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ASX ANNOUNCEMENT

30 November 2017

2017 ANNUAL GENERAL MEETING

Address to Shareholders

Chairman: Mr Jim Walker

Introduction

Good morning ladies and gentlemen.

Welcome to the 54th Annual General Meeting of Macmahon Holdings and thank you for joining us. My name is Jim Walker and I am your Chairman.

As it is now past 9.30am and a quorum is present, I declare this meeting open.

I am pleased to advise that the notice of this meeting has been provided to shareholders in accordance with the requirements of the Corporations Act and with your permission I propose to take the notice of meeting as read.

To begin, I acknowledge and pay respect to the traditional owners past and present of the land on which we are meeting today.

Board of Directors

Furthermore, I would like to take this opportunity to introduce all of your other directors. Joining us today is Eva Skira, Vyril Vella, Giles Everist, Alex Ramlie and Arief Sidarto. I would like to extend a special welcome to Alex and Arief who joined the Board recently following the conclusion of the AMNT transaction.

Also seated with the Board is our Chief Executive Officer, Michael Finnegan, and our Company Secretary, Greg Gettingby.

I also welcome the other members of our Executive Team who are here today, along with representatives from our auditor, KPMG.

Today, we have six resolutions to consider however, before we commence the formal part of the meeting, I am going to give a brief overview of the Company's performance and key activities over the past year.

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I will then invite our CEO, Mick Finnegan, to provide an operational update. After Mick's presentation, there will be an opportunity to ask questions. I will now present my address to shareholders.

Year in Review

2017 has certainly been a busy year for us.

One of the main developments was the failed attempt by CIMIC to take over Macmahon, and the subsequent transaction with AMNT which concluded in August.

Mick will talk specifically about the Batu Hijau project during his address, however there is no doubt that the AMNT transaction has helped to transform our business and will provide significant benefits to us as we move forward.

Operationally, with the exception of Telfer which is improving in line with recent guidance, the business is performing very well.

Indeed, it is fair to say that Macmahon is now in the best shape it has been in several years, with a strong balance sheet, a solid order book, improving market conditions and a supportive share register.

From a strategic standpoint, we are currently focusing on executing our existing base load of work, while pursuing select opportunities where we have an offering that will deliver commercial benefits to our clients.

We are also investing in a range of new technologies which should put us ahead of many of our peers when it comes to operational performance and productivity.

Importantly, our safety performance over the year has remained strong, and as outlined in this year's annual report, our lost time incident frequency rate fell to the lowest rate in 5 years.

All of this highlights the sustained effort being made across the business and our ongoing commitment to working closely with our clients to provide a safe and productive workplace.

Financial Performance

Turning to our financial performance.

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As we announced in our full year results, the Company reported a loss before interest and tax from continuing operations of \$1.7 million for the 2017 financial year, excluding takeover defense costs.

What is important to note however, is that the second half result of \$2.8 million was a clear improvement from the first half loss of \$4.5 million, and this positive financial trajectory has continued over the past few months.

Accordingly, we are comfortable with the guidance we have provided for earnings before interest and tax (excluding one off costs and FX gains and losses) in financial year 2018 of between \$40 and \$50 million.

Further, as we have pointed out previously, this expected result for FY18 will not include a full year of earnings from two of our largest projects, Batu Hijau and Byerwen. Instead, these projects will only be fully reflected in FY19.

Operations

Obviously a major financial swing factor for us this year is the turnaround at Telfer, and this project remains on track to achieve a break even result for financial year 2018.

This is in line with our internal forecasts and gives us confidence that we will be able to successfully execute this project as we move forward.

Looking across the rest of our business, as I said in my opening remarks, the Company is performing well.

Our operational performance across the majority of our key projects continued to improve over the year, particularly at Tropicana which remains one of our core surface operations.

I will leave it to Mick to run through our key projects in more detail, however as an overall comment the Board and management are absolutely committed to executing our existing base load of work in a safe and efficient manner and in line with expectations or better.

Outlook

Looking to the future, we are buoyed at the increased level of tendering activity being experienced in the sector and the general uplift in market sentiment.

From Macmahon's point of view, our opportunity pipeline remains very strong. This work is split fairly evenly across Australia and Overseas and includes both surface and underground projects.



