MACMAHON

Media Statement

Monday 20 February 2006

MACMAHON DELIVERS RECORD HALF YEAR PROFIT

The Directors of MACMAHON HOLDINGS LIMITED (MACMAHON) today announced a record profit after tax of $11.7 million, for the half year ended 31 December 2005. This figure represents an increase of 107 per cent on the AIFRS adjusted $5.7 million recorded for December 2004.

Earnings before Interest and Tax (EBIT) increased to $20.5 million from the $11.2 million in December 2004.

With the strong improvement in profitability and the positive outlook, the Directors have declared an interim, fully franked, dividend of 0.5 cent per share.

Chief Executive Officer, Nick Bowen, said the company had generated $ 406 million in Total Revenue in the first half and this was up 45 per cent on the December 2004 figure.

“This increase in revenue is the result of the buoyant resources and infrastructure sectors, the new contracts Macmahon has won and the hard work that we have done in response to increased activity across all divisions,” he said.

“We achieved our target EBIT margin on Total Revenue of 5 per cent and our earnings per share were 2.6 cents, which is a very pleasing 82 per cent higher than the previous corresponding half year.

“We have won around $700 million of new contracts or extensions to existing contracts and the order book at year end was $1.12 billion, which is the strongest it has been in the history of the company.

“The $56 million equity raising in late 2005, together with the new corporate banking facility of $120 million and our increased finance leasing capacity, has ensured we are in a very strong position to fund future growth.

“The combination of the existing contracts and a positive outlook for new work is expected to deliver further revenue and profit growth in the 2007 financial year.

“This is a good result from all perspectives but, we will continue to make improvements to our business to ensure that we will do even better,” Mr Bowen said.

The company reported that with existing contracts MACMAHON already has $392 million of revenue secured for second half of the 2006 financial year. Revenue for the full year is expected to be in the vicinity of $850 million, up from $641 million last year.

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