

14 December 2012

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Macmahon successfully completes \$42 million Institutional Entitlement Offer Bookbuild

Macmahon Holdings Ltd (ASX:MAH) is pleased to announce the successful completion of the bookbuild for the institutional component of its \$80.7 million fully underwritten 2 for 3 pro rata accelerated non-renounceable Entitlement Offer ("Offer") of new ordinary shares in Macmahon ("New Shares").

Macmahon received strong interest in the Institutional Entitlement Offer from Macmahon's existing institutional shareholders who took up 86% of the New Shares available to them. The Institutional Entitlement Offer raised gross proceeds of approximately \$42 million at the Offer price of \$0.16 per New Share. A bookbuild for the small Institutional Entitlement Offer shortfall was held through which entitlements not taken up by eligible institutional shareholders, and those entitlements that would otherwise have been offered to ineligible institutional shareholders, were sold to other institutional investors and Leighton Holdings Limited ("Leighton") at the Offer Price.

The funds raised under the Offer will be used to strengthen the balance sheet following recent Construction write-downs and to fund the future growth of the Mining Business.

Macmahon Chief Executive Officer Ross Carroll welcomed the milestone.

"The successful completion of the institutional component of the Offer demonstrates strong shareholder support for Macmahon's refocused strategy to build on the long term success of our Mining Business," he said.

"Macmahon looks forward to its mining focused future, with a strengthened balance sheet and supportive shareholder base".

Leighton, Macmahon's largest shareholder, has shown strong support for the Offer by subscribing for its full entitlement under the Institutional Entitlement Offer and participating in the Institutional shortfall bookbuild. Leighton had also offered to sub-underwrite the entire Retail component of the Entitlement Offer on a subordinated basis subject to any required FIRB approval. The underwriters to the Offer however secured alternative institutional sub-underwriting for the entire Retail Entitlement Offer such that no sub-underwriting will be required from Leighton. Post-completion of the Offer Leighton is expected to have a shareholding in Macmahon of approximately 19.5%. On

this basis, the Offer is now not expected to have any material effect or consequence on the control of Macmahon.

Retail Entitlement Offer

The Retail Entitlement component of the Offer is fully underwritten and is expected to raise funds of approximately \$38 million. The Retail Entitlement Offer will open on Wednesday, December 19 and close at 5pm (Perth time) on Monday, January 14, 2013. Under the Retail Entitlement Offer, all eligible retail shareholders will be offered the opportunity to subscribe for 2 New Shares for every 3 existing Shares held on the Record Date of Monday, December 17, 2012 at 7.00pm (Sydney time) at the same price as shares were offered under the Institutional Entitlement Offer of \$0.16 per New Share.

Eligible Retail Shareholders may also subscribe for New Shares in excess of their Entitlement. The allocation of Shares in excess of Entitlements will be subject to Macmahon's discretion and limited to the extent there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlement.

All New Shares issued pursuant to the Offer will be fully paid and rank equally with existing Shares.

The Retail Entitlement Offer booklet will be lodged with the ASX and dispatched to Eligible Retail Shareholders on or about Wednesday, December 19, 2012.

Shareholder enquiries

Any questions regarding the Retail Entitlement Offer should be directed to the Macmahon Entitlement Offer Information Line on 1300 380 630 (within Australia) or +61 (03) 9415 4679 (from outside Australia) at any time from 9.00am to 5.00pm (Perth time) Monday to Friday during the Retail Entitlement Offer period or contact your stockbroker, accountant or other independent professional adviser.

Further information in relation to the matters described in this announcement is set out in an investor presentation released on December 12 to ASX by Macmahon. The investor presentation contains important information, including important notices, key risks and key assumptions in relation to certain forward-looking information in this document.

Key Dates

Event	Date
Announcement	Wednesday, 12 December 2012
Institutional Entitlement Offer	Wednesday, 12 December 2012 to Thursday, 13 December 2012
Macmahon shares to recommence trading on ASX	Friday, 14 December 2012
Record Date for the Entitlement Offer	Monday, 17 December 2012 at 7.00pm (Sydney time)
Retail Entitlement Offer opens	Wednesday, 19 December 2012
Mailing of personalised Entitlement and Acceptance Form and Retail Entitlement Offer booklet to eligible retail shareholders	By Wednesday, 19 December 2012
Settlement of Institutional Entitlement Offer	Thursday, 20 December 2012
Trading of New Shares issued under the Institutional Entitlement Offer	Friday, 21 December 2012
Retail Entitlement Offer closes	Monday, 14 January 2013 at 5.00pm (Perth time)
Announcement of results of Retail Entitlement Offer	Wednesday, 16 January 2013
Settlement of the Retail Entitlement Offer	Monday, 21 January 2013
Issue of New Shares and Additional New Shares under the Retail Entitlement Offer	Tuesday, 22 January 2013
Normal trading of New Shares and Additional New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Wednesday, 23 January 2013
Dispatch of holding statements	Friday, 25 January 2013

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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 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.

Disclaimer

This release contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "should", "could", "may", "will", "believe",

“forecast”, “outlook” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Macmahon, the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this release are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Macmahon, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Macmahon cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements. The forward looking statements are based on information available to Macmahon as at the date of this release. Except as required by law or regulation (including the ASX Listing Rules), Macmahon undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

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For further information, please contact:

Investor Relations

Theresa Mlikota Chief Financial Officer +61 407 470 859

Media Relations

Joeley Pettit-Scott Acting Group Communications Manager +61 467 775 376

About Macmahon

Macmahon is a leading Australian contract mining and construction company with major projects throughout Australia, in New Zealand, South East Asia and Africa.

An ASX listed company, Macmahon has played a major role in the delivery of many of Australia's largest multi-disciplinary mining and construction projects throughout its 49 year history.

Macmahon offers the full range of underground and surface mining services and comprehensive construction capabilities spanning transport, marine, water and resource infrastructure services.

With a commitment to providing end to end services, Macmahon's reputation for outstanding teamwork, integrity and commitment to the environment is underpinned by the company's core value - safety.

Visit www.macmahon.com.au for more information.