Half Year Results 2013

27 February 2013

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Contents

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Highlights

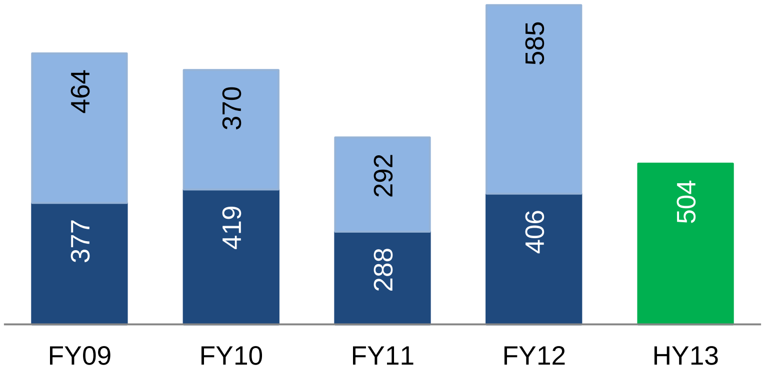
- Mining operations achieve record $533.3 million revenue (up 26% on pcp) and record $23.1 million net profit after tax (up 70% on pcp)
- Net loss of $60.7 million for discontinued Construction operations, leading to overall loss of $37.6 million for the first half of FY13
- Mining services focus confirmed with overwhelming shareholder support for sale of Construction projects to the Leighton Group
- FY13 earnings guidance revised to now include impact of sale and wind down of construction operations - net loss after tax in the range of $10 to $20 million, following shareholder vote
- Robust foundation for sustainable growth of Mining Business
  - Record mining order book of $3.6 billion, following award of Christmas Creek contract in January 2013
  - Strong balance sheet following completion of $80.7 million equity raising
  - Gearing currently low, 9.4% at 31 December 2012

Sale of Construction – discontinued operations

- Sale of majority of Construction projects to Leighton Group approved by shareholders at EGM held in February 2013, following strategic review
- Expected sale proceeds of $27.3 million, after tax profit on sale of $9.2 million, closure costs of $11.7 million after tax – will be reported in H2 results
- Additional $40M+ in equipment to be transferred to mining or sold
- Transition well progressed
- Half year loss after tax of $60.7 million
- Construction result significantly impacted by Solomon, Hope Downs 4 and Urban Superway project write-downs

$ millions	Dec-12	Dec-11	Change %
Segment revenue	503.6	405.8	24%
PBT	(110.1)	14.2	-875%
PAT	(60.7)	9.6	-732%
Order book	1,073	1,163	-8%
Capex	12.0	13.7	-12%

Revenue ($ million)



Note: Sale of Construction entries will be reported in H2 results

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Construction overview – legacy projects

- Retained projects mostly nearing completion
  - Solomon – team demobilised in December
  - Hope Downs 4 – rehabilitation works substantially complete with full demobilisation in April
  - Gladstone LNG (day works only), ULAN Alliance (April 2013)
  - Trangie Irrigation project (December 2014)
  - Hong Kong XRL 822 Rail project (March 2015)
- Legacy projects managed by small team located in Perth and Brisbane who will also be responsible for delivery of infrastructure projects to support Mining

