

# MARKET ANNOUNCEMENT



ABN 42 144 745 782

16 November 2011

96 Ewing Street, Welshpool WA 6106  
PO Box 625 Welshpool DC WA 6986

P: (08) 9351 8488 | F: (08) 9351 8477 | E: info@maca.net.au

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## **MACA Limited**

### **Annual General Meeting – 16 November 2011**

#### **Address to Shareholders by Andrew Edwards - Chairman**

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I am delighted to report that MACA recorded a strong year of earnings performance and returns to shareholders in its first year as a publicly listed entity.

Pro-forma net profit after tax adjusted for a once off share based payment was \$29.7 million. This was 28% higher than MACA's prospectus forecast and an 81% increase on the previous year.

Operating cash flow was also strong, at \$57.8 m for the 2011 financial year. The Company has continued to invest in new and replacement equipment using a combination of its own cash resources and hire purchase arrangements, with capital expenditure totalling \$34 million for the year. At 30 June 2011, cash on hand was just over \$50 million which exceeded total borrowings of \$37 million. In short, the Group's balance sheet is well positioned for future growth.

Dividends of 6 cents per share fully franked have been paid over the past year, consistent with the prospectus forecast. Your Board will continue to monitor dividend policy having regard, in particular, to MACA's future trading performance, available cash resources and funding needs.

Shareholder returns have reflected the Group's strong financial performance. MACA was listed on ASX in November last year following an initial public offering of 60 million shares at \$1 per share. Since listing, the Company's shares have traded in the range of \$1.40 to \$2.96 and are currently trading in the vicinity of \$2.00. This is a healthy premium to the prospectus offer price and a very strong performance in a volatile share market in which the ASX Small Ordinaries Index achieved a Total Shareholder Return of negative 8.2% for the 12 months ended 31 October 2011.

MACA has continued to progress its operational capabilities as well. There has been a continued focus on the efficient management of the Company's mining and crushing fleet, including expanding the capability to undertake our own repairs and component rebuilds. This has led to both improved operating margins and efficiency gains in bedding down projects commenced in the second half of the year. Combined with an unwavering commitment to workplace safety and a clear focus on client relationships and service quality, this has been central to MACA's operational success and to winning further work.

#### **About MACA**

MACA Limited is a mining and civil contractor with major projects throughout Australia. Employing more than 600 people, MACA offers a full range of surface mining and crushing services, and civil infrastructure services.

Visit [www.maca.net.au](http://www.maca.net.au) for more information

The Group has grown its work in hand position during the past year to record levels from both a value and tenure perspective. At 30 September 2011 the Group had work in hand of \$1,295 million with an average contract term of 37 months over 9 projects. Work won over the past 12 months includes MACA's first contracts outside of Western Australia as well as the provision of more detailed civil engineering services through the recently established MACA Civil. These developments represent important progressions in the Group's objective to position itself for sustainable growth.

I would like to take this opportunity to thank your Board members and the management team for their contribution to MACA's successful first year in the public arena. Your Company has a strong and committed board and executive leadership group, ably supported by a dedicated workforce. I am confident that MACA is well placed to capitalise on opportunities expected to arise from the continued strength of the mining sector in Australia and, in so doing, continue to deliver strong returns for you its shareholders.

Thank you

**Andrew Edwards**  
**Chairman**