ASX Release

MACMAHON

04 February 2015

IMPAIRMENT OF ASSETS

Macmahon Holdings Ltd (ASX:MAH) today advised that it will impair the carrying value of certain equipment, goodwill and inventory assets held on 31 December 2014. The Company will also make a provision for an onerous lease on certain office premises.

The decision to make this impairment and recognise the onerous lease provision was made as part of the Company's mid-year review process. This review took into account the continued low commodity prices and challenging market conditions for the mining services sector. As a result of this review, Macmahon now considers that demand for the Company's services will remain subdued for longer than anticipated.

Given these factors, a pre-tax charge in the range of $125 million - $135 million will be recorded in the Company's FY15 Half Year Results. This charge is yet to be reviewed by the Company's auditor.

As the charge is a non-cash item, it will not have any impact on cash-flow or the Company's existing operations. Macmahon continues to comply with its banking covenants.

Further details of the impairment will be provided in the Company's FY15 Half Year Results.

*** ENDS ***

For further information, please contact:

Christian Sealey   Group Manager – Investor Relations & Communications   +61 497 828 300

About Macmahon

Macmahon is a leading Australian company providing the complete package of mining services to clients throughout Australia and in New Zealand, South East Asia, Mongolia and Africa.

An ASX listed company, Macmahon's diverse and comprehensive capabilities provide an end to end service offering to its mining and engineering clients.

Macmahon's extensive experience in both surface and underground mining has established the Company as the contractor of choice for resources projects across a range of locations and commodity sectors.

With an expanding international footprint, 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.

Macmahon Holdings Ltd ABN 93 007 634 406
Level 3, 27 – 31 Troode Street, West Perth WA 6005 PO Box 198 Cannington WA 6987
T (08) 9232 1000 F (08) 9232 1001 info@macmahon.com.au **www.macmahon.com.au**