FULL YEAR RESULTS

27 AUGUST 2015

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FY2015 – A TALE OF TWO HALVES

FINANCIAL PERFORMANCE

- EBITDA (pre significant items) $61.7 million
- Net Tangible Assets (NTA) of 48 cents per share
- Revenue $636.9 million
- Statutory NPAT loss of $90.9 million
- Generated positive free cash flow
- Net debt reduced by $58.2 million to $170.5 million at 30 June 2015
- Goodwill, PPE and debtor impairments followed onset of increasingly challenging 2H FY2015 conditions

OPERATIONAL IMPROVEMENTS

1H2015

- Cootes Transport restructured, safety and profitability improved
- Bulk Haulage division commenced 6mtpa Mt Webber haulage contract and new two year Millennium Minerals contract
- Continued focus on cost reduction and matching scale to key market conditions

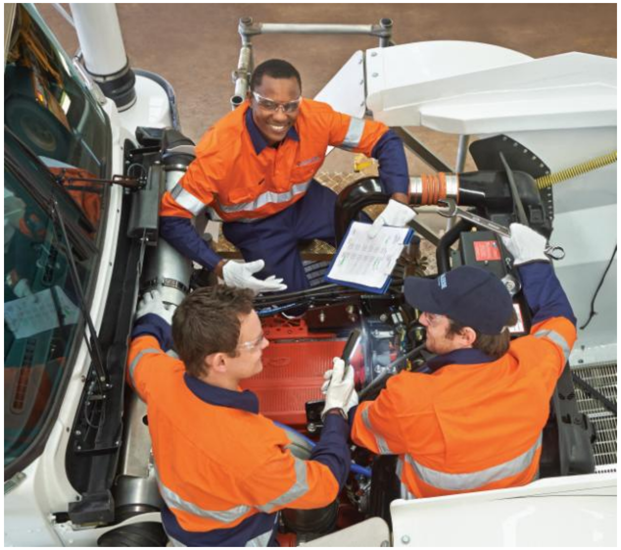
2H2015

- Commodity prices and challenging end markets and impacted McAleese Group earnings performance
- Revised Atlas Iron haulage agreement with upside revenue opportunity
- Realignment of strategic business development activities across the Group is underway

FOCUS ON RESTORATION OF SHAREHOLDER VALUE

RE-ALIGNMENT OF BUSINESS DEVELOPMENT

- Improved coordination of teams to better capitalise on cross – selling opportunities across resources and infrastructure projects



BANKING SYNDICATE REMAINS SUPPORTIVE

- Agreed revised banking arrangements
- The new covenants are:
  - minimum EBITDA,
  - minimum CFADS (Cash Flow Available for Debt Servicing)
  - maximum capital expenditure requirements

IMPROVED RISK MANAGEMENT AND GOVERNANCE

- Expanded Board composition and oversight
- Kerry Gleeson appointed as a Non-Executive Director on 1 September 2014
- Warren Saxelby appointed as a Non-Executive Director on 1 March 2015

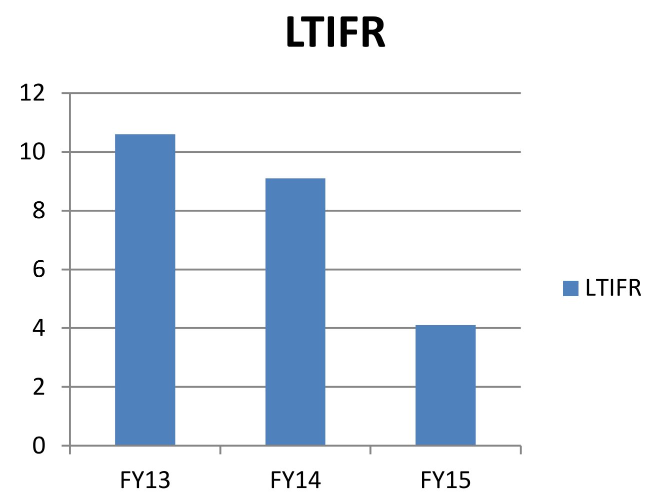
SAFETY: BUILDING UPON OUR 2014 INITIATIVES