Mining operational update

Surface Mining

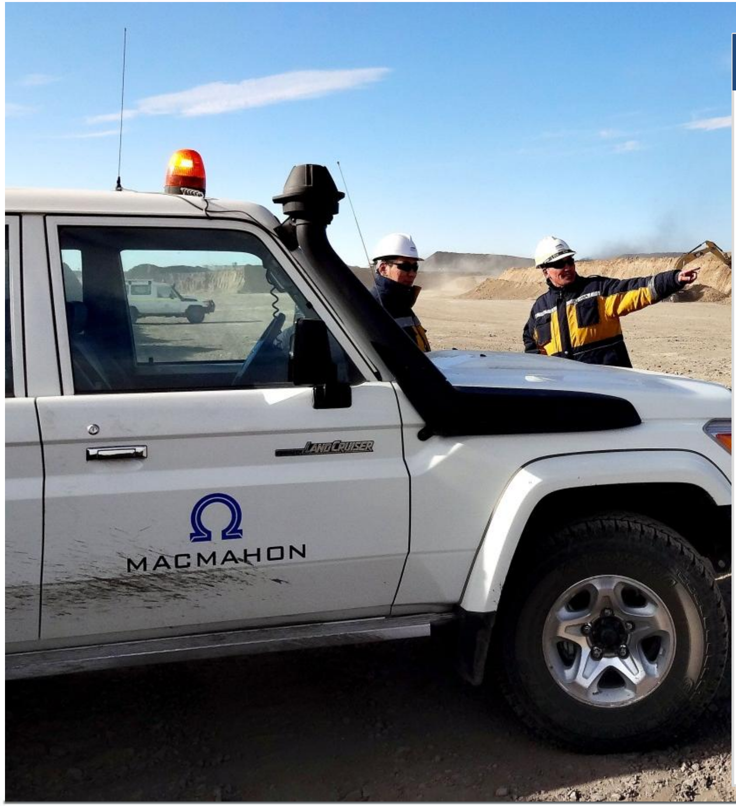
- Fraser Ramsay appointed Chief Operating Officer – Surface and Infrastructure Services in February 2013
- $1.8 billion Christmas Creek Mine expansion awarded in January bringing current order book to a record $3.6 billion – approximately 680 employees mobilised to site. First ore harvested and blast hole drilling commenced in December. Establishment and construction of maintenance facilities and satellite infrastructure 90% complete
- Tropicana Gold Project commenced in July – progressing well
- Eaglefield/Lenton and Cameby - H2 impacted by Queensland flooding
- Orebody 18 contract extension discussions continuing. H1 productivities impacted by equipment availability – now addressed
- Area C – six month contract for BHPB awarded in December 2012

Mining operational update

Underground, International and Engineering

- Nick Cernotta appointed Chief Operating Officer – Underground, International and Engineering in February
- Awarded 3 year, $200 million Olympic Dam contract extension
- Underground works commenced at Ranger 3 Deeps in Northern Territory
- Engineering Business to expand into surface mining activities
- Operations at Tavan Tolgoi, Mongolia reached agreed target of 2.4 Mt of coal. Permanent country and project manager positions filled and Macmahon safety and operational and maintenance polices rolled out
- World's largest raise drill being shipped

Tavan Tolgoi coal contract update

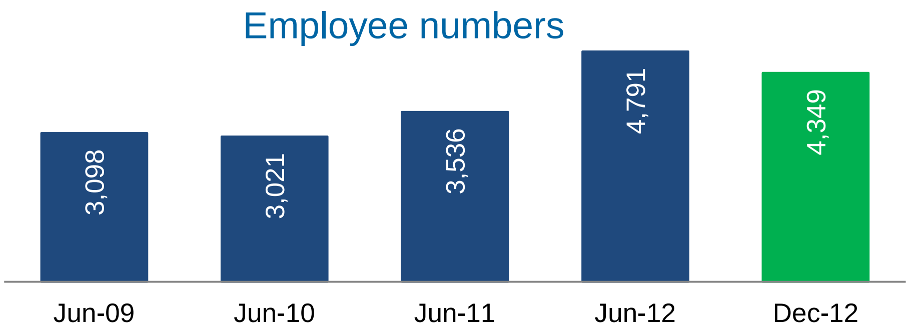


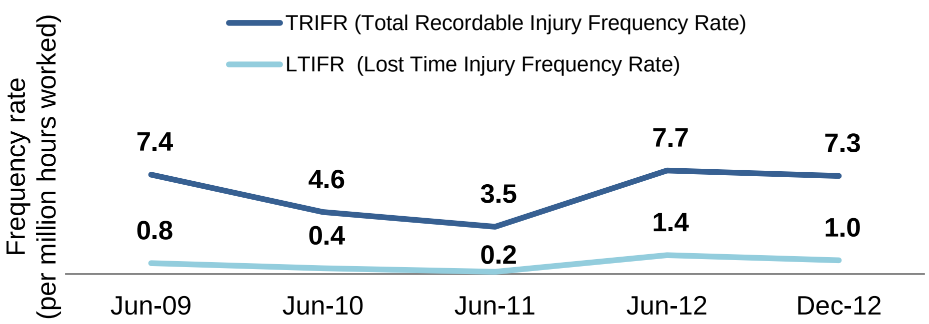
Contract Highlights

- ✓ Macmahon currently has a 100% interest
- ✓ Contract style is ‘cost-plus’
- ✓ Partly secured by client escrow account for forward payments
- ✓ Macmahon reached agreed target of 2.4Mtpa of coal in CY12

