



Macquarie Australia Conference 2012

Nick Bowen – Chief Executive Officer

2 May 2012



Our Business

- Founded in 1963 - listed on the ASX in 1983
- International contract mining and construction company
- Employs over 4,600 people
- Revenue in excess of \$1.8 billion
- Order book in excess of \$3.2 billion
- Operations throughout Australia, New Zealand, Asia, Africa and Mongolia
- Blue-chip client base includes BHP Billiton, Rio Tinto, Fortescue, AngloGold Ashanti, Peabody, Newmont, Newcrest, Xstrata, Lafarge and Federal and State Governments of Australia and Mongolia

Mining

Provides total mining solutions to mine owners:

- Surface Mining
- Underground Mining
- Plant & Maintenance Services
- Mining Services – crushing, raise drilling, shotcreting
- Engineering - structural, mechanical, electrical



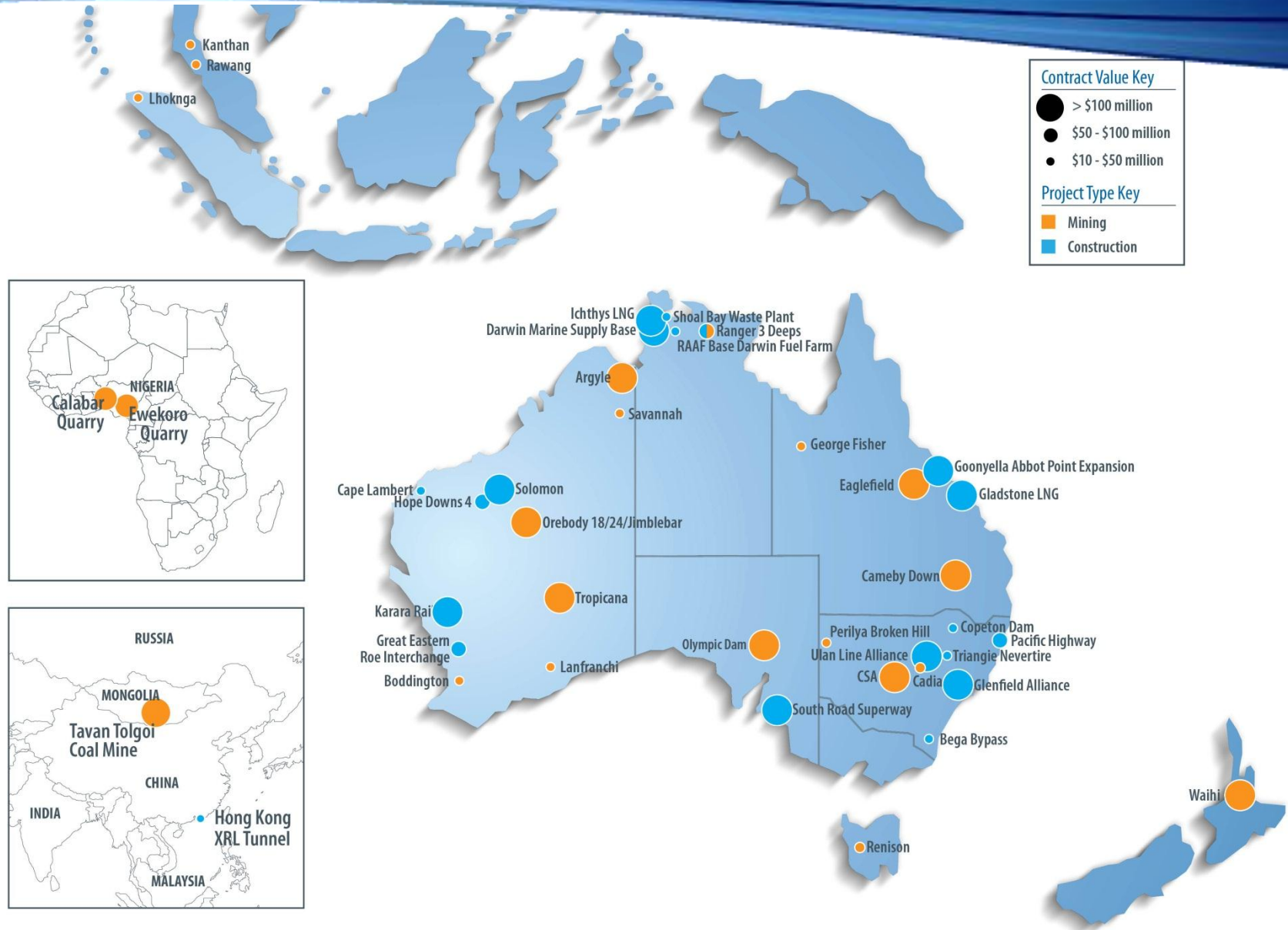
Construction

Provides complete construction services for:

