

13 February 2014

The Manager
Company Announcements
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

2013 Half Year Financial Report

The Directors of Mineral Resources Limited (Company) (ASX:MIN) are pleased to present the 2013/14 Half Year Financial Report to the markets.

HIGHLIGHTS:

- **Record revenue generated of \$0.928 billion;**
- **EBITDA of \$305.1 million, 110% greater than the previous corresponding period;**
- **Net profit after tax of \$130.4 million, 107% greater than the previous corresponding period;**
- **Fully franked interim dividend of 30.0 cents per share declared;**
- **Net debt has been extinguished in January 2014 and the Company stands with a significant cash balance; and**
- **Half earnings record resulting from:**
 - **solid mining services business performance, and**
 - **a 90% increase in iron ore volumes at improved prices, assisted by a weaker Australian dollar.**

The Company has produced another record result for the half year with a 107% improvement in earnings over the previous corresponding period. This result is in keeping with expectations and represents a significant result from both Mining Services and Mining activities. As always, this outstanding result is dependent on each operation achieving its respective performance targets, substantiating the Company's sound business model.

Development of the business continued as planned this half year:

- Contracting volumes remained robust in the period although forward crushing volumes will be impacted by the exit from Christmas Creek. The other mining services activities, including PIHA, accommodation and materials handling areas, continued to provide solid contributions.
- Mining operations produced an outstanding result with volumes increasing by 90%. This result was achieved from the continued improvement in production from existing mines and the introduction and consolidation of new mines at Phil's Creek and Spinifex Ridge. Poondano has come to the end of its life and operations at the site commenced winding down.

- Financially, the company continues to improve its position. Net debt repayments of \$117 million reduced gearing to 18.6% at 31 December 2013 with the position becoming cash positive in January 2014.

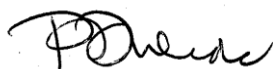
Directors have continued the policy of distributing approximately 50% of normalised after tax profits to shareholders as fully franked dividends by declaring an interim dividend of 30.0 cents per share, payable for all shareholders at 20th March 2014.

The business now has significant financial and operational resources to develop the strategy laid out for shareholders at our AGM in November and a number of strategically significant opportunities are currently being considered by the management team to grow the business and shareholder value.

Directors also confirm profit guidance that 2013/14 Net Profit will be in line with consensus forecasts of between \$247.8 million and \$252.8 million.

On behalf of the Board and Management, I would like to take the opportunity to acknowledge the contribution of all customers, employees and contractors, and thank them for their assistance in producing continued positive outcomes to the benefit of all stakeholders.

Yours sincerely



Peter Wade
Chairman

Mineral Resources Half Year Results - Teleconference Details

Date: 13 February 2014
 Start Time: 12:00 wst
 Call-in Number: 1800 064 292
 Reservation Number: 14468691

To participate in a Telstra Conferencing Question Queuing Conference, you will need a touchtone phone.

- Please dial your Call-in number **10 minutes** before the scheduled time.
- A conference administrator who will note your name and telephone number will greet you. You will then be placed on hold music until the conference is due to commence.
- At the start of the conference your line will be taken off hold and you will be placed in Listen Only (mute) mode.
- If at any time during the conference you wish to ask a question or make a comment, press **(*1)** to register your question. If you decide to **cancel your question** at any time press **(*2)**. All parties on the conference will hear your question and the answer. When you have finished asking your question and received answer you will be placed back on Listen Only mode.
- If you are disconnected for any reason during the conference redial your Call-in number.

APPENDIX 4D

HALF-YEAR REPORT

1. Company details

| | |
|--------------------------------|----------------------------------|
| Name of entity: | Mineral Resources Limited |
| ABN: | 33 118 549 910 |
| Reporting period: | Half-year ended 31 December 2013 |
| Previous corresponding period: | Half-year ended 31 December 2012 |

2. Results for announcement to the market

| | | | | |
|---|----|--------|----|----------------|
| Revenues from ordinary activities | up | 86.4% | to | \$ 928,444,000 |
| Profit from ordinary activities after tax | up | 106.7% | to | \$ 130,298,000 |
| Profit from ordinary activities after tax attributable to the owners of Mineral Resources Limited | up | 106.3% | to | \$ 130,571,000 |

| | | |
|------------------|---------------------|-----------------------------|
| <i>Dividends</i> | | |
| | Amount per security | Franked amount per security |
| Final dividend | 32.0cents | 32.0cents |
| Interim dividend | 30.0cents | 30.0cents |

Comments
The profit for the Consolidated Entity after providing for income tax and non-controlling interest amounted to \$130,571,000 (31 December 2012: \$63,292,000).