- As production is ramped up strategy is to debt fund the acquisition of additional equipment through stand-alone facility – requires long-term funding being obtained by Macmahon
- Macmahon will require a sell-down of its interest in the project before it commits to any long-term funding package
- Long-term funding is awaiting resolution of the project’s broader funding strategy
- Escrow account arrangement currently provides short-term funding certainty
- Progress slower than expected but significant future potential

People and safety





- Employee numbers reduced due to completion of construction projects
- Christmas Creek ramp-up will see numbers increase in January
- Construction transfers and redundancies will be effected in March and April
- Improved safety performance - increased focus on training and leadership
- Further development of Safety Engagement Framework (SEF) to reduce number of recordable injuries and improve the Company’s safety culture

Financials

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Income statement

$ millions	Dec-12	Dec-11	% Change
Total revenue from continuing operations	**533.3**	**423.2**	**26%**
Earnings before interest and tax (EBIT) from continuing operations	**43.2**	**27.6**	**57%**
Interest	(10.8)	(7.6)	42%
Profit before tax from continuing operations	**32.4**	**20.0**	**62%**
Tax expense	(9.3)	(6.4)	45%
Profit after tax from continuing operations	**23.1**	**13.6**	**70%**
(Loss) / profit from discontinued operations (net of tax)	**(60.7)**	**9.6**	**-732%**
(Loss) / profit for the period attributable to equity holders of the Company	(37.6)	23.2	-262%
Profit after tax margin from continuing operations	4.3%	3.2%	
Earnings per share – continuing operations (cents)	3.0	1.9	58%
(Loss)/earnings per share (cents)	(4.9)	3.3	-248%
Dividends declared per share (cents)	nil	1.5	

Note: Sale of Construction entries will be reported in H2 results

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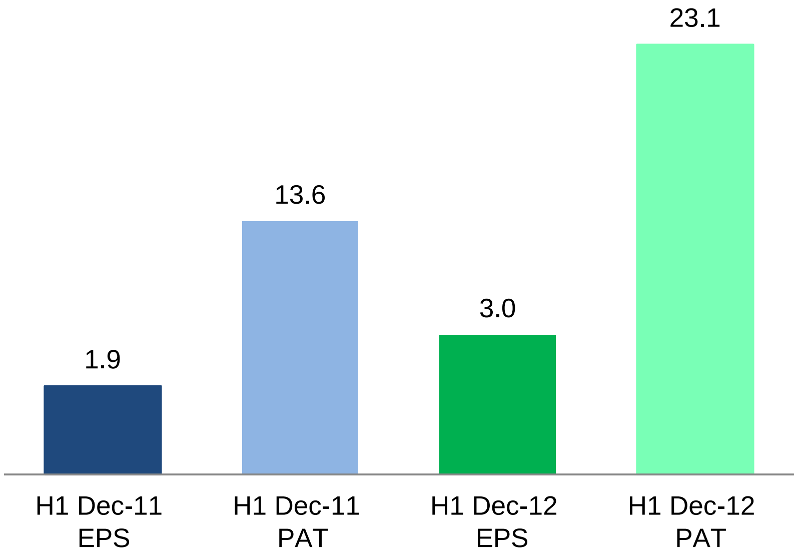
Financial highlights – continuing operations

Group
PAT ($ million) and EPS (cents per share)



- Viable business model
- Profit after tax from continuing operations of $23.1 million, up 70% on pcp
- Earnings per share from continuing operations of 3.0 cents per share, up 58% on pcp
- Overhead structure continues to be addressed

