Appendix 4D

Name of entity	McAleese Limited
ABN	86 156 354 068
Reporting period	Six months ended 31 December 2014
Previous reporting period	Six months ended 31 December 2013

Results for announcement to the market (i)

	31 Dec 14 $'000	31 Dec 13 $'000	Change %
Revenue	356,784	389,637	(8.4)
Profit/(loss) after income tax attributable to:			
Owners of the Company	52,535	(37,476)	240.2
Non-controlling interest	-	(461)	-
	52,535	**(37,937)**	**238.5**
Income tax expense/(benefit)	15,573	(2,260)	(789.1)
Net finance costs	9,069	28,959	68.7
Individually significant items:			
(Profit)/loss on disposal of subsidiary / business	(48,701)	(2,528)	-
IPO costs	-	2,482	-
Acquisition costs	331	-	-
Impairment charges - goodwill & intangibles	-	23,832	-
Impairment charges / reversals - plant & equipment	(1,411)	9,513	-
Impairment charges - equity investment	3,000	-	-
Mona Vale accident	(2,000)	11,406	-
Restructure costs & superannuation	(2,067)	-	-
EBIT before individually significant items	**26,329**	**33,467**	**(21.3)**
Net tangible assets per share ($)	0.80	0.69	

(i) Please refer to the Interim Financial Report, including the Directors' Report, for further explanation of the six months results.

Dividends

No dividends were paid or declared during the current or previous reporting period and it is not proposed to pay any dividends in respect of the current period.

Loss of control of entity during the period

The Group disposed of Liquip International Pty Ltd on 22 August 2014. The loss of control did not have a material effect on profit from ordinary activities in the current reporting period. For further information refer to Note 13 Disposal and Acquisition of Subsidiaries and Businesses contained in the notes to the consolidated interim financial statements.

Details of associates and joint venture entities

On 10 November 2014, the Group acquired a 50% share of joint venture entity HHA Group Pty Ltd. The contribution to the Group's net profit for the period is not material.

Compliance statement

This report is based on financial statements which have been subject to review.

McAleese Limited

and its controlled entities

ABN 86 156 354 068

Interim Financial Report

31 December 2014

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McAleese Limited
Directors' report
For the six months ended 31 December 2014

The directors present their report together with the consolidated interim financial report of the Group comprising McAleese Limited (the 'Company') and its subsidiaries (together referred to as the 'Group') for the six months ended 31 December 2014 and the auditor's review report thereon.

Directors

The following persons were directors of the Company during the entire six months and up to the date of this report, unless otherwise stated:

Mr Don Telford (Chairman)

Mr Mark Rowsthorn (Managing Director and Chief Executive Officer)

Mr Wayne Kent

Cav Gilberto Maggiolo

Ms Kerry Gleeson - appointed as a director on 1 September 2014

Mr Keith Price - resigned as a director on 20 November 2014

Principal activities

The principal activities of the Group are the provision of heavy haulage and craneage, bulk haulage, liquid fuels distribution and transport and logistics services. There were no significant changes in the nature of the activities of the Group during the period.

Dividends

No dividends were paid or declared during the period (31 Dec 13: nil) and it is not proposed to pay any dividends in respect of the current period.

Operating and financial review

Group overview

- Statutory net profit after tax (NPAT) of $52.5 million (HY14: loss of $37.9 million)
- NPAT (before individually significant items) of $11.5 million (HY14: $16.1 million)
- EBITDA of $49.5 million (before individually significant items)
- Net debt reduced by 23.6% to $175.5 million at 31 December 2014 from $229.8 million at 30 June 2014

McAleese Group reported a net profit after tax of $52.5 million for the half year ended 31 December 2014 (pcp loss of $37.9 million).

The reported NPAT for the six months to 31 December 2014 includes the profit and loss impact on the sale of non-core businesses Liquip International and Beta Fluid Systems, profit on divestment of surplus equipment and a reversal of impairments and provisions attributable to the Oil & Gas division. In addition to this, the equity investment held in a joint venture entity was impaired.

The Group results were on plan underpinned by an increase in tonnes and kilometres hauled by the Bulk Haulage division and improved profitability in the Oil & Gas division. This was partially offset by softening Specialised Transport volumes and a reduction in the resources and infrastructure project pipeline available to the Heavy Haulage & Lifting division.

Cash generated from earnings and asset sales has seen net debt reduced by 23.6% during the period from $229.8 million at 30 June 2014 to $175.5 million at 31 December 2014.

Group overview (continued)

During the six months to 31 December 2014, the Group continued its fleet investment program to support growth in operations, improve safety and operational efficiency, and enhance its operating facilities during the period to assist in driving productivity and safety in each of its businesses.

Overall, the Group generated operating cash flow of $24.6 million, and invested $42.9 million in capital expenditure, with investment in new fleet for the Bulk Haulage division and existing Cootes Transport fleet upgrades the primary areas of investment.

Divisional review

Bulk Haulage

- Revenue up against pcp (HY15: $147.7 million against HY14: $125.8 million)
- EBIT (before significant items) up against pcp (HY15: $15.6 million against HY14: $14.9 million)

The Bulk Haulage division saw revenue increase 17.4% on the pcp to $147.7 million following an increase in tonnes and kilometres hauled during the period.

The division successfully commenced haulage from the Atlas Iron Mt Webber mine, which is expected to reach haulage capacity in the second half.

Operational productivity and efficiency were further improved during the period as the business embedded additional improvement initiatives in both its Pilbara and Kalgoorlie Goldfields operating facilities to increase average payloads, reduce vehicle cycle times and increase fleet utilisation.

EBIT (before significant items) increased 4.8% on the pcp to $15.6 million. Management continued to work with Atlas Iron in regards to their cost reduction program amid weakness in iron ore pricing during the period.

The Bulk Haulage division provides bulk commodities haulage across off road and on road (highway) routes and ancillary on site services in the iron ore and gold mining sectors.