3. Net tangible assets

| | | |
|---|------------------|-------------------------------|
| | Reporting period | Previous corresponding period |
| Net tangible assets per ordinary security | 551.60 cents | 462.10 cents |

4. Dividends

| | | |
|-----------------------|---------------------|-----------------------------|
| <i>Current period</i> | | |
| | Amount per security | Franked amount per security |
| Final dividend | 32.0cents | 32.0cents |
| Interim dividend | 30.0cents | 30.0cents |

| | | |
|--------------------------------------|---------------------|-----------------------------|
| <i>Previous corresponding period</i> | | |
| | Amount per security | Franked amount per security |
| Final dividend | 30.0cents | 30.0cents |
| Interim dividend | 16.0cents | 16.0cents |

5. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

The Company's Dividend Reinvestment Plan ("DRP") will be available for shareholders to participate for the interim dividend declared today. Shares issued under the DRP will be priced at the Volume Weighted Average Price ("VWAP") for fully paid Mineral Resources Limited ("MRL") shares sold on the ASX in the five business days following the record date of 20 March 2014, rounded to the nearest whole cent. No discount will be applied. The DRP will not be underwritten.

The last date for receipt of election notices for the dividend or distribution plans: 27 March 2014

6. Audit qualification or review

The accounts were subject to a review by the auditors and the review report is attached as part of the Interim Report.

Mineral Resources Limited
ABN 33 118 549 910

Interim Report - 31 December 2013

Mineral Resources Limited

Contents

31 December 2013

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Mineral Resources Limited
Corporate directory
31 December 2013

| | |
|-----------------------------|---|
| Directors | Peter Wade Chris Ellison Joe Ricciardo Mark Dutton Kelvin Flynn |
| Company secretary | Bruce Goulds |
| Registered office | 1 Sleat Road Applecross WA 6153 P: + 61 8 9329 3600 F: + 61 8 9329 3601 Postal address: Locked Bag 3, Canning Bridge, Applecross WA 6153 |
| Principal place of business | 1 Sleat Road Applecross WA 6153 |
| Share register | Computershare Investor Services Pty Limited Level 2, Reserve Bank Building 45 St Georges Terrace Perth WA 6000 P: + 61 8 9323 2000 F: + 61 8 9322 2033 www.computershare.com/au |
| Auditor | RSM Bird Cameron Partners 8 St Georges Terrace Perth WA 6000 P: + 61 8 9261 9100 F: + 61 8 9261 9111 www.rsmi.com.au |
| Bankers | National Australia Bank 100 St Georges Terrace Perth WA 6000 www.nab.com.au |
| Stock exchange listing | Mineral Resources Limited shares are listed on the Australian Securities Exchange (ASX code: MIN) |
| Website | www.mineralresources.com.au |

Mineral Resources Limited
Directors' report
31 December 2013

The directors present their report, together with the financial statements and the independent auditor's report of Mineral Resources Limited and of the Consolidated Entity, being the Company and its controlled entities ('the Group') for the half-year ended 31 December 2013.

Directors

The following persons were directors of Mineral Resources Limited during half-year and up to the date of this report, unless otherwise stated:

Peter Wade
Chris Ellison
Joe Ricciardo
Mark Dutton
Kelvin Flynn

Principal activities

During the financial year, the principal continuing activities of the Consolidated Entity consisted of the integrated supply of goods and services to the resources sector.

Review of operations

Overview

The Consolidated Entity produced earnings before interest, tax and depreciation of \$305.1 million for the half year ended 31 December 2013, 110% greater than for the previous corresponding period and 28% greater than the previous half year. Net Profit of \$130.4 million was 107% greater than for the previous corresponding period. This result was achieved from outstanding iron ore shipment volumes and the continued strength of the Mining Services and Processing segment.

Basic earnings per share increased from 63.38 cps in the half year ended 30 June 2013 to 70.2 cps in the current half year, an increase of 11%. Improved earnings and capital management also increased the Consolidated Entity's annualised return on equity from 17.7% for the full year ended 30 June 2013 to 23.9% for the current half year, an increase of 35%. Total Shareholder Returns (TSR) based upon the low share price at 1 July, 2013 also grew in the current half year by 47.8%.

An assumed income tax rate of 31% has been allowed against the half year results.

The Consolidated Entity has continued to manage its gearing to strengthen the balance sheet. In the current half year \$117 million (32% of total debt at 30 June 2013) was repaid.

Mining Services and Processing

CSI Crushing continued to perform strongly in accordance with expectations. Existing contracts together with those commenced during the year ended 30 June 2013 continue to operate at scheduled levels supporting an annualised crushing volume of approximately 75 to 80 million tonnes per annum, excluding Christmas Creek tonnes.

