Business Growth. Sustainable Profits.

Delivering Value.

Macmahon 2012 Half Year Results

21 February 2012

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Delivering
Value

Nick Bowen

Chief Executive Officer

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Half Year Highlights

Financial

- Profit after tax $23.2 million (up 27% on underlying)
- EPS 3.3 cents (up 32% on underlying)
- DPS 1.5 cents, fully franked
- $475 million financing facility secured

Operational

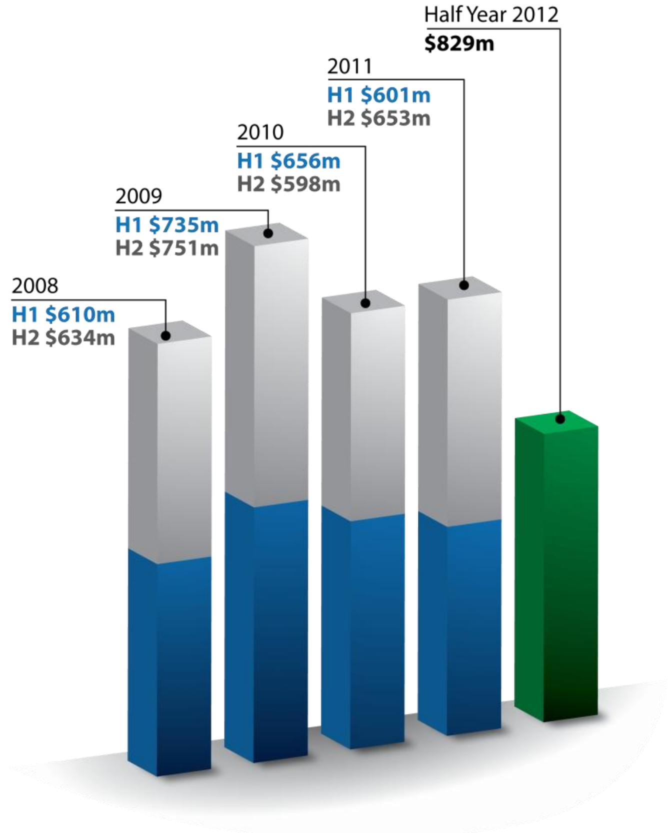
- Record order book of $3.4 billion (up 63%)
- $2.2 billion new projects and extensions
- $903 million revenue secured for H2
- Expected record revenue of $1.8 billion for FY12

Strategic

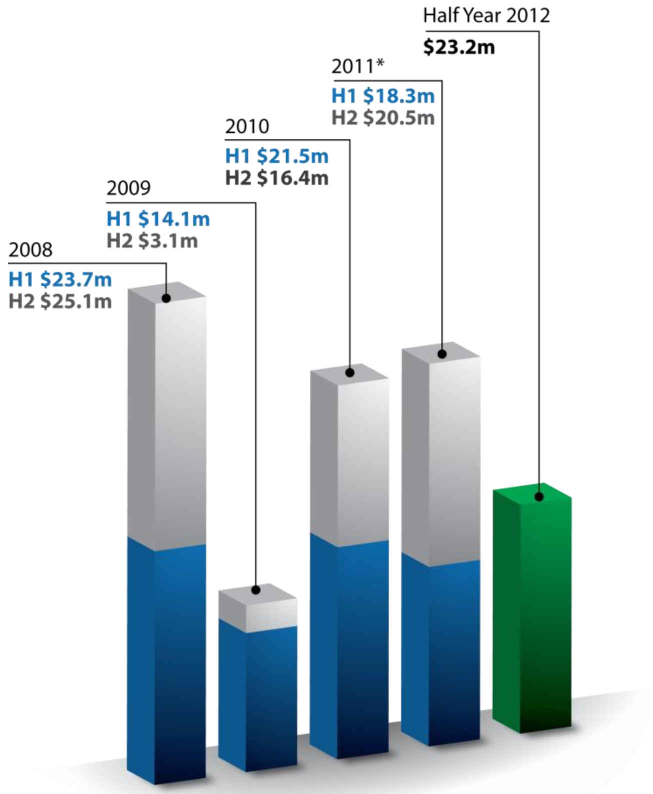
- International footprint expanded into Mongolia
- Acquisition of remaining 40% of MVM Rail
- 'Macmahon Engineering' business established
- Meeting the challenge of attracting and retaining a skilled workforce
- Risk management initiatives delivering value