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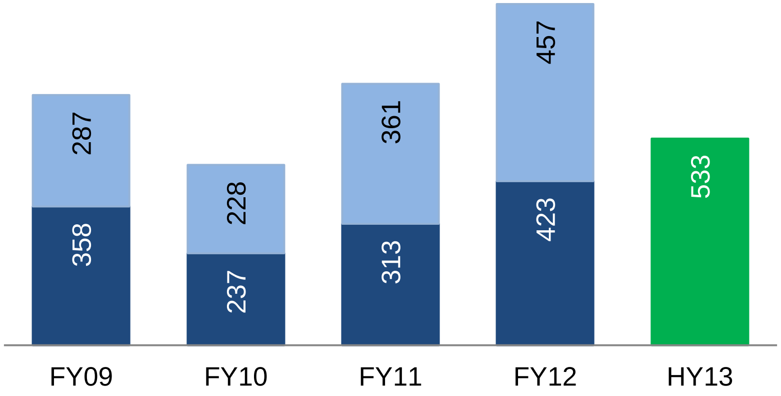
Mining performance

$ millions	Dec-12	Dec-11	Change %
Segment revenue	533.3	423.2	26%
PBT	38.4	32.0	20%
PBT margin %	7.2	7.6	
Order book	1,840	2,219	-17%
Capex	76.2	34.6	120%

Revenue ($ million)



- Record revenue of $533.3 million, up 26% on pcp
- Record profit before tax of $38.4 million
- Slight decrease in margins to 7.2% partially due to ramp-up of Christmas Creek, Tavan Tolgoi funding and productivities at Orebody 18 due to equipment availability issues which have now been addressed
- Order book of $1.8 billion - Christmas Creek contract ($1.8 billion) awarded in early January, bringing the order book to a record $3.6 billion
- Significant investment in capex expected to continue due to expansion at Tropicana Gold Project, expected ramp-up of activities in Mongolia.

Corporate cost savings initiatives

- Review of organisational structure completed in October 2012
- Conducted by external consultants and coincided with an internal focus on cost savings across the business in response to changing market conditions
- Key corporate and support services centralised to reduce duplication and improve efficiencies and responsiveness across the business
- 59 redundancies within overhead structure, leading to annualised savings of more than $9 million
- New management structure announced in February 2013 to support the Company's mining services focused future
- Further reductions in Corporate costs as we close branch offices and specialise in Mining

Cash flow

$ millions	Dec-12	Dec-11	% Change
Operating cash flow	**77.5**	**85.3**	**-9%**
Disposals	37.6	6.1	516%
Capital expenditure[1]	80.4	46.3	74%
Cash on hand	183.5	135.0	36%

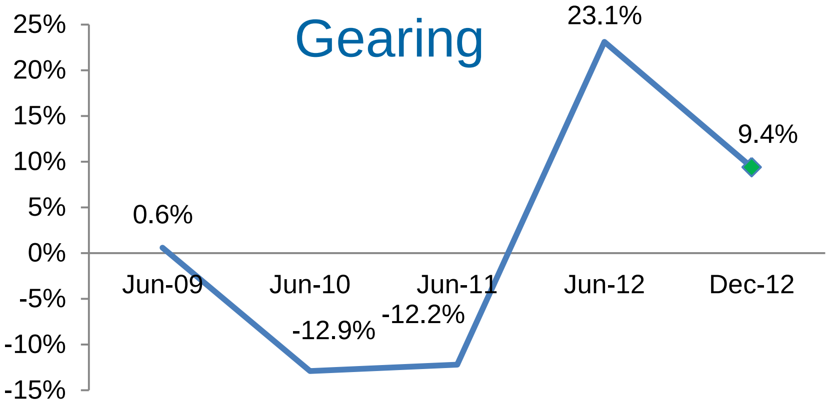
1. Excludes $9.3 million of plant and equipment acquired under finance leases and hire purchase (December 2011: $2.8 million)

- Cash from operations for both periods includes significant timing differences.
- Reduction in normalised cash from operations due to Construction losses
- Additional outflows associated with Construction close expected in H2
- Investing in capital
  - Increase in disposals due to sale and lease back of equipment purchases for Tropicana
  - Capex spend expected to be around $200 million for FY13
  - FY14 capex includes $100 million maintenance capex. Growth capex depends on winning work

Note: Sale of Construction entries will be reported in H2 results

Balance sheet and gearing

$ millions	Dec-12	Jun-12	Change
Current assets	531.8	528.9	5%
Non-current assets	427.7	460.1	-7%
Total assets	**959.4**	**989.0**	**-3%**
Net assets	344.5	356.8	-3%
Net debt/(cash)	32.4	82.6	-61%
Gearing (%)	**9.4**	**23.1**	

