

A billion-dollar outlook

It has been somewhat of a watershed year for Perth-based construction and development company GRD. **By Michael Weir**



The Eastern Creek facility of GRD's Global Renewables business unit.

Years of strategic planning and hard work have started paying handsome dividends in GRD's two flagship business units, GRD Minproc and Global Renewables.

Executive chairman Brettney Fogarty said the foundations for the company's growth had been put in place several years ago and were now clearly coming to fruition for shareholders and the wider market to see.

GRD Minproc is an iconic Australian engineering contracting business and is a name that is synonymous with the resources industry.

The company's processing engineering and project record are internationally recognised and it has played a significant part in the modern development of Australia's minerals industry.

Now GRD Minproc's influence is being felt around the world, and the company has completed more than 300 feasibility studies and 200 major design and construction projects in 33 countries for companies such as global major BHP Billiton, South African diamond specialist De Beers, mining giant Anglo American, Brazilian iron ore major CVRD and big South African gold miner Gold Fields. The current secured order book stands at \$1 billion while the company has been named preferred bidder for a further \$1 billion of work.

While a household name in Australia, GRD Minproc is also developing major regional growth hubs in Africa and Brazil.

Fogarty said the company's Johannesburg office in South Africa had grown to 150-plus people and the executive management team had been boosted by the appointment of several new key staff, including former Bateman's Global Minerals/Metals boss Roger Falls as executive director Africa. GRD Minproc Africa has already secured key contracts with the Bogoso Biox expansion, the Langer Heinrich uranium

project and the Ruashi Concentrator relocation and is also working on seven studies with the potential to deliver projects with a combined capital value of \$2 billion.

"There is such a strong mineral resource development outlook in South Africa in gold, copper, platinum and uranium," Fogarty said.

A Brazilian office has also been opened to facilitate expansion into the South American market, where the company has already pre-qualified and submitted tenders for several big projects with a combined capital value of about \$2 billion.

There is a strong synergy between GRD Minproc and GRD's other flagship division Global Renewables.

Global Renewables has built, owns and operates an urban waste treatment plant at Eastern Creek in Sydney. Using the patented UR-3R process, the plant will produce biogas sufficient to produce 17,000 megawatt hours of green energy, enough to power 2250 households, 300,000 tonnes of Emission Reduction Units a year (or carbon credits equivalent to taking 50,000 cars off the road) and more than 60,000 tonnes of compost products.

Opening in September last year, the Eastern Creek plant is now working at full capacity and recently received certification AS4454-Composts, soil conditioners and mulches for three compost products that it makes.

"This certification provides a new benchmark in the market for UR-3R organic growth media and its development into the greenhouse efficient market for high value organic fertilisers," Fogarty said.

Global Renewables is the preferred bidder for a similar project in Melbourne and, in a recent coup, was named the preferred bidder for a project in Lancashire in the UK, giving the company a foothold into one of the

biggest waste markets in the world. The company is currently in negotiations to finalise the contract and commercial and financial close is expected by mid next year.

GRD Minproc, in an integrated joint venture with Bovis Lend Lease (UK) will undertake the engineering, procurement and construction contract for the project.

GRD also owns a 57% stake in OceanaGold, New Zealand's biggest gold producer with a record production of 184,541 ounces from its Macraes project in 2004. **RS**

grd minproc ... at a glance



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MARKET CAPITALISATION

\$518.6 million (at press time)

MAJOR SHAREHOLDERS

Quininup Holdings 28.5%
Zero Nominees 9.79%
Westpac Custodian Nominees 9.28%