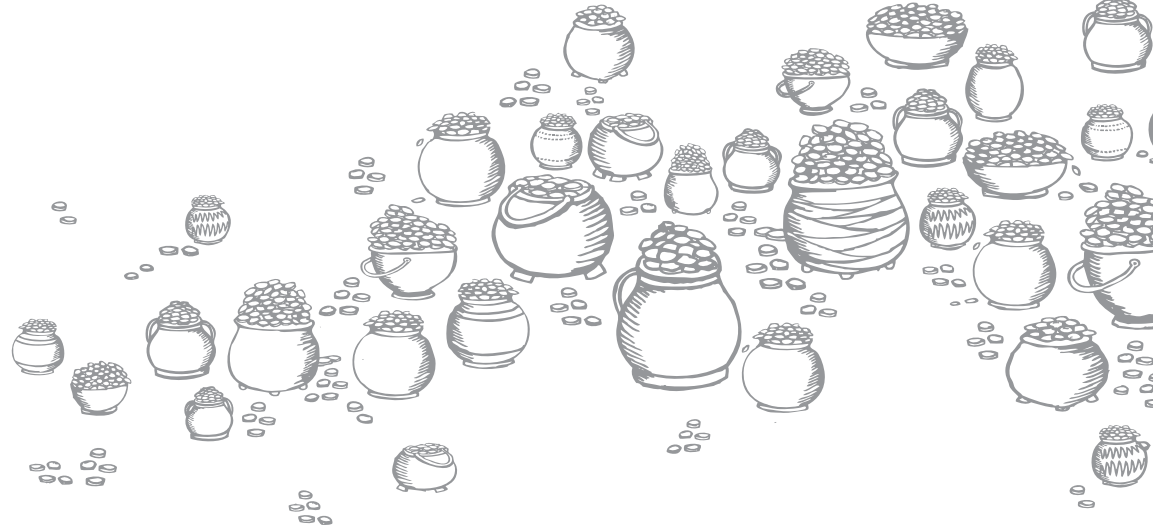
However full their order books, the above market performance of these companies does not come from simply rising on the growing tide of demand with all the other 'boats'. Their CEOs are also looking for growth opportunities outside their current core markets and portfolios: product innovation, service expansion and new territory exploration, both interstate and internationally, are all on the cards. For example, Forge is considering acquisitions that will take its business model into other geographic and strategic markets.

Amcom Telecommunications, whose market capitalisation increased by 31% in calendar 2010, is working on growth opportunities in the Northern Territory as backhaul infrastructure reaches Darwin.

Fellow telco, iiNet, expects the new NBN line will expand its serviceable customer market and enable a robust pipeline of new content and product innovation, including the highly anticipated Internet Protocol Television.

Insurance premium funding provider, Centrepoint Alliance, intends to improve its support services and broaden its range of investment products and services. Centrepoint is also continuing to source and evaluate acquisition opportunities.

Mobile accommodation specialist, Fleetwood, will capitalise on its successful acquisition of BRB Modula Pty Ltd, which manufactures and installs prefabricated modular building solutions for public sector clients in NSW, Victoria and Queensland. The acquisition helped to grow Fleetwood's market capitalisation by over 60% last year.



Most of the companies are also extremely well positioned to consider strategic acquisitions, with strong balance sheets and excellent cash flow. In the post-GFC environment, the fastest growing companies still have a very responsible attitude to funding. Most have surplus cash in the business and are loathe to take on debt.

A few are raising funds to accelerate growth. For example, in January and February 2011, property developer, Finbar, raised an additional \$16.9 million through a fully underwritten share purchase plan offered to all Australian shareholders. Finbar intends to put these funds toward developing new growth opportunities in WA.

Joint ventures (JVs) and alliances are also an important part of the growth strategy mix. Engineering company, Lycopodium's future projects include a JV in relation to the Tropicana Gold Project northeast of Kalgoorlie, working with AngloGold Ashanti Australia Ltd and Independence Group NL. Amcom is planning to expand its presence in the Cloud market by partnering with BlueFire Corporation. While mining services company, NRW Holdings, has won an alliance contract with Leighton Contractors, Limited and GHD to upgrade the Great Eastern Highway.

At the same time, investment company, Energy Ventures, has an aggressive exploration program planned for 2011, and is currently evaluating a number of other projects for staking, acquisition or joint venture opportunities.

Keeping on track with business discipline

Awash in this sea of confidence, CEOs are being careful to keep a tight hold of business controls and to nurture the differentiators that are winning them business.

For example, engineering group, Monadelphous, which services the resources, energy and construction sectors, understands its record sales can only be sustained by maintaining its long-term customer focus and reputation for engineering excellence.

Similarly, Australian beverage and hospitality company, Little World Beverages, is focused on maintaining the quality and consistency of its products. In 2011, the company also has a renewed concentration on productivity, with a view to improving its operating profit.

Meanwhile, Pacific Energy has secured energy efficiency technology that delivers the "industry benchmark" for fuel efficiency. With this, the company plans on capitalising on the strong demand for long term power solutions while focusing on increasing its competitive advantage.

Developing strategies for long-term sustainability

In terms of ensuring their long-term sustainability, these CEOs have people at the top of their list. Growing skills shortages are making staff development and retention – especially at management level – even higher priorities. New skills gaps are emerging for experienced managers who can implement the next raft of projects coming into play. In this environment, culture, safety and quality leadership have never been more important.

Customer retention is also seen as key to long-term success. All the CEOs reported strategies to develop strong customer loyalty and repeat business through service that goes beyond expectations. To this end, iiNet's mantra is: lead on product, differentiate on service.

Amcom, which works with business customers, has a reputation for above industry service levels, as well as flexibility and innovation in response to customer needs. Similarly, LogiCamms has made a name for itself by offering every client an 'A' team.

The Forge Group has a customer-centric delivery model, providing its clients with one mobilisation charge and one project management team for a diverse range of services. In an industry that typically relies on range of contractors, each with their own project teams, Forge's offering reduces duplication, lowering costs, and makes it easier for clients to manage their contractors.

* Quotes made by CEO's during the interview process



Economic outlook

Global economic downturn

For these companies, the global economic downturn is having little impact, with the exception of funding availability for development. A few experienced softer demand in the first half of 2010, but saw markets picking up in the second half. Some are concerned about their exposure to China and Japan.

Australia

The CEOs anticipate Australia's two-speed economy will continue, with WA and Queensland leaving the other States behind. However, they are largely positive about aggregate economic conditions, given Australia's position as a low cost producer of bulk commodities. That said, they expect interest rate and cost of living sensitivities will continue, even as unemployment falls.

Western Australia

In WA, they see positive economic indicators, and a very strong outlook. However, they believe consumers will remain cautious and it will take time for the established housing market to recover. But these are minor issues. WA is becoming increasingly competitive internationally, attracting considerable interest from overseas investors. Skills and infrastructure are the only real hurdles to our State's continued, long-term sustainable growth.

“We have to get the labour supply right.”*



Top 20 Western Australian growth companies in 2010 calendar year by dollar value

ASX listed companies with a head office in Western Australia achieving exceptionally strong market capitalisation growth in Australian dollar terms from 1 January 2010 to 31 December 2010.

ASX code	Company name	Dec 2009 market cap	Dec 2010 market cap	\$ Difference	(%) Difference
FMG	Fortescue Metals Group Ltd	\$13,742,536,791	\$20,356,354,354	\$6,613,817,563	48.13%
ILU	Iluka Resources Limited	\$1,498,947,850	\$3,826,922,725	\$2,327,974,875	155.31%
WES	Wesfarmers Limited	\$30,888,124,779	\$32,165,832,928	\$1,277,708,149	4.14%
SDL	Sundance Resources Limited	\$419,899,196	\$1,559,052,660	\$1,139,153,464	271.29%
MIN	Minora Resources NI	\$1,094,852,195	\$2,074,146,250	\$979,294,055	89.45%
JMS	Jupiter Mines Limited	\$73,877,294	\$1,028,117,697	\$954,240,403	1291.66%
PRU	Perseus Mining Limited	\$566,545,295	\$1,429,189,357	\$862,644,062	152.26%
CPL	Coalspur Mines Limited	\$101,212,869	\$944,442,671	\$843,229,802	833.13%
SFR	Sandfire Resources NL	\$397,755,353	\$1,201,638,741	\$803,883,388	202.10%
AUT	Aurora Oil & Gas Limited	\$54,699,289	\$851,284,810	\$796,585,521	1456.30%
RRL	Regis Resources Limited	\$255,800,445	\$1,032,129,396	\$776,328,951	303.49%
AGO	Atlas Iron Limited	\$844,608,465	\$1,613,523,501	\$768,915,036	91.04%
MML	Medusa Mining Ltd	\$633,820,891	\$1,217,873,404	\$584,052,513	92.15%
AMX	Ampella Mining Limited	\$88,907,295	\$670,079,609	\$581,172,314	653.68%
PDN	Paladin Resources Limited	\$2,997,656,912	\$3,576,010,433	\$578,353,521	19.29%
AVO	Avoca Resources Limited	\$494,013,245	\$1,065,150,803	\$571,137,558	115.61%
SIR	Sir Samuel Mines N.L.	\$14,604,120	\$574,938,009	\$560,333,889	3836.82%
GRR	Grange Resources Limited	\$310,256,399	\$869,818,439	\$559,562,040	180.35%
IGO	Independence Group NL	\$548,934,518	\$1,103,279,574	\$554,345,056	100.99%
GBG	Gindalbie Metals Ltd	\$749,618,934	\$1,299,949,670	\$550,330,736	73.41%
GIR	Giralia Resources NL	\$260,150,348	\$797,104,748	\$536,954,400	206.40%

Top 20 Western Australian growth companies in 2010 calendar year by percentage difference

ASX listed companies with a head office in Western Australia achieving exceptionally strong market capitalisation growth in percentage terms from 1 January 2010 to 31 December 2010.