Heavy Haulage & Lifting

- Revenue down against pcp (HY15: $78.6 million against HY14: $102.1 million)
- EBIT (before significant items) down against pcp (HY15: $9.7 million against HY14: $19.7 million)

The Heavy Haulage & Lifting division (HH&L) reported total revenue of $78.6 million, a 23.1% reduction compared to the pcp of $102.1 million. HH&L EBIT of $9.7 million represented a decrease of 51% against pcp.

Overall market conditions within the resources and infrastructure sectors remain weak with major project activity continuing to decline in the first half, particularly in the QLD market, where a number of projects are nearing completion. Activity in the Pilbara region (Roy Hill) partially offset this decline. This, coupled with over capacity in sectors of the market, has placed increase pressure on margins.

The HH&L division commenced a fleet rationalisation program in the first half with asset sales of $8.3 million completed during the period. HH&L provides specialised heavy haulage and lifting solutions for equipment required in the construction, operation and maintenance of resources, energy and infrastructure projects. HH&L also provides storage and transport services for mining inputs.

Divisional review (continued)

Oil & Gas

- Revenue down against pcp (HY15: $85.8 million HY14: $161.7 million)
- EBIT before significant items up against pcp (HY15: $3.6 million HY14: $2.2 million)

The Oil & Gas division reported a 47% decline in revenue compared to the pcp to $85.8 million following the conclusion of major fuel transportation contracts and transitional work, extensive restructuring and softening autogas volumes.

EBIT before significant items improved 65% above pcp, following a national restructure of Cootes Transport and fleet renewal program which reduced repairs, maintenance and labour costs.

Following the conclusion of contracts and transitional work, the division completed the bulk of its asset sale program generating $9.8 million in proceeds.

During the period the division saw the divestment of Liquip International ($64.9 million cash proceeds) and Beta ($5.4 million cash proceeds) as part of the Group's broader asset sale program.

Refuel International, a component of the Oil & Gas division was classified as held for sale as at June 2014. The Group has since withdrawn the asset from sale and as a result the business is no longer classified as held for sale at balance date.

Following the conclusion of the Cootes Transport restructure and fleet renewal program the business was advised that the Roads & Maritime Services (RMS) Notice to Show Cause and Improvement Notices have been lifted.

The Oil & Gas division includes Cootes Transport Group, which undertakes the haulage of liquid and gaseous fuels in Australia for global oil and gas companies and Refuel International which designs and manufactures specialised refuelling equipment.

Specialised Transport

- Revenue HY15: $44.7 million
- EBIT (before significant items) HY15: $1.2 million

WA Freight Group (WAFG) was acquired by McAleese Group on 28 April 2014. WAFG specialises in the movement of less than truck load consolidated freight (LTL) utilising express services between the East and West Coast of Australia and on all main capital city corridors, inclusive of regional locations.

The Specialised Transport division continued to be affected by the slowdown in the Australian manufacturing and resources sectors amid subdued general freight activity during the six months to 31 December 2014.

Events subsequent to reporting date

No matter or circumstance has arisen in the interval between 31 December 2014 and the date hereof that, in the directors' opinion, has significantly affected or may significantly affect:

(i) the Group's operations in current and future financial years; or

(ii) the results of those operations in current and future financial years; or

(iii) the Group's state of affairs in current and future financial years.

Auditor's independence declaration

The auditor's independence declaration is set out on page 6 and forms part of the directors' report for the six months ended 31 December 2014.

Rounding of amounts

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:

Mr Don Telford Director	Mr Mark Rowsthorn Director

Dated at Camberwell on the 23rd day of February, 2015

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of McAleese Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

SEBell

Suzanne Bell
Partner

Melbourne

23 February 2015

McAleese Limited
Consolidated statement of comprehensive income
For the six months ended 31 December 2014

	Note	31 Dec 14 $'000	31 Dec 13 $'000
Revenue		356,784	389,637
Other income	4	52,156	4,321
Direct transport and logistics costs		(72,873)	(66,022)
Cost of goods sold		(12,451)	(25,523)
Repairs and maintenance		(16,184)	(22,419)
Employee benefits expense		(131,848)	(152,745)
Fuel, oil, electricity		(38,735)	(40,487)
Occupancy and property costs		(15,962)	(12,455)
Depreciation and amortisation expense		(23,168)	(22,790)
Impairment charges – goodwill & intangibles		-	(23,832)
Impairment charges / reversals – plant & equipment	9	1,411	(9,513)
Impairment charges – equity investment	14	(3,000)	-
Other expenses	5	(18,953)	(29,410)
Profit / (loss) before finance costs and income tax		**77,177**	**(11,238)**
Net finance costs	6	(9,069)	(28,959)
Profit / (loss) before income tax		**68,108**	**(40,197)**
Income tax (expense) / benefit	7	(15,573)	2,260
Profit / (loss) after income tax		**52,535**	**(37,937)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of cash flow hedges		-	1,564
Translation of foreign operations		(846)	(258)
Tax on items that may be reclassified subsequently to profit or loss		-	(469)
Total items that may be reclassified subsequently to profit or loss		(846)	837
Other comprehensive income / (loss), net of income tax		**(846)**	**837**
Total comprehensive income / (loss) after income tax		**51,689**	**(37,100)**
Profit / (loss) attributable to:			
Owners of the Company		52,535	(37,476)
Non-controlling interest		-	(461)
Profit / (loss) after income tax		**52,535**	**(37,937)**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		51,689	(36,639)
Non-controlling interest		-	(461)
Total comprehensive income / (loss) after income tax		**51,689**	**(37,100)**
Basic earnings / (loss) per share (cents)		18.58	(28.12)
Diluted earnings / (loss) per share (cents)		18.56	(28.12)

The notes on pages 12 to 24 are an integral part of these consolidated interim financial statements.