Delivering Value

Total Revenue



Net Profit After Tax



**Underlying NPAT*

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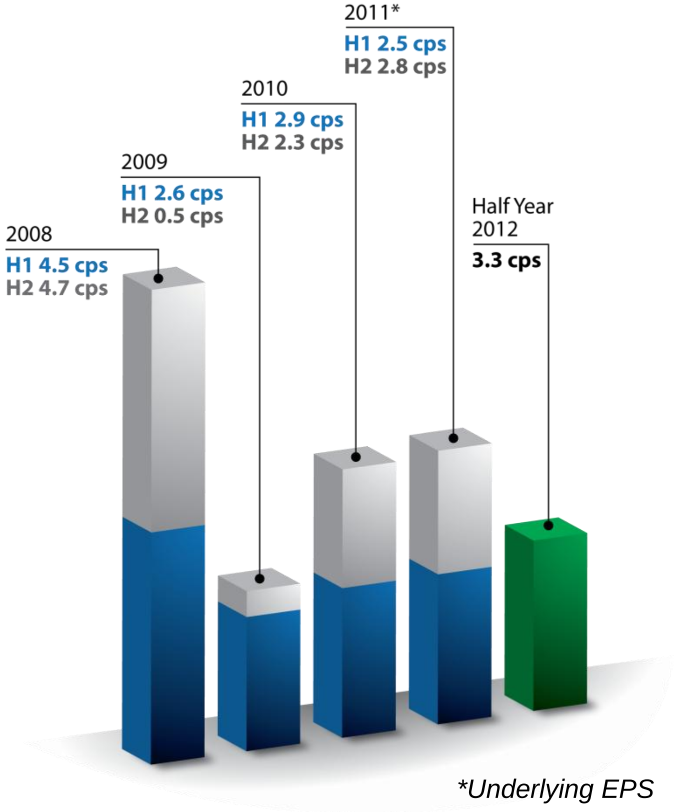
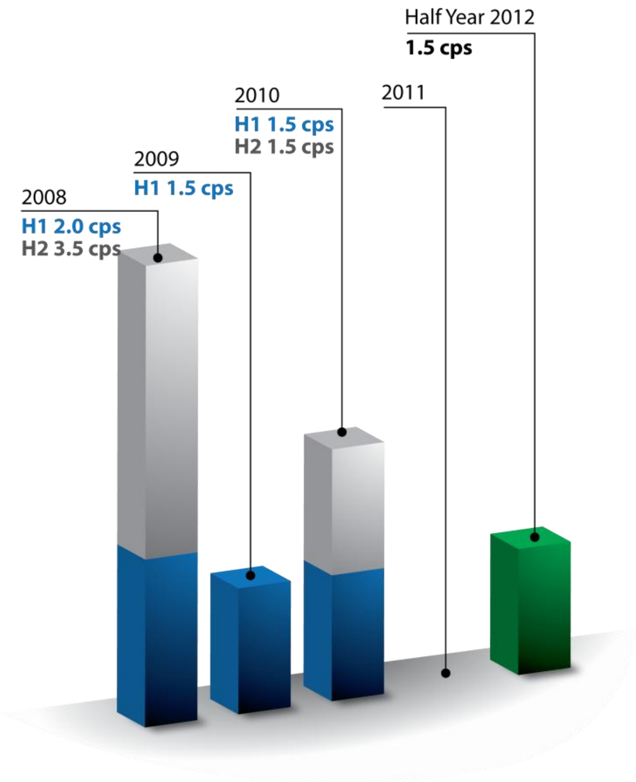
Return to Dividends