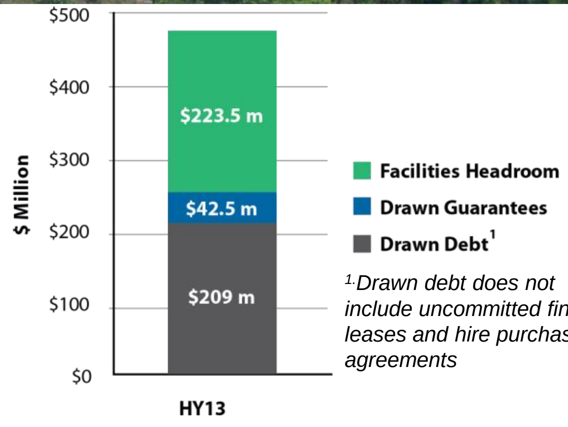


- Balance sheet in a strong position following completion of $80.7 million equity raise providing flexibility for the Company to fund future commitments
- Institutional proceeds of $42.1 million received 20 December 2012
- Retail proceeds of $38.6 million received 22 January 2013 and therefore not included H1 gearing
- Low gearing of 9.4%

Note: Sale of Construction entries will be reported in H2 results

Funding facilities

- Significant headroom in funding facilities
- Of the remaining $223.5 million headroom $86.0 million is for equipment financing, $55.0 million is for working capital and $82.5 million for bank guarantees
- All banking covenants remain within limits
- Strong relationship with banking group



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

Post sale earnings guidance

- As previously advised, guidance provided in December assumed a wind down of construction and did not include impacts of a sale
- Risks to guidance flagged:
  - **Potential sale implications not forecast**
  - Potential further losses on Construction projects
  - Unanticipated weather events
  - Material delay to either Tropicana or Christmas Creek ramp-up
  - Securing short & long term funding for Mongolia
- Sale of Construction impacts
  - Profit on sale
  - Closure costs including redundancies for non-transferring employees, goodwill write-off
  - Loss of forecast H2 earnings for construction projects sold to Leighton

$ million (figures shown are net of tax)	FY13
Previous NPAT guidance (Construction wind down assumed)	**0 – 25**
Profit on sale of Construction projects	9
Construction closure costs including redundancies and goodwill write-off	(12)
Construction (mainly H2 profits previously forecast – now sold to Leighton)	(18)
Mining (wet weather and Mongolia funding delay)	(10)
Tax (prior period tax benefits)	11
Revised NPAT guidance (Construction sale assumed)	**(10) – (20)**

*The numbers in the table have been reconciled against the lower end of the earnings guidance range

New Strategy

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The New Macmahon

Surface Mining	Underground Mining	International Mining	Engineering	Infrastructure Services
Low capital intensity growth opportunities				

