

20 August 2014

Macmahon returns to profitability with full year profit of \$30.4 million

Highlights

- **Revenue of \$1 billion from mining operations**
- **Net profit after tax of \$30.4 million**
- **Order book of \$2.6 billion**
- **Strong operating cash flow**
- **Repaid \$50 million of debt**
- **Healthy balance sheet - gearing at 12.9 per cent**
- **Improved mining safety performance**
- **Expected 2015 revenue in the range of \$0.75 - \$1 billion**
- **Significant revenue secured for 2015 ¹**

Macmahon Holdings Limited (ASX: MAH) today announced its full year results for the year ending 30 June 2014.

Revenue for the year totalled \$1.0 billion resulting in a net profit after tax of \$30.4 million, whilst the Company's balance sheet remained healthy with gearing at year end of 12.9 per cent.

Macmahon Chief Executive Officer, Ross Carroll, said despite difficult market conditions, the Company had delivered on its commitment to shareholders to return the business to profitability.

"Our business improvement program has enabled us to maintain our position in the market and reduce the impact of industry factors such as cost pressure and increased competition," Mr Carroll said.

"Our four pillars of success, being safety, business improvement, business development and people have provided us with clear areas of focus, and we are continuing to invest significant resources in these areas to ensure we achieve greater performance moving forward," he said.

Commenting on Macmahon's domestic surface mining operations, Mr Carroll said the Company's performance had improved steadily over the year.

The improvements were aided by the introduction of real-time monitoring and analysis technology which improved dispatching and equipment productivity.

The Company's underground operations also performed well during the year. Operations at BHP Billiton's Olympic Dam Mine continued to expand, with a further 4-year contract granted to provide raise drilling services on site.

The Company also mobilised the world's most powerful raise drilling machine, the Herrenknecht RBR 900VF to Olympic Dam. This highly automated machine delivers improved productivity whilst providing a number of safety benefits.

Internationally, Macmahon's operations continued to perform in line with expectations, providing a strong base for future growth. During the year the Company also bolstered its business development capability to enhance its work winning efforts overseas.

Reflecting on the Company's financial position, Mr Carroll said Macmahon maintained a healthy cash position and was entering the new financial year in a solid position.

"The Company generated operating cash flows from mining operations of \$125.2 million. This represents an increase of 6 per cent on the previous corresponding period," he said.

"Whilst market conditions are likely to remain difficult, we believe that our continued focus on safety, business development, business improvement and people will continue to drive performance and position us for the future. Our order book currently stands at \$2.6 billion and is supported by long-term contracts with blue-chip clients. We are also tendering for approximately \$2.3 billion of new work, most of which is for projects that are scheduled to commence in the coming 12 -18 months," he said.

¹ "Revenue secured" means revenue estimated to come from existing contracts. These estimates are subject to fluctuation for contract variations, termination, and other risk factors.

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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.