- Road
- Rail
- Resources Infrastructure
- Landside marine Infrastructure
- Water Infrastructure



Map of Major Operations



Business Update

Operational Update

- Strong order book of \$3.2 billion
- \$2.5 billion new projects and extensions won YTD
- Work commenced at Tavan Tolgoi, Hope Downs 4, Ichthys LNG and Darwin Marine Supply Base
- Mobilisation at Tropicana
- Solomon Rail Spur fully ramped-up
- Completion of Karara Rail project
- ROCKSTAR Indigenous program launched February 2012
- 82% of sites LTI free for last 12 months



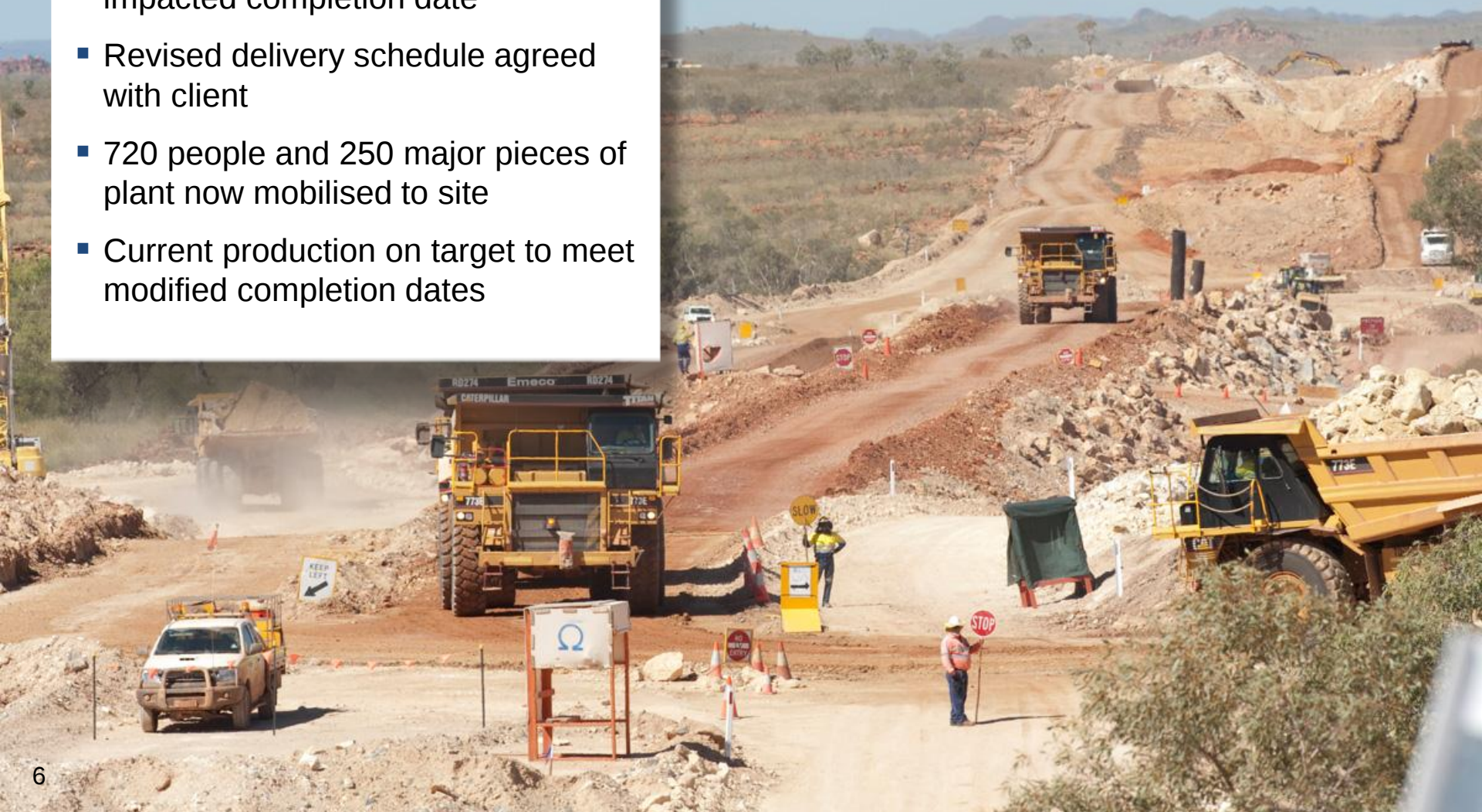
Tropicana Gold Project



- Major mining equipment assembly commenced in Kalgoorlie
- Mining infrastructure, including workshops on track to be completed in July
- Mining scheduled to start September quarter