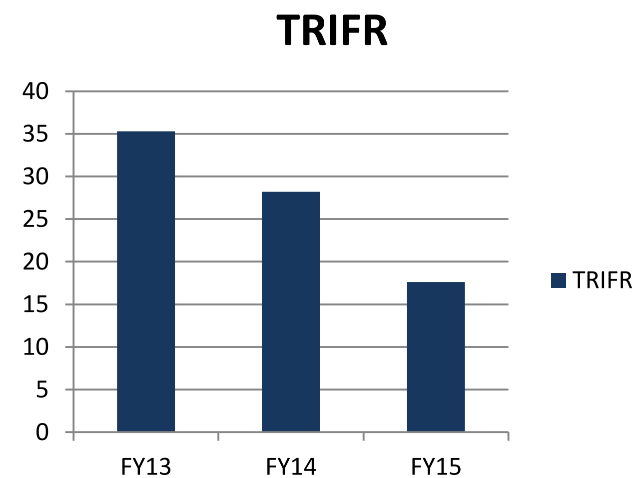
OUR VISION IS FOR EVERYONE HOME SAFE

- Lag indicator trends remain positive
- Total Recordable Injury Frequency Rate (TRIFR) of 17.6
- TRIFR trend, a 39% improvement against pcp
- Lost Time Injury Frequency Rate (LTIFR) reduced from 9.4 to 4.1
- LTIFR trend, 56% improvement, against pcp
- All divisions achieved significant reductions in TRIFR
- Reduction in Workers Compensation levels achieved substantial savings in premium
- These are important improvements however we remain committed to reaching our target TRIFR <10

PROACTIVE SAFETY INITIATIVES

- Standardisation of Group HSE programs ongoing including HSE IT platform (MyOSH) implementation
- Development of Key Risk Management Strategy underway
- Safety Leadership program level 1 and 2 delivered to 150 front line leaders
- Targeting a 30% reduction in Group TRIFR for FY2016





BULK HAULAGE: BACK TO OPERATING AT CAPACITY

($millions)	30 Jun 15	30 Jun 14	% Change
Revenue	264.4	265.2	(0.3)
EBITDA	38.3	41.8	(8.4)
% margin	*14.5%*	*15.7%*	
EBIT	13.7	21.6	(36.6)
% margin	*5.2%*	*8.1%*	

YEAR IN REVIEW

- Throughout FY2015 business worked collaboratively with Atlas Iron to enhance longer term sustainability of both businesses . During 2H2015 this resulted in:
    - A revised haulage agreement including reduced base haulage rate with upside revenue opportunity linked to iron ore pricing and currency movements
    - Subsequent to the balance date McAleese acquired 280 million shares (and 280 million listed options) or 10.51% of AGO's issued capital
- Commenced new haulage contracts with Millennium Minerals and Process Minerals International
- Continuing to improve payloads and vehicle up time as part of its overall business improvement program
- Impairment of $67 million to goodwill, intangibles (together $49 million) and PP&E ($18 million)

STRATEGIC DIRECTION

- Division actively pursuing work to diversify earnings by customer, commodity and geography including East coast opportunities

HEAVY HAULAGE & LIFTING: CONTINUED FOCUS - REDUCING COST AND ALIGNING BUSINESS TO MARKET

($millions)	30 Jun 15	30 Jun 14	% Change
Revenue	143.9	186.5	(22.8)
EBITDA (i)	16.2	39.6	(59.1)
% margin	*11.3%*	*21.2%*	
EBIT (i)	4.4	27.8	(84.2)
% margin	*3.1%*	*14.9%*	