Earnings Per Share



*Underlying EPS

Dividend Per Share



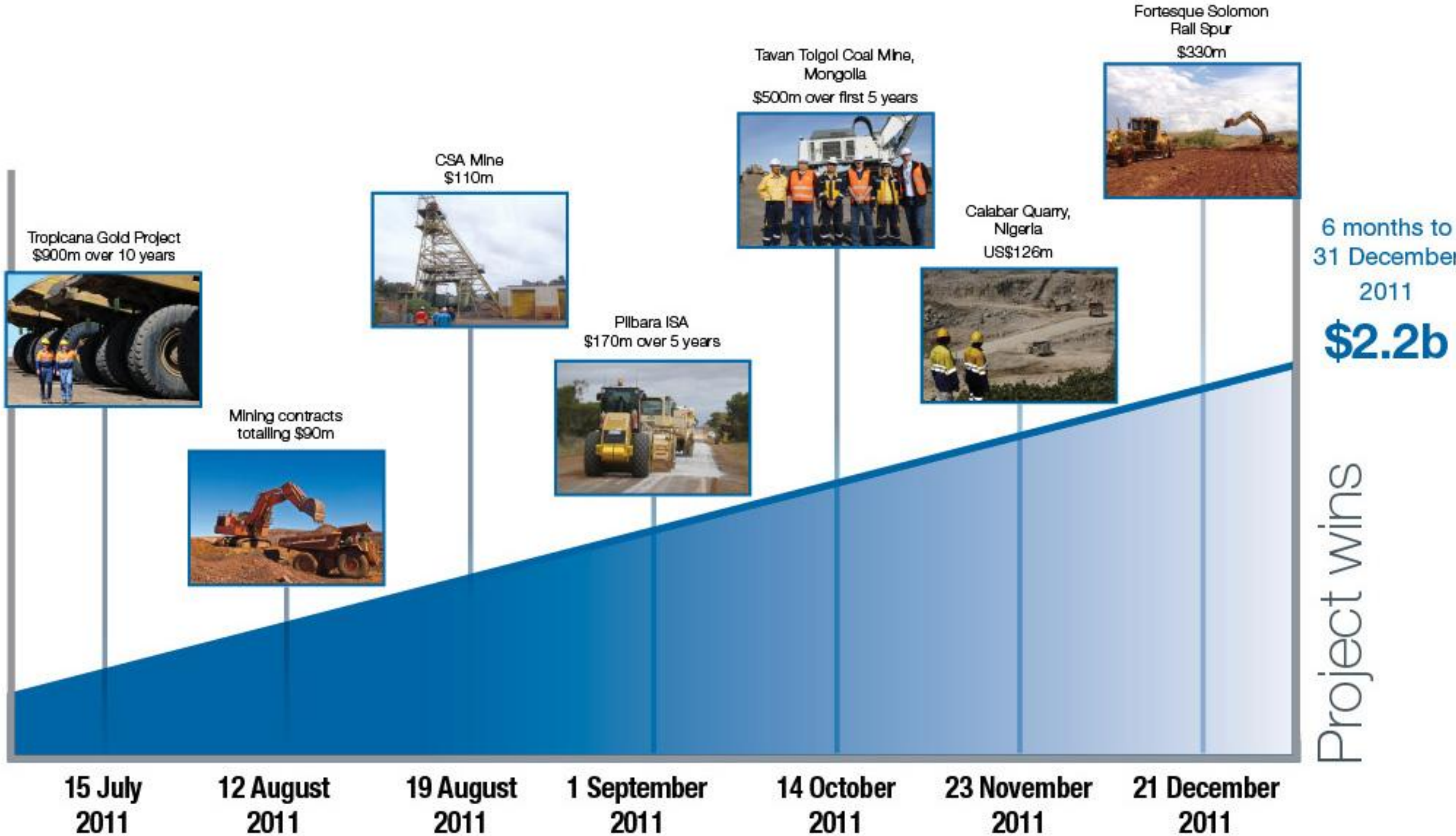
Mining Overview

- $900 million Tropicana Gold Project win – now being mobilised
- Additional work with BHP Billiton Iron Ore and Peabody – typically owner miners
- Expansion overseas through US$250 million Tavan Tolgoi coal mine contract win in Mongolia
- Nigerian project win and ramp-up
- ‘Macmahon Engineering’ Business established
- World’s largest raisedrill ordered

Construction Overview

- Risk management improvements and new organisation structure delivering value
- Order book significantly improved
- Margins steady but expected to improve in H2
- MVM Rail acquisition
- Re-established major presence in the Pilbara with Rio Tinto and FMG
- Solomon and HD4 projects mobilised
- Robust tendering pipeline

Project Wins



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Key Projects

Tropicana

Olympic Dam

GLNG

Solomon

OB 18 / OB24 Jimblebar

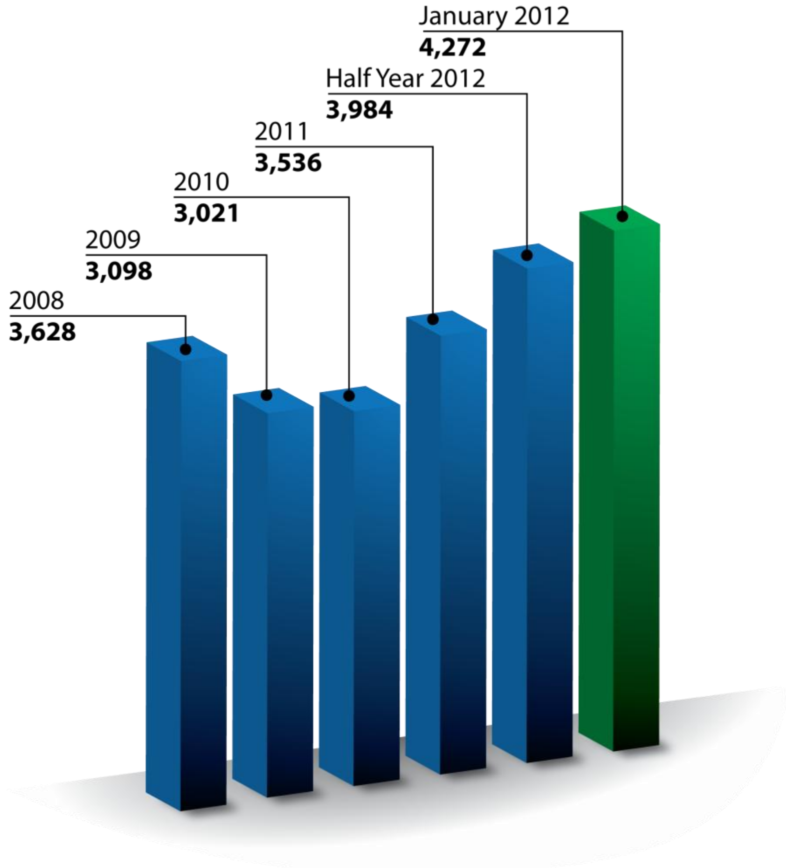
Tavan Tolgoi

South Road Superway

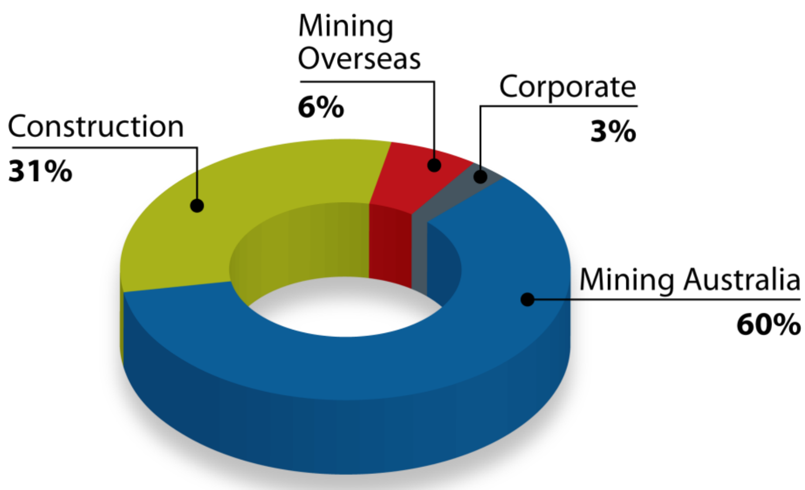
These projects total over $1 billion per annum of work