Solomon Rail Spur Status

- Slow ramp-up and cyclones impacted completion date
- Revised delivery schedule agreed with client
- 720 people and 250 major pieces of plant now mobilised to site
- Current production on target to meet modified completion dates



Tavan Tolgoi Project Update

- Commenced in January 2012
- On target to deliver 3Mt of coal in Year 1
- New equipment delivery underway
- Expat team mobilised
- Estimated mine life @20Mtpa: 50 years



Tavan Tolgoi Project Update

- Project ramp-up to 15 - 20Mtpa dependent on client infrastructure delivery
- Key infrastructure components
 - Road from Tavan Tolgoi to Chinese border
 - Railroad from Tavan Tolgoi to Chinese border
 - East Tsankhi coal wash plant
 - Water Supply
 - Power Supply

Tavan Tolgoi Contract Update

- Mining Services Contract novated 100% to Macmahon
- Financing update
 - Stage 1: Initial financing will be funded on balance sheet under current domestic syndicated facility
 - Stage 2: Standalone, non-recourse funding facility being arranged. Funding tranches matched to infrastructure delivery and scale of project
 - Stage 3: Sell down of ownership of up to 50% enabling financing to be “off-balance sheet”

Mitigating project risks:

- Equipment risk protected with PRI and ‘put option’ in the event of early termination by client
- Financing tranching to match project infrastructure scale/delivery - ‘walk away’ option if non-recourse finance cannot be obtained



Contract Wins Since 31 December



Key Wins

- Ichthys LNG Project, INPEX and Total, \$340 million
- Darwin Marine Supply Base, NT Government, \$100 million
- Ranger 3 Deeps Exploration Decline Project, Energy Resources of Australia Ltd, \$50 million
- Bega Bypass, NSW Roads and Maritime Services, \$30 million

Darwin Marine Supply Base

- Awarded \$100 million contract to design and construct the world-class Darwin Marine Supply Base
- ShoreASCO Consortium – which includes Asco Holdings and Macmahon Contractors
- Work includes building the special purpose wharf and dockside infrastructure to service the provisioning of Offshore Supply Vessels
- No capital expenditure required



Ichthys LNG Project

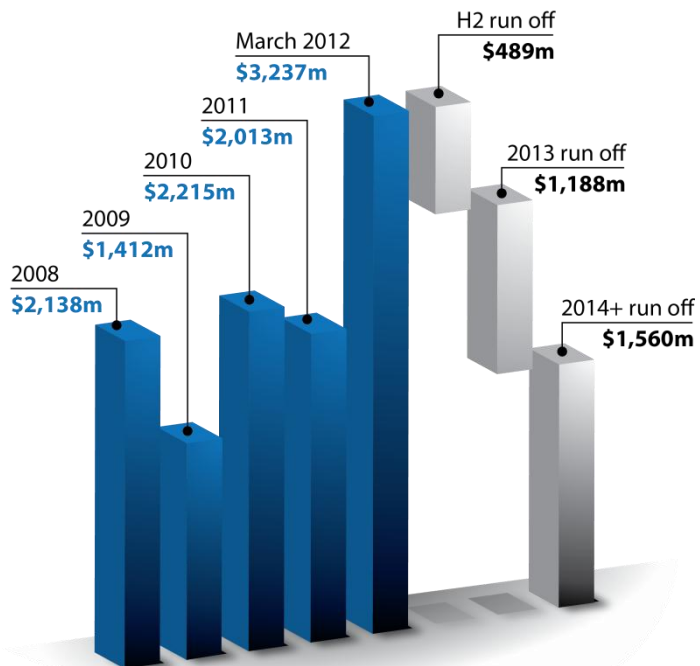
- Awarded \$340 million contract for the Ichthys onshore LNG facilities near Darwin
- Ichthys LNG Project is a JV between INPEX and Total
- 50:50 JV with John Holland
- Site development civil works including access roads, earthworks, drainage and ground improvement
- Work commenced in April 2012
- Opportunities for further packages of work