McAleese Limited
Consolidated statement of financial position
As at 31 December 2014

	Note	31 Dec 14 $'000	30 Jun 14 $'000
Current assets			
Cash and cash equivalents		43,074	50,958
Trade and other receivables		80,675	96,206
Loan to associate		3,000	-
Prepayments		9,145	5,972
Inventories		4,728	2,204
Assets classified as held for sale	8	16,515	53,104
Total current assets		**157,137**	**208,444**
Non-current assets			
Investment in convertible note		4,000	-
Investment in joint venture	14	-	-
Property, plant and equipment	9	386,371	374,209
Intangible assets	10	53,872	54,691
Total non-current assets		**444,243**	**428,900**
Total assets		**601,380**	**637,344**
Current liabilities			
Trade and other payables		49,187	67,022
Financial instruments	15	1,753	1,600
Loans and borrowings		5,954	18,488
Current tax provision		2,289	-
Employee provisions		22,001	24,377
Other provisions	11	6,034	17,066
Liabilities classified as held for sale	8	1,672	10,145
Total current liabilities		**88,890**	**138,698**
Non-current liabilities			
Financial instruments	15	3,642	2,248
Loans and borrowings		210,124	258,439
Employee provisions		2,494	2,318
Other provisions	11	2,956	3,053
Deferred tax liabilities		13,392	501
Total non-current liabilities		**232,608**	**266,559**
Total liabilities		**321,498**	**405,257**
Net assets		**279,882**	**232,087**
Equity			
Contributed equity		251,417	251,417
Reserves		(4,147)	(1,297)
Retained earnings / (accumulated losses)		32,612	(19,923)
Total equity attributable to equity holders of the Company		**279,882**	**230,197**
Non-controlling interest		-	1,890
Total equity		**279,882**	**232,087**

The notes on pages 12 to 24 are an integral part of these consolidated interim financial statements.

McAleese Limited
Consolidated statement of changes in equity
For the six months ended 31 December 2014

	Attributable to Owners of the Company											
	Share capital			Reserves								
	Ordinary Share Capital	Convertible Loan Notes	Total Share Capital	Capital Reserves	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve	Share - Based Payments Reserve	Total Reserves	(Accumulated Losses) / Retained Earnings	Total Equity	Non-controlling Interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 July 2013	**(2,548)**	**54,800**	**52,252**	**225**	**1,131**	**(1,242)**	**-**	**114**	**43,369**	**95,735**	**4,163**	**99,898**
Total comprehensive income												
Profit / (loss)	-	-	-	-	-	-	-	-	(37,476)	(37,476)	(461)	(37,937)
Other comprehensive income	-	-	-	-	(258)	1,095	-	837	-	837	-	837
Total comprehensive income	**-**	**-**	**-**	**-**	**(258)**	**1,095**	**-**	**837**	**(37,476)**	**(36,639)**	**(461)**	**(37,100)**
Share-based payments expense	-	-	-	-	-	-	369	369	-	369	-	369
Transactions with owners in their capacity as owners												
Issue of new shares	4,000	-	4,000	-	-	-	-	-	-	4,000	-	4,000
Issue of new shares – Initial Public Offering (net of transaction costs)	133,226	-	133,226	-	-	-	-	-	-	133,226	-	133,226
Conversion of convertible loan note to ordinary shares	116,802	(54,800)	62,002	-	-	-	-	-	-	62,002	-	62,002
Change in ownership interest in subsidiary	-	-	-	(2,059)	-	-	-	(2,059)	-	(2,059)	(1,941)	(4,000)
Total transactions with owners in their capacity as owners	**254,028**	**(54,800)**	**199,228**	**(2,059)**	**-**	**-**	**-**	**(2,059)**	**-**	**197,169**	**(1,941)**	**195,228**
Balance at 31 December 2013	**251,480**	**-**	**251,480**	**(1,834)**	**873**	**(147)**	**369**	**(739)**	**5,893**	**256,634**	**1,761**	**258,395**

McAleese Limited
Consolidated statement of changes in equity
For the six months ended 31 December 2014

	Attributable to Owners of the Company											
	Share capital			Reserves								
	Ordinary Share Capital	Convertible Loan Notes	Total Share Capital	Capital Reserves	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve	Share - Based Payments Reserve	Total Reserves	(Accumulated Losses) / Retained Earnings	Total Equity	Non-controlling Interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 July 2014	**251,417**	**-**	**251,417**	**(1,834)**	**399**	**-**	**138**	**(1,297)**	**(19,923)**	**230,197**	**1,890**	**232,087**
Total comprehensive income												
Profit / (loss)	-	-	-	-	-	-	-	-	52,535	52,535	-	52,535
Other comprehensive income	-	-	-	-	(846)			(846)	-	(846)	-	(846)
Total comprehensive income	**-**	**-**	**-**	**-**	**(846)**	**-**	**-**	**(846)**	**52,535**	**51,689**	**-**	**51,689**
Share-based payments expense	-	-	-	-	-	-	106	106	-	106	-	106
Transactions with owners in their capacity as owners												
Change in ownership interest in subsidiary	-	-	-	(2,110)	-	-	-	(2,110)	-	(2,110)	(1,890)	(4,000)
Total transactions with owners in their capacity as owners	**-**	**-**	**-**	**(2,110)**	**-**	**-**	**-**	**(2,110)**	**-**	**(2,110)**	**(1,890)**	**(4,000)**
Balance at 31 December 2014	**251,417**	**-**	**251,417**	**(3,944)**	**(447)**	**-**	**244**	**(4,147)**	**32,612**	**279,882**	**-**	**279,882**

The notes on pages 12 to 24 are an integral part of these consolidated interim financial statements.