CSI Mining (i.e. dig and haul) commenced operations as an internal service to the Group and has progressively expanded to include services to external customers as an add-on activity to the build, own, operate crushing activities. This expanded service provides added value to clients and also ensures a professional, fully utilised mining team for MRL's own operations. This service is marketed under the CSI brand and utilises common infrastructure and overheads of the crushing business.

PMI Site Services continues to grow organically with the award of the accommodation services for Rio Tinto's Jerriwah Camp in the period and the addition of further build, own, operate beds to the portfolio. PMI Site Services now has 1,068 beds under management and this portfolio is scheduled to grow over the next year.

PIHA continued to develop the water services business and support for the Queensland oil and gas sector in the half year. Although major construction activities in Western Australia's mining sector have slowed, PIHA has retained its dominance in the provision of pipe and pipelining installations. The market penetration of PIHA goods and services in the Western Australian resources sector has benefited from the large scale and complexity of ongoing construction projects and PIHA's ability to provide innovative solutions in its field has allowed it to grow through the period.

Mineral Resources Limited

Directors' report

31 December 2013

Mining Services segment margins declined slightly in the current half year in percentage terms as inefficiencies associated with the FMG step-in and exit were taken to account and conservative margins were recognised for new EPC construction revenue. The overall EBITDA margin of 38% is a pleasing result under these circumstances with underlying contracting margins holding up to historic levels.

Construction of the Nammuldi Below Water Table projects commenced site activities in the current half year with engineering phases well advanced. Overall the Ore Processing Facility (OPF) project was approximately 20% complete at the end of the current half year in accordance with the project programme while the physical construction of Jerriwah Camp was well advanced, with progressive camp accommodation utilisation. Both projects have achieved contracted milestones during the period and are on target to be completed to contract schedules. The current construction team of 241 personnel (at February 2014) is expected to peak mid-year.

Commodities

| Export Volumes (‘000 WMT’s)* | First Half 2011-12 | Second Half 2011-12 | Total 2011-12 | First Half 2012-13 | Second Half 2012-13 | Total 2012-13 | First Half 2013-14 |
|----------------------------------|--------------------------|---------------------------|------------------|--------------------------|---------------------------|------------------|--------------------------|
| Iron ore | | | | | | | |
| . Utah Point | | | | | | | |
| .. Phil's Creek | - | - | - | - | 464 | 464 | 1,721 |
| .. Spinifex Ridge** | - | - | - | - | - | - | 653 |
| .. Poondano & other** | 1,190 | 814 | 2,004 | 1,015 | 386 | 1,401 | 319 |
| .. Total Utah Point | 1,190 | 814 | 2,004 | 1,015 | 850 | 1,865 | 2,693 |
| . KBT2 | 325 | 1,434 | 1,759 | 1,528 | 2,016 | 3,544 | 2,376 |
| . Total | 1,515 | 2,248 | 3,763 | 2,543 | 2,866 | 5,409 | 5,069 |
| | | | | | | | |
| Manganese* | 187 | 82 | 269 | 117 | 30 | 147 | - |
| | | | | | | | |
| Total commodity sales | 1,702 | 2,330 | 4,032 | 2,660 | 2,896 | 5,556 | 5,069 |

*Export volumes are shown in wet metric tonnes. Iron ore is sold in dry metric tonnes.

** Reported in the Mining Services and Processing accounting segment.

During the current half year MRL's suite of mining projects in the Pilbara region were reconfigured as part of the full introduction of two new mines and to optimise export volumes through the Pilbara port. Infrastructure for the Phil's Creek project was fully operational for a part of the half year following cessation of escorted road haulage. This allowed for an increase in tonnes transported from Phil's Creek from 0.5 million wet tonnes in the half year ended 30 June 2013 to 1.7 million wet tonnes in the current half year. In addition, Spinifex Ridge, the operating iron ore project acquired from Moly Mines, commenced operations within MRL on 1 July 2013 achieving 0.7 million wet tonnes shipped, utilising existing production arrangements. The rate of production at Spinifex Ridge has been escalated during the current half year by the introduction of double shifts in key production activities to remove systemic bottlenecks.

Development of new mines in the Pilbara provided the opportunity to complete the run-out of the Poondano operations in preparation for mine closure in early 2014. Poondano mining and processing operations have since ceased with product stockpiles and site clean-up activities providing limited residual tonnes for the second half.

Iron Valley, the project MRL is undertaking with Iron Ore Holdings (ASX:IOH), is currently under construction and site access is expected in the next few months. First ore production is scheduled for the financial year ended 30 June 2015.