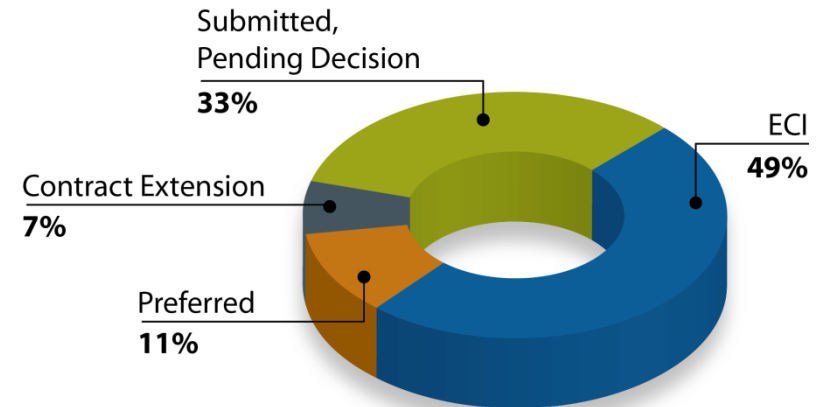
Revenue Growth

- Strong order book at \$3.2 billion
- \$1.2 billion of revenue secured for FY13
- Tendering pipeline of approximately \$2 billion

