

ASX ANNOUNCEMENT**8 December 2014**

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

By electronic lodgement**MCS Market Update: Cootes Transport fuels business**

- **Group FY15 EBITDA guidance of \$90 to \$95 million reconfirmed despite outcome of Caltex NSW fuel transportation contract tender**
- **Resulting fleet sales (net of restructuring costs) expected to generate approximately \$2 to \$3 million in cash proceeds**
- **MCS confirms that Cootes Transport has successfully met all requirements of the RMS Improvement Notice under Heavy Vehicle National Law (NSW)**
- **MCS remains committed to achieving vision and growth strategy**

Australian specialised transport and logistics provider, McAleese Limited (ASX: MCS) (**McAleese Group** or the **Company**), owner of Cootes Transport, has been advised by Caltex that it has been unsuccessful in tendering for Caltex's New South Wales fuel transportation contract beyond March 2015.

McAleese Group reconfirms previously announced FY15 EBITDA guidance of \$90 to \$95 million despite this outcome. The current Caltex NSW fuel transportation contract equates to less than 2% of Group EBITDA.

Cessation of the NSW contract is expected to be neutral to the FY15 trading NPAT guidance issued at the Company's AGM and on a go forward basis.

Completion of the Caltex contract will see a further reduction in the Cootes Transport fleet of approximately 75 units. Newer equipment will be cascaded to other operations with surplus equipment disposed of. Resulting fleet sales (net of restructuring costs) are expected to generate approximately \$2 to \$3 million in cash proceeds. It is not anticipated that these events will require any net increase in 30 June 2014 impairment against fleet assets held for sale.

Approximately 70 employee roles will be impacted however the Company is committed to working with Caltex and their new transport providers to facilitate employment opportunities. Management will also work to identify redeployment options within McAleese Group.

In a further update, Roads & Maritime Services has recently advised Cootes Transport that it has successfully met all safety and operating requirements of the Improvement Notice issued under Heavy Vehicle National Law (NSW) in December 2013.

Following completion of the Caltex contract on 31 March 2015, Cootes Transport will continue to serve a range of bulk liquids customers, providing LPG and fuel transportation across Australia.

McAleese Group's commitment to its vision and strategy as outlined at its recent AGM remains unchanged.

Ends

Group Communications & Investor Relations

0477020337

investors@mcaleesegroup.com.auwww.mcaleese.com.au