Our People

Group Employee Numbers



Breakdown by Business HY12

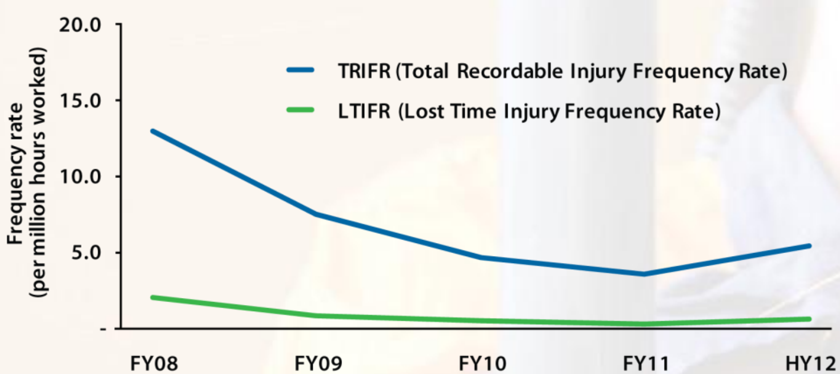


- Management team strengthened
- Growing apprentice and graduate programs
- Registered Training Organisation (RTO)
- ROCKSTAR Indigenous program launched February 2012

Safety Performance

- Safety performance remains top quartile
- Next period of growth a challenge - continuous safety improvement a key priority
- Eaglefield Coal Mine - ranked as the “safest surface coal mine” in Queensland by the Department of Mines and Energy

Injury Frequency Rates



Sustainable Profits

Theresa Mlikota

Chief Financial Officer

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Income Statement

$ millions	Dec-11	Dec-10	% Change
Total revenue	**829 .0**	**601.0**	**38%**
EBIT – before significant item	**41.7**	**31.4**	**33%**
Interest	(7.6)	(5.8)	31%
Profit before tax – before significant item	**34.1**	**25.6**	**33%**
Significant item – write down of RGP5 Rail North contract	-	(48.9)	
Profit/(loss) before tax	**34.1**	**(23.3)**	
Tax (expense)/benefit	(10.9)	7.0	
Non-controlling interest	-	3.1	
Net (loss)/profit after tax & non-controlling interest	**23.2**	**(13.2)**	
NPAT margin (%)	2.8	(2.2)	
Earnings per share (cents)	3.3	(1.8)	
Dividends declared per share (cents)	1.5	-	

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Mining Performance

$ millions	Dec-11	Dec-10	Change %
Segment revenue	423.2	313.2	35% ↑
PBT	32.0	22.4	43% ↑
PBT margin %	7.6	7.2	
Order book	2,219	1,273	74% ↑
Capex	34.6	44.3	

Mining Revenue

- Segment revenue increased 35%
- Profit before tax increased 43%
- Surface revenue driven by expansion activities at key projects
- Underground revenue increased with new projects including George Fisher and increased development activities at both Cadia Ridgeway and Argyle
- Margin improvement driven by ‘normal’ weather conditions and improved Surface Mining performance
- Capex spend geared to H2
- Improved asset utilisation and operational performance have increased returns

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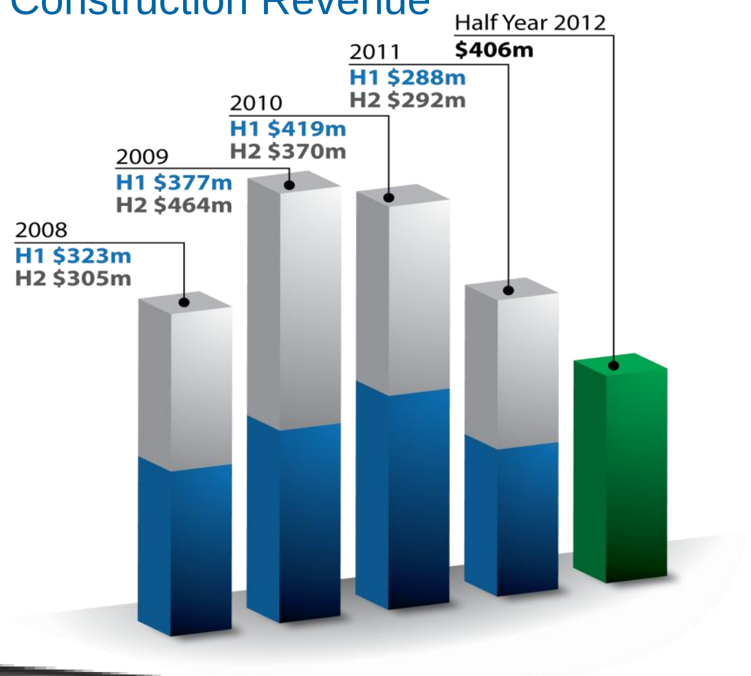
Construction Performance

$ millions	Dec-11	Dec-10	Change %
Segment revenue	405.8	287.8	41% ↑
Underlying PBT	14.2	10.2	39% ↑
RGP5 write down	-	(48.9)	
Reported PBT	14.2	(38.7)	137% ↑
Underlying PBT margin %	3.5	3.5	
Order book	1,163	804	45% ↑
Capex	13.7	0.3	