ASX code	Company name	Dec 2009 market cap	Dec 2010 market cap	\$ Difference	(%) Difference
SIR	Sir Samuel Mines N.L.	\$14,604,120	\$574,938,009	\$560,333,889	3836.82%
BTU	Bathurst Resources Limited	\$11,883,469	\$453,471,802	\$441,588,333	3715.99%
RNI	Resource and Investment NI	\$3,816,532	\$137,930,929	\$134,114,397	3514.04%
AEA	Altera Capital Limited	\$2,020,336	\$62,363,145	\$60,342,809	2986.77%
EQX	EQITX Limited	\$9,933,850	\$297,624,675	\$287,690,825	2896.07%
RIA	Rialto Energy Limited	\$7,108,993	\$198,363,224	\$191,254,231	2690.31%
BYR	Burey Gold Limited	\$3,768,363	\$98,248,716	\$94,480,353	2507.20%
NST	Northern Star Resources Ltd	\$4,923,182	\$116,307,735	\$111,384,553	2262.45%
BDR	Beadell Resources Limited	\$21,528,000	\$416,698,344	\$395,170,344	1835.61%
BSE	Base Iron Limited	\$2,896,800	\$53,140,001	\$50,243,201	1734.44%
STB	South Boulder Mines Limited	\$13,926,985	\$217,217,924	\$203,290,939	1459.69%
AUT	Aurora Oil & Gas Limited	\$54,699,289	\$851,284,810	\$796,585,521	1456.30%
WGO	Waratah Gold Limited	\$2,100,012	\$29,500,075	\$27,400,063	1304.76%
JMS	Jupiter Mines Limited	\$73,877,294	\$1,028,117,697	\$954,240,403	1291.66%
AVB	Avanco Resources Limited	\$8,047,964	\$111,109,409	\$103,061,445	1280.59%
NMG	Noble Mineral Resources Limited	\$14,419,361	\$187,853,904	\$173,434,543	1202.79%
ODY	Odyssey Energy Limited	\$2,209,852	\$28,739,978	\$26,530,126	1200.54%
SMA	SmartTrans Holdings Limited	\$3,272,223	\$40,952,017	\$37,679,794	1151.50%
NSE	New Standard Energy Limited	\$3,544,531	\$39,001,834	\$35,457,303	1000.34%
PEL	Pelican Resources Limited	\$2,370,971	\$24,547,845	\$22,176,874	935.35%
MYG	Mutiny Gold Limited	\$4,876,664	\$49,328,952	\$44,452,288	911.53%
KAS	Kasbah Resources Limited	\$13,098,000	\$126,809,408	\$113,711,408	868.16%

Feature companies

Top Western Australian growth companies excluding energy, mining and metals, oil and gas companies, for the 2010 calendar year

Table is based on companies (excluding mining companies) displaying greater than \$40 million and greater than 10% growth in market capitalisation over the 2010 calendar year.

ASX code	Company name	Dec 2009 market cap	Dec 2010 market cap	\$ Difference	(%) Difference
MIN	Mineral Resources Limited	\$1,094,852,195	\$2,074,146,250	\$979,294,055	89.45%
MND	Monadelphous Group Limited	\$1,217,030,037	\$1,601,649,434	\$384,619,397	31.60%
FWD	Fleetwood Corporation Limited	\$464,586,158	\$744,086,477	\$279,500,319	60.16%
FGE	Forge Group Limited	\$140,182,591	\$410,077,869	\$269,895,278	192.53%
ASB	Austral Limited	\$428,798,774	\$656,363,036	\$227,564,262	53.07%
EHL	Emeco Holdings Limited	\$495,521,505	\$681,998,357	\$186,476,852	37.63%
DCG	Decmil Group Limited	\$177,150,731	\$331,626,196	\$154,475,465	87.20%
IIN	iiNET Limited	\$299,562,078	\$440,716,245	\$141,154,167	47.12%
CAF	Centrepoint Alliance Limited	\$24,138,276	\$121,211,671	\$97,073,395	402.16%
LWB	Little World Beverages Limited	\$129,571,582	\$224,374,763	\$94,803,181	73.17%
FRI	Finbar International Limited	\$136,168,090	\$226,505,974	\$90,337,884	66.34%
PEA	Pacific Energy Limited	\$39,291,359	\$116,104,890	\$76,813,531	195.50%
LYL	Lycopodium Limited	\$121,763,574	\$195,208,270	\$73,444,696	60.32%
MRM	Mermaid Marine Australia Limited	\$576,938,947	\$642,284,473	\$65,345,526	11.33%
AMM	Amcom Telecommunications Limited	\$180,497,238	\$236,547,993	\$56,050,755	31.05%
CWP	Cedar Woods Properties Limited	\$159,164,323	\$214,845,963	\$55,681,640	34.98%
NWH	NRW Holdings Limited	\$491,140,965	\$542,641,680	\$51,500,715	10.49%
RCR	RCR Tomlinson Limited	\$145,024,189	\$193,882,227	\$48,858,038	33.69%
EVE	Energy Ventures Limited	\$13,442,592	\$54,058,507	\$40,615,915	302.14%
LCM	Logicamms Limited	\$36,564,354	\$77,044,872	\$40,480,518	110.71%



Mineral Resources Limited

Mineral Resources Limited (Mineral Resources) is an ASX listed, mining services and contracting company providing innovative, safe and reliable mining service solutions to a broad cross-spectrum of industry sectors, both in Australia and overseas.

Review of operations

Mineral Resources is a leading integrated Australian based mining services and processing company which has achieved continued capital growth in its specialist fields of civil contracting, pipe laying and fabrication, contract crushing, general mine services infrastructure and recovery of base metal concentrate for export sales.

The Company's operations are supplemented by rehabilitation and sale of heavy duty crushing and processing equipment, the hire of engineering and crushing fleet plant, and workshop manufacture of polyethylene pipe fittings and components.

Mineral Resources' ongoing success is derived from the consolidation of PIHA Pty Ltd, Crushing Services, International Pty Ltd and Process Minerals International Pty Ltd, each of which is a long established and successful operation both prior and post acquisition.

Growth

Mineral Resources' market capitalisation increased by 89.5% (\$979.3 million) from \$1.095 million at 31 December 2009 to \$2,074.2 million at 31 December 2010.

The prime driver behind this growth is Mineral's successful takeover of Mesa Minerals Limited (Mesa) and Polaris Metals NL (Polaris).

Mineral Resources made a takeover bid to acquire all the issued shares in Mesa, with the offer of one Mineral Resource share for every 70.6 Mesa shares. The takeover of Mesa was finalised during August 2010 with Mineral holding a 64.23% interest in Mesa. Mesa Minerals Limited is a developer of hydrometallurgical process technology designed to facilitate the production of manganese electrolytic products and fertilizer products from low grade manganese dioxide ores and high tenor manganese wastes. Mesa's suite of products is economically and environmentally viable using Mesa's numerous patented processes. These technologies facilitate the

use of much lower manganese ores that typical roasting based processes reject. This takeover offer is considered to bring invaluable opportunities to Mineral Resources as it will expand Mineral Resources' plant and construction expertise considerably.

Mineral Resources' off market takeover of Polaris Metals NL (Polaris) closed in January 2010 with Mineral Resource acquiring a 97.94% interest in the Company. Mineral Resource issued 19.99 million shares as consideration for the acquisition plus \$10 cash per 10 shares in Polaris. Polaris is an aspiring Australian iron ore producer dedicated to developing a quality portfolio of iron ore assets. The Company holds iron ore tenements spanning over 6,000 km² across Western Australia's premier iron regions of the Pilbara and the Yilgarn and holds a JORC resource of approximately 42 million tonnes at a grade of 58.5% iron.

During the period Mineral Resource also announced that it entered into an agreement to fund and develop Pioneer Resources Ltd's 100% owned Mt Chester Manganese and iron ore project.

Future

Subsequent to 31 December 2010 mining approval was granted for the Mr Marion lithium project, a joint endeavour of Mineral Resource's with Reed Resources Limited. This project is focused on the development of Lithium based deposits in the goldfields region of Western Australia. Progressing this project will be a priority for Mineral.

A drilling programme at the Yilgarn and Poondano tenements are also a focus to better define the JORC reserves for mining operations.

Monadelphous Group Limited

Monadelphous Group Limited (Monadelphous) is a leading engineering group providing extensive engineering construction, maintenance and industrial services to the resources, energy and infrastructure sectors.

Review of operations

Since their public listing in 1991, Monadelphous have enjoyed continual success and operational growth, hinging on their ability to secure and deliver projects across a wide range of markets and geographical locations. Monadelphous holds a strong reputation for engineering excellence in the following operational areas:

- ▶ Engineering Construction
- ▶ Maintenance and Industrial Services
- ▶ Electrical and Instrumentation Services
- ▶ Aviation Support Services
- ▶ Business Services & Group Support

In the rapidly changing commodity and economic climate, Monadelphous have displayed resilience and achieved record sales during the 2010 financial year. Monadelphous attribute this to their long-term customer focus approach and increased participation in the energy sector.