McAleese Limited
Consolidated statement of cash flows
For the six months ended 31 December 2014

	Note	31 Dec 14 $'000	31 Dec 13 $'000
Cash flows from operating activities			
Cash receipts from customers		411,805	446,370
Cash paid to suppliers and employees		(380,117)	(382,902)
Interest received		631	253
Interest paid		(7,763)	(27,906)
Tax paid		-	(4,216)
Net cash inflow from operating activities		**24,556**	**31,599**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(42,925)	(38,722)
Proceeds from sale of property, plant and equipment		18,506	4,720
Purchase of additional investment in subsidiary	13	(4,000)	(4,000)
Purchase of business	13	(925)	-
Disposal of subsidiaries and businesses, net of cash disposed	13	68,290	5,314
Repayment of related party loan		-	(1,000)
Purchase of convertible note		(4,000)	-
Advances to associated entity		(3,000)	-
Purchase of investment in joint venture	14	(3,000)	-
Purchase of intangible assets		(59)	(109)
Net cash inflow / (outflow) from investing activities		**28,887**	**(33,797)**
Cash flows from financing activities			
Proceeds from borrowings		-	255,990
Repayment of borrowings		(55,000)	(368,836)
Payment of debt establishment costs		-	(3,353)
Proceeds from issue of shares		-	140,000
Transaction costs relating to initial public offering		-	(5,321)
Payment of lease liabilities		(6,327)	(2,315)
Net cash (outflow) / inflow from financing activities		**(61,327)**	**16,165**
Net (decrease) / increase in cash and cash equivalents		(7,884)	13,967
Cash and cash equivalents at 1 July		50,958	22,586
Cash and cash equivalents at 31 December		**43,074**	**36,553**

The notes on pages 12 to 24 are an integral part of these consolidated interim financial statements.

1. Reporting entity

McAleese Limited (the 'Company') is a company incorporated and domiciled in Australia. These interim financial statements ('interim financial statements') as at and for the six months ended 31 December 2014 covers the consolidated entity consisting of the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity and is primarily involved in the specialised transport and logistics industry.

2. Basis of preparation

(a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with AASB 134: *Interim Financial Reporting,* the Corporations Act 2001 and with IAS 34 *Interim Financial Reporting*.

These interim financial statements do not contain all the information normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2014 and any public announcements made during the half-year and subsequently which are available on the Company's website (www.mcaleese.com.au).

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

These interim financial statements were approved by the Board of Directors on 23 February 2015.

(b) Basis of measurement and the going concern assumption

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments and which are measured at fair value.

In preparing the consolidated financial statements, the directors made an assessment of the ability of the Group to continue as a going concern, which contemplates the continuity of the business operations, realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the consolidated financial statements.

Based on forecast trading results and cash flows, the directors believe that the Group will continue to generate sufficient operating results and cash flows to meet its funding requirements and debt covenants. These forecasts are necessarily based on best estimate assumptions that are subject to influences and events outside of the control of the Group. The forecasts, taking into account reasonably possible changes in trading performance, show that the Group will continue to operate within the level and terms of its debt facilities.

After making enquiries and considering matters described above, the directors have a reasonable expectation that the Group will have adequate resources to continue to meet its obligations as they fall due and remain within the limits of its debt facilities. For these reasons, the directors continue to adopt the going concern basis in preparing the consolidated financial statements.

(c) Use of estimates and judgements

The preparation of these interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements made in applying the Group's accounting policies and the key sources of estimation uncertainty relate to: investments; intangible assets; property, plant and equipment; provisions; and contingent liabilities.

(d) Changes in accounting policies

The accounting policies applied in these interim financial statements are consistent with those applied in the annual financial report for the year ended 30 June 2014. The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2014.

AASB 2014-1 Amendments to Australian Accounting Standards

AASB 2014-2 Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

The adoption of these new standards has not resulted in any changes to existing accounting policies or had a material impact on the interim financial statements.

3. Segment information

The Group has four reportable segments as described below. For each segment, the Group's Chief Executive Officer reviews internal management reports on at least a monthly basis.

Following the ASX announcement of the restructure of the Cootes Transport business on 30 January 2014, the subsequent business update on 18 February 2014 and the acquisition of the WA Freight Group, the executive management team restructured the McAleese business into four operating divisions and realigned the Group's internal management reporting systems consistent with the new operating divisions. The previously described "Bulk & Liquid Transport" segment has been disaggregated into two reportable segments, Bulk Haulage and Oil & Gas and the corresponding comparative information has been adjusted to enhance comparability.

The following describes the operations in each of the Group's reportable segments:

- The Heavy Haulage & Lifting division (HHL) is a provider of specialised heavy haulage and lifting solutions for heavy equipment required in the construction, operation and maintenance of resources, energy and infrastructure projects. HHL also provides storage and transport services for mining inputs.
- The Bulk Haulage division is a provider of bulk commodities haulage to port facilities and/or processing infrastructure by truck across off-road and on-road (highway) routes and ancillary on-site services in the iron ore and gold mining sectors.
- The Oil & Gas division is a transporter of liquid fuels and petroleum products in Australia for global oil and gas companies and provider of aircraft refuelling services.
- The Specialised Transport division is the leading less than truck load (LTL) express carrier on the East-West corridor, operating a network of freight depot facilities in all major capital cities around Australia. The business serves a range of markets including, retail, print, food and beverage, light manufacturing, oil, gas and resources.

Unallocated items comprise mainly corporate overheads, finance costs, taxation and associated assets and liabilities.