Construction Revenue



- Revenue growth of 41% driven by the strong performance of key new projects (Gladstone LNG and Pilbara projects)
- Profit before tax increased 39%
- Margins steady at 3.5%, forecast to increase in the H2
- Increased capex to address equipment shortages
- Increased business scale and improved operational performance have lead to improved returns

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Strong Operating Cash Flow

$ millions	Dec-11	Dec-10	% Change
Operating cash flow	**85.3**	**38.2**	**123%**
Disposals	6.1	0.7	771%
Capital expenditure[1]	46.3	45.3	2%
Cash on hand	135.0	96.5	40%
Op. cash flow per share - cents	11.6	5.2	

1. Excludes capital acquired under finance lease and hire purchase agreements ($2.8 million for Dec 11)

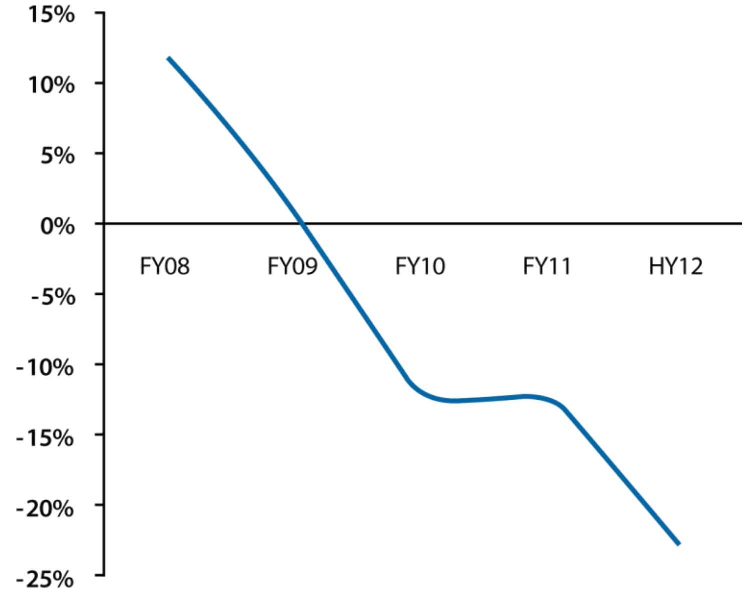
- Strong operating cash flow
  - Improved financial performance
  - $30 million advance payments on construction projects
- Advance payments will reverse in H2
- Capital expenditure of $46.3 million, with majority of full year spend to take place in H2. FY12 forecast of around $200 million

Gearing for Growth

$ millions	Dec-11	Jun-11	% Change
Current assets	**374.7**	**331.6**	**13.0%**
Non-current assets	359.1	354.2	1.4%
Total assets	**733.8**	**685.7**	**7.0%**
Net assets	340.6	323.1	5.4%
Net cash	78.8	39.5	99.5%
Gearing	**(23.1%)**	**(6.9%)**	**234.8%**

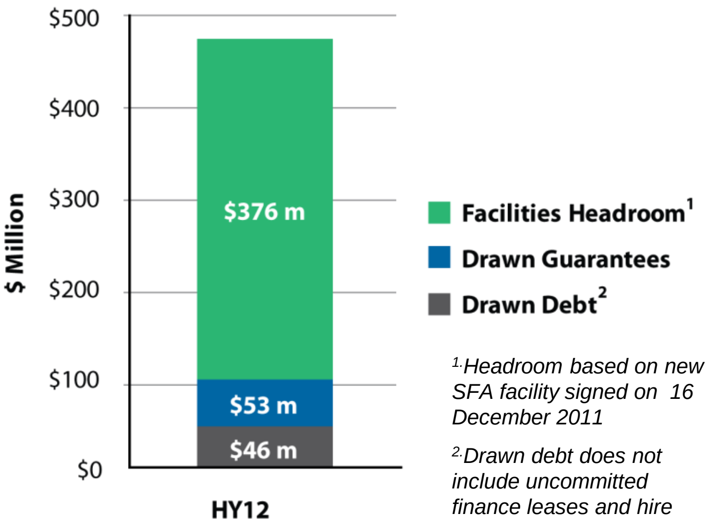
- Strong financial base to fund growth opportunities
- Net cash position of $78.8 million, with negative gearing of 23.1%

Gearing



Funding Capacity

- Debt refinance complete - $475 million, 3 & 4 year funding facility
  - Tranche A – (3 years), A$75 million working capital cash advance facility
  - Tranche B – (3 years), A$125 million bank guarantee facility
  - Tranche C – (3 and 4 years), A$275 million equipment finance facility
- Significant headroom in funding facilities
- Standalone facility for Mongolia in progress