Order Book



Projects Under Tender



Strategy

Key Focus Areas

Mining

Consolidate and explore

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

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%

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

Customers

Complete contracting solution

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

Our people

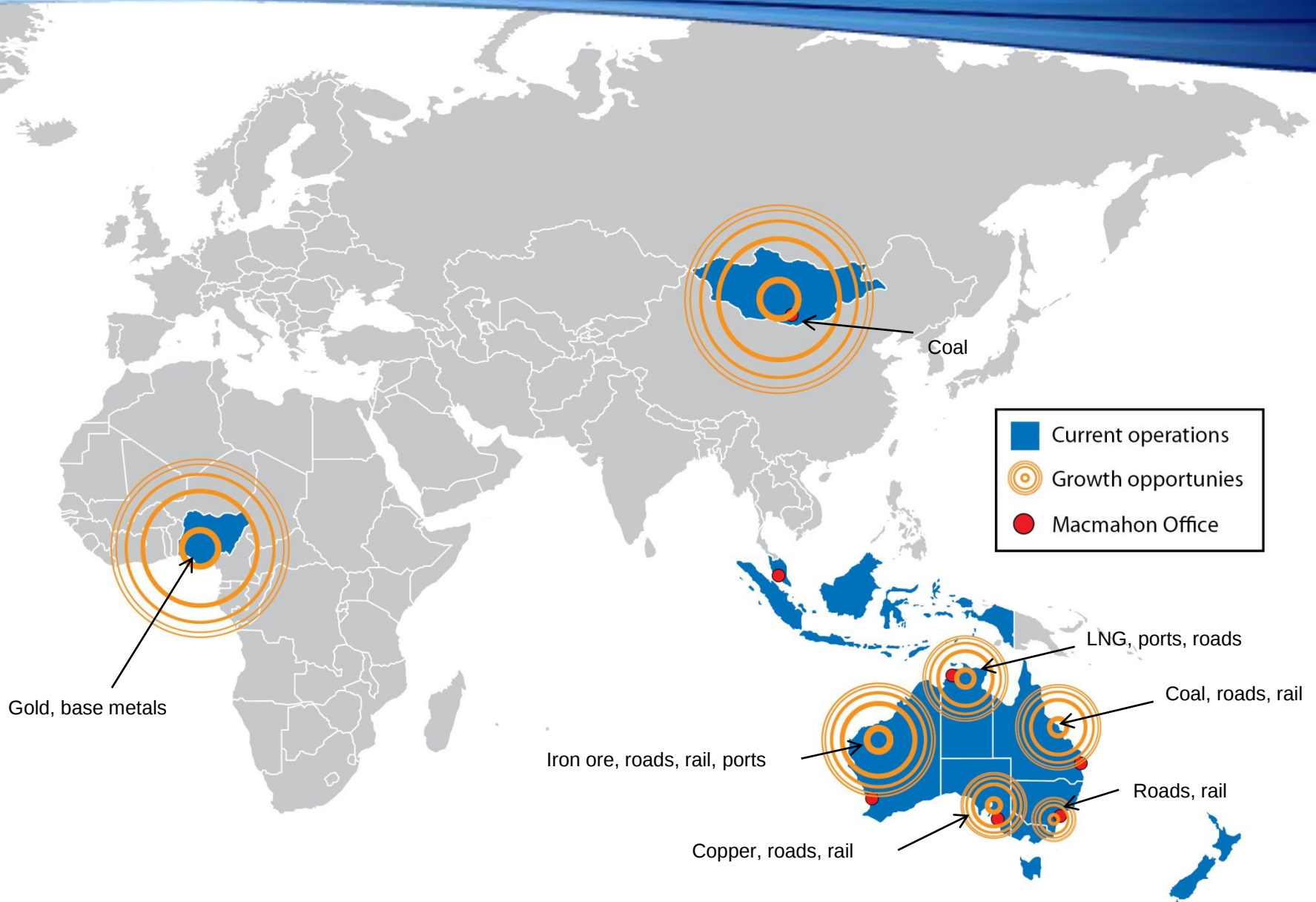
Provide a safe, exciting environment

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



Grow the business to maximise profits to shareholders

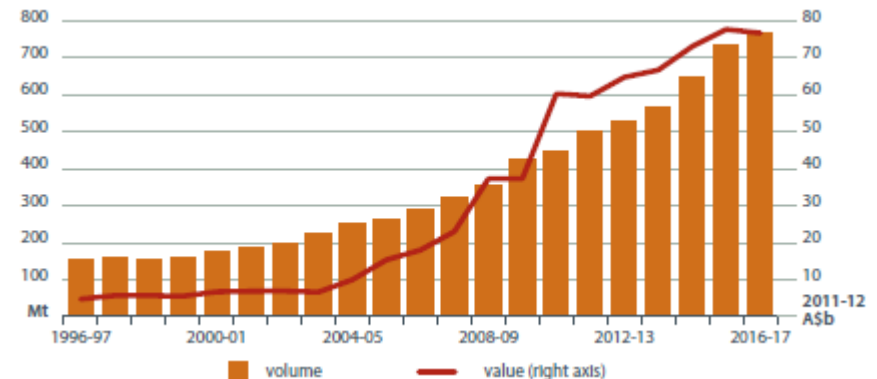
Growth Opportunities



Market Conditions - Mining

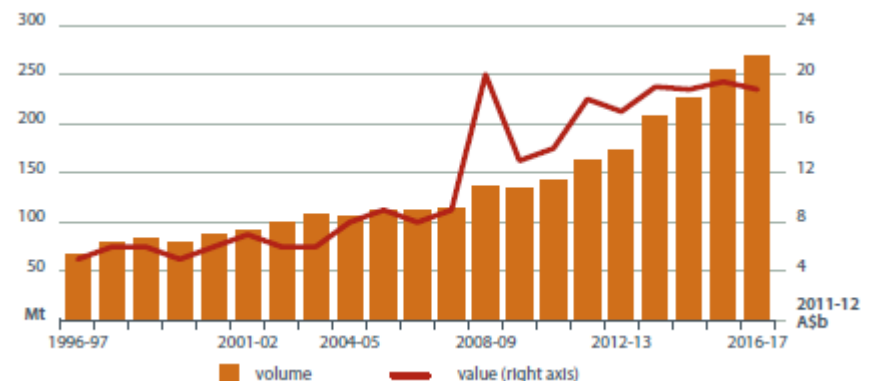
- Level of domestic growth beyond FY15 uncertain
- Demand from Asia strong – prices for key commodities remain elevated and should lead to increased production
- Substantial opportunities in iron ore, coal and base metals

Iron ore outlook to continue to be powered by China
(with supply issues elsewhere to benefit Aus exports)