3. Segment information (continued)

	Heavy Haulage & Lifting		Bulk Haulage		Oil & Gas		Specialised Transport		Total Reportable Segments		Unallocated		Total Group	
	31 Dec 14 $'000	31 Dec 13 $'000	31 Dec 14 $'000	31 Dec 13 $'000	31 Dec 14 $'000	31 Dec 13 $'000	31 Dec 14 $'000	31 Dec 13 $'000	31 Dec 14 $'000	31 Dec 13 $'000	31 Dec 14 $'000	31 Dec 13 $'000	31 Dec 14 $'000	31 Dec 13 $'000
Revenue	78,562	102,103	147,707	125,763	85,799	161,759	44,670	-	356,738	389,625	46	12	356,784	389,637
Other income	1,214	1,557	188	189	50,754	2,575	-	-	52,156	4,321	-	-	52,156	4,321
Segment income	**79,776**	**103,660**	**147,895**	**125,952**	**136,553**	**164,334**	**44,670**	**-**	**408,894**	**393,946**	**46**	**12**	**408,940**	**393,958**
EBITDA before significant items	15,543	25,648	27,166	24,235	7,906	9,595	2,484	-	53,099	59,478	(3,602)	(3,221)	49,497	56,257
Depreciation and amortisation	(5,810)	(5,935)	(11,604)	(9,384)	(4,324)	(7,431)	(1,334)	-	(23,072)	(22,750)	(96)	(40)	(23,168)	(22,790)
EBIT before significant items	**9,733**	**19,713**	**15,562**	**14,851**	**3,582**	**2,164**	**1,150**		**30,027**	**36,728**	**(3,698)**	**(3,261)**	**26,329**	**33,467**
<u>Individually significant items:</u>														
Profit on disposal of subsidiary		-	-	-	50,754	2,528	-	-	50,754	2,528	-	-	50,754	2,528
IPO costs	-	-	-	-	-	-	-	-	-	-	-	(2,482)	-	(2,482)
Acquisition costs	-	-	-	-	-	-	-	-	-	-	(331)	-	(331)	-
Impairment charges - goodwill & intangibles	-	-	-	-	-	(23,832)	-	-	-	(23,832)	-	-	-	(23,832)
Impairment charges / reversals - plant & equipment	-	-	-	-	1,411	(9,513)	-	-	1,411	(9,513)	-	-	1,411	(9,513)
Impairment charges - equity investment	-	-	-	-	-	-	-	-	-	-	(3,000)	-	(3,000)	-
Mona Vale accident	-	-	-	-	2,000	(11,406)	-	-	2,000	(11,406)	-	-	2,000	(11,406)
Restructure costs & superannuation	-	-	-	-	2,067	-	-	-	2,067	-	-	-	2,067	-
Loss on disposal of business	-	-	-	-	(2,053)	-	-	-	(2,053)	-	-	-	(2,053)	-
Total significant items	**-**	**-**		**-**	**54,179**	**(42,223)**	**-**	**-**	**54,179**	**(42,223)**	**(3,331)** **-**	**(2,482)**	**50,848**	**(44,705)**
EBIT after significant items	**9,733**	**19,713**	**15,562**	**14,851**	**57,761**	**(40,059)**	**1,150**	**-**	**84,206**	**(5,495)**	**(7,029)**	**(5,743)**	**77,177**	**(11,238)**
Net finance costs	-	-	-	-	-	-	-	-	-	-	(9,069)	(28,959)	(9,069)	(28,959)
Profit / (loss) before income tax	**9,733**	**19,713**	**15,562**	**14,851**	**57,761**	**(40,059)**	**1,150**	**-**	**84,206**	**(5,495)**	**(16,098)**	**(34,702)**	**68,108**	**(40,197)**
Income tax (expense) / benefit	-	-	-	-	-	-	-	-	-	-	(15,573)	2,260	(15,573)	2,260
Profit / (loss) after income tax	**9,733**	**19,713**	**15,562**	**14,851**	**57,761**	**(40,059)**	**1,150**	**-**	**84,206**	**(5,495)**	**(31,671)**	**(32,442)**	**52,535**	**(37,937)**
Reportable segment assets	235,744	257,197	211,761	178,602	79,126	132,915	24,826	-	551,457	568,714	49,923	44,329	**601,380**	**613,043**
Reportable segment liabilities	(31,563)	(41,788)	(25,208)	(24,987)	(27,538)	(53,956)	(7,477)	-	(91,786)	(120,731)	(229,712)	(233,917)	**(321,498)**	**(354,648)**

4. Other income (including individually significant items)

	31 Dec 14 $'000	31 Dec 13 $'000
Individually significant items:		
Net profit on disposal of subsidiary	50,754	2,528
Total individually significant items	**50,754**	**2,528**
Net gain on sale of property, plant and equipment	1,276	1,624
Other income	126	169
	52,156	**4,321**

5. Other expenses (including individually significant items)

	31 Dec 14 $'000	31 Dec 13 $'000
Individually significant items:		
IPO related costs	-	2,482
Acquisition costs	331	-
Mona Vale accident	(2,000)	6,212
Restructure costs & superannuation	(2,067)	-
Net loss on disposal of business	2,053	-
Total individually significant items	(1,683)	8,694
Impairment loss on trade receivables	101	(36)
Other expenses	20,535	20,752
	18,953	**29,410**

6. Finance costs

	31 Dec 14 $'000	31 Dec 13 $'000
Interest Income	728	314
Interest on borrowings	(7,771)	(14,431)
Amortisation of borrowing costs	(479)	(8,664)
Change in fair value of derivatives	(1,547)	(1,071)
Interest on convertible loan notes	-	(5,107)
Total finance costs	**(9,797)**	**(29,273)**
Net finance costs	**(9,069)**	**(28,959)**

7. Income tax

	31 Dec 14 $'000	31 Dec 13 $'000
Reconciliation of effective tax rate		
Profit / (loss) before income tax	68,108	(40,197)
Tax using the Company's domestic tax rate of 30% (2013: 30%)	20,432	(12,059)
Effect of tax rates used in foreign jurisdictions	(91)	15
Non-deductible expenses	152	638
Impairment charges - goodwill & intangibles	-	7,155
Impairment charges - equity investment	900	-
Amortisation of intangible assets	213	383
Non-assessable profit on disposal of subsidiary	(15,581)	(757)
Net capital gain on disposal of subsidiary	9,841	-
Interest on convertible loan notes	-	1,532
Current year losses for which no deferred tax asset was recognised	696	438
Prior year losses for which deferred tax now recognised	(1)	-
Change in recognised deductible temporary differences	(1,180)	-
Prior year under provision	95	424
Other	97	(29)
Income tax expense / (benefit)	**15,573**	**(2,260)**