Growth

Monadelphous's market value increased for the year by 31.6% (\$384.6 million) from \$1217 million at 31 December 2009 to \$1,601.6 million at 31 December 2010.

On 30 June 2010 the Company announced the purchase of onshore transmission pipeline business KT Pty Ltd which trades as KT Pipeline services. The acquisition expands the Group's capabilities in the infrastructure market and broadens the services available to resource and energy clients. During July 2010 KT secured a major contract valued at approximately \$85 million with Chevron Australia for the Gorgan Project on Barrow Island, Western Australia.

Monadelphous was also highly successful in securing new projects during calendar 2010 with a combined value in excess of \$350 million. Major contracts have been awarded by Chevron Australia, BP Oil, BHP Iron Ore, China Metallurgical Group, Boyne Smelters Ltd, Incotec Pivot Ltd, Oil Search and many others. Such large scale success demonstrates Monadelphous' continuing ability to deliver a wide range of services for blue chip companies.

In March 2010 Monadelphous formed a joint venture with AnaeCo Ltd to deliver, design and construct waste management solutions using AnaeCo's patented Di COM bioconversion system. The joint venture will target projects for local government and waste service companies which prefer alternative waste solutions to landfill disposal. This supports Monadelphous' strategy of diversification.

During the year, Monadelphous issued approximately 1.6 million shares during the raising gross proceeds of approximately \$16 million.

Future

Monadelphous remains committed to delivering exceptional and specialist service to their customers as they attack their robust workload. The Company welcomes the opportunity to expand further into the oil and gas industry and gain exposure to this thriving sector. With these strategies and depth of capability, Monadelphous is poised to become a clear leader in their field.

Fleetwood Corporation Limited

Fleetwood Corporation (Fleetwood) provides mobile accommodation for retirement, recreation and resource development.

Review of operations

Fleetwood's activities are focused around three of Australia's fastest growing industry sectors: recreation, retirement and resources.

Fleetwood comprises two operating divisions:

1. **Recreational Vehicles:** holds caravan manufacturing companies Coromal and Windsor, Camec (which manufactures and distributes caravan components) and Flexiglass (which supplies fibreglass vehicle canopies and aluminium tray bodies for commercial vehicles).
2. **The Manufactured Accommodation:** produces portable buildings primarily for the resource sector, as well as park homes and transportable housing. In addition, this division owns the Searipple accommodation village in Karratha and has a rental fleet comprising in excess of 1,000 buildings.

Growth

Fleetwood's market capitalisation increased by 60.2% (\$279.5 million) from \$464.6 million at 31 December 2009 to \$744.1 million at 31 December 2010.

This exceptional growth is predominantly due to the Company's successful acquisition of BRB Modula Pty Ltd (BRB). BRB manufactures and installs prefabricated modular building solutions predominantly for public sector clients. The acquisition provides Fleetwood with an immediate entry into public sector markets in NSW, Victoria and Queensland and forms part of the Manufactured Accommodation division. The acquisition involved an investment of \$56.5 million which is comprised of the issue of 2.5 million shares in Fleetwood and the payment of \$31.5 million in cash. The business had tangible assets before fair value adjustments of approximately \$25 million.

In March 2010 the Company was selected as preferred tenderer by the Western Australian State Government to supply, install and operate an accommodation village for the OrdEast Kimberley Expansion Project. The village will accommodate personnel involved in the construction of channels, roads and drainage infrastructure relating to the Ord Expansion.

In November 2010 Woodside Petroleum Ltd exercised its option to extend the term of its existing agreement for a further six months commencing 1 January 2011 while retaining its option for further extension. The Woodside contract was entered into in August 2007 to provide accommodation services at Searipple Village in Karratha a minimum of 1000 rooms up to a maximum of 1428 rooms per day.

Fleetwood entered into a number of capital raisings during the year. The Company issued approximately 1.6 million shares as part of a Dividend Reinvestment Scheme and 0.660 million shares as part of the Employee Share Option Plan.

Future

Outstanding orders for caravans at Coronel and Windsor are steadily climbing and from this, significant production growth is expected for the Company in 2011.

The overall demand and outlook for transportable homes and remains strong and tender activity in this sector has picked up during 2011. The continued investment in Searipple Village in Karratha also is promising for Fleetwood.



Forge Group Limited

Forge Group Limited (Forge) is a holding company for investments in engineering, construction, procurement and construction management and maintenance services. Its subsidiaries and investment vehicles offer services to engineering and construction industries.

Review of operations

Forge has established itself as a significant multi-disciplined contractor in the Australian resource and construction marketplace.

The Group employs 400 people in the parent's network, with backgrounds in construction, engineering and procurement.

Through Forge's wholly owned subsidiary, Cimeco Pty Ltd, services in mechanical, electrical, civil and concrete are offered to clients in the resources industry.

A commercial construction arm offers specialist construction services to clients such as Worley Alumina, Alcoa Australia, BHP Billiton and Woodside Petroleum.

Engineering services are provided by multi-disciplined engineering organisation Abesque Engineering Pty Ltd, covering civil, structural, mechanical, piping and electrical design.

Webb Construction (West Africa) Ltd, incorporated and domiciled in Ghana, West Africa provides construction services to the resources industry. The workforce comprises a large and highly skilled local workforce and expatriate workforce, predominantly sourced locally from Australia.

Growth

Forge's market value increased for the year by 192.53% (\$269.9 million) from \$140.2 million as at 31 December 2009 to \$410.1 million at 31 December 2010.

Major construction activities for the period included the completion of mechanical work at the Pillara Plant Dismantle for Hillgrove Resources; further work at the Mt Weld Rare Earth Project for Lynas Corporation, and the continuance work for the Utilities Tank Contract on the Gorgon Project.

Towards the end of 2010, the Group announced contract awards and new letters of intent totalling \$100 million for engineering and construction works. All contract works are scheduled for completion before September 2011.

In September 2010, the Group was awarded a number of contracts through its subsidiaries:

- ▶ Cimeco Pty Ltd was awarded a \$27 million building package in the Northwest on Woodside's Pluto LNG plant; and
- ▶ Abesque Engineering Limited was awarded the construction and commissioning contract for Hillgrove Resources Ltd's Kanmantoo Copper Project. The contract is worth \$40 million and is for engineering design, procurement, construction and commissioning of the processing facilities of the project.

During May 2010 Clough Limited (Clough) and Forge Group Limited (Forge) announced the close of Clough's proportional takeover offer, made through its wholly owned subsidiary Clough Operations Pty Ltd, for 50% of the ordinary shares in Forge. Clough now holds a 31.3% stake in Forge, triggering a strategic alliance between the two companies that will target joint project opportunities in the LNG and oil and gas sectors and provide a platform to support the continuation of Forge's anticipated growth trajectory.

Future

In February 2011, Forge's order book was \$275 million, indicating a significant profit outlook for the coming year.

Forge's focus for their business units in the coming year is to organically grow each division and reach a revenue target of \$500 million (revenue for HY11 was \$204 million).

Forge has recently increased their bank guarantee and insurance bond facility to \$100 million, enabling them to pursue this growth target through expansion.

Forge has a strong balance sheet position, with cash and cash equivalents at 31 December 2010 at \$69 million.

Forge will consider further acquisitions that will take their business model into other geographic and strategic markets.



Austal Limited

Austal Limited (Austal) is a diversified ship building company with ship building yards in Perth, Hobart and Alabama. The winning of significant US defence ship building contracts has been a major contributor to their success this financial period.

Review of operations

Austal commenced operations in 1988 with a view to build high quality commercial vessels. They soon became the world's leading manufacturer of high quality, high speed ferries and these became a huge success in the Asian markets where demand for ferry vessels was strong. These passenger ferries were a launching pad for other ranges of ferries including light vehicle carriers which enabled Austal to move into other global markets.

The Company diversified its product base and geographic spread, having operations based in Perth, WA, Alabama, US and Hobart, Tasmania.

USA operations include foreign military sales, international marketing and service and maintenance of JHSV and LCS vessels.

Austal states that their success to aluminium ship building lies in their skilful workforce, in-house design customisation and flexibility.

Its Australian operations comprise new vessel concept, design and construction and defence service building.

Current headcount at Austal is 1,800 people, and this is anticipated to grow by 800 each year for the next 3 years.

Growth

Austal's market value increased for the year by 53.07% (\$227.6 million) from \$428.8 million as at 31 December 2009 to \$656.4 million at 31 December 2010.

In December 2010, Austal was awarded a 10 ship block buy contract for the Independence class LCS, with an initial order for one vessel at \$432 million and options for nine additional vessels over five years. The average pricing for the nine additional vessels is \$379 million.

Austal's USA business has been growing from strength to strength, marked by the maturity of its Joint High Speed Vessel (JHSV) program. In October 2010, Austal received

confirmation to move forward with the construction contract for the fourth and fifth vessels of the U.S. Department of Defence's next generation multi-use platform, as part of a program potentially worth over US\$1.6 billion.

In August 2010, Mediterranean based operator Virtu Ferries took delivery of the 107 metre vehicle-passenger catamaran, Jean de la Vallete. The vessel marks a significant milestone for Austal being the largest catamaran built by Austal in Australia and its 24th commercial delivery to the Mediterranean region.