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A key focus for us at present is bolstering our underground development business which has been underutilized in recent years following the completion of our development contract at Olympic Dam.

On this note, pleasingly, our joint venture entity in Indonesia was recently selected as the preferred contractor to develop an exploration decline at the Tujuh Bukit Porphyry Project in Indonesia.

For those who are not familiar with this project, it has the potential to be a large, long-life underground operation.

For Macmahon, this is clearly a positive first step in reinvigorating our underground development business and we are hopeful that it will help us pave the way to future opportunities both overseas and in Australia.

Closing Remarks

In closing, on behalf of the Board I would like to thank our employees for their ongoing dedication and hard work. It has been a transformative year for Macmahon and our success to date has largely been attributable to the collective efforts of our people.

I also acknowledge our clients, subcontractors and suppliers who continue to be an essential part of our business. We value the strong relationships we have with our clients and we look forward to supporting their goals and aspirations as we grow the Company.

To my fellow Directors, thank you for your continued support and efforts throughout the year.

Finally, I would also like to acknowledge and thank our shareholders for their ongoing support.

I will now invite our Chief Executive Officer, Michael Finnegan to the lectern, to provide an update on some of our current operations and what lies ahead for the business.



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2017 ANNUAL GENERAL MEETING

Address to Shareholders

Chief Executive Officer: Mr Michael Finnegan

Opening

Thank you Jim.

Good morning ladies and gentlemen and thank you for joining us today for our 2017 Annual General Meeting.

12 months ago today, during my first shareholder address as Chief Executive Officer, I commented that the market was beginning to show signs of improvement and that we would be moving quickly to fine-tune our business and re-establish Macmahon as one of Australia's leading mining contractors.

Fast forward a year, and I don't think anyone could have foreseen the transformation that we have undergone and I could not be more proud of the efforts of everyone within the Macmahon group for getting us to where we are today.

As Jim said in his address, we are now in the strongest position we have been in for several years.

Throughout the year we have successfully redirected much of the focus and energy within our overhead to ensure a more 'project aware' and responsive culture. We are now laser focused on our operational performance and we are collectively committed to ensuring that all of our projects perform at or above expectations.

Highlights

A key highlight for the business during the year was the AMNT transaction which resulted in Macmahon being awarded a life-of-mine mining services contract at the Batu Hijau Mine in Indonesia. For those who are not fully aware of the project, this is a world-class copper gold deposit and one of the largest mines of its kind in the world.

Additionally, the transaction also saw a related company of AMNT acquire a 44.3% shareholding in Macmahon. This is significant, as it has helped us to stabilise our share

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register and remove any further corporate distractions. This has enabled us to return our focus and attention to our core business activities and to maximise our effectiveness.

In regards to the Batu Hijau project specifically, our commencement of operations is going very well.

Over the past few months we have successfully established our site management team and we are now working closely with the existing AMNT mining team on site as we make the transition over to Macmahon running the mining operations. Given the scale of the operation, this is a significant undertaking, and I'm pleased to report that we remain on track to finalise this process in the coming months. This is an exciting project and we are thrilled to be such a key part of its future success.

Another major development during the year was Macmahon's selection as the mining contractor for the establishment and operation of the new Byerwen Coal Mine near Glenden in Queensland's Bowen Basin.

This is another world class deposit and a fantastic project to be associated with. Since commencing operations in August, we have made good progress on site and we are well advanced in regards to our ramp-up schedule.

Importantly, last night we executed the mining contract with Byerwen Coal. This contract is for an initial 3 year term and is expected to generate approximately \$350 million of revenue for Macmahon. The scope of work for this contract includes all open cut mining and bulk earthworks and there is also the possibility of a further 2-year extension.

Also, as Jim mentioned, we were thrilled with the recent selection of our Indonesian joint venture as the preferred contractor to develop the initial exploration decline at the Tujuh Bukit project in Indonesia.

Whilst this is a relatively small contract, strategically it is important for our underground development business and has significant potential associated with it, if we execute well and deliver for our client.

Operational Performance

Turning now to our existing operations.

Operationally our portfolio of existing projects is performing in line with expectations which is extremely pleasing.