8. Assets and liabilities classified as held for sale

	Note	31 Dec 14 $'000	30 Jun 14 $'000
(a) Assets classified as held for sale			
Disposal group held for sale:			
Trade and other receivables		2,039	13,221
Prepayments		11	785
Inventories		1,734	15,954
Deferred tax asset		-	1,136
Property, plant and equipment	9	8,932	12,338
Intangibles	10	399	1,004
Total assets of disposal group held for sale		**13,115**	**44,438**
Assets held for sale:			
Property, plant and equipment	9	3,400	8,666
Total assets held for sale		**3,400**	**8,666**
(b) Liabilities directly associated with assets classified as held for sale			
Disposal group held for sale:			
Trade and other payables		1,565	7,117
Employee entitlements		107	2,300
Other provisions		-	728
Total liabilities directly associated with assets of disposal group held for sale		**1,672**	**10,145**

The disposal group at 31 December 2014 represents the Castlereagh Quarry businesses which forms part of the Bulk Haulage division. The sale of the quarry business is anticipated to be completed within the current financial year. Sunshine Refuellers Pty Ltd (trading as Refuel International) which formed part of the Liquip Group of companies, was not sold as part of the disposal of that group, and is therefore no longer held for sale.

Assets held for sale represents the remaining excess equipment in the Oil & Gas Division which is expected to be sold prior to the end of the current financial year.

9. Property, plant and equipment

	Note	Land and buildings $'000	Leasehold improvements $'000	Plant and equipment $'000	Leased plant and equipment $'000	Total $'000
Cost						
Balance at 1 July 2013		1,531	21,955	564,441	48,936	636,863
Acquisitions through business combinations		-	470	19,980	1,795	22,245
Additions		5	2,775	66,807	2,469	72,056
Disposal of subsidiary		-	(216)	(12,970)	-	(13,186)
Disposals		(386)	(75)	(24,768)	-	(25,229)
Reclassification to assets held for sale	8	(947)	(18,553)	(71,056)	-	(90,556)
Transfers		-	-	1,396	(1,399)	(3)
Effect of movements in exchange rates		(30)	3	105	-	78
Balance at 30 June 2014		**173**	**6,359**	**543,935**	**51,801**	**602,268**
Balance at 1 July 2014		173	6,359	543,935	51,801	602,268
Acquisitions through business combinations	13	-	-	1,225	-	1,225
Additions		-	140	42,785	-	42,925
Assets previously held for sale		947	18,553	71,056	-	90,556
Disposal of subsidiary / business	13	(1,014)	(6)	(6,571)	-	(7,591)
Disposals		(8)	-	(60,323)	-	(60,331)
Reclassification to assets held for sale	8	-	(18,547)	(23,704)	-	(42,251)
Transfers		-	-	13,108	(13,108)	-
Effect of movements in exchange rates		68	-	163	-	231
Balance at 31 December 2014		**166**	**6,499**	**581,674**	**38,693**	**627,032**
Depreciation						
Balance at 1 July 2013		(245)	(6,975)	(235,731)	(10,109)	(253,060)
Acquisitions through business combinations		-	(254)	(13,626)	-	(13,880)
Depreciation		(39)	(1,045)	(41,147)	(1,637)	(43,868)
Impairment		-	(7,175)	(9,513)	-	(16,688)
Disposal of subsidiary		-	118	10,668	-	10,786
Disposals		36	75	19,048	-	19,159
Reclassification to assets held for sale	8	181	12,539	56,832	-	69,552
Transfers		-	-	(349)	356	7
Effect of movements in exchange rates		5	(1)	(71)	-	(67)
Balance at 30 June 2014		**(62)**	**(2,718)**	**(213,889)**	**(11,390)**	**(228,059)**
Balance at 1 July 2014		(62)	(2,718)	(213,889)	(11,390)	(228,059)
Depreciation		(14)	(568)	(20,604)	(1,077)	(22,263)
Impairment		-	-	(2,095)	-	(2,095)
Reversal of impairment charge		-	-	3,506	-	3,506
Assets previously held for sale		(181)	(12,539)	(56,832)	-	(69,552)
Disposal of subsidiary / business	13	205	-	4,204	-	4,409
Disposals		8	-	43,567	-	43,575
Reclassification to assets held for sale	8	-	12,539	17,380	-	29,919
Transfers		-	(122)	(2,911)	3,033	-
Effect of movements in exchange rates		(13)	-	(88)	-	(101)
Balance at 31 December 2014		**(57)**	**(3,408)**	**(227,762)**	**(9,434)**	**(240,661)**
Carrying Amounts						
As at 30 June 2014		111	3,641	330,046	40,411	374,209
As at 31 December 2014		**109**	**3,091**	**353,912**	**29,259**	**386,371**

9. Property, plant and equipment (continued)

Impairment loss and subsequent reversal

Impairment losses reversed during the period amounted to $3,506,000 relating to held for sale assets impaired in the Oil and Gas Division in the previous financial year (2013: $0). Impairment losses of $2,095,000 (2013: $16,688,000) were recognised during the period relating to the write down of in use assets to their recoverable amounts in the Oil & Gas division.

Leased plant and equipment

The Group leases equipment under finance lease agreements. Certain leases provide the Group with the option to purchase the equipment. The leased equipment secures the lease obligations.