In April 2010, the Company confirmed an unconditional contract has been signed with Oman's National Ferries Company (NFC) for the maintenance of seven large high-speed craft. The contract requires Austal deliver vessel maintenance services for NFC's five high speed ferries and two Oman Coast Guard rescue boats, co-managed by NFC, for a period of up to five years. The initial contract, valued at approximately \$4.4 million, is for a one year term and includes options for an additional four years. In June 2010 NFC exercised the second year contract option on the contract.

Future

Non US defence/patrol boat opportunities continue to grow with current tender activity for Australia, Yemen and Saudi Arabia.

Opportunities for oil and gas vessel related support work are emerging and are actively being pursued.

Defence maintenance still remains a strong area of interest for Austal which the Company intends to further pursue.

Significant CAPEX has been planned to expand current operations, including additional land, assembly bays, office complexes and other facilities.

Emeco Holdings Limited

Emeco Holdings Limited (Emeco) is a leading independent supplier of heavy earthmoving equipment solutions for the mining industry, which listed on the ASX in 2006.

Review of operations

Emeco serves clients in various regions across the globe, encompassing Australia, Indonesia and Canada.

The company's areas of core business are rental, sales, parts and asset management.

Emeco's clients range from small businesses to international multibillion dollar corporate entities. The company works in partnership with its customers to fully equip them with integrated earthmoving equipment solutions, tailored to meet their project needs and optimise capital efficiencies.

Emeco is committed to providing superior long term returns to its shareholders through the prudent deployment of capital and active pursuit of development opportunities.

Growth

Emeco's market capitalisation increased for the year by 37.6% (\$186.5 million) from \$495.5 million at 31 December 2009 to \$682 million at 31 December 2010.

Early in calendar 2010, the Company decided to exit from its European operations, and significantly downscale its American presence. The disposal of non-core assets from the Victorian Rental, USA Parts, Europe and Australian Sales businesses has resulted in a capital release of \$33.4 million in 1H11.

The continued strong global commodity environment has translated into sustained equipment demand and high fleet utilisation (87.6% average) in each of Emeco's core markets over the last six months of 2010.

Emeco's global procurement capability continues to source quality used equipment in the wholesale market to meet growing customer demand. The Company has also commenced a structured forward order program of new equipment from OEM's for selected asset classes as part of a procurement strategy designed to enhance forward planning capability and deliver sustainable growth.

In October 2010, as part of its long term strategic direction, Emeco sold its Victorian civil earthmoving equipment rental business for approximately \$12 million with the balance of civil equipment from this business to be disposed of over the course of financial year 2011. The release of capital from the Victorian rental business enhances Emeco's balance sheet flexibility and positions the Company to capture profitable growth opportunities in the future.

Future

Emeco is well positioned to benefit from the continued growth in activity across the global mining sector. In this environment the Company expects to maintain high utilisation of its rental fleet while delivering earnings growth via disciplined investment in additional mining fleet across its three core markets.

Having largely completed its restructuring activities, Emeco is now well placed to pursue value accretive growth opportunities. The Company will continue to evaluate and pursue growth opportunities in its three core businesses. Acquisitions may also be considered where they are aligned with the strategy.

Decmil Group Limited

Decmil Group Limited (Decmil) is a multi-disciplined design, civil engineering and construction company focussed on delivering integrated solutions to blue-chip clients in the oil and gas, resources and infrastructure sectors in Western Australia through its wholly-owned subsidiary, Decmil Australia.

Review of operations

Decmil Australia has a 30 year history, with a recognisable brand and established reputation with several blue-chip companies.

The company provide specialist services in civil works, industrial and non-process infrastructure, village accommodation and government infrastructure.

- ▶ Civil work – large and small scale brownfield and greenfield projects in regional and remote areas including industrial zones and port facilities;
- ▶ Industrial and non-process infrastructure – large scale implementation of industrial infrastructure including specialist and general maintenance contracting;
- ▶ Village accommodation – design and construction of permanent and temporary accommodation villages from design, site preparation and excavation to bulk earthworks, civil works and constructions;
- ▶ Government infrastructure – small and large scale government projects from initial concept and design, engineering, fabrication, commissioning, site works and services.

Growth

Decmil's market capitalisation increased for the year by 87.2% (\$154.5 million) from \$177.2 million at 31 December 2009 to \$331.6 million at 31 December 2010.

In April 2010, Decmil was awarded a \$82.4 million contract by Fortescue Metals Group to design and construct an 800-man accommodation village at Christmas Creek in the Pilbara region.

The project has commenced and is expected to be completed in February 2011. The contract increases Decmil's forward order book to \$408 million and further cements Decmil's position as a leading provider of accommodation villages to the WA resources and oil and gas industry.

During the year, the company consolidated its business by divesting or closing non-core assets to focus its energies and attention on optimising the performance of its key asset, Decmil Australia. This led to Decmil completing the sale of a wholly owned subsidiary and closing its engineering services division.

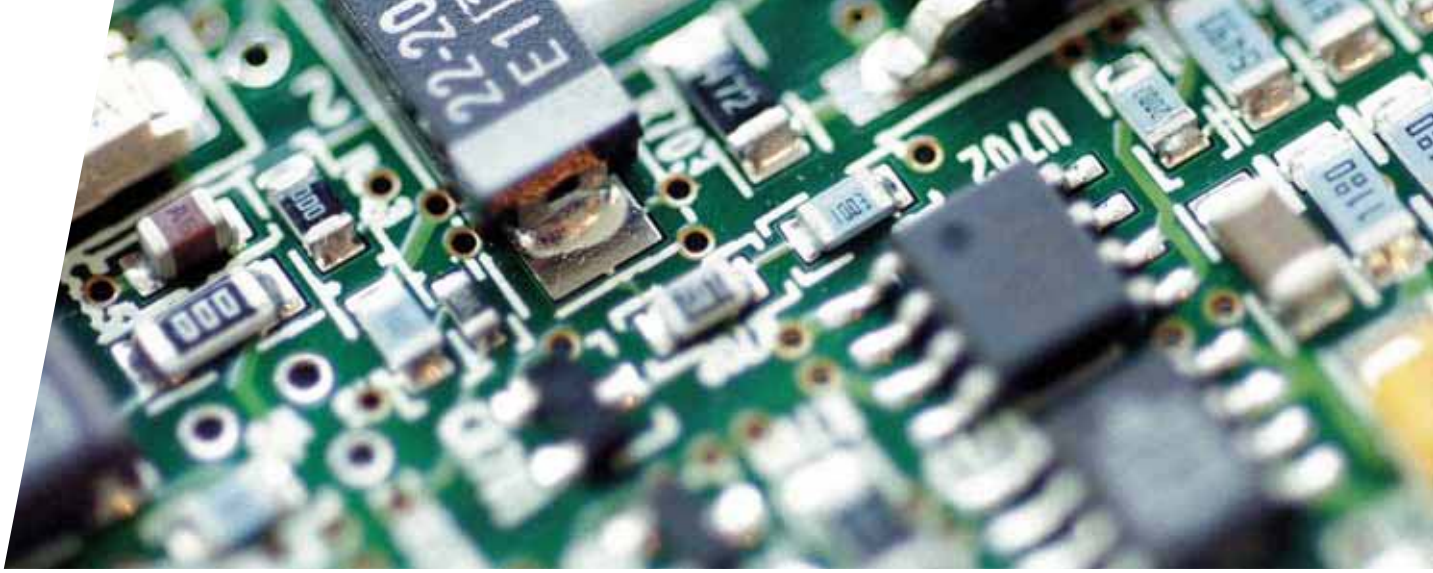
Ongoing projects include the Pluto LNG Project, Gorgon Construction Village and site preparation for the Gorgon LNG Project, with a total contract value of \$513 million.

Future

Decmil has tendered for a number of short-term contracts, with a combined potential value of up to \$3.7 billion expected to be awarded over the 2011 calendar year.

In March 2011, the Company was awarded a \$55.0 million contract by Fortescue Metals Group Ltd to install Stage 2 of the Kantama Village at Christmas Creek. With completion for Stage 2, the Kantama Village will have accommodation capacity for 1600 people.

Decmil is committed to improving management systems and processes to deliver value to clients and to shareholders. The Company will continue to focus on organic growth in Western Australia, while assessing potential merger and acquisition opportunities for small to medium sized deals.



iiNet Limited

iiNet Limited (iiNet) is an Australian telecommunications carrier, supporting more than 1.3 million broadband, telephony and IPTV, and employing over 2,000 people across four countries.

Review of operations

iiNet is Australia's second largest internet service provider.

In 2004, tired of waiting for the big telecommunication carriers to increase broadband speeds in Australia, iiNet built its own broadband network (the "iiNetwork"), offering customers the highest broadband speed available on their phone lines. This network currently reaches over four million Australian households.

It then added the largest Voice Over Internet Protocol (VOIP) network in the country, enabling it to abolish monthly phone line rental with naked DSL and released a wireless modem-and-phone-in-one "BoB", all of which has cemented iiNet as a market leader in innovative products and set it apart from the rest.

iiNet has also turned heads with its 'Follow the Sun' methodology for customer service operations, whereby it operates customer service centres across four different time zones (Perth, Sydney, Auckland and Cape Town), with staff working no later than 8pm in their local time zone, to deliver outstanding customer service 24/7.

iiNet currently employ over 2,000 staff across four countries and support over 1.3 million broadband, telephony and IPTV services nationwide.