Source: BREE Resources & Economics Quarterly March 2012

While thermal coal demand to be powered by China
and India

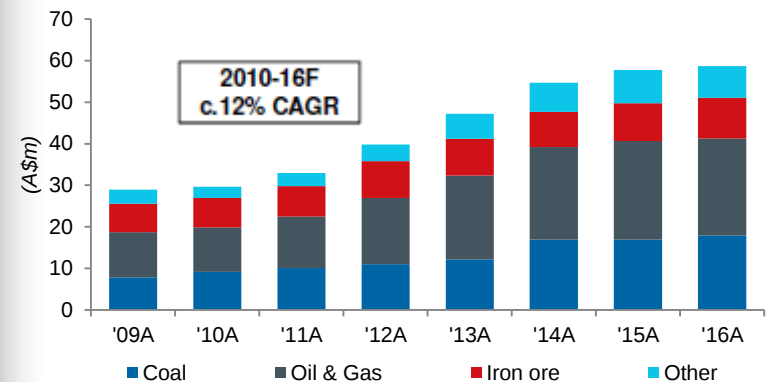


Source: BREE Resources & Economics Quarterly, March 2012

Market Conditions - Construction

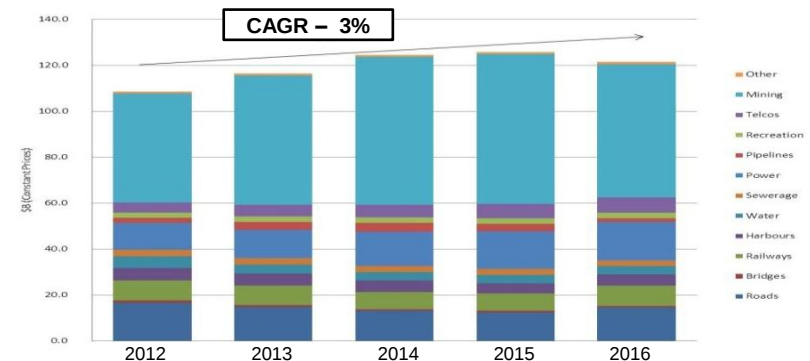
- Domestic growth beyond FY15 expected to slow
- Current pipeline of resource and public infrastructure projects robust
- Rail infrastructure activity to remain strong with mining & passenger works scheduled across most states
- QLD opportunities in coal, major phase of rail and port infrastructure investment to come

Fixed capital investment in Australian mining



Source: BIS Shrapnel Mining Forecasts (2011)

Engineering Construction in Australia – Forecasts by Sector



Source: BIS Shrapnel, Engineering Construction in Australia, 2011/12

International Outlook

Mongolia

- Mongolian metallurgical export coal set to grow
- Large market from increased demand from China
- Investment in infrastructure required to meet export demand

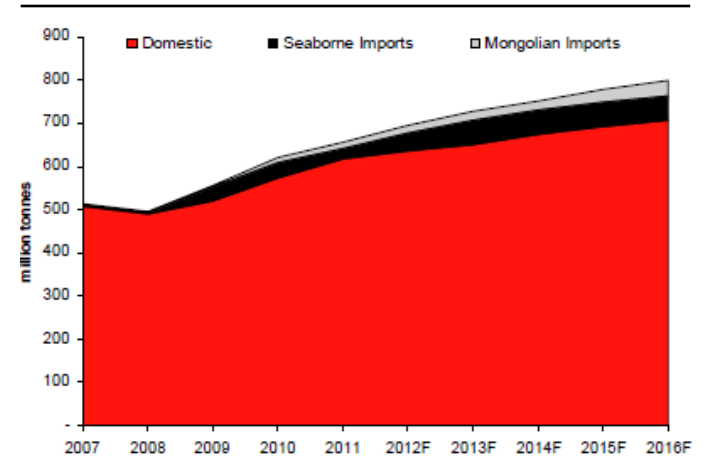
Indonesia

- Thermal coal trade to grow strongly largely due to China and India
- Indonesia set to benefit from proximity to China/India as well as infrastructure investment

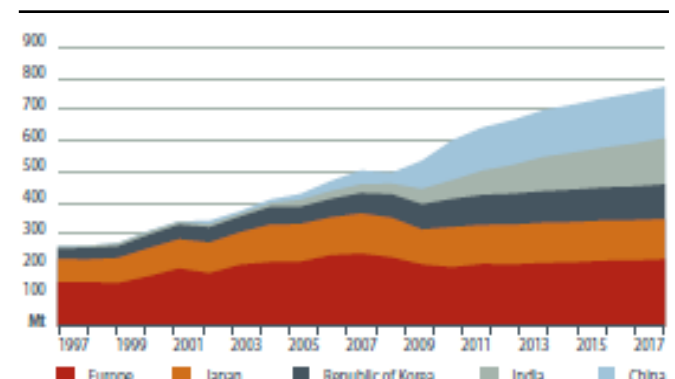
West Africa

- Nigerian construction sector growing strongly – growth of 10% this year, with market to grow from \$3.3b to \$10b by 2021 (Business Monitor International)
- Large number of gold and base metal opportunities in both surface and underground