10. Intangible assets

	Note	Goodwill $'000	Customer Relationships $000	Customer Contracts $000	Software $000	Development Costs / Other $000	Total $000
Cost							
Opening balance 1 July 2013		77,035	6,645	4,713	5,996	217	94,606
Additions through business combination		4,132	-	-	-	-	4,132
Acquisitions		-	-	-	205	-	205
Disposal of subsidiary	13	-	-	-	(22)	-	(22)
Disposals		-	-	-	(1)	-	(1)
Reclassification to assets held for sale	8	-	(3,292)	(248)	(1,784)	(217)	(5,541)
Transfers		-	-	-	3	-	3
Impairment		(29,810)	-	-	-	-	(29,810)
Movement in exchange rates		-	-	-	(13)	-	(13)
Closing balance 30 June 2014		**51,357**	**3,353**	**4,465**	**4,384**	**-**	**63,559**
Opening balance 1 July 2014		51,357	3,353	4,465	4,384	-	63,559
Additions through business combination	13	-	-	335	-	-	335
Acquisitions		-	-	-	27	32	59
Assets previously held for sale			3,292	248	1,784	217	5,541
Disposal of subsidiary / business	13	-	(3,292)	(248)	(1,795)	(217)	(5,552)
Reclassification to assets held for sale	8	-	(573)	-	-	-	(573)
Movement in exchange rates		-	-	-	33	-	33
Closing balance 31 December 2014		**51,357**	**2,780**	**4,800**	**4,433**	**32**	**63,402**
						-	
Amortisation							
Opening balance 1 July 2013		-	(1,995)	(2,815)	(4,864)	(217)	(9,891)
Amortisation		-	(1,015)	(1,271)	(447)	-	(2,733)
Disposal of subsidiary	13	-	-	-	22	-	22
Disposals		-	-	-	1	-	1
Reclassification to assets held for sale	8	-	2,415	248	1,657	217	4,537
Transfers		-	-	-	(7)	-	(7)
Impairment		-	(753)	(58)	-	-	(811)
Movement in exchange rates		-	-	-	14	-	14
Closing balance 30 June 2014		**-**	**(1,348)**	**(3,896)**	**(3,624)**	**-**	**(8,868)**
Opening balance 1 July 2014		-	(1,348)	(3,896)	(3,624)	-	(8,868)
Amortisation		-	(212)	(498)	(195)	-	(905)
Assets previously held for sale		-	(2,415)	(248)	(1,657)	(217)	(4,537)
Disposal of subsidiary / business	13	-	2,485	248	1,688	217	4,638
Reclassification to assets held for sale	8	-	174	-	-	-	174
Movement in exchange rates		-	-	-	(32)	-	(32)
Closing balance 31 December 2014		**-**	**(1,316)**	**(4,394)**	**(3,820)**	**-**	**(9,530)**
						-	
Carrying amounts						-	
at 30 June 2014		51,357	2,005	569	760	-	54,691
at 31 December 2014		51,357	1,464	406	613	32	53,872

10. Intangible assets (continued)

Impairment testing for cash-generating units containing goodwill

The aggregate carrying amounts of goodwill are allocated as follows:

The Group performs an impairment assessment when there is an indication of a possible impairment of its non-current assets and, in addition, performs an impairment review of goodwill and indefinite life intangible assets at least annually. A full impairment review was undertaken as at 30 June 2014.

For the purpose of impairment testing, goodwill is allocated to cash generating units ("CGUs") which equate to the Group's reportable segments. CGUs are the smallest group of assets that generate cash inflows that are largely independent of the cash flows from other assets or groups of assets. Impairment testing has been undertaken on a value-in-use basis whereby the net present value of the future cash flows is compared against the carrying amount of net operating assets. Cash flow projections are based on five year financial forecasts with the exception of Bulk Haulage, which is based on mine life of 8 years.

The aggregate carrying amounts of goodwill are allocated as follows:

	31 Dec 14 $'000	30 Jun 14 $'000
Heavy Haulage & Lifting	-	-
Bulk Haulage	47,225	47,225
Oil & Gas	-	-
Specialised Transport	4,132	4,132
	51,357	**51,357**

During the reporting period there were adverse changes within the market segments in which the Bulk Haulage and Specialised Transport CGUs operate. The Group has reviewed the recoverable amount of intangible assets in relation to both CGUs on a value-in-use basis. The value-in-use calculation uses assumptions including cash flows projections based on approved forecasts, updated for the impact of adverse market changes and a pre-tax discount rate of 14.7%. Based on the review, Management has determined that recoverable amount exceeds carrying value at period end.

11. Other provisions

	31 Dec 14 $'000	30 Jun 14 $'000
Current other provisions		
Warranty	9	728
Onerous lease	360	380
Restructure & superannuation	3,781	12,251
Mona Vale accident	1,721	4,296
Other	163	139
Reclassification to liabilities held for sale	-	(728)
	6,034	**17,066**
Non-current other provisions		
Onerous lease	504	669
Other	2,452	2,384
	2,956	**3,053**

11. Other provisions (continued)

Reconciliation of movement in provisions

	Warranty $'000	Onerous lease $'000	Restructure & superannuation $'000	Mona Vale accident $'000	Other $'000
Opening balance at 1 July 2014	728	1,049	12,251	4,296	2,523
Charged to profit and loss	128	-	-	-	153
Written back to profit and loss	-	-	(2,067)	(2,000)	-
Amounts used during the year	(317)	(185)	(6,403)	(575)	(61)
Disposed through business sale	(579)	-	-	-	-
Effect of movements in exchange rates	49	-	-	-	-
Closing balance 31 December 2014	**9**	**864**	**3,781**	**1,721**	**2,615**

12. Dividends

No dividends have been declared or recommended by directors at balance date in respect of the current period (31 Dec 2013: nil).

13. Disposal and acquisition of subsidiaries and businesses

Summary of subsidiary disposal

On 22 August 2014, the Company disposed of its investment in Liquip International Pty Ltd, an Australian subsidiary considered "non-core" and immaterial to the Group's overall business.