(i) FY2015 results includes $6.5 million impairment of debtor, Trans Global

YEAR IN REVIEW

- Earnings impacted by reduced mine maintenance, wind down of services to major capital projects and deferral of new capital project opportunities during 2H FY2015
- Downward pressure on margins due to industry over capacity
- Fleet rationalisation continued with total asset sales of $13.6 million completed during FY2015
- Impairment to PP&E of $67 million
- Continued focus on cost reduction and matching business scale to market conditions

STRATEGIC DIRECTION

- Business development team aligned to drive integrated service offering across transport and cranes – lift and shift opportunities, particularly in East coast infrastructure

OIL & GAS: CONTINUED IMPROVEMENT IN EARNINGS PERFORMANCE

($millions)	30 Jun 15	30 Jun 14	% Change
Revenue	146.0	295.4	(50.6)
EBITDA	12.5	9.9	26.3
% margin	*8.6%*	*3.3%*	
EBIT	4.8	(4.2)	214.3
% margin	*3.3%*	*(1.4%)*	

YEAR IN REVIEW

- Profitability has continued to improve following the 2014 restructure and fleet renewal program
- Cessation of Caltex NSW and Victoria contracts was neutral to FY2015 EBIT and on a go forward basis
- RMS Improvement Notices completed in December 2014 and all vehicles passed without issue on recent re-inspection of NSW fleet sample

STRATEGIC DIRECTION

- Narrower customer base has seen focus on targeted growth to include other bulk markets with some success in haulage of other dangerous goods products
- Pursuing opportunities to supply fuel and gas to isolated locations within key resource producing regions

SPECIALISED TRANSPORT: SUBDUED GENERAL FREIGHT ACTIVITY

($millions)	30 Jun 15	30 Jun 14	% Change
Revenue	82.4	79.9	3.1
EBITDA	1.6	5.4	(70.4)
% margin	*1.9%*	*6.7%*	
EBIT	(1.1)	3.6	(130.6)
% margin	*(1.3%)*	*4.5%*	

(i) McAleese Group acquired WAFG in April 2014

YEAR IN REVIEW

- Throughout FY2015, the division experienced subdued general freight activity resulting primarily from the softening economic conditions and a slowdown in the Australian infrastructure and resources sectors
- Reduced levels of activity particularly evident on the East/West Corridor
- In light of challenging conditions, an impairment of $4.1 million was taken against goodwill

STRATEGIC DIRECTION

- The business continues to implement improvement initiatives aimed at reducing direct labour costs and improve sub-contractor management

FINANCIAL PERFORMANCE

27 AUGUST 2015

SUMMARY FINANCIAL PERFORMANCE
PRO FORMA TRADING RESULTS

($ millions)	30 Jun 15	30 Jun 14
Revenue	**636.9**	**762.4**
Trading EBITDA	61.7	85.3
Trading EBIT	14.8	38.7
Net Interest Expense (i) (ii)	(15.4)	(18.9)
Pro forma trading profit/(loss) before tax	**(0.6)**	**19.8**
Taxation expense (iii)	(6.8)	(6.9)
Pro forma trading profit/(loss) after tax	**(7.4)**	**12.9**
Dividend Per Share	**-**	**-**

i. FY2015 net interest included a $1.3 million adverse impact of non-cash accounting for interest rate hedging

ii. FY2014 interest has been normalised to reflect current funding arrangements and exclude those costs associated with exiting pre-IPO funding arrangements

iii. Carried forward tax losses of $6.2 million were de-recognised at 30 June 2015

SUMMARY FINANCIAL PERFORMANCE STATUTORY RESULTS

MCALEESE GROUP

($ millions)	30 Jun 15	30 Jun 14
Revenue	**636.9**	**762.4**
Trading EBITDA	**61.7**	**85.3**
Depreciation	(45.2)	(43.9)
Amortisation	(1.5)	(2.7)
Elimination of profit on transactions with HHA	(0.2)	-
Trading EBIT	**14.8**	**38.7**
Total individually significant items	(104.3)	(75.8)
EBIT after significant items	**(89.5)**	**(37.1)**
Net interest expense	(15.4)	(39.2)
Net profit before tax	**(104.9)**	**(76.3)**
Income tax benefit	14.0	12.7
NPAT	**(90.9)**	**(63.6)**
NPAT (pre significant items)	**(7.4)**	**(2.9)**
Earnings Per Share (cents)	**(32.17)**	**(30.20)**
Earnings Per Share (pre significant items) (cents)	**(2.61)**	**(1.21)**
Net tangible assets per share (cents)	**0.48**	**0.62**