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Tropicana, one of our key projects and a cornerstone for the company over recent years, continues to deliver strong performance and results. Among the many achievements on site this year were the record production levels and the continued industry leading productivity and efficiency performance.

This outcome firmly reflects the strong alliance relationship we have with our client at Tropicana which we value greatly. It is this collaborative approach that has enabled us to achieve ongoing efficiencies and ultimately reduce base operating costs which is key to extending the mine life. On that point, our understanding is that the client is close to making a decision in relation to the Long Island extension, which, if given the green light, would be a fantastic outcome for all involved.

One of our other major surface operations in WA is the Telfer Gold Mine where we have been experiencing well documented operational issues.

However, we are now well into a turnaround phase, and we expect this contract to be reporting a break even result for financial year 2018.

Still looking at our surface operations, our other key projects are St Ives, which is also in Western Australia, and Martabe in Indonesia where we are operating in a joint venture with a local partner. Both of these contracts are performing exceptionally well and we are continuing to build on the positive relationships we have formed with the clients on these projects.

Furthermore, our other quarrying operations in South East Asia are also performing well and importantly have maintained their positive safety record, with Kanthan in Malaysia approaching 5000 days without a lost time injury.

In our underground business, in addition to the Tujuh Bukit opportunity that I mentioned before, our unique and reputable mining services business is continuing to deliver in line with expectations. Over the past 12 months we have secured repeat business with a range of clients across Australia and we are continuing to refine our service offering to ensure we remain the contractor of choice for clients requiring underground mining services.

Strategic Priorities

This brings to me to our strategic priorities for the year ahead.

We are determined to re-establish Macmahon as one of the leading mining services providers in Australia and Overseas. To achieve our vision, we are currently undertaking a range of business improvement activities.

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Firstly we are increasing our investment in innovation and technology, in partnership with our key clients, to ensure that we deliver our services in the most efficient and productive manner. This investment is already delivering significant benefits through real time analysis of our core mining operations.

In regards to people, during the year we have worked hard to instil a proactive, positive culture where our people are empowered to make decisions, are accountable for their actions and rewarded appropriately if successful.

We've also introduced an incentive plan for all permanent Australian based staff personnel, and key managers overseas, which has been designed to focus the collective efforts of our people on exceeding the Company's EBIT target.

Operationally, we have refocused our energy on our current base-load of work to ensure that we are executing every project in our portfolio well. We want to ensure that all projects, regardless of their size or complexity, deliver the returns that we expect.

And on the work winning front, we have been building our order book with clients who value our partnership-style relationships which we believe enables us to be more flexible and nimble, allowing us to further develop our processes, systems and ultimately our offerings to our clients.

In summary there is a lot of positive energy in our business and I believe that we are making the right changes today to ensure that we are able to offer a differentiated, value driven service for our clients tomorrow.

Closing remarks

As you can see, I am extremely optimistic about our future. We have an enormous opportunity ahead of us if we remain focused and disciplined. I am determined to capitalise on our renewed strength and vigour by executing well and delivering on our promise.

In closing I would also like to thank all of our people for their continued hard work and dedication. Everyone across the business has been rising to the challenge which has been extremely satisfying.

I would also like to thank our clients and suppliers for their continued support and willingness to work together to achieve best-for-project outcomes. By adopting a 'real' partnership approach we have been able to achieve further productivity and efficiency gains.



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This further enhances each and every project as well as our ability to develop a more competitive approach for the broader business.

Finally I would like to express my thanks to our shareholders, many of whom have been with us on our journey for many years. The last 12 months have obviously been significant for the business, and we are very fortunate to have a share register that is comprised of high quality, strategically aligned investors.

With that, I will now hand back to Jim who will continue with the items outlined in the Notice of Meeting.

*** ENDS ***

For further information, please contact:

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About Macmahon

Macmahon is an ASX listed company offering the complete package of mining services to miners throughout Australia and in New Zealand, South East Asia and Africa.

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.

Macmahon is focused on developing strong relationships with its clients whereby both parties work in an open, flexible and transparent way to ensure mutually beneficial outcomes whilst also minimising risks for both parties. Visit www.macmahon.com.au for more information.