



# 2012 Half Year Result

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# Agenda



- About Mineral Resources
- Highlights
- Operational performance
- Financial performance
- Strategy, issues and outlook

# Mineral Resources



## Service Provider



### Process Minerals

Minerals and base metals processing, logistics, ship loading & marketing



### Crushing Services

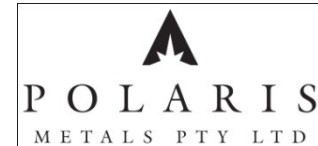
Australia's largest specialist BOO crushing, screening and processing contractor



### PIHA

Pipeline, services, site infrastructure, contractor and polyethylene fittings manufacturer

## Minerals Producer



### Polaris Metals

Specialist Iron Ore resources company



### Mesa Minerals

(64% owned)  
Specialist manganese and technology company



# Corporate & operational highlights



- Mining services business
  - Crushing operations exceeding target outcomes
  - Christmas Creek 2 construction on track
  - PIHA business strong
  - Strong pipeline of opportunities
- Commodity business
  - First iron ore sales from Carina
  - Mining commences at Poondano
  - Iron ore tenements acquired from IOH; mining approvals imminent
  - Auvex acquisition completed
  - Commodity sales on target
  - Manganese market challenging
- Corporate
  - HPPL increase shareholding
  - Significant infrastructure opportunities