- Net interest expense, tax, NPAT and EPS measures for the period ended 30 June 2014 in part reflect pre-IPO capital structure

SIGNIFICANT ITEMS

i. Liquip profit on sale $51.3M and Beta Fluid Systems loss on sale $2.5 million including FX loss
ii. Various transaction costs $0.6M
iii. Net PPE impairment charge of $83.5 million
iv. HHA total impairment $18.9M
v. Oil & Gas write back of excess provisions $4.0 million
vi. Consulting and advisory costs $1.0 million

Significant Items (before tax) $millions	30 Jun 15	30 Jun 14
Profit or (loss) on disposal of subsidiary / business (i)	48.8	2.5
IPO Costs	-	(2.7)
Acquisition & Sale costs (ii)	(0.6)	-
Impairment charges – goodwill & intangibles	(53.1)	(30.6)
Impairment charges / reversals – plant & equipment (iii)	(83.5)	(16.7)
Impairment charges – equity investment, associated loans & net receivables (iv)	(18.9)	-
Mona Vale accident costs	-	(11.3)
Restructure costs and superannuation provision (v)	4.0	(15.9)
Onerous lease	-	(1.1)
Consultants (vi)	(1.0)	-
Total Significant Items	**(104.3)**	**(75.8)**

CASH FLOW AND FINANCING

i. Quarry sale costs $0.1 million (2014: Mona Vale and restructure)

ii. Predominantly redundancy and leave provision payments as a result of the Oil & Gas division restructure

iii. June 14 included prior period accrual of $10.7 million paid July 13 and payment of mezzanine facility capitalised interest of $5.7million

iv. Additional 25% investment in National Crane Hire

v. Proceeds on the disposal of Liquip and Beta (2014: Watt Wah disposal)

vi. FY2015 Acquisition of Busby Transport (FY2014 WAFG $14.4 million and final 25% NCH $4.0m)

($ millions)	30 Jun 15	30 Jun 14
EBITDA	**61.7**	85.3
Significant items (cash) (i)	(0.1)	(8.7)
Net movement in working capital	10.3	15.2
Movements in provisions (ii)	(17.8)	(1.0)
Net interest (iii)	(13.4)	(35.3)
Tax received / (paid)	0.1	(2.1)
Profit on disposal of PP&E	(1.8)	(2.0)
Other	0.3	-
Net cash inflow from operating activities	**39.3**	**51.4**
Capital expenditure (net of proceeds)	(26.9)	(61.6)
Purchase of additional investment in subsidiary (iv)	(4.0)	(4.0)
Sale of investments (v)	68.8	5.3
Purchase of convertible note	(4.0)	-
Advances to associated entities	(9.4)	-
Purchase of investment in joint venture (incl acquisition costs)	(3.3)	-
Acquisitions (vi)	(1.7)	(14.4)
Other	(0.6)	(1.2)
Net cash inflow/(outflow) from investing activities	**18.9**	**(75.9)**
Net cash inflow/(outflow) from financing	(64.4)	52.9
(Decrease)/increase in cash	**(6.2)**	**28.4**

CAPITAL EXPENDITURE: FOCUS ON SUSTAINING

- Expenditure skewed to 1H FY2015 driven by growth requirements, primarily Atlas Iron Mt Webber ramp up and Cootes Transport fleet renewal program
- 2H FY2015 expenditure limited to maintenance, with some modest growth capex in Bulk Haulage
- Disposals during FY2015 consisted primarily of underutilised HH&L fleet and surplus Cootes Transport equipment