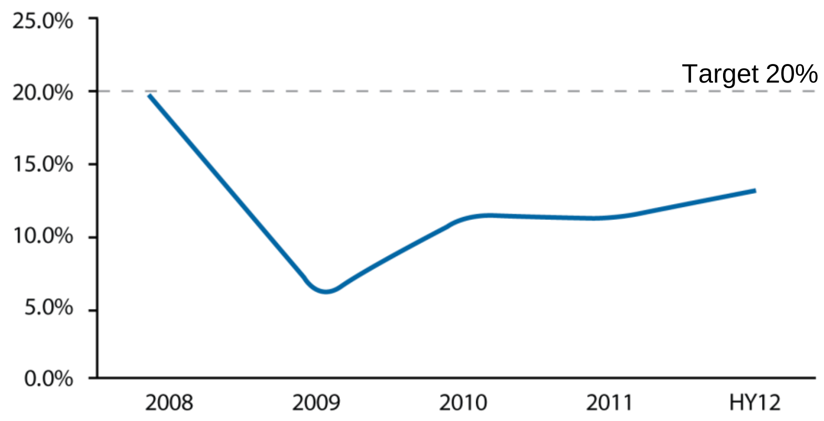


[1] Headroom based on new SFA facility signed on 16 December 2011

[2] Drawn debt does not include uncommitted finance leases and hire purchase agreements

Improved Shareholder Returns

Return on Equity



Note – HY12 returns have been annualised

**2011 Return on equity calculation based on underlying NPAT*

- Increased ROE resulting from better asset utilisation and improved financial and operating performance
- Returns expected to improve looking forward

Business Growth

Nick Bowen

Chief Executive Officer

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Strategy Grow the business to maximise profits to shareholders

Shareholders

Deliver sustainable, sector leading returns

- Managing risks to deliver sustainable profits
- 20% Return on Equity
- 20% y.o.y EPS growth
- Dividend payout ratio 50%

Mining

Consolidate and explore

- Grow domestic business
- Develop offshore business
- Leverage resource relationships
- Capitalise on end-to-end service offering
- Promote external engineering opportunities

Construction

Enhance pipeline and risk management

- Consolidate business in resource and government sectors
- Selective clients and contracts
- New risk management protocols and applying ‘lessons learned’
- Focus on client relationships to build on successful project delivery

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Customers

Complete contracting solution

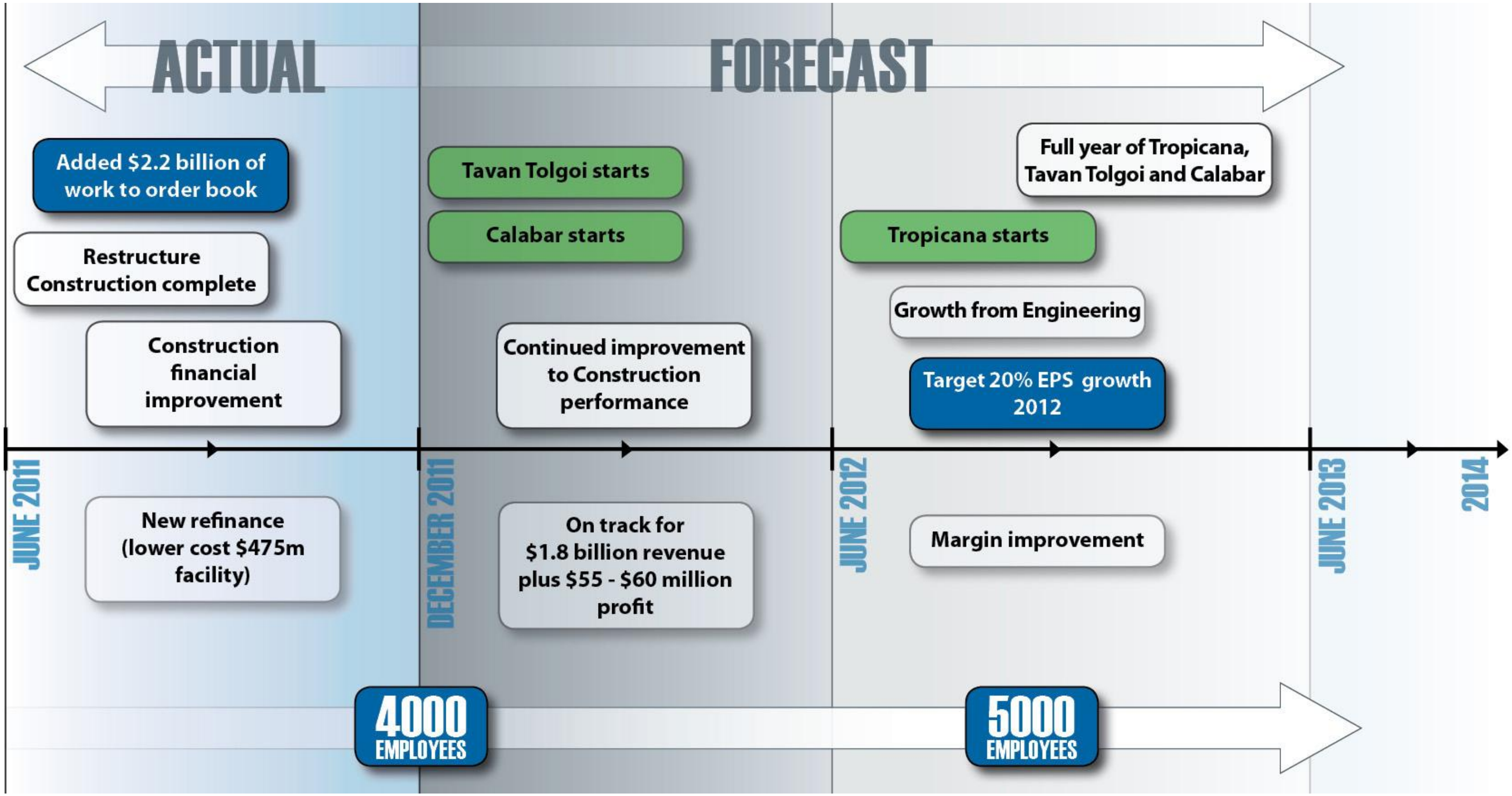
- Safe, efficient, reliable, trusted brand
- Leverage relationships for mutual benefit
- Service provider of choice