# Financial highlights

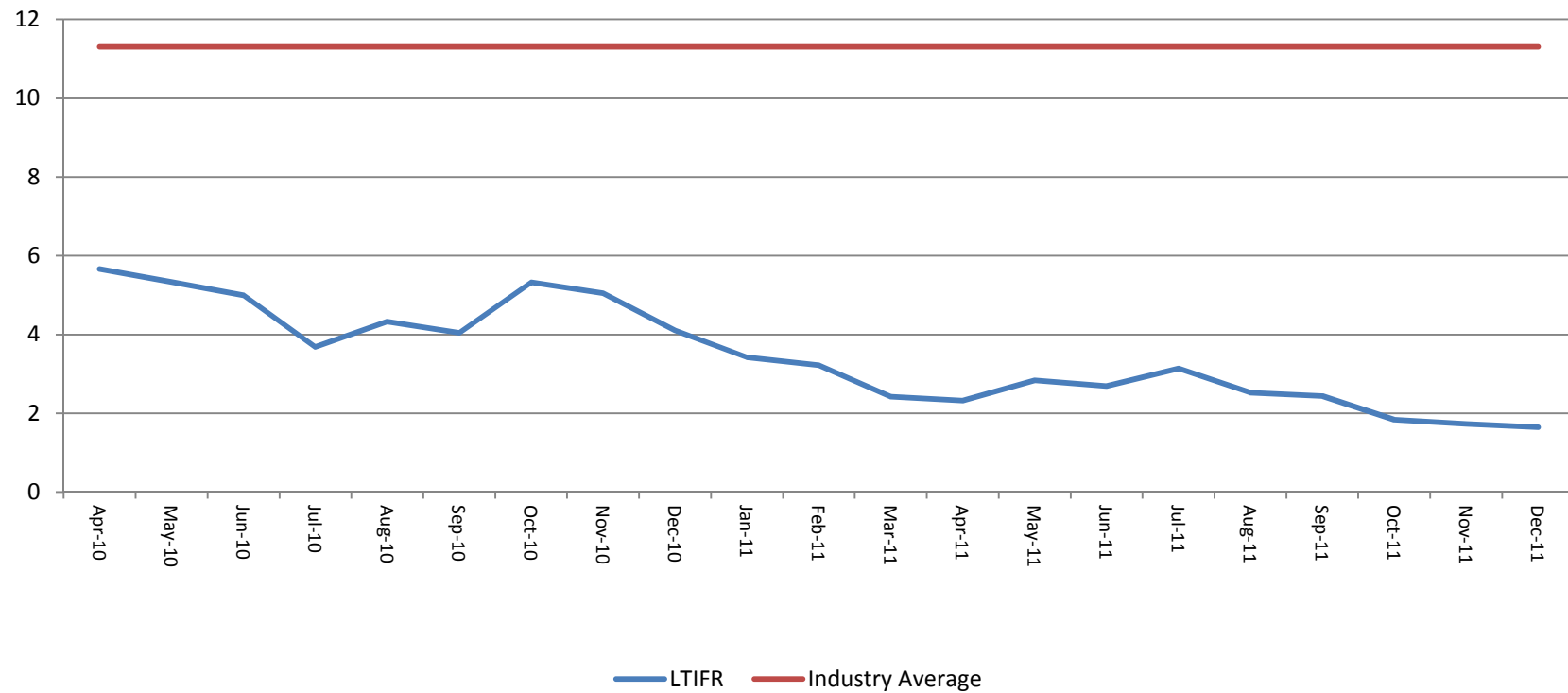


- Record first half year net profit \$80.5 million, up 33%
- Fully franked interim dividend of 16.0 cents declared
- DRP available for interim dividend
- Cash balance - \$145 million
  - Net cash position - \$19 million
- NTA per share increased to 385 cents from 313 cents
- CAPEX programme in line with expectations, record spend in half \$212 million, internally funded

# Safety - our number one value



**MRL Lost Time Injury Frequency Rate (LTIFR)**

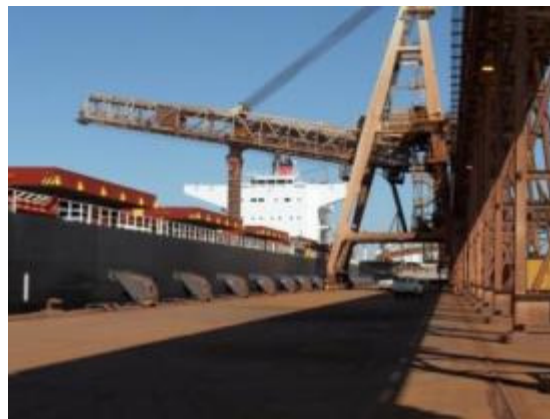


Industry Average Source: Worksafe Mining Services category

# Carina iron ore project



- Mining operations progressing
- Pit establishment and ongoing mine planning shows ore grade and volumes as expected
- Further infrastructure construction nearing completion (air strip, sealed road, permanent crusher, stockyard)
- Market acceptance of product quality
- Solid 50/50 mix of lump & fines
- Rail wagon deliveries proceeding as planned



# Carina iron ore project





# Kwinana Berth 2 upgrade



- Major construction activity completed
- Additional port efficiency measures under construction
- Logistics chain established
- Shipping schedules are established and operating



# Pilbara iron ore tenements



- Phils Creek mining proposal approval imminent
- Planning in advanced stages for early production
- Long lead equipment sourced
- Logistics arrangements developed awaiting approvals





# Christmas Creek BOO contract



- +19 mtpa state of the art production operation
- Construction complete and plant operations performing to target
- Capacity increase in progress



# Christmas Creek 2



- 10 year, \$1 billion+ BOO contract awarded 4 July
- Construction programme, progressive commissioning from July 2012
- 25 mtpa plant configuration:
  - Remote primary crushing station
  - 7 km overland conveyor
  - Scrubbing & wet screening circuit
  - 25mtpa crushing & screening circuit
  - Jigging beneficiation circuit
  - Upgrade of existing CC1 19mtpa crushing & screening plant by installation of additional screen to achieve nominal 25mtpa capacity





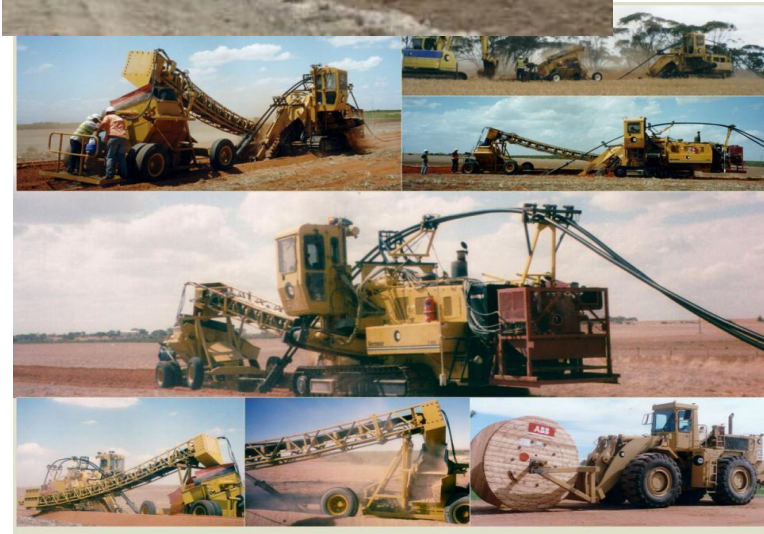
# Christmas Creek 2 (construction to date)



