

**ASX ANNOUNCEMENT****11 August 2014**

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**By electronic lodgement****Sale of Liquip International Pty Ltd and Trading Update**

- **Binding share sale agreement for Liquip business entered into for cash consideration of \$65 million**
- **FY14 EBITDA (before significant items) at upper end of \$82 to \$85 million guidance range**
- **Annualised trading EBITDA run rate for three months to July doubled that of the previous 3 months and in line with Q1FY15 forecast of \$90 to \$95 million**
- **Now expecting to receive proceeds from non-core asset sales in excess of \$95 million during FY15**

McAleese Limited (ASX: MCS) (**McAleese Group** or the **Company**) confirms that it has entered into a binding share sale agreement with an affiliate of OPW, a business unit of Dover Corporation, a US publicly traded company (NYSE: DOV), for the sale of Liquip International Pty Limited (**Liquip**) for cash consideration of \$65 million. Subject to the satisfaction of certain customary and other closing conditions, the sale is targeted to complete by mid August. The sale follows previous announcements on 7 May and 2 June 2014 where McAleese Group advised that Liquip was non-core to its future strategy and will be more valuable as part of a natural owner.

Managing Director and CEO of McAleese Group, Mark Rowsthorn, commented, "The sale to OPW presents new growth opportunities for the Liquip business and its employees and is a pleasing outcome for the shareholders of McAleese Group."

Profit on sale of Liquip of approximately \$45 million will be included in the financial results for FY15. Canterbury Partners acted as corporate advisors to the McAleese Group in respect of this transaction.

Other asset sales, including surplus equipment from the Cootes Transport and Heavy Haulage & Lifting businesses, are progressing with proceeds from divestments, including the sale of Liquip, expected to generate in excess of \$95 million. This is approximately 20% above the initial expectations detailed in the 2 June trading update. Proceeds will be recognised in the Company's accounts as sales are realised. Following a review of assets held for sale, an impairment of \$10 to \$15 million is expected which will be brought to account in FY14.

McAleese Group also advises that the annualised trading EBITDA run rate for the three months to July is in line with the Q1FY15 forecast of \$90 to \$95 million which is approximately double the run rate for the previous three months. These results come as overall business performance is stabilised and improvement initiatives announced by the Company on 2 June are successfully executed.

The Company confirms that it expects to report full year EBITDA (before individually significant items) for FY14 at the upper end of the guidance range of \$82 to \$85 million<sup>1</sup> on revenue of

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<sup>1</sup> Excluding pro-forma normalisation adjustments of \$8 million included in FY14 forecasts released to the market prior to Trading Update on 2 June 2014.

approximately \$760 million (including two months of revenue for the recently completed WA Freight Group (WAFG) acquisition)<sup>2</sup>.

Mr Rowsthorn added, "We are already seeing the results of our targeted initiatives announced on 2 June with each of our businesses demonstrating stabilised performance. Our Bulk Haulage business has successfully commenced the transport of new contracted tonnage from Atlas Iron's Mt Webber mine, the sale of non-core assets has exceeded initial expectations and the Cootes Transport restructure is largely complete.

"As each of our businesses stabilise, we have begun to turn our attention to the next phase, to diversify and de-risk our business and consider new opportunities in the transport and logistics landscape to ensure McAleese Group remains robust into the future."

McAleese Group will announce its financial results for the year ended 30 June 2014 on Wednesday, 27 August 2014 at 9.30am (AEST).

A webcast of the announcement by McAleese Group Managing Director and CEO, Mark Rowsthorn and Chief Financial Officer, Warren Saxelby, will be available on the day.

To listen to the presentation, you are advised to login via <http://www.openbriefing.com/OB/1448.aspx> at least 15 minutes before the start of the briefing. The ASX announcements and presentation material will be lodged with the ASX prior to the webcast.

If you are unable to join the live webcast, a version will be available to download shortly after the conclusion of the briefing.

Ends

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*Nothing in this Announcement is, or shall be relied upon as, a promise, assurance, warranty or representation as to future performance of the McAleese Group generally or of any particular division or asset of the McAleese Group.*

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<sup>2</sup> Financial information is preliminary and subject to review by the Company's auditor.