Our people

Provide a safe, exciting environment

- Commitment to total safety culture
- Focus on ‘clever’ talent attraction and retention strategies
- Developing our own people

Strategy Delivery



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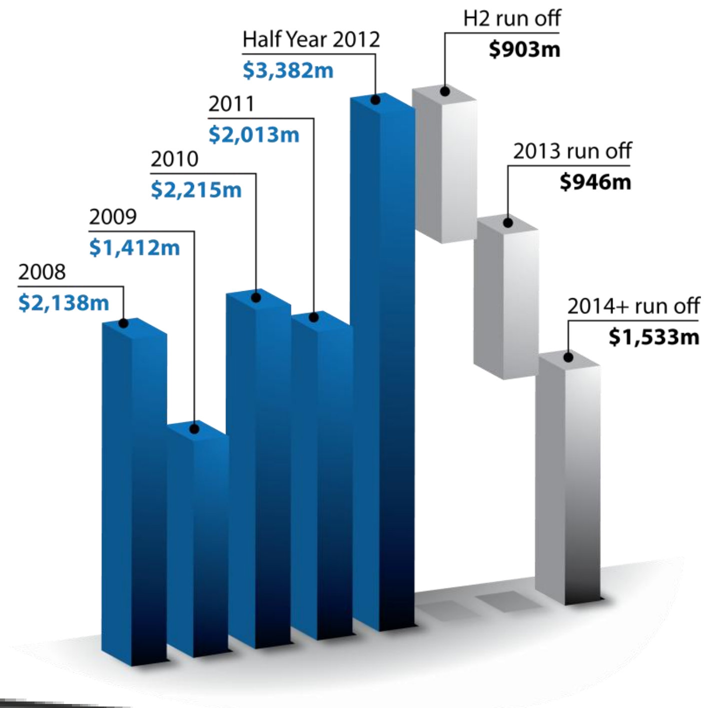
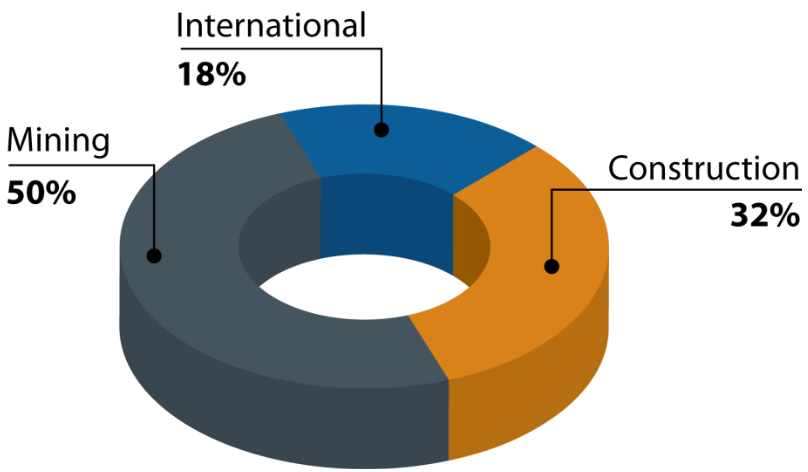
Record Order Book

- Order book at record $3.4 billion
- $903 million of revenue secured for H2
- Robust tendering pipeline in excess of $3 billion

Order Book



Order Book Breakdown



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Outlook

Business Growth

- High tendering activity with healthy pipeline of work
- WA expected to be driver of growth
- New ‘Macmahon Engineering’ Business
- International expansion into Mongolia

Sustainable Profits

- Record order book of $3.4 billion
- $903 million secured for H2
- $946 secured for FY13
- Scale and international expansion will deliver margin improvements
- Refinanced and positioned for growth

Delivering Value

- Record full year revenue forecast of around $1.8 billion and profit of $55 – $60 million
- Committed to delivery of consistent and quality earnings and increasing shareholder returns
- Further profit growth in FY13