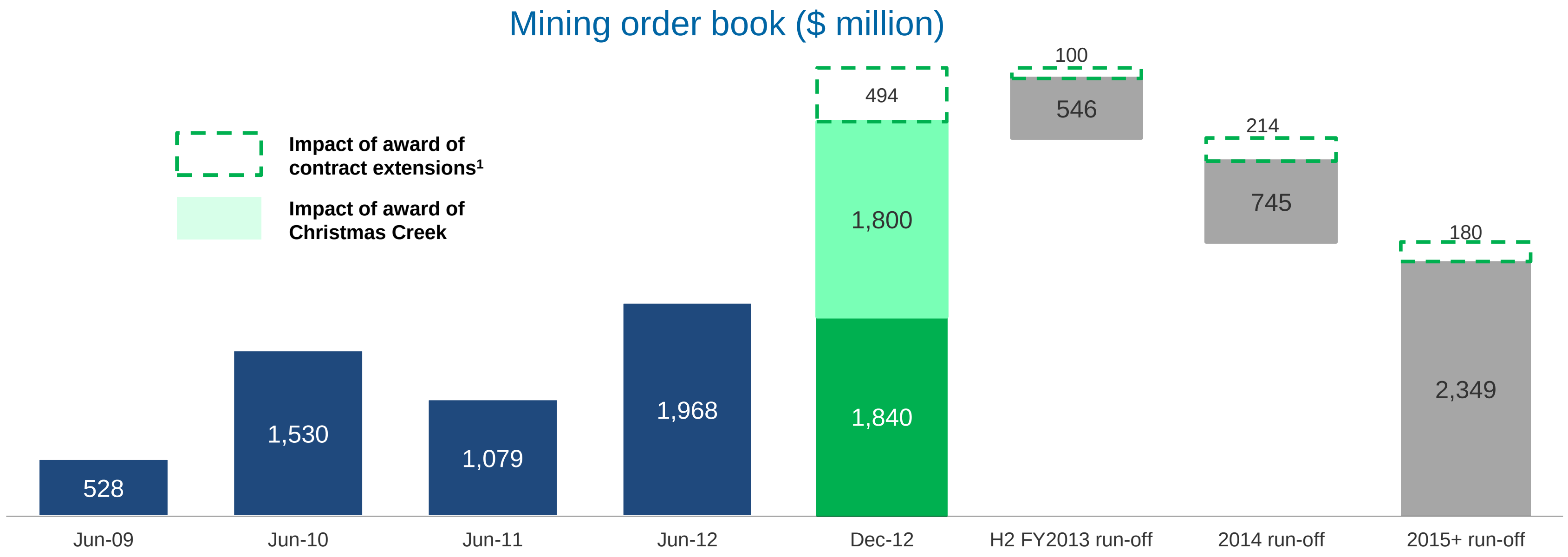
- ✓ End-to-end mining service model
- ✓ Long-term relationships with blue-chip clients
- ✓ Diverse international footprint
- ✓ Diverse commodity and client exposure
- ✓ Strong historical financial performance
- ✓ Future growth underpinned by ramp-up of Tropicana, Christmas Creek and Tavan Tolgoi – with moderate new work reliance
- ✓ Pursue low capital intensity growth opportunities
- ✓ Offshore growth strategy leveraging existing long-term relationships

Opportunities

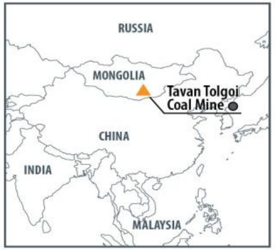
- Increase service offering through existing relationships and skill base
- Continue to expand international operations in new and existing jurisdictions, particularly in underground works
- Expand Engineering Business into surface EPC infrastructure market
- Low capital intensity grow opportunities through infrastructure development and maintenance work for mining customers
- Pursue other service offerings relating to resources sector
- Leverage diverse service offering and relationships to grow the business