Chinese demand for metallurgical coal

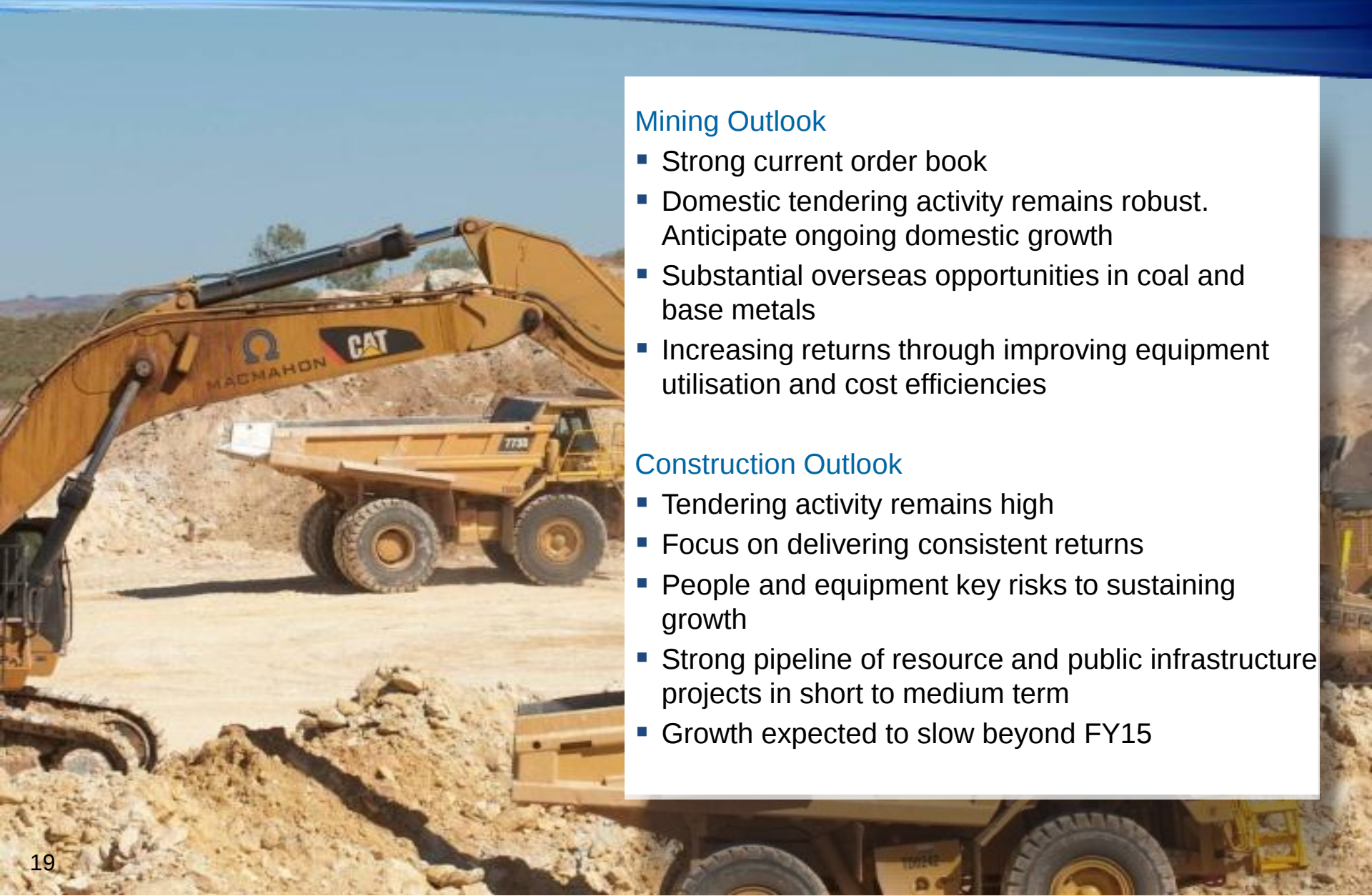


Major thermal coal importers



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Outlook



Mining Outlook

- Strong current order book
- Domestic tendering activity remains robust. Anticipate ongoing domestic growth
- Substantial overseas opportunities in coal and base metals
- Increasing returns through improving equipment utilisation and cost efficiencies

Construction Outlook

- Tendering activity remains high
- Focus on delivering consistent returns
- People and equipment key risks to sustaining growth
- Strong pipeline of resource and public infrastructure projects in short to medium term
- Growth expected to slow beyond FY15

Business Update

Financial

- On-track for FY12 profit in the range of \$55 – \$60 million
- Record revenue of \$1.8 billion for FY12
- \$1.2 billion revenue secured for FY13
- Domestic funding secured and standalone non-recourse financing for Mongolia in progress

Focus for the year ahead

- Tavan Tolgoi ramp-up
- Securing non-recourse standalone funding for Mongolia
- Tropicana – mining start-up
- Meeting resourcing challenges - retaining a skilled workforce, securing long-lead equipment and supplies and establishing funding to grow the business
- Focus on successful delivery of key construction projects
- Order book growth