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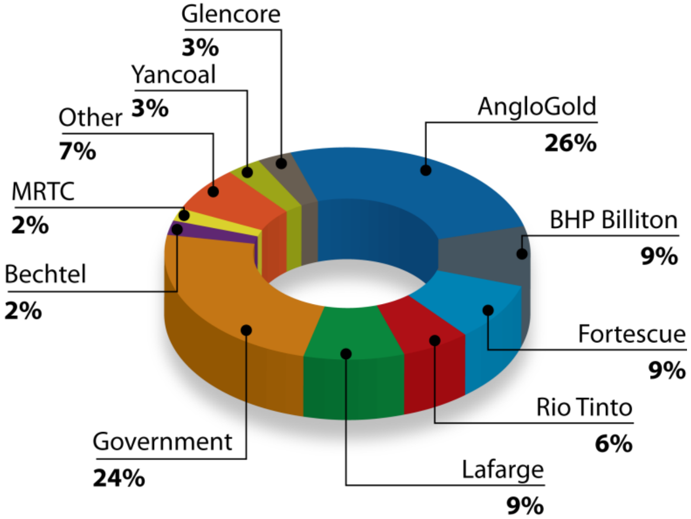
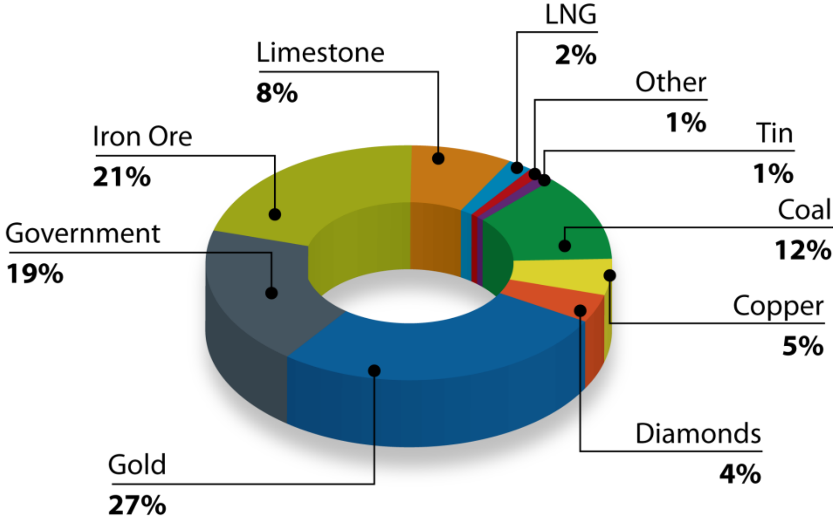
Order Book Diversity

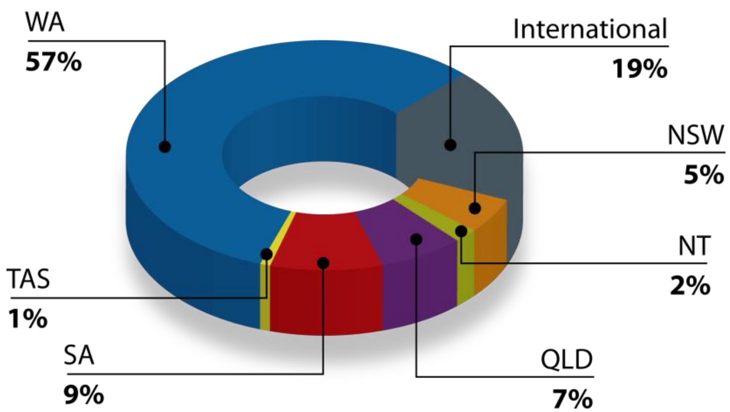
Diversified client base



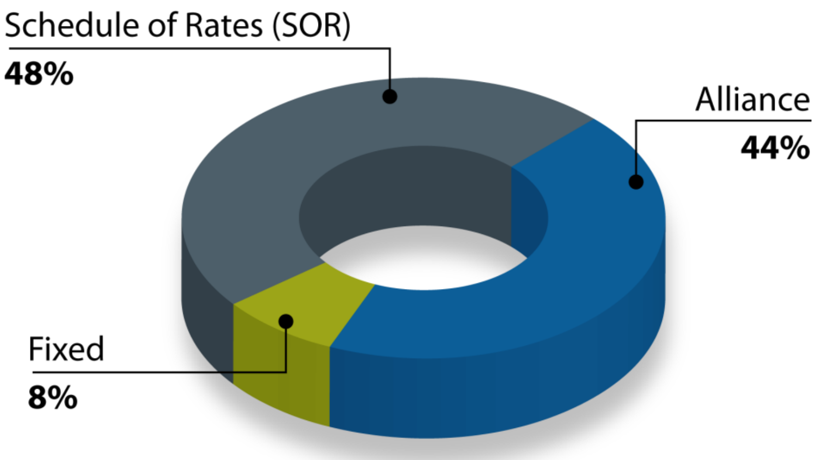
Diversified commodity exposure



Diversified geographic footprint



Diversified contract styles



IFRS Reconciliation

In millions of AUD, unless otherwise stated	6 months to Dec 10	6 months to Jun 11	FY11
Reported revenue is adjusted to include net revenues from joint ventures:			
Reported Revenue	**504.2**	**585.2**	**1,089.4**
Revenue from joint ventures (net of cost recoveries)	96.8	68.2	165.0
Total Revenue	**601.0**	**653.4**	**1,254.4**
Reported NPAT , EPS and ROE is adjusted for the following significant items (net of tax and non-controlling interests):			
Reported net profit / (loss) after tax attributable to members	**(13.2)**	**14.3**	**1.0**
- Writedown of RGP5 Rail North contract	31.5	-	31.5
- Extreme weather events	-	6.3	6.3
Impact of significant items, after tax and non-controlling interests	**31.5**	**6.3**	**37.8**
Underlying net profit after tax attributable to members	**18.3**	**20.6**	**38.8**
Reported basic earnings / (loss) per share (cents)	**(1.8)**	**1.9**	**0.1**
Underlying basic earnings / (loss) per share (cents)	**2.5**	**2.8**	**5.3**
Reported return on equity (%)			**0.3**
Underlying return on equity (%)			**11.1**

Note: The reconciliation above is provided to comply with ASIC Regulatory Guide 230

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