

22 August 2016

2016 Full Year Results

Highlights

- Revenue of \$347.4 million
- Profit after tax of \$1.7 million
- EBITDA of \$39.1 million
- Operating cash flow of \$9.1 million
- Net cash at 30 June 2016 of \$56.5 million
- Healthy balance sheet
- Order book of \$1.5 billion (\$624 million new work awarded in 2016)
- Market conditions showing signs of improvement
- Expected 2017 revenue in the range of \$350 - \$370 million (>\$320 million contracted)

Macmahon Holdings Limited (ASX: MAH) today announced its full year results for the year ended 30 June 2016. Revenue for the year totalled \$347.4 million resulting in a net profit after tax of \$1.7 million. Net operating cash flow from operations was \$9.1 million.

The year reflected a period of ongoing transformation for Macmahon as it further reduced its cost structures to better suit the current environment. The Company is now better positioned to capitalise on new opportunities that arise as the market continues to show signs of improvement.

Operations

During the year the Company's major surface operation, Tropicana, continued to perform well. The introduction of new operating methodologies resulted in the achievement of industry best productivity and efficiency benchmarks and record production levels towards the end of the reporting period. There are also other opportunities to improve performance and increase volumes in the coming year.

Macmahon's relationship with its client remains strong and discussions are currently underway regarding a potential further increase in scope should the Long Island study achieve a positive outcome early next year.

Macmahon's operations at the St Ives gold mine in Western Australia also performed well during the period. Reflecting this performance, the Company was awarded a 24 month contract extension during the period.

Offsetting the positive performance at Tropicana and St Ives, were losses from the Telfer project which were due to a number of issues including start-up costs, complicated site conditions and additional maintenance rectification costs for client supplied equipment. Macmahon expects these

issues will abate in second half FY17. Collaborative efforts with the client could further improve this position.

In the Underground division the Company remains focused on securing new work following the successful completion of the Olympic Dam contracts during the period and is currently tendering for a number of significant underground development opportunities. The Company intends to remain disciplined in regards to the margins it is willing to accept when tendering new work.

Internationally, Macmahon continued to perform well in South East Asia following the successful start-up at the Martabe gold mine in Indonesia which was awarded during the period.

In Africa, significant losses were incurred from the Company's Nigerian projects during FY16 due to low volumes, increased maintenance costs, industrial action and project closure costs at Ewekoro. FY17 financial performance could be impacted if these conditions persist.

Due to heightened security concerns, Macmahon is now reviewing whether it should continue its business in Nigeria.

Outlook

In recent months the mining sector has started to show signs of a rebound. This improvement in sentiment is expected to flow through to the mining services sector over the near term.

Reflecting this improvement, Macmahon is currently tendering a number of surface and underground tenders, both in Australia and overseas. This work is spread across a range of commodities including coal, copper, gold, and lithium.

In FY17, Macmahon expects revenue to be in the range of \$350 - \$370 million. Importantly, more than \$320 million is contracted for FY17 reflecting the Company's healthy base load of work for the next 5 years and beyond.

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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 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 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.