



Feature transcript

Macarthur Coal Ltd
MCC:ASX

Nicole Hollows
CEO

Macarthur Coal proves why it's one of Australia's top coal miners as it overcomes mine site setbacks to achieve a \$42 million net profit for the first half.



VIDEO - paste this link into your web browser to view streaming video:

<http://www.investortv.com.au/wl/vr.aspx?id=CMP109Z00QCT15X74B4LH>

Macarthur Coal's new CEO Nicole Hollows on interim result

Nicole Hollows
CEO

Hi I'm Nicole Hollows, I'm the chief executive officer of Macarthur Coal. I've been with the company for about eight and a half years and during that time I've gained experience across various facets of the business, particularly in my previous role as chief financial officer.

As you're aware Ken Talbot recently stepped aside as chief executive officer.

He continues to remain as a director of our company so he can provide his entrepreneurial vision.

It is very much business as usual at Macarthur Coal, and we have a very large management team that can ensure that we continue to deliver our growth with our project pipeline and focus on our operations.

Macarthur Coal achieved \$42.4 million net profit after tax for the period to December 2006. That is our third highest profit for that six month period.

We also achieved just over \$210 million in revenues and we've declared a fully franked interim dividend of 11 cents per share.

We can also now confirm our 2007 profit guidance that was given at our AGM in last November of \$63 to \$73 million for the year.

The steel industry is in a growth phase, particularly with growth driven by China and India. Macarthur Coal is in a very good position to take advantage of this with our project pipeline and our increasing port capacity that we have to deliver growth.

In December 2006, Macarthur Coal acquired mining equipment and an employee workforce to undertake our operations as owner operator.

The board last year resolved to move to an owner operator so that we can actually have greater control over our operations and greater control over our costs. We are also looking at group supply contracts and recently entered into a three-year cost effective tyre supply contract and that will allow us to contain our costs.



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We have had a few setbacks over the last six months, particularly in December and January with our recent high wall failures. We've implemented soft wall batters that will reduce the impact of these going forward.

We've also had lower production at our Moorvale Mine. Leighton [Contractors Pty Ltd], who are our contractors at Moorvale, have recently installed an additional excavator and truck fleet, which will allow us to have the production requirements that we need going forward.

Our strategic outlook at Macarthur Coal is to ensure that we deliver our growth via our project pipeline and that we fill our port contract capacity at 8.8 million tonnes by 2011.

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