
Massey reports lower shipments of coking coal

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Mine operator Massey Energy Co said that coking coal made up less of its third quarter shipments despite rebounding demand from steelmakers.

Coking or metallurgical coal accounted for 22% of shipments during the period, down by 24% YoY. Revenue per tonne of coking coal likewise dipped to USD 84.58 in the quarter, down from USD 97.47 a tonne in 2008.

Several rivals have taken advantage of higher demand, particularly in China, where Massey says steel production rose 22% in August. It sold 8.7 million tonnes in the quarter, down from 10.3 million a year earlier. The company estimated a fire that destroyed a southern West Virginia preparation plant in August cut production by 300,000 tonnes during the quarter.

Mr Don Blankenship CEO of Massey said he is pleased the company increased its cash holdings to USD 640 million in the quarter, up from USD 609.6 million at the end of second quarter. The company also used USD 72 million in cash for an appeal bond stemming from a long running legal dispute in West Virginia.

He added that "We achieved the strong cash generation amid difficult conditions in the global coal markets and in spite of operating challenges resulting from a fire that destroyed a key preparation plant in August."

Massey said that net income slumped to USD 16.5 million in the quarter as compared with USD 51.6 million a year earlier. Quarterly revenue declined to USD 641.6 million from USD 763.3 million.

(Sourced from Associated Press)

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