



**Media Statement**

Monday 23 January 2006

**Macmahon moves into rail construction and maintenance**

Macmahon Holdings Limited (Macmahon) has acquired a 60 per cent shareholding in the Australian rail construction and maintenance business MVM Rail Pty Ltd (MVM), with the COMSA Group (COMSA) of Spain retaining a 40 per cent stake.

Macmahon acquired the shares in MVM, which is involved in rail track installation and maintenance activities throughout Australian and Asia, for \$5.3 million. The agreement will take effect on 1 February 2006.

Chief Executive Officer, Nick Bowen, explained that this agreement provides Macmahon with access to a new and growing market, as well as expanding its customer base.

"Macmahon now has the capability to deliver clients a complete package of rail construction and maintenance including earthworks and track-laying services," he said.

"This is another exciting step for Macmahon, as we are now working with a global industry player in COMSA. MVM will have access to specialised equipment, assistance, experience and key experts from COMSA. We could not have chosen a better partner with whom to pursue and win future railway-related engineering projects.

"MVM currently generates \$35 million in annual revenue and this is forecast to increase to more than \$60 million in 2007 from its \$110 million order book. It also has exclusive marketing rights for COMSA technology.

"The company will continue to concentrate on track-laying and maintenance of rail track and Macmahon will focus on the civil and structural works associated with new and renovated rail lines.

"This agreement provides the foundation for further growth in the railway sector, which is forecast to generate billions of dollars of work during the next five years.

"We are also delighted that MVM will retain all of its key employees," Mr Bowen said.

MVM employs 50 people at projects in New South Wales, Victoria, Western Australia and Asia. It has offices in Perth, Sydney and Malaysia.

The COMSA Group, which has its headquarters in Spain, has an annual turnover of \$1.5 billion and directly employs more than 3,500 people worldwide. COMSA is one of Spain's leading groups in the construction and services sector, with operations in Spain, Portugal, Italy, Poland, Chile and Argentina. COMSA boasts more than 100 years experience in railways, from trams to very high speed lines, providing integral services to the railway sector, from design to construction and ongoing infrastructure maintenance.

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