Growth

iiNet's market value increased for the year by 47.12% (\$141.2 million) from \$299.6 million as at 31 December 2009 to \$440.7 million at 31 December 2010.

Benefits from integration of acquisitions with respect to Netspace and AAPT Consumer Division were received.

Partnership with FetchTV announced. FetchTV allows consumer to tailor their viewing experience on digital TV via a broadband connection with iinet.

In August 2009 iiNet launched BoB, the first wireless modem-and-phone-in-one, which has proved a huge success. Sales have exceeded expectations in 2010 and there is much anticipation about the next BoB lite model with improved features.

Another of its successes was iiNet's 'Freezone', which provides subscribers with unmetered legal content online. Under the program, iiNet customers can download some unlimited content freely available from iTunes, Xbox 360, Ninemsn, Bloomberg and many more.

iiNet was awarded "Carrier of the Year" at the 2010 Australian Telecommunications Users Group Excellence Awards, the oldest and most respected awards for Australian communications achievements. This award was one of several from innovation accolades to fast growing technology accolades.

Future

iiNet says customers can look forward to additional product innovations, including the highly anticipated Internet Protocol Television (IPTV) in the near future, which is touted to be its 'next big thing'.

The new NBN line will expand the serviceable customer market and provide opportunity on a level playing field for iiNet, allowing for further iinet market penetration.

iiNet is investing in new product expansion to proliferate product offering and meet new customer demands through innovation. New products include the Terabyte, Mobile Voice, Bonded DSL and new model BoB released in April 2011, which includes a built in answering machine, dual VOIP providers, 3G support and NBN capabilities.

In the wake of its profit result, combined with an improved economic outlook in Australia and a robust pipeline of product and content initiatives, iiNet is confident of continued growth in the 2011 financial year and beyond through organic growth and further acquisition opportunities.



Centrepont Alliance Limited

Centrepont Alliance Limited (Centrepont) is an ASX listed company whose core business is insurance premium funding for Australian insurance brokers.

Review of operations

Centrepont was formed in October 2005 from the merger of Centrepont Finance and Alliance Finance Corporation.

The Company specialises in insurance premium funding for Australian insurance brokers and provides commercial finance.

Centrepont has a wholly owned subsidiary in Hong Kong and a branch in Auckland, New Zealand.

Growth

Centrepont's market capitalisation increased for the year by 402% (\$97.1 million) from \$24.1 million at 31 December 2009 to \$121.2 million at 31 December 2010.

During the year, Centrepont successfully acquired Professional Investment Holdings Limited (PIH) through the issue and allotment of 70,250,605 shares in Centrepont. PIH provides quality financial advice and a wide range of financial products and services to suit their clients' needs. The merger is in line with the growth strategies of both companies.

Post-merger PIH is intended to become the wealth management arm of Centrepont, while Centrepont works towards fostering the development and growth of PIH. The ultimate aim of the merged group is to increase the scale of its business and generate increased returns to shareholders.

Former PIH shareholders will hold the majority of issued shares in Centrepont, therefore the merger is considered to be a 'reverse acquisition' in the financial statements of Centrepont.

During the year, the Company also completed a restructure of the insurance premium funding banking facilities. This restructure involved the termination of the Company's securitisation facility and a move to a simpler, more cost-effective receivables finance facility.

Future

Centrepont intends to meliorate and fortify their core business operation of insurance premium funding in order to improve its support services, expedite the Company's growth, and broaden the range of investment products and services it provides.

Centrepont is also continuing to source and evaluate acquisition opportunities in the future, and is well placed to consider strategic acquisitions.

Little World Beverages Limited

Little World Beverages Limited (LWB) is an Australian beverage and hospitality company, well-known for its ownership of the Little Creatures and White Rabbit range of beverages.

Review of operations

The principal activities of LWB consist of operating brewing and packaging facilities, selling draught and packaged beer and cider nationally and internationally, and conducting hospitality operations in Fremantle, Healesville and Melbourne.

LWB brew and sell six beers and one cider; additionally LWB also releases seasonal single batch brews to the market.

Brewing and cidery facilities are located in Fremantle, Western Australia, and in Healesville, Victoria.

LWB's hospitality operations consist of Little Creatures in Fremantle, White Rabbit in Healesville, and The Little Creatures Dining Hall in Geelong. LWB owns a 20% interest in Stone & Wood Brewery in Byron Bay.

Internationally, Little Creatures beverages are sold in the United Kingdom, Singapore, Denmark, New Zealand and Hong Kong. With increased brewing capacity and improved logistic support, LWB can now confidently meet international demand.

Since March 2007 LWB has been exclusively importing Aspell Cyder, England's oldest direct lineage cider maker, into Australia.

The Company is 40% owned by Japanese-controlled beverages giant Lion Nathan.

Growth

LWB's market value increased by 73.2% (\$94.8 million) from \$129.6 million at 31 December 2009 to \$224.4 million at 31 December 2010.

Gross revenue for the 12 months ended 31 December 2010 was \$35.6 million, up by 27% (\$7.6 million) from \$28.0 million for 2009. There has been a strong shift in consumer preferences toward the premium and craft beverage segment of the market and a main contributor to growth during the period was sales from the Belgian inspired White Rabbit beverages.

Other significant sales growth was experienced in the Eastern States for LWB products. This market is a focus for LWB as there is great potential for further growth.

The White Rabbit brewery also plays an important role in showcasing new beverages to consumers on the east coast of Australia. White Rabbit products are being progressively released through key national accounts and early feedback from consumers shows the new beer and its imaginative label has been very well received.

LWB's cellar door operations continue to perform strongly, providing a significant financial contribution and brand value. LWB continues to receive accolades from the Minister for Tourism in WA, with the Little Creatures Fremantle site being named one of the top WA tourist destinations.

Cider is one of the fastest growing alcoholic beverage categories. LWB's Pipsqueak cider was a first mover in Australia's premium segment, with impressive volume growth being achieved again in 2010.

In the December quarter 2010 LWB announced the conditional purchase of the Valley Mill property in Geelong, Victoria. A brewery will be constructed on the new site and will form part of the Companies permanent establishment in the Eastern States markets.

Future

In the coming year LWB plans to establish a clear and long term position in the Eastern States markets for its range of beverages. The new Geelong brewery forms part of this strategic move.

LWB will put greater focus on increasing operating profit and improving their contribution margin in the coming year. On the operational level, LWB continues to focus on maintaining the quality and consistency of its product portfolio.

The Company has upwardly revised long term sales projections and capacity requirements due to great performance.

The success of the completed capital works and a renewed concentration on productivity and market development pave the way for future growth, as evidenced by strong first half results in the 2010 financial year.

Finbar International Limited

Finbar International Limited (Finbar) is a leading property development company whose projects are held in high regard in the Perth property marketplace offering unsurpassed lifestyle facilities and continue to be in the forefront of apartment innovation.

Review of operations

Finbar is a property investment and development company with a core focus on the development of medium to high density residential apartments and commercial property within the state of Western Australia.

The Company's core business activities include land acquisition, design and sales of organic projects.

The Company outsources its external consultants, sales persons and builders whilst performs the operating, investment and acquisition decisions internally.

The company employs just nine staff and its headquarters are located in South Perth, WA.

Growth

Finbar's market value increased for the year by 66.34% (\$90.3 million) from \$136.2 million as at 31 December 2009 to \$226.5 million at 31 December 2010.

During the year, practical completion at "Edge Apartments" and "Gateway Office" projects were achieved with the majority of unconditional sales coming to settlement, and tenants taking up occupancy.

In March 2010 Finbar announced that it had been selected by Landcorp as the preferred developer of two significant group housing sites in the Karratha town centre. The new Karratha project, "Pelago West", is underway, with a workers construction camp being erected and site mobilisation commencing during the period. Development approval was also obtained for this project.

In December 2010, the company successfully raised \$28.7 million via a placement for the purpose of accelerating the development of "Pelago West" and for investment on other projects in the Perth area.

The first stage of Symphony City, "Adagio" was launched with \$50 million in sales being secured.

Advanced stages of construction have been reached at projects including "Fairlanes", "X2" and "18 on Plain" projects; settlement for these projects to complete is following practical completion stage.

A new 190 unit joint venture has been entered for 208 Adelaide Terrace project.

Future

Finbar is currently developing projects it intends to retain an interest in so that rental income can provide annuity income as a supplement to core development income.

Several exciting new projects are commencing in 2011, including the four stage development of the former ABC site in Perth.

In January and February 2011, Finbar raised an additional \$16.9 million through a fully underwritten share purchase plan offered to all Australian shareholders. These funds will be put toward seeking and developing new growth opportunities in Western Australia. The company is in a strong cash position to pursue opportunities.



Pacific Energy Limited

Pacific Energy Limited (Pacific) is a power generation and development company. Headquartered in Perth the Company is focused on the development, ownership and maintenance of remote location and renewable energy power stations.

Review of operations

Pacific's major business line stems from Kalgoorlie Power Systems (KPS), a leading provider of energy to remote mine sites. KPS builds, owns and maintains power stations situated in mine sites across Australia, with total contracted capacity exceeding 140 megawatts (MW).

Pacific owns and operates two hydroelectric power stations in Victoria through its Pacific Energy (Victoria Hydro) Pty Ltd subsidiary, which is situated in Cardinia Reservoir and Blue Rock Dam in Melbourne. The two hydroelectric power stations have a combined hydro power generation capacity of 6MW.