Details of the sale proceeds, net assets disposed and profit on disposal taken to profit & loss are as follows:

	Note	$'000
Sale proceeds		64,875
Total assets and liabilities de-recognised as a result of the disposal :		
Cash		(13)
Trade & other receivables		7,786
Prepayments		849
Inventories		7,763
Property, plant and equipment	9	1,124
Intangibles	10	897
Deferred tax assets		854
Trade and other payables		(2,898)
Employee provisions		(1,813)
Other provisions		(331)
FX reserve		(1,279)
Net identifiable assets disposed		12,939
Profit on disposal		**51,936**
Disposal costs		(1,182)
Net profit on disposal		**50,754**

13. Disposal and acquisition of subsidiaries and businesses (continued)

Summary of business disposal

On 31 October 2014, the Group disposed of the business assets of Beta Fluid Systems Inc., a USA subsidiary considered "non-core" and immaterial to the Group's overall business.

Details of the sale proceeds, net assets disposed and loss on disposal taken to profit & loss are as follows:

	Note	$'000
Sale proceeds		5,356
Total assets and liabilities de-recognised as a result of the disposal :		
Trade & other receivables		2,972
Inventories		5,483
Property, plant and equipment	9	2,058
Intangibles	10	17
Trade and other payables		(3,954)
Employee provisions		(141)
Other provisions		(276)
Net identifiable assets disposed		6,159
Loss on disposal		**(803)**
Disposal costs		(1,250)
Net loss on disposal		**(2,053)**

Inflow of cash, net of cash disposed;

	31 Dec 14 $'000	31 Dec 13 $'000
Total sale proceeds	70,231	5,665
Less: Balances disposed		
Cash	-	(351)
Plus: Amount owing to purchaser	491	-
Less: Disposal costs	(2,432)	-
Inflow of cash – investing activities	**68,290**	**5,314**

The cash inflow for the comparative period relates to the disposal of the Group's Singapore subsidiary, Watt Wah Petroleum Haulage Pte Limited, on 30 November 2013.

13. Disposal and acquisition of subsidiaries and businesses (continued)

Summary of business acquisition

On 4 August 2014, the Group acquired the business assets of Busby Transport, a Queensland based general transport business.

Details of the purchase consideration and the net assets acquired are as follows:

	Note	$'000
Consideration		1,585
Total assets and liabilities recognised as a result of the acquisition :		
Inventories		50
Property, plant and equipment	9	1,225
Intangibles	10	335
Employee provisions		(25)
Net identifiable assets acquired		1,585

Outflow of cash;

	31 Dec 14 $'000	31 Dec 13 $'000
Total consideration	1,585	-
Less : Amount owing to vendor	(660)	-
Outflow of cash – investing activities	**925**	**-**

Additional investment in subsidiary

On 1 July 2014, the Group acquired the remaining 25% minority interest in National Crane Hire Pty Limited for $4,000,000.

14. Investment in joint venture

During the period, the Group acquired a 50% equity investment in HHA Group Pty Ltd (HHA) for $3,000,000. HHA is a leading provider of heavy haulage transport services, with its principal place of business located in Queensland. The investment in HHA is equity accounted.

Since the time of the Group's investment, market conditions for HHA have deteriorated. The combined effect of these changes and a highly geared capital structure within HHA has led to an assessment that the equity investment is impaired.

15. Financial risk management

Accounting classifications and fair values

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quotes prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2014				
Current liabilities				
Interest rate swaps	-	1,753	-	1,753
	-	**1,753**	**-**	**1,753**
Non-current liabilities				
Interest rate swaps	-	3,642	-	3,642
	-	**3,642**	**-**	**3,642**
30 June 2014				
Current liabilities				
Interest rate swaps	-	1,600	-	1,600
	-	**1,600**	**-**	**1,600**
Non-current liabilities				
Interest rate swaps	-	2,248	-	2,248
	-	**2,248**	**-**	**2,248**

16. Capital commitments

The Group had contractual obligations to purchase property, plant and equipment of $4,724,000 as at 31 December 2014 (30 June 2014: $43,044,000). These commitments are due to be settled within 12 months from balance date.

17. Contingencies

The Group has provided bank guarantees and letters of credit in the ordinary course of business of $3,538,772 (30 June 2014: $5,233,193).

The Group is involved in legal claims which arise from the ordinary course of business. There is significant uncertainty as to whether a liability will arise in respect of these items and the amount of any liability which may arise cannot be reliably measured at this time.

In the course of acquisitions and disposals of businesses and assets, the Group routinely negotiates warranties and indemnities across a range of commercial issues and risks. The Group is continuing to pursue a previous claim made on warranty insurance in relation to matters in the Oil & Gas and Bulk Haulage divisions which pre-date the acquisition of that business in April 2012.

As part of the purchase of the equity investment in HHA Group Pty Ltd (HHA), an earn-out is payable by McAleese to the vendors contingent on HHA achieving its FY15 budget and the finalisation of certain completion balance sheet adjustments.

18. Subsequent events

No matter or circumstance has arisen in the interval between 31 December 2014 and the date hereof that, in the directors’ opinion, has significantly affected or may significantly affect:

(i) the Group’s operations in current and future financial years; or

(ii) the results of those operations in current and future financial years; or

(iii) the Group’s state of affairs in current and future financial years.

Directors' declaration

In the opinion of the directors of McAleese Limited ('the Company'):

(i) the consolidated interim financial statements and notes that are set out on pages 7 to 24 are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance, for the half-year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(ii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Mr Don Telford Director	Mr Mark Rowsthorn Director

Dated at Camberwell on the 23rd day of February 2015

Independent auditor's review report to the members of McAleese Limited

We have reviewed the accompanying interim financial report of McAleese Limited, which comprises the consolidated statement of financial position as at 31 December 2014, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the interim period ended on that date, notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of McAleese Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of McAleese Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the interim period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

SEBell

Suzanne Bell
Partner

Melbourne

23 February 2015