



Not for release or distribution in the United States

12 December 2012

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Notification under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

Macmahon Holdings Limited ABN 93 007 634 406 (ASX:MAH) ("**Macmahon**") has today announced an accelerated non-renounceable pro rata entitlement offer of 2 new fully paid ordinary shares in Macmahon ("**New Shares**") for every 3 Macmahon shares held at 7.00pm (Sydney time) on Monday, 17 December 2012 by eligible shareholders with a registered address in Australia and New Zealand and any other jurisdiction Macmahon has decided to make offers ("**Entitlement Offer**"). Each New Share is being issued at an issue price of A\$0.16 to raise approximately A\$80.7 million.

Macmahon gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) ("**Corporations Act**") as modified by the Australian Securities and Investments Commission Class Order 08/35 ("**CO 08/35**") that:

1. the New Shares will be offered without disclosure to investors under Part 6D.2 of the Corporations Act;
2. as at the date of this notice, Macmahon has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to Macmahon; and
 - (b) section 674 of the Corporations Act;
3. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as modified by CO 08/35; and
4. the potential effect the Entitlement Offer will have on the control of Macmahon, and the consequences of that effect, will depend on a number of factors, including investor demand, existing shareholdings and the level of shortfall and sub-underwriting commitments as described in more detail below.

The Entitlement Offer is a pro rata offer to all eligible Macmahon shareholders with a registered address in Australia and New Zealand, and the institutional component of the Entitlement Offer will be extended to certain eligible institutional shareholders in other countries where Macmahon has institutional shareholders. Accordingly, if all eligible shareholders were to take up their entitlements under the Entitlement Offer, there would be no effect on the control of Macmahon.

However, to the extent that any shareholder fails to take up their entitlement to New Shares under the Entitlement Offer, that shareholder's percentage holding in Macmahon will be diluted by those other shareholders who take up some or all of their entitlement or investors who subscribe for any shortfall.



Leighton Holdings Investments Pty Limited ("**Leighton Investments**"), a wholly owned subsidiary of Leighton Holdings Limited, (together, the "**Leighton Entities**") holds approximately 19.0% of the Macmahon shares on issue as at the date of this notice. Currently, Leighton does not control Macmahon, but it has a degree of influence that a 19% shareholder would be expected to have in an otherwise relatively widely-held ASX listed company. Leighton also has appointed one nominee on Macmahon's board of directors, which is currently comprised of 7 directors.

Leighton Investments has committed to take up its full entitlement and, subject to any required FIRB approval (however such approval is not expected to be required based on indications of sub-underwriting interest received from other parties), sub-underwrite the entire retail component of the Entitlement Offer on a subordinated basis to other sub-underwriters and eligible retail shareholders who apply for additional Macmahon shares in addition to their entitlements.

As a result of these commitments, and taking into account indications of sub-underwriting interest already received in relation to the retail component of the Entitlement Offer that take priority over any allocation to Leighton Investments, it is expected that the Leighton Entities' relevant interest in Macmahon shares will be between a minimum of 19.0% and a maximum of 24.9% as a result of the Entitlement Offer. The maximum increase assumes that no eligible retail shareholders take up their entitlements, which is considered unlikely.

The actual voting power of the Leighton Entities will, therefore, depend on the following factors, and the maximum potential increase in voting power will be reduced by:

- (a) the extent to which other eligible shareholders take up their entitlements under the Entitlement Offer;
- (b) the extent to which eligible retail shareholders take up New Shares in addition to their entitlements under the Entitlement Offer comprised in any shortfall of the retail component of the Entitlement Offer; and
- (c) the extent to which eligible institutional shareholders and other institutional investors provide further sub-underwriting commitments in relation to the retail entitlement offer in addition to those already received, which will also take priority over Leighton Investments' sub-underwriting.

Should the Leighton Entities increase their relevant interest in Macmahon, they may obtain a degree of influence greater than that which they already have in terms of exercising voting rights at a shareholder meeting. However, Macmahon expects that, even if the Leighton Entities' relevant interest increased to the maximum possible extent specified above, Macmahon and its board would continue to act and operate independently of Leighton and does not expect that control of Macmahon will pass as a result of the Entitlement Offer.

Yours sincerely

Chris Brown
Company Secretary



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This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares to be offered and sold in the Entitlement Offer and the shares to be offered under the Placement have not been, and will not be, registered under the U.S. Securities Act of 1933 (as amended) (the "Securities Act") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.