A second subsidiary, SpiritWest Bioenergy Pty Limited, is currently developing a 30MW power station north of Perth. The development consists of a renewable energy power station as well as an integrated fuel recovery and logistics system.

Growth

Pacific's market capitalisation increased for the year by 195.5% (\$76.8 million) from \$39.3 million at 31 December 2009 to \$116.1 million at 31 December 2010.

During the year, the Company's largest shareholder Sept Pty Limited founded has elected to convert all of the \$15 million Vendor Exchangeable Redeemable Notes issued as part consideration for the acquisition of the Kalgoorlie Power Systems business into Pacific Energy shares. The early conversion of the \$15 million of Vendor Notes dramatically simplifies the Company's funding and capital structure. This increase in substantial shareholding in Pacific Energy endorses the Company's growth strategy and, in particular, the Company's continuing objective of expanding the Kalgoorlie Power Systems power station portfolio and footprint on a national scale.

On 23 September 2010, Pacific signed a revised expansion contract for its power station at Xstrata's Cosmos nickel mine, situated several kilometres north of Kalgoorlie. The contract will see KPS increase its total installed capacity at Cosmos to 12MW.

Additionally the Company also entered into a new contract to restore operations at the 12MW power station situated at the Lake Johnson Nickel Project, increasing KPS' contracted capacity by a net 7MW.

In early December 2010, Pacific completed a successful \$3.8 million capital raising by way of a placement of 12.6 million ordinary shares at \$0.30 per share. Funds raised were used to finance the growth of KPS, as well as the early conversion of a \$35 million Exchangeable Bond liability. This led to a significant increase in the market capital of Pacific to \$115 million, with total shares on issue at approximately 327.1 million.

Future

Pacific continues to advance a number of negotiations for the supply of power and electricity to various mining and resource projects across Australia, all of which are expected to be determined in the coming months.

In the future, Pacific plans to expand their geological footprint across Australia and eventually into Africa. Up to 1,000MW of new project opportunities have been identified within Australia, with proposals provided for more than 250MW new deals within the next three to fifteen months.

Pacific has secured energy efficiency technology which is the "industry benchmark" for fuel efficiency. With this, the company plans on capitalising on the strong demand for long term power solutions while to focusing on competitive advantage.



Lycopodium Limited

Lycopodium Limited (Lycopodium) is an ASX-listed engineering and project management company with operations based in Australia.

Review of operations

Lycopodium aspires to provide to clients across various industry sectors the complete engineering package, with services ranging from mineral processing to maintenance planning and reliability engineering.

This is achieved through Lycopodium's four main subsidiaries:

1. Lycopodium Minerals Pty Ltd provides engineering services focused on the evaluation and development of minerals processing, materials handling and infrastructure projects. Major project locations for Lycopodium Minerals include Australia, Africa, Asia and Europe.
2. Lycopodium Process Industries Pty Ltd provides services to process and manufacturing facilities throughout Australia and Asia. With Lycopodium Process Industries, projects are developed from the concept phase through design, construction, commissioning and operational handover across a variety of industries.
3. Orway Mineral Consultants (WA) Pty Ltd is a specialist consultancy subsidiary which provides modelling, design and optimization services to the mineral processing industry, primarily in the areas of comminution, beneficiation and hydrometallurgy.
4. Sherwood Utilities Pty Ltd provides maintenance and reliability engineering services to the oil and gas, petrochemical, power and water utilities, mining and minerals processing industries.

Growth

Lycopodium's market capitalisation increased for the year by 60.3% (\$73.4 million) from \$121.8 million as at 31 December 2009 to \$195.2 million at 31 December 2010.

During June 2010, Lycopodium Minerals entered into a contractual agreement with Arafura Resources Limited for the Nolans Project Bankable Feasibility Study. The contract included the engagement of comprehensive design and engineering at the Nolans mine and beneficiation plant, and was expected to have been completed by end of 2010.

In December 2010, the Company was awarded a contract with Newmont Mining Corporation for the Akyem Project in Ghana, West Africa. Lycopodium will provide engineering, procurement, project and construction management services for the greenfield treatment plant and infrastructure development, with an overall contract value of approximately \$64.0 million.

Future

The company plans to embark on a number of feasibility studies in 2011. This will form the primary focus of the company for calendar year 2011.

Future projects include the Tropicana Joint Venture for the provision of design, engineering, management, procurement and construction management services in relation to the Tropicana Gold Project. The Tropicana Gold Project is located northeast of Kalgoorlie, and the Joint Venture comprises of AngloGold Ashanti Australia Ltd and Independence Group NL.

Mermaid Marine Australia Limited

Mermaid Marine Australia Limited (Mermaid) is Australia's largest marine services provider to the offshore oil and gas industry.

Review of operations

Mermaid is split into three main divisions:

1. Vessels – engaged in operating crewed vessel charters, vessel manning, management and logistics.
2. Supply base – operates supply base facilities in Dampier and Broome.
3. Slipway – routine and emergency dockings, provision of marine maintenance services to vessels throughout the North West region.

With supply bases in Dampier and Broome and a range of modern offshore vessels, Mermaid is able to offer their clients marine logistics services throughout all phases of the offshore oil and gas development cycle.

Growth

Mermaid's market value increased for the year by 11.3% (\$65.3 million) from \$576.9 million at 31 December 2009 to \$642.3 million at 31 December 2010.

In February 2010, the Company was awarded with a two year contract plus a further one year option by Woodside Energy Ltd, covering the provision of standby services for their offshore platforms in additions to a range of general services as required.

During September 2010 Mermaid was awarded a three year contract by the Chevron operated Gorgon Project which is due to commence in the second quarter of FY11. The contract involves the provision of a towing tug, a landing craft and a barge suitably modified to transport fuel from mainland Australia to Barrow Island in support of the Gorgon Project. Revenues in excess of \$80 million over are expected to be generated over the initial three year term with the option to extend for a further 12 months.

On 26 September 2010 the Company successfully completed a placement to institutional investors to raise gross proceeds of

approximately \$35 million. Placement was priced at \$2.61 per share resulting in 13.4 million new shares being issued representing approximately 7.1% of the existing issued share capital of the Company.

A further \$29.2 million in new equity was raised through a Share Purchase Plan issued to all eligible shareholders during October 2010.

In December 2010 Mermaid was awarded a 3.5 year contract plus options to extend for the provision of Supply Base Services by Chevron Australia. The supply base contract commencing in January 2011 is in support of Chevron's exploration and production drilling activities off the North West Shelf and ongoing production facilities on Thevenard Island.

Future

Mermaid acquired four new vessels which will add substantially to the capability of its fleet and will place the Company in a strong position to meet the demands of the new Chevron contract.

Exciting new developments are also expected for the Mermaid's existing projects. The Company's Wheatstone Project is gaining pace and is progressing towards final investment decision. This is supported by new developments in the Browse Basin with Inpex and ongoing projects with Shell, Woodside and BHP.

The outlook for the oil and gas sector remains strong and the strength of highly anticipated Gorgon project make for an exciting year ahead for Mermaid.

Amcom Telecommunications Limited

Amcom Telecommunications Limited (Amcom) was listed on the ASX in 1994, and provides fibre-based telecommunications services to a variety of industries.

Review of operations

Amcom consists of two operating divisions:

1. Fibre Division - providing clients with high speed data links through Amcom's extensive fibre network of over 1,600 kilometres that covers the Perth, Adelaide and Darwin CBDs. This allows Amcom's clients to have increased bandwidth and thus, faster internet processing speed.
2. Amnet Division - the main focus is on broadband services through the provision of a panoptic range of communications products.

Growth

Amcom's market capitalisation increased for the year by 31% (\$56.1 million) from \$180.5 million at 31 December 2009 to \$236.5 million at 31 December 2010.

In May 2010 Amcom announced it had acquired IP Systems Pty Ltd, a provider of data solutions delivered over carrier-grade IP based technology and fibre-optic networks. Amcom paid a combination of \$5,280,000 cash and 4,114,286 shares issued at 30 cents each for the acquisition. This acquisition will allow Amcom to provide their customers with a more complete telecommunications service package, where customers would benefit from operational efficiencies. Amcom also believes that the acquisition will open doors for Amcom to enter the internet protocol communication services market; a market that Amcom expects to grow exponentially over the next five years.

During April 2010, 6,650,000 Performance Rights securities were issued under the Amcom Executive Long Term Incentive Plan.

In February 2010 Amcom was awarded a contract by the Northern Territory Government to provide high-speed fibre based telecommunications services. The contract will see Amcom extend its existing fibre network to provide data carriage services to both government agencies and schools, in Darwin as well as Alice Springs.

In addition, Amcom will establish an office in Darwin not only to service the Northern Territory business, but also to pursue future work possibilities. The initial contract is expected to generate \$20 million in revenue over the next five years.

Early in 2010, Amcom successfully completed a capital management initiative which raised \$25 million and involved the exercise of 150 million options at a price of 17 cents per option.

Future

There are convincing growth opportunities in the Northern Territory as backhaul infrastructure reaches Darwin. This backhaul infrastructure will allow customers to have access to increased bandwidth, and thus, quicker internet speed.

With the Company's extensive fibre network, Amcom can become the bridge between the improving infrastructure and the customer. Amcom have already contracted more than \$500,000 additional services.