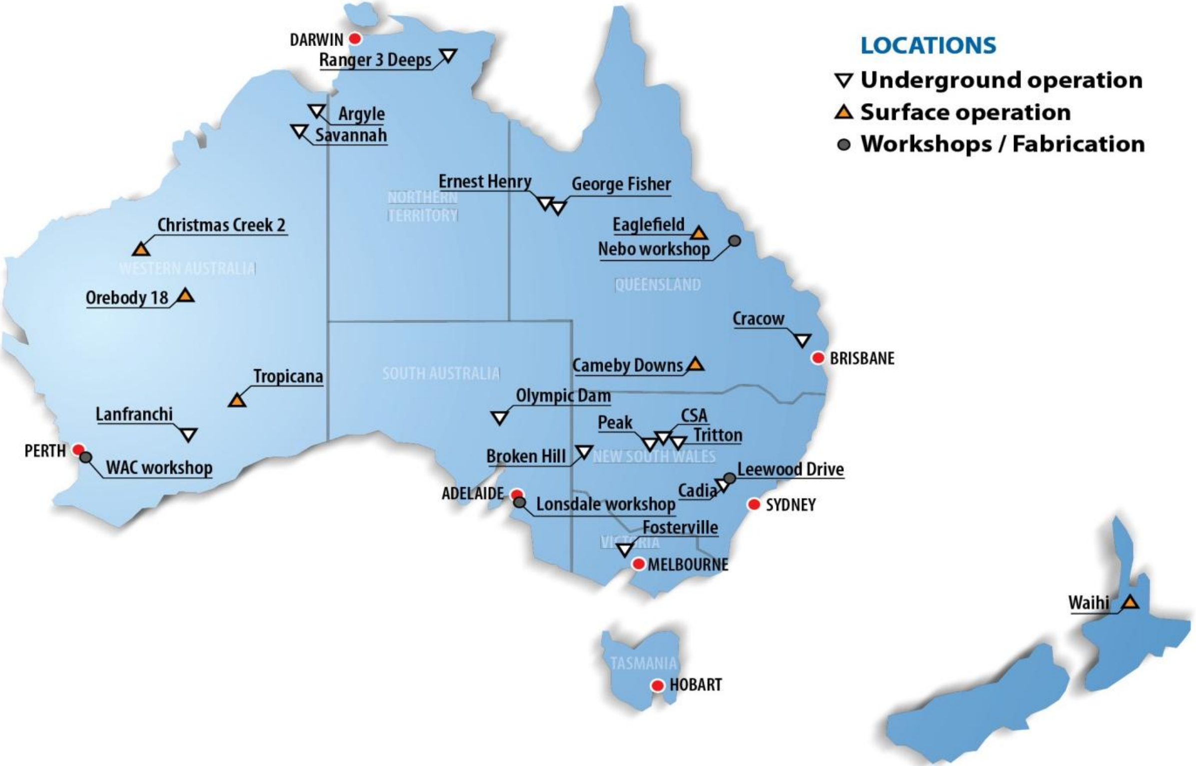
Order Book

- Record order book of $3.6 billion (including Christmas Creek contract won January 2013)
- Eaglefield/Lenton, Orebody 18 and George Fisher currently under negotiation for renewal[1]
- Almost 70% of forecast FY14 revenue secured – assuming contract extensions



Map of operations





Mining Business investment case

- New strategy implemented to de-risk the business and provide consistent earnings and increased shareholder returns
- Strong historical and forecast mining performance
- Record order book of $3.6 billion (including Christmas Creek contract won January 2013) – moderate reliance on new work
- Diversity through capability, geography and commodity
- Opportunity pipeline – domestic growth from expansion of existing projects, offshore growth through new projects
- Strong balance sheet following completion of $80.7 million equity raise provides flexibility
- Forecast FY13 profit before tax from Mining operations in excess of $85 million



Half Year Results 2013

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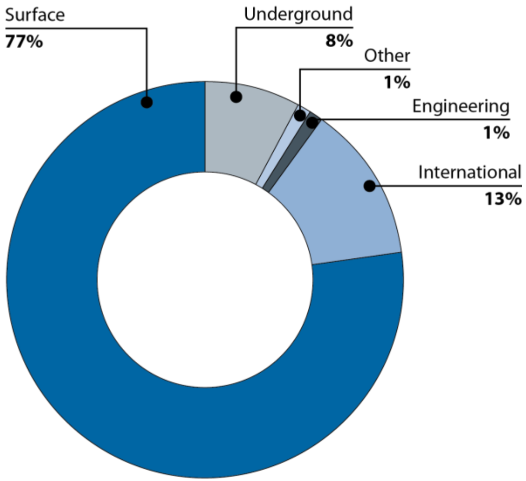
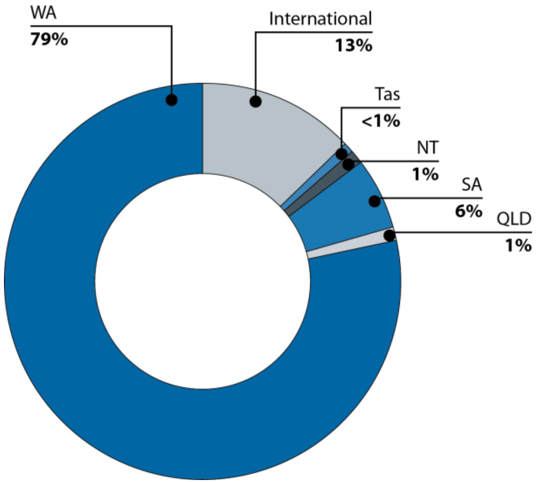
Diversified order book

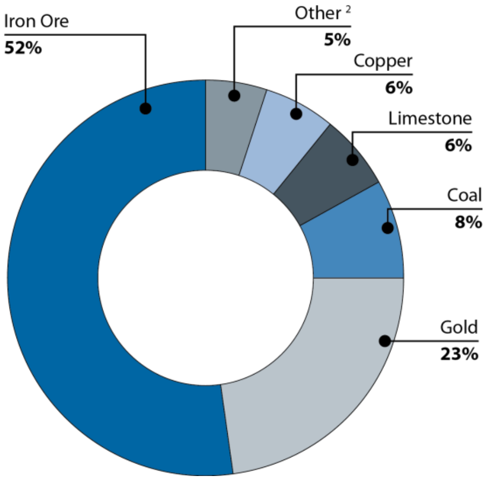
Mining order book by capability[1]



