MACMAHON

Media Statement *Tuesday 20 February 2007*

RECORD HALF YEAR RESULT

Half Year Highlights:

- **Record Revenue of $476.5 million**
- **Record EBIT of $28.5 million**
- **Record Profit After Tax of $25.8 million**
- **Order Book increases to record $1.6 billion**

The Directors of Macmahon Holdings Limited (ASX: MAH) today announced a record profit after tax of $25.8 million, for the half year ended 31 December 2006. This result included an $11.1 million profit from the sale of the Allplant hire business in November 2006.

The net profit from contracting operations (excluding the Allplant sale) was $14.7 million, which represents an increase of 26 per cent on the A$11.7 million recorded for the equivalent period in 2005.

Earnings before interest and tax (EBIT) increased by 39 per cent to $28.5 million, up from the $20.5 million in December 2005. Macmahon generated $476.5 million of total revenue in the half year, an increase of 17 per cent on the December 2005 figure. The result was due to the exceptionally strong performance of the Mining Business.

For the first time in the Company's history Macmahon achieved an EBIT margin of 6 per cent, an increase of 18 per cent on the corresponding period in 2005.

The sale of the Allplant hire business has strengthened the balance sheet and placed Macmahon in a positive position to fund future growth.

Following the strong result and the positive outlook, the Directors have declared an interim, fully franked dividend of one cent per share. This higher interim dividend represents a 100 per cent increase on the 2006 interim dividend.

Chief Executive Officer, Nick Bowen, is confident that the company will continue the momentum gained during recent years.

"This increase in revenue is the result of the buoyant resource sector and the new contracts Macmahon has won," he said.

"We added about $880 million of new contracts and extensions in the six months. At the end of December the order book stood at $1.6 billion, which is up 33 per cent on the corresponding period in 2005 and the current level of tendering activity remains strong.

"We see the strong conditions continuing for some time in both the mining and construction sectors. Australian governments have recognised the need to upgrade ageing infrastructure in order to adequately meet the demands of a growing population.

"Also, in our view the momentum generated by the demand for commodities is likely to continue.

"These positive market conditions will lead to further revenue and profit growth in the second half and next financial year," Mr Bowen said.

ENDS

Media Contact: Gareth Widger Public Affairs Manager Mobile: 0419 918 272