

# MARKET ANNOUNCEMENT



ABN 42 144 745 782

14 November 2012

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## MACA Limited 2012 AGM Chairman's Address

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MACA Limited (ASX: MLD) (**Company**) attaches a copy of the Chairman's address at the 2012 Annual General Meeting for the Company held on 14 November 2012.

Doug Grewar Managing Director E: doug.grewar@maca.net.au	Ross Williams Chief Financial Officer E: ross.williams@maca.net.au
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### About MACA

MACA Limited is a mining and civil contractor with major projects throughout Australia. Employing more than 800 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

## **MACA Limited**

### **Annual General Meeting – 14 November 2012**

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

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I was very pleased last year to report that MACA had generated strong earnings and returns to shareholders in its first year as a publicly listed entity. I am equally delighted this year to report that the Company has continued to deliver solid financial and operational performance whilst growing its revenue base by 34.4% from \$249 million to \$335 million. MACA's consistent performance since listing in October 2010 has been acknowledged in its recent inclusion in the ASX 300 index.

Net profit after tax for 2012 was \$37.7 million. This was 39% higher than the previous year and reflects reliable operating performance and consistent margins across the Group's project portfolio.

Importantly, operating cash flow was also strong, at \$52.8 million for the year. The Company continues to prudently fund its capital expenditure requirements with an appropriate mix of its own cash resources and hire purchase arrangements. At 30 June 2012, cash on hand was approximately \$40 million with the only finance exposure being equipment funding of \$55 million. The Group's balance sheet remains well positioned to support future growth.

Dividends of 8 cents per share fully franked have been paid over the past year, an increase of 33% on the prior period. This recognises the strong earnings and cash flow performance during 2012. Your Board will continue to assess future dividend levels having regard, in particular, to MACA's future trading performance and available cash resources.

A softening in commodity prices, particularly iron ore, and a more cautious market sentiment towards the resources services sector have created headwinds for MACA's share price. This has not distracted the management team from its unwavering commitment to health and safety, as well as supporting our clients with our hands on operating model. In addition to the continued strong financial performance, very pleasingly, the Company operated lost time injury free throughout the reporting period.

MACA has also continued to build on its solid, long term order book. The Group's work in hand position at 30 June 2012 was \$1.3 billion with an average contract term of almost 3 years.

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Since balance date, I am pleased to report that the work in hand position (including a Letter of Intent from Regis Resources) has grown to in excess of \$1.5 billion following a number of announcements made by the company, including;

- The receipt of a Letter of Intent from Regis Resources Limited with respect to the proposed Rosemont Gold Project;
- Extension of works for Focus Minerals (Laverton); and
- Notices of Award from Atlas Iron Limited relating to its Abydos Project.

There have been two changes to your Board over the past 12 months. I am delighted to welcome Doug Grewar as the Company's newly appointed Managing Director. Doug has settled well into his new role and the Board looks forward to his contribution to MACA going forward. As shareholders are aware, Doug replaced Chris Tuckwell, and I would like to publicly thank Chris for his all his past work with MACA and wish him all the best in his new role.

I am also very pleased to welcome Linton Kirk to the Board. Linton's past experience in mining, earthmoving and management roles will greatly add to the Board's skill set. Linton replaced Karen Field who resigned during the year and I thank Karen for her contribution during her time on the Board.

Looking forward, we are aiming to continue to grow the scope of work MACA undertakes and to this extent our civil works business has had a number of contract awards and grown strongly during this calendar year. MACA is well positioned financially and operationally with the current level of work in hand and continues to expect that revenue will exceed \$400 million for the current financial year.

Lastly, and most importantly, I would like to thank my fellow Board members, the management team and our dedicated workforce for their contribution to MACA's continuing success. This success flows from the passion which the leadership team and staff have towards the Company, not just as a business, but also as a contributor to the community as evidenced by MACA's highly successful involvement in the recent Sunsuper Ride to Conquer Cancer.

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 continue to deliver strong returns for you its shareholders.

Thank you

**Andrew Edwards**  
**Chairman**

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