Investment Case



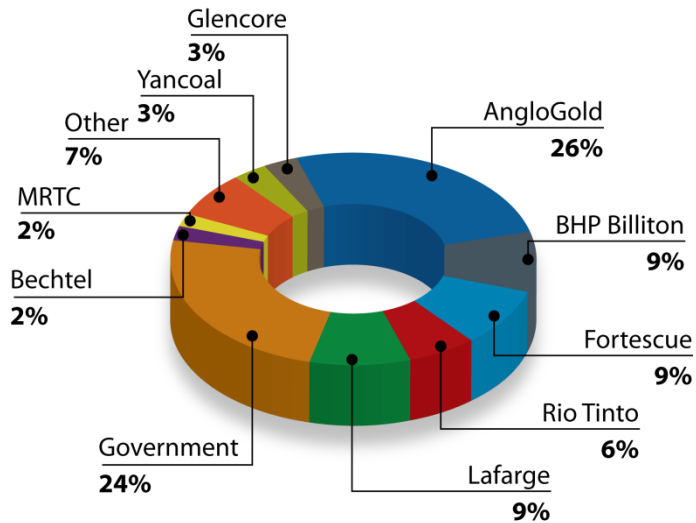
- Attractive contract mix, commodity and geographic diversification
- Strong forward order book and tendering pipeline
- Blue-chip client base and repeat business
- Excellent industry fundamentals
- Strong safety record/credentials
- Outstanding Industrial Relations track record



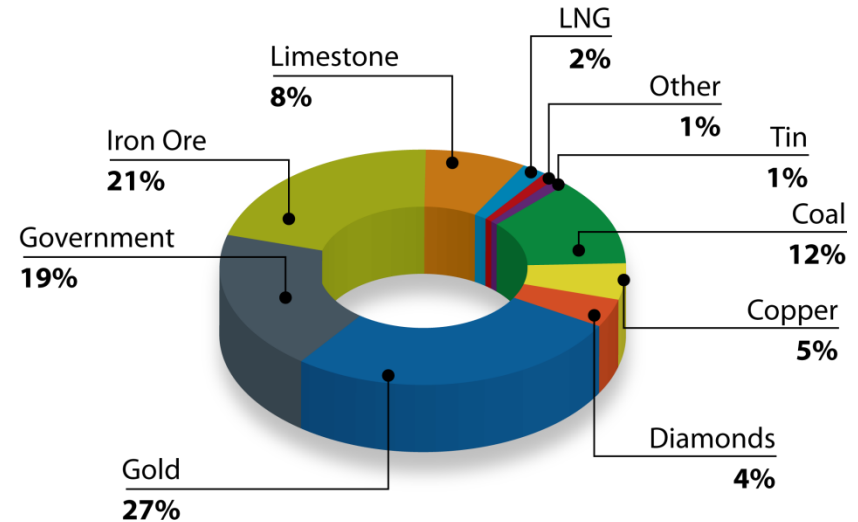
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Order Book Diversity

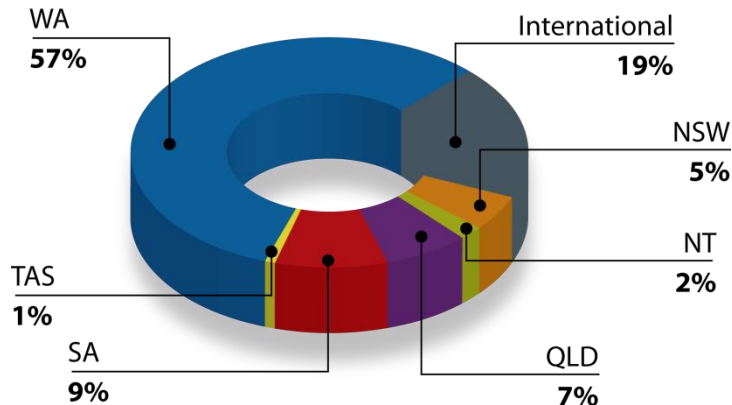
Diversified client base



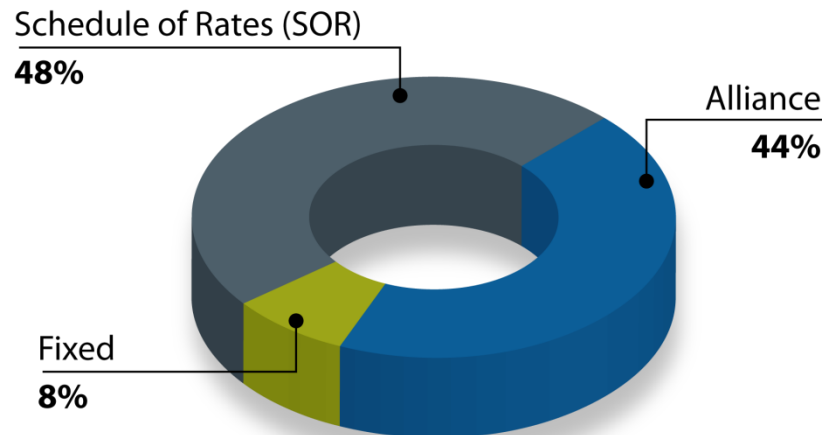
Diversified commodity exposure



Diversified geographic footprint



Diversified contract styles



Key Clients



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