With the acquisition of IP Systems, sales momentum has been building with more than 30 new customers secured since the acquisition.

Amcom also plans to expand the company's Cloud market with the partnering with BlueFire Corporation, further adding to the completeness of the telecommunications service that Amcom is able to provide its clients. The Cloud market is a fairly new service that allows users to increase or add network capabilities without investing in new infrastructure. BlueFire is recognised as the leader of Cloud based services throughout the Asia Pacific region, thus Amcom hopes that the partnership will expand this avenue of future growth for the company.



Cedar Woods Properties Limited

Cedar Woods Properties Limited (Cedar Woods) is a leading Australian property development company established in 1987, producing award winning residential communities and apartment projects in both Perth and Melbourne.

Review of operations

The company's principal interests are in urban land and built form development for residential and commercial purposes.

Projects within the portfolio are diverse and include apartment projects, integrated housing developments, mixed use developments and several large scale master planned communities. All projects have a focus on innovation and sustainability.

Through the expansion of its built form development portfolio, Cedar Woods has earned a reputation of delivering high quality residential dwellings. The company's apartment developments 'Aria' and 'Nautilus' in Rockingham Beach, are credited with being the catalyst for transforming the tired commercial precinct into a thriving seaside environment befitting its location.

Cedar Woods has received many awards for the environmental enhancements in its projects. As well as developing in an environmentally sustainable way, Cedar Woods also encourages social sustainability in the communities in which it operates. A Neighbourhood Grants scheme operates across the company and supports a range of local groups.

Growth

Cedar Woods market capitalisation increased by \$55.6 million (35.0%) during year from \$159.2 million at 31 December 2009 to \$214.8 million at 31 December 2010 and climbed to \$300 million at 31 March 2011.

A key contributor to this growth was Cedar Woods government joint ventures at Carine and Harrisdale and more recently as the development partner to progress the Mangles Bay marina based tourist precinct in Rockingham, Western Australia.

The company successfully bid for 11.5 hectares of land offered by the Department of Regional Development & Lands for residential development in South Hedland, 1600kms north of Perth. The project is expected to yield approximately 170 residential lots.

In May 2010, Cedar Woods was successful in its bid for the purchase of the former Bushmead Rifle Range site located at Hazelmere, in Perth's eastern suburbs. The 273 hectare site was sold by the Department of Defence to Cedar Woods for \$18 million.

Much to the company's benefit, the Victorian government announced that it would provide \$24 million in funding towards Williams Landing railway station. Additional funds are to be spent on the associated freeway interchange at this station. A total of \$100 million has been provided in funding by the government to date and this provides a major expansion opportunity for Cedar Woods.

In August 2010 Cedar Woods successfully secured a 3 year corporate finance facility with ANZ bank with a credit limit of \$110 million. The facility will provide the company with funding for its existing opportunities and future acquisitions and provides long term security in funding.

Future

The company has a well located portfolio with a diversity of product and its estates have continued to perform well in the current market. A large bank of presales is in place which will continue to deliver earnings for the balance of FY2011 and into FY2012.

Cedar Woods has ample funding in place to undertake all of its scheduled developments and is anticipating a full year net profit of approximately \$27 million, representing an increase of 57%.

In the medium term, new projects at Camberwell, Piara Waters, Carine and the commencement of the newly awarded South Hedland project and progressing the Williams Landing town centre project will contribute to earnings from FY2013 onwards, positioning the company, assuming reasonable market conditions, to comfortably exceed its 10% pa growth target.



NRW Holdings Limited

NRW Holdings Limited (NRW) is one of Australia's leading suppliers of a diverse range of services to the mining and civil industries.

Review of operations

NRW operates four integrated business units: Civil Contracting, Mining Services, Promac Sales, Action Mining Services.

The Civil Contracting business unit provides construction services including rail formation, bulk earthworks, detailed road and tunnel construction, greenfields mine development and concrete installation.

The Mining Services business unit provides a wide range of contracting services including earth moving, waste stripping, ore haulage, drill and blast, as well as related ancillary services.

The Promac Sales business unit sells new and used, heavy mining and ancillary equipment and distributes off-the-road (OTR) tyres, lighting plants, generator sets, excavators and loaders.

The Action Mining Services business unit provides equipment repairs, sand blasting and painting services, service truck and tanker fabrication and import services, including quarantine cleaning.

Growth

NRW's market value increased for the year by 10.5% (\$51.5 million) from \$491.1 million to \$542.6 million at 31 December 2010.

In February 2010, Gindalbie Metals Limited awarded NRW with a staged earthworks and concrete construction contract with a total value of \$120 million for the Karara Iron Ore Project in Western Australia. The earthworks and concrete package encompasses most of the preliminary construction work upon which the concentrator will be built. As well as site earthworks and concrete foundations, the contract includes construction of site drains, site roads, a retention pond and the all-weather airstrip. The contract has a 14-month duration and will involve between 400-500 NRW personnel on site.

During the year NRW established a new subsidiary, Action Drill and Blast Pty Limited to expand on the Company's core of civil and mining works and to provide its customers with adjacent service offerings. Initially providing services alongside NRW's civil and mining projects – such as Western Turner Syncline and the Chichester Deviation contract, Action Drill and Blast has since expanded its infrastructure and equipment base to facilitate expected growth to the wider market.

In November 2010, an alliance contract between Leighton Contractors, NRW Holdings Limited and GHD was awarded for the upgrade of Great Eastern Highway in WA. The \$225.0 million project includes upgrading four kilometres of the great Eastern Highway to a six lane dual carriageway, between Koonyong Road (near Graham Farmer Freeway) and Tonkin Highway for Main Roads WA.

Future

Civil Contracting and Mining Services business units have estimated an order book of \$620 million revenue for the 2011 financial year, with the order book tracking for revenue growth at 20%.

The Company's growth continues to be driven by the Pilbara Iron Ore producers need for new or enhanced infrastructure to meet expanding demand for product.

RCR Tomlinson Limited

RCR Tomlinson Limited (RCR) is leading multi-disciplined engineering company listed on the ASX.

Review of operations

RCR are specialists in two major engineering streams:

1. design, manufacture and maintenance of heavy equipment and industrial boiler systems
2. site maintenance, construction and project management services.

The Company holds a strong portfolio of projects with Pilbara Iron, BHP Billiton, Newcrest Mining and Iluka Resources which continue to increase in scope and value.

RCR recently won the WA Engineers Australia Award in the Products & Manufacturing category for its innovative track mounted mobile mining unit plant.

Growth

RCR's market capitalisation increased by \$47.8 million from \$491.1 million at 31 December 2009 to \$193.8 million at 31 December 2010.

During 2010 RCR achieved financial milestones with the Company reporting a net profit after tax increase of 25% on FY09 to \$17.5 million and a net debt decrease of \$25.5 million. New projects and significant internal restructures have contributed to the improvement in earnings performance.

In November 2010 RCR was awarded a contract valued at \$57.0 million for structural, mechanical and piping installation works for the underground portion of the expansion at Newcrest's Cadia Valley Operations in NSW. The contract commenced in 2010 and is expected to be completed during the second half of 2011.

During the year RCR also announced to the market an intention to buy back approximately \$3 million in ordinary shares as part of its capital market strategy. This supplements the Company's Dividend Reinvestment Plan also initiated in 2010. The offer is open to shareholders for 12 months commencing 1 October 2010 and is viewed as a great opportunity to deliver returns to shareholders.

Future

RCR outlook remains extremely strong following major investment commitments in the mining and oil and gas sector. Major capital spending programmes by mining and oil and gas giants have a significant flow on effect to off-site repair and maintenance specialists such as RCR.

There is a continued focus on the Cadia contract as this is the Company's largest project to date.

Energy Ventures Limited

Energy Ventures Limited (Energy Ventures" was listed on the Australian Stock Exchange in 2004, and is an investment company with interests in the energy sector.

Review of operations

Energy has strategic involvements in natural gas technology and uranium exploration in both Australia and overseas. Energy's investment portfolio stretches across four main companies:

1. Amaroo Resources Limited, a 100% UK subsidiary which holds the Company's US uranium assets.
2. A 50% stake in Wayland Copper Limited (Wayland), a joint venture company operated by Beowulf Mining Plc. Wayland owns the Ballek copper-gold-uranium project that collectively cover 110 square kilometres in exploration permits.
3. Norrsken Energy Limited (Norrsken) which is a joint venture company formed in 2008. Energy Ventures has a 51% interest in Norrsken and is the operator of the company. Norrsken is currently undertaking a detailed exploration program for uranium deposits on thirteen exploration permits in Sweden.
4. A 29.8% interest in Agricola Resource Plc, an uranium and platinum explorer, who currently holds exploration licenses in Sweden and new license applications in Finland and Sweden

Growth

Energy Ventures' market capitalisation increased for the year by 302% (\$40.6 million) from \$13.4 million at 31 December 2009 to \$54.1 million at 31 December 2010.

In the first half of calendar 2010, Energy Ventures completed a diamond drilling programme at the Ballek copper-gold-uranium project in Sweden. The program comprised of 1,601 metres diamond drilling, designed to test for extensions and repetitions of the Lulepotten copper-gold deposit. Completion of this programme earned the Company a 50% interest in the Ballek project.

During the year, Energy acquired 100% interest in the Aurora uranium deposit (Aurora) in Oregon from Uranium One Incorporated. In early 2010 the Company purchased 52 adjacent, claims covering an area of approximately 526 hectares. The cash consideration of US\$2 million was funded by an Entitlements Offer undertaken by Energy Ventures.