FY2015 ($ millions)	HHL	BH	O&G	ST	Corp	Total
Gross	4.3	39.7	5.1	4.3	0.7	54.1
Disposals	(13.6)	(0.4)	(12.9)	(0.3)	0.0	(27.2)
Net	(9.3)	39.3	(7.8)	4.0	0.7	26.9

FINANCING

- Net debt reduced by $58.2 million to $170.5 million at 30 June 2015, with a significant contribution from the asset divestment program
- The Group had drawn down $210.1 million under its multi-option Syndicated Facility Agreement as at the balance date.
- The SFA included undertakings as to leverage, interest cover and gearing
- Compliance as at 30 June 2015 was waived by the syndicate banks as part of establishing revised banking arrangements to apply during FY2016
- In light of the Group's commitment to strengthen its capital structure, the Directors have determined that a FY2015 dividend will not be paid

REVISED BANKING ARRANGEMENTS TO PROVIDE BALANCE SHEET STABILITY

BANKING SYNDICATE SUPPORTIVE OF MCALEESE GROUP

- Revised banking arrangements in place which suspend the Group's previous financial undertakings relating to leverage, interest cover ratio and gearing during FY2016
- The key new covenants are;
  - minimum EBITDA
  - minimum CFADS (Cash Flow Available for Debt Servicing)
  - maximum capital expenditure requirements
- As part of the revised arrangements the Company has reduced its facility limits
- With cash on hand, forecast cash generation and its remaining facility limits the Group has:
  - sufficient liquidity
  - a stable balance sheet
  - runway to implement strategic initiatives and enable future improvement of its businesses
- The Board and Management will continue to monitor the performance of each of the divisions against expectation and the Group against the revised banking requirements

STRATEGIC DIRECTION AND OUTLOOK

- McAleese Group will continue to refine its current business activities and asset base to better align itself to the challenging operating environment and restore shareholder value
- These activities will include:
  - realigning business development activities to better capitalise on opportunities
  - strengthening the balance sheet
  - continuing to improve performance in the areas of safety, customer and people which form the Company's guiding values
- We are confident that once the Company achieves these outcomes a sustainable platform for growth can be initiated

Q&A

27 AUGUST 2015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McALEESE RESOURCES
McALEESE RESOURCES
McALEESE RESOURCES

APPENDIX

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

($ millions)	30 Jun 15	30 Jun 14
Current Assets		
Cash and cash equivalents	**44.8**	51.0
Trade and other receivables	62.3	96.2
Loans to associate	-	-
Prepayments	5.6	5.9
Inventories	4.8	2.2
Assets classified as held for sale	18.8	53.1
Total Current Assets	**136.3**	**208.4**
Non Current Assets		
Investment in convertible note	-	-
Investment in joint venture	-	-
Property, Plant & Equipment	278.1	374.2
Intangible assets	1.1	54.7
Deferred tax assets	13.7	-
Total Non Current Assets	**292.9**	**428.9**
Total Assets	**429.2**	**637.3**
Current Liabilities		
Trade and other payables	47.4	67.0
Financial Instruments	2.5	1.6
Loans and Borrowings	209.2	18.5
Current tax provision	-	-
Employee service provision	18.1	24.4
Other provision	2.7	17.1
Liabilities held for sale	0.7	10.1
Total Current Liabilities	**280.6**	**138.7**
Non Current Liabilities		
Financial Instruments	2.7	2.2
Loans and Borrowings	4.2	258.4
Employee Provisions	1.8	2.3
Other provisions	2.8	3.1
Deferred tax liabilities	-	0.5
Total Non Current liabilities	**11.5**	**266.5**
Total Liabilities	292.1	405.2
Net assets	**137.1**	**232.1**
Equity		
Contributed equity	251.4	251.4
Reserves	(3.5)	(1.3)
Accumulated losses	(110.8)	(19.9)
Total Equity Attributable to equity holders of the Company	**137.1**	**230.2**
Non-controlling interests	-	1.9
Total Equity	**137.1**	**232.1**