# Pipeline operations



- WIP continues at strong levels
- Major local and international companies calling on PIHA expertise to support development projects
- Contracting opportunities won and being pursued in new industries (CSG, natural gas)
- Strong mine developments focus for PIHA



# Export volumes



'000 tonnes	Half Year Dec 2010 Actual	Half Year Jun 2011 Actual	Half Year Dec 11 Actual	FULL Year Jun 12 Forecast
Iron Ore	1,301	958	1,515	
Manganese	224	225	187	
TOTAL	1,525	1,183	1,702	4,200

# Financial performance



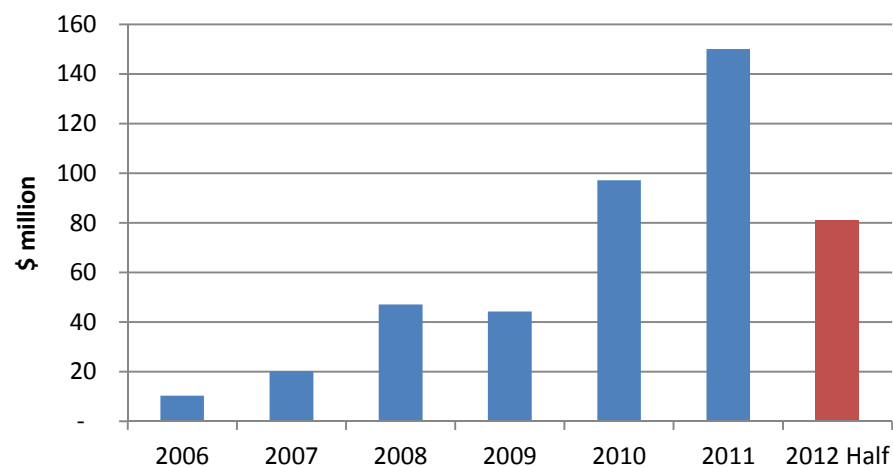
- Revenue \$403 million, up 19% on corresponding half
- Record half year result \$80.5 million, up 33% on corresponding half
- Balance sheet enhanced and continues to strengthen
- Record CAPEX of \$212 million, internally funded
- Additional projects may require external funding, depending on size and timing
- 50% dividend distribution policy maintained
- DRP to be available in 2012 for interim dividend