In mid 2010, Energy Ventures went on to purchase an additional 81 lode claims, bringing the total tenement package to 133 claims covering a total of 1,125 hectares. The entity is currently undertaking diamond drilling in order to identify zones of uranium mineralisation.

At the start of financial year 2011, Energy Ventures pegged 37 new tenements at Virgin Valley uranium project, located approximately 100 kilometres east of Aurora. The claims comprise a total of 740 hectares. The Company plans to undertake an exploration programme at Virgin Valley with a view to verify the location and grade of uranium mineralisation that has been reported in the area.

A third project was secured by Energy Ventures in the second half of 2010 at the Maybell uranium project in Northwest Colorado. The Company pegged 180 new claims which comprise of 1,373 hectares, bringing it's net claims in the Maybell area to 536. The Company plans to undertake an exploration programme in the pursuance of verifying the grade and continuity of mineralisation and to complete a resource estimate for the project area.

In the second half of 2010, Energy acquired 100% interest in 72 claims over the Skull Creek uranium project in Colorado from Uranium One Incorporated. Energy has begun work at the Skull Creek project, undertaking an exploration programme.

Future

With appreciating uranium prices, Energy Ventures believes that the full value of the Company's assets has yet to be realised.

Through the four uranium exploration projects in USA, Energy Ventures has the potential to rapidly increase resource inventory through the verification of historical deposits, with funding readily available to support any exploration programmes.

The Company has an aggressive exploration programme planned for 2011, and is currently evaluating a number of other projects for staking, acquisition or joint venture opportunities.



Logicamms Limited

LogiCamms Limited (LogiCamms) an ASX listed company that operates in the resources, energy and infrastructure sectors, offering solutions from conceptual design to operations, and asset management and completion services.

Review of operations

LogiCamms is an amalgamation of three privately owned companies: Logitech Consultants, Camms Process Control and Paterson Flood Engineers.

Headquartered in Perth with offices in Brisbane, Melbourne, Adelaide, Darwin, Gladstone, Mackay and Whyalla, the Company provides project and specialised engineering services that improve the value and productivity of operational assets.

LogiCamms works both directly with its customers and various engineering consultants, constructors and original equipment manufacturers.

Growth

LogiCamms' market capitalisation increased for the year by 111% (\$40.5 million) from \$36.6 million at 31 December 2009 to \$77 million at 31 December 2010.

In January 2010, LogiCamms completed acquisition of MPA Consulting Engineers, a multi-discipline engineering company with a blue chip client base. The Company executed a \$10 million capital raising that provided the funding for the settlement of the cash consideration of the acquisition. This acquisition positioned LogiCamms to be able to deliver larger and more extensive 'turn-key' engineering projects which have a higher value for its clients.

In March 2010, LogiCamms entered into a \$3.5 million contract with Sino Iron Pty Ltd which involved the design, supply and delivery of the wharf conveyor at CITIC Pacific Mining's Sino Iron project. The contract represented an opportunity for LogiCamms to extend and strengthen the Company's service to the project.

In the second half of calendar year 2010, the Company entered into a \$3.5 billion contract with Thiess Degremont for the supply, installation support and site acceptance testing of the Victorian Desalination project. The Desalination project is the largest infrastructure project in the State's history and established LogiCamms' ability to secure blue chip projects.

During 2010, the Company secured a \$4 million contract with the Queensland government for the electrical and control system upgrade to the Nebo Road Water Treatment plant in Mackay. The contract showed LogiCamms' growing capacity to meet the demands of the industries the Company operates in, and confidence in LogiCamms' capability to deliver important capital projects.

In October 2010 LogiCamms was awarded a \$5.4 million contract with Rio Tinto to undertake the design and construction for a train loading improvement project in the Pilbara. The contract showed the market's confidence in LogiCamms' multidiscipline team to deliver important projects.

Future

LogiCamms has a growing pipeline of opportunities and at present has in excess of \$320 million of new work it is targeting and tendering.

The Company expects favourable conditions in the markets the Company operates in to continue and that significant revenue will be generated in calendar year 2011.

Compilation of the Ernst & Young *On the Move* Western Australia quarterly growth report

On the Move Western Australia's quarterly growth report is compiled from publicly available information provided by the ASX and Bloomberg on the market capitalisation of each Western Australian listed company.

A company is included as a WA company where the Head Office is in WA, regardless of whether the company is dually listed.

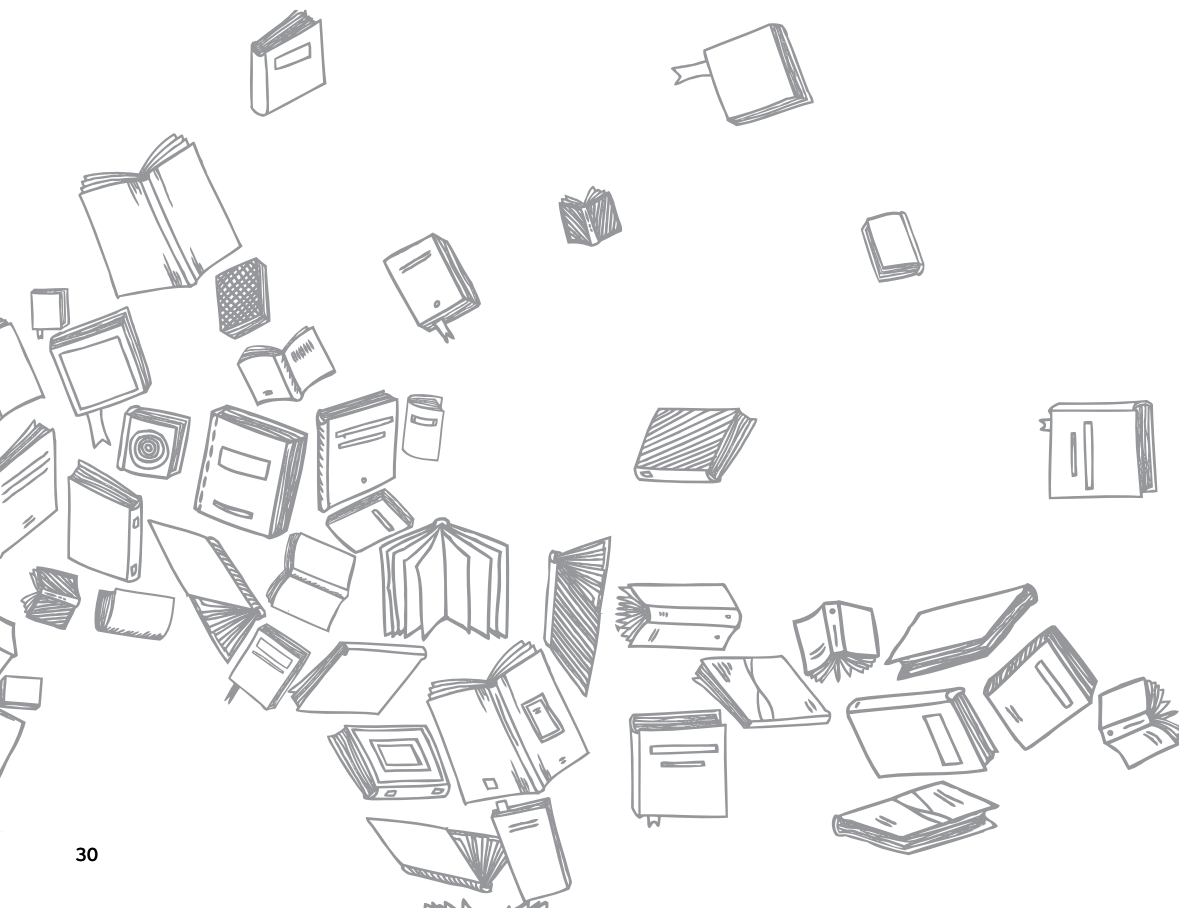
Information on WA listed companies is then analysed to determine the fastest growing WA companies of the quarter.

Face-to-face survey interviews with the CEOs of the top companies for the quarter or in this edition, the year, have been conducted covering a series of questions regarding the key factors as to why they are performing ahead of the market.

All dollar values are in Australian dollars unless otherwise stated.

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Ernst & Young's worldwide Strategic Growth Markets Network is dedicated to serving the changing needs of rapid-growth companies. For more than 30 years, we've helped many of the world's most dynamic and ambitious companies grow into market leaders. Whether working with international mid-cap companies or early stage venture-backed businesses, our professionals draw upon their extensive experience, insight and global resources to help your business achieve its potential. It's how Ernst & Young makes a difference.



Contacts

For more information about the Ernst & Young Western Australian quarterly growth report please contact:



Peter McIver
Partner
Entrepreneur Of The Year,
Western Region Director
Tel: +61 8 9429 2239
peter.mciver@au.ey.com



Greg Meyerowitz
Partner
Assurance
Tel: +61 8 9429 2225
greg.meyerowitz@au.ey.com



Michael Anghie
Managing Partner, Western Region
Regional Leader
Transactions Advisory Services
Tel: +61 8 9429 2324
michael.anghie@au.ey.com



Basil Mistilis
Partner
Tax
Tel: +61 8 9429 2258
basil.mistilis@au.ey.com



Iain Burnet
Partner
Advisory
Tel: +61 8 9429 2486
iain.burnet@au.ey.com

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