Mining order book by location[1]



Mining order book by commodity[1]



(1) Mining order book as at 31 December 2012 plus Christmas Creek Mine expansion contract awarded in January 2013
(2) Other commodity exposures include tin, uranium and diamonds

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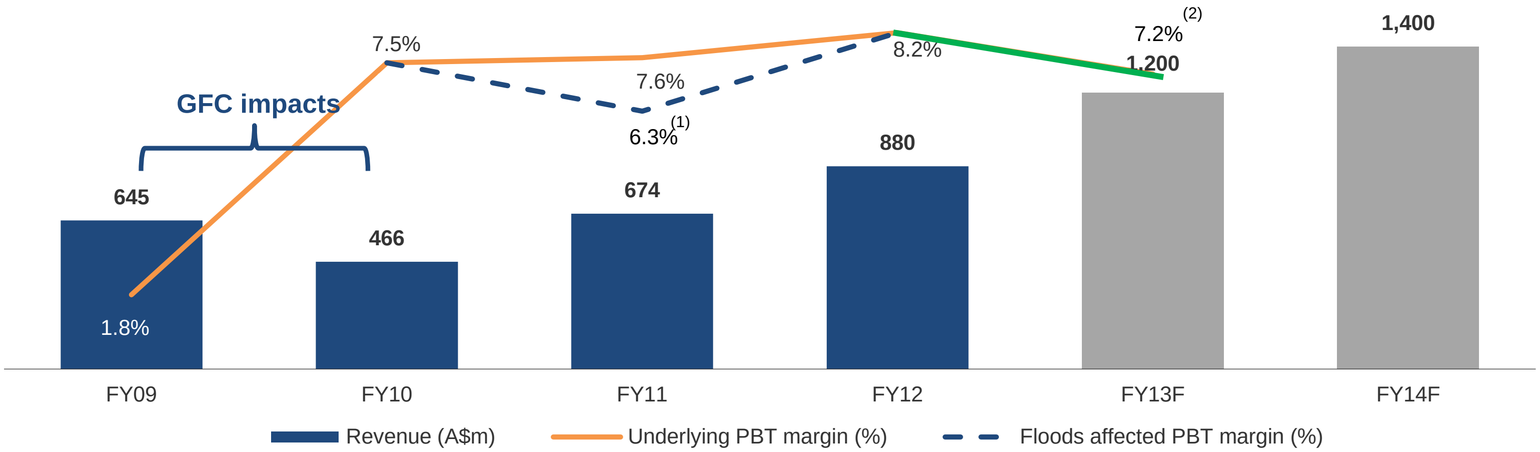
Mining revenue performance



(1) FY11 PBT margin normalised to underlying level to reverse impact of Queensland floods (6.3% pre-normalisation)
(2) H1 margin

- Strong historical performance
- Continued delivery of strong margins across projects, anticipate future margins to be broadly consistent with historical results
- A strong and profitable business historically. Future revenue underpinned by a significant order book of secured and expected work

Key projects and clients

Project	Commodity	Value	Start Date	End Date
Christmas Creek (WA)	Iron Ore	$1,800m	2012	2017
Orebody 18 & Wheelara (WA)	Iron Ore	$975m	2006	2013
Tropicana Project (WA)	Gold	$900m	2012	2022
Eaglefield (QLD)	Coal	$550m	2003	2013
Olympic Dam (SA)	Uranium/Copper/Gold	$687m	2004	2015
Argyle Mine (WA)	Diamond	$376m	2006	2014
Tavan Tolgoi (Mongolia)	Coal	US$250m*	2012	2017
Calabar Quarry (Nigeria)	Limestone	US$126m	2012	2019
CSA Shaft Extension (NSW)	Copper	$110m	2011	2014

*Macmahon share

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All references to dollars, cents or $ in this presentation are to Australian currency, unless otherwise stated.

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Half Year Results 2013

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