

18th November 2015

45 Division Street, Welshpool WA 6106
PO Box 625 Welshpool DC WA 6986
P: (08) 6242 2600 | F: (08) 6242 2677 | E: info@maca.net.au

Chairman's Address – 2015 AGM

This month marks the 5th anniversary of MACA's listing on ASX. In that time your Company has enjoyed considerable success. Revenue has grown from \$150 to \$600 million, after tax earnings have risen from \$16 to \$54 million and shareholders have received total dividends of \$1.07 per share.

We are also proud of our health and safety record. No lost time injuries have occurred over the past two years and your Company remains committed to the goal of 'zero harm' for every employee and service provider engaged in our works as a fundamental for our business success.

Equally pleasing has been our support of the communities in which we operate. MACA's sponsorship of the Ride to Conquer Cancer has raised a total of \$4.5 million for the Harry Perkins Institute of Medical Research, including \$1.3 million from this year's ride in which 240 participated for 'team MACA'. The Company also supports a number of other worthy causes such as the Princess Margaret Hospital Foundation.

It is no secret that market conditions have been challenging over the past 18 months and are likely to remain so for the foreseeable future. Global economic growth is slowing and patchy, which combined with oversupply pressures, has driven the price of many commodities down to six year lows in \$US terms. This has weighed heavily on the financial performance and share price of companies operating in the resources sector as well as businesses servicing this sector. Reduced activity has led to increased competition in the mining and civil services sectors, and operating margins are under pressure through renegotiation of contracting costs.

Your Company delivered a strong operating and financial result in 2015, basically in line with the previous year. The key matters which influenced this result are set out in the Annual Report, but in my view can be best summed up as MACA's resilience and ability to adapt to the changing needs of our clients in the face of difficult trading conditions.

These attributes will continue to be tested in the current year and beyond. That said, delivering a solid overall performance in the same year in which we successfully mobilised our first offshore mining operation in Brazil is testament to the commitment and capability of our people.

As previously announced to the market, MACA is expecting revenue to fall in FY16 to approximately \$450 million. We remain focused on increasing our operating efficiency and winning new work as evidenced by the recent Letter of Intent received from Doray Minerals in relation to open pit mining at its Deflector project and the prior awarding of the contract with Avanco Resources at their Antas North copper operation. These wins demonstrate the Company's ability to succeed in a highly competitive market.

We are also actively pursuing potential acquisition opportunities which are complementary to MACA's existing operations. Our strong balance sheet makes us well placed to fund appropriate acquisitions whilst still continuing to pursue the Company's targeted dividend payout ratio of between 30 and 60% of annual after tax profits.

In closing, I would like to thank our leadership team and staff, as well as my fellow directors, for their continuing hard work, and also thank our shareholders for their support as we steer through this challenging business environment.

Andrew Edwards
Chairman

