

17 January 2013

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

Macmahon successfully completes \$38.6 million Retail Entitlement Offer

Macmahon Holdings Limited (ASX:MAH) is pleased to announce the successful completion of the retail 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").

This is in addition to the amount raised through the Institutional Entitlement Offer of approximately \$42 million, as announced on 20 December 2012.

Of the approximately \$38.6 million available under the Retail Entitlement Offer, Macmahon received applications for entitlements from eligible retail shareholders of approximately \$30.3 million, representing a take-up rate of approximately 78.5%. The level of take-up signals strong support for Macmahon and its new strategy from existing retail shareholders.

Macmahon Chief Executive Officer Ross Carroll said the successful completion of the offer would support the Company's future strategy of providing a full suite of services to the mining industry.

"We welcome the support of our shareholders as we move towards a new future for the Company," he said.

"The successful completion of the offer, combined with Macmahon's planned exit from construction, holds the Company in good stead for a return to sustainable results.

"We now look forward to confirming our new strategy with the completion of the Asset Purchase Agreement for the transfer of our construction projects to deliver better outcomes for our shareholders through a dedicated mining focus."

Under the Retail Entitlement Offer, eligible retail shareholders were invited to apply for their entitlement, and additional New Shares in excess of their entitlement subject to availability and scale-back at the discretion of Macmahon ("Additional New Shares"). Macmahon received applications from eligible retail shareholders for Additional New Shares that significantly exceeded the available shortfall of approximately \$8.3 million. Due to the excess demand for Additional New Shares, Macmahon will scale back applications for Additional New Shares.

All eligible retail shareholders who applied for up to and including \$500 of Additional New Shares (being 3,125 New Shares), will have their applications allotted in full. Shareholders who applied for more than that amount will receive the lesser of:

- the number of Additional New Shares equal to approximately 1.5 times their original entitlement under the Retail Entitlement Offer; and
- \$160,000 of Additional New Shares (being 1,000,000 New Shares)

The allocation of Additional New Shares is at Macmahon's absolute discretion and Macmahon's decision on the number of Additional New Shares allocated will be final.

Refunds for the unfilled portion of retail applications for Additional New Shares will be dispatched on or around Friday, 25 January 2013.

To satisfy applicable Corporations Act conditions, Macmahon's appointed nominee has been issued with the entitlements to subscribe for approximately \$143,206 of New Shares that would otherwise have been available for subscription by ineligible foreign retail shareholders under the Retail Entitlement Offer. The nominee will complete the sale of those New Shares to eligible retail investors who had applied for Additional New Shares in accordance with the allocation policy described above. As the Entitlement Offer is non-renounceable, these New Shares will be offered at the Offer Price and there will be no proceeds from the sale of such entitlements distributed to ineligible foreign retail shareholders.

Settlement of the Retail Entitlement Offer (including in respect of New Shares sold through the nominee process described above) is expected to occur on Monday, 21 January 2013, with New Shares to be issued on Tuesday, 22 January 2013 and normal trading of those shares is expected to commence on Wednesday, 23 January 2013.

Following the issue of the New Shares under the Retail Entitlement Offer, the number of Macmahon shares on issue will be 1,261,699,966.

Not for release or distribution in the United States

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 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.

ASX Release



*** ENDS ***

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.

For personal use only