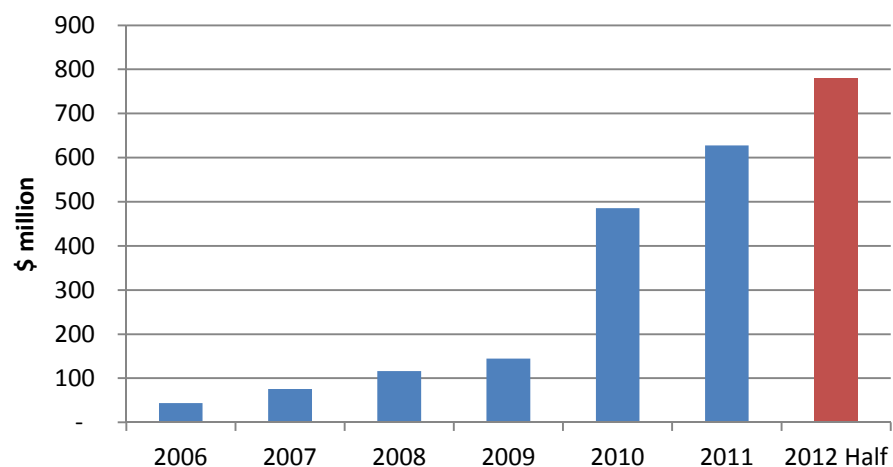
# Financial history



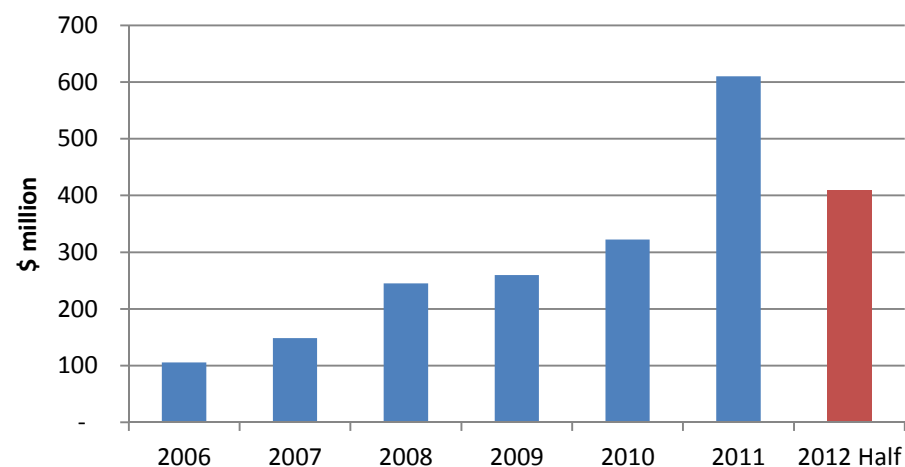
## NPAT



## Net Assets



## Revenue



# Financial performance



<b>\$AUD millions</b>	<b>HY Dec 11</b>	<b>HY Dec 10</b>	<b>% change</b>
Revenue	408.8	344.3	+18.7%
NPAT	80.5	60.6	+32.8%
EPS	44.4	36.4	+22.0%
<b>\$AUD millions</b>	<b>Dec 11</b>	<b>Dec 10</b>	<b>% change</b>
Net Assets	780.1	568.7	
Net Cash	18.6	66.2	
Funds Employed	761.5	502.5	+51.5%
Operational Cash flow	143.0	58.7	

# Balance sheet strength



<b>\$AUD millions</b>	<b>Dec 11</b>	<b>Jun 11</b>	<b>Jun 10</b>	<b>Jun 09</b>	<b>Jun 08</b>
Total Assets	<b>1,263.2</b>	970.0	844.8	288.9	223.6
Total Liabilities	<b>(483.0)</b>	(342.6)	(359.1)	(144.0)	(107.6)
Net Assets	<b>780.1</b>	627.5	485.7	144.8	116.0
Net Cash Position	<b>18.6</b>	78.4	88.2	(11.6)	21.5
Funds Employed	<b>761.5</b>	549.1	397.5	156.4	94.5

Recommended fully franked dividend of 16.0 cents for record on 16 March 12 and payable on 6 April 12

Debt : Equity

Net cash positive

Interest Cover (times) [EBIT / Interest]

36.1 times

# Operational cash flow



<b>\$AUD millions</b>	<b>HY Dec 11</b>	<b>HY Dec 10</b>
EBITDA	<b>143.1</b>	<b>100.9</b>
CAPEX (including funded items)	<b>(212.5)</b>	<b>(79.4)</b>
Net Interest Payments	<b>0.8</b>	<b>(0.9)</b>
Income Taxes Paid	<b>(29.8)</b>	<b>(12.2)</b>
Working Capital and Other	<b>24.1</b>	<b>(35.6)</b>
Net Operating and Investing cash flow	<b>(74.3)</b>	<b>(27.2)</b>
Dividends paid	<b>(47.5)</b>	<b>(22.9)</b>
Share options exercised	<b>64.3</b>	<b>36.5</b>
Other financing cashflow	<b>22.2</b>	<b>(7.6)</b>
Total Increase in Cash	<b>(35.3)</b>	<b>(21.2)</b>



# Strategy & basis for future growth



## Affirm the strategy

- To build sustainable diversified processing and mining services and commodities businesses, through,
  - Providing a safe work environment for our people
  - Success in winning and undertaking profitable contracts
  - Expansion of commodities production capacity
  - Adding value to our customers operations
  - Recruiting and developing a skilled and committed team
  - Maintaining an entrepreneurial focus
  - Maintaining our consistent core values of innovation, integrity, safety, quality and service
  - Being the best we can
  - Consider corporate / M&A opportunities

# Growth & market perspective



- Demand and pricing of iron ore continues to be strong, albeit volatile due to outside factors
- Manganese pricing & volumes to recover, although uncertainty will continue for some time
- Ongoing AUD / USD impacts revenue and profit for commodities
- Infrastructure a key element of production growth and provides MRL with significant opportunities

# Summary



- Record half year result
- Development projects on time and within budget
- Completion of major phase of development for Yilgarn mining
- Exploration programme continues
- Organic growth across all operations
- Abundant corporate opportunities
- Balance sheet and cash position in good shape

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