Development of the Yilgarn region continued in the current half year with export volumes increasing to 2.37 million wet tonnes from the Carina mine, an increase of 36% on the previous corresponding period and an increase of 18% on the previous half year. In addition, operational drilling and referral of tenement approval requests were focused on the project development pipeline in the region. This will allow for extended mine life and export tonne expansion as logistical bottlenecks are addressed. The replacement of rail rolling stock in 2014 is one significant operational improvement planned for the business with further improvements to ship loading capacity a target for 2014/2015.

Mineral Resources Limited

Directors' report

31 December 2013

Manganese operations continue at Woodie Woodie although no tonnes were exported during the current half year. Market conditions continue to be marginal for manganese in the short term and costs and efficiency of this business area are continually under review. The board continues to be confident that an investment in manganese is desirable with a focus on reducing costs and increasing efficiency.

Achieved Australian dollar prices for iron ore benefitted from the combination of a higher iron ore price and weaker Australian dollar.

Product demand in the current half year for MRL products remained strong despite Chinese government intervention to tighten domestic debt markets. MRL's customer base is a healthy mix of international traders, direct Chinese customers and also a blue chip Korean customer base.

Cash and working capital

The Group cash balance continues to benefit from the solid earnings and relatively low capital expenditure in the current half year. After the close of the half year, MRL's cash balance was bolstered by the sale of the Christmas Creek plants and an exit from the associated FMG contracts.

Cash generation in the current half year has allowed for advancement of the debt reduction programme. During the half year, \$117 million of debt was repaid with a programme to further reduce the outstanding debt during the second half, subject to new project needs. The Consolidated Entity gearing ratio sits at 18.6% as at 31 December 2013 (down from 26.6% at 30 June 2013) with the Group reverting to a net-cash positive position in January after proceeds of the settlement with FMG were received.

CAPEX in the current half year totalled \$59 million, substantially down on previous periods. Work on a number of capital projects are either coming to an end or remain at an early stage as the investment programme moves from the construction and development of new assets into a short-term operational consolidation phase. CAPEX for the second half will increase as new, long lead assets are delivered.

Depreciation expenses have risen substantially from previous periods. New Mining projects and Mining Services contracts have commenced late in the previous period. In keeping with MRL's policy of appropriately writing off unrecoverable fixed assets and amortisation of decreasing assets in the early stage of a project lifecycle, depreciation and amortisation expenses have escalated.

Capital Allocation

On the basis of the strength of MRL's balance sheet and cash position, the board is reviewing a range of alternative uses for investable funds to grow the business and optimise shareholder returns. A wide range of organic growth opportunities exist for the company in key strategic areas to expand the current mining and infrastructure investment model developed over the last few years. Supplementary options also exist to restructure business elements and expand into complementary services operations.

Mineral Resources Limited
Directors' report
31 December 2013

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Chris Ellison
Managing Director

13 February 2014
Perth

RSM Bird Cameron Partners
8 St George's Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Mineral Resources Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 13 February 2014

Mineral Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2013

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2013 | 31 Dec 2012 |
| | \$'000 | \$'000 |
| Revenue | 928,444 | 498,111 |
| Other income | 1,258 | 2,140 |
| Expenses | | |
| Changes in closing stock | 33,297 | (1,542) |
| Raw materials and consumables | (114,888) | (101,405) |
| Equipment costs | (27,102) | (22,430) |
| Subcontractors | (117,636) | (51,562) |
| Employee benefits expense | (114,521) | (70,648) |
| Transport and freight | (233,228) | (85,907) |
| Depreciation and amortisation | (106,345) | (52,719) |
| Other expenses | (49,942) | (21,637) |
| Finance costs | (9,129) | (2,553) |
| Profit before income tax expense | 190,208 | 89,848 |
| Income tax expense | (59,910) | (26,803) |
| Profit after income tax expense for the half-year | 130,298 | 63,045 |
| Other comprehensive income | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | |
| Gain on the revaluation of land and buildings, net of tax | 89 | - |
| Loss on the revaluation of land and buildings, net of tax | - | (801) |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Gain on the revaluation of available-for-sale financial assets, net of tax | 51 | 83 |
| Other comprehensive income for the half-year, net of tax | 140 | (718) |
| Total comprehensive income for the half-year | 130,438 | 62,327 |
| Profit for the half-year is attributable to: | | |
| Owners of Mineral Resources Limited | 130,571 | 63,292 |
| Non-controlling interest | (273) | (247) |
| | 130,298 | 63,045 |
| Total comprehensive income for the half-year is attributable to: | | |
| Owners of Mineral Resources Limited | 130,711 | 62,574 |
| Non-controlling interest | (273) | (247) |
| | 130,438 | 62,327 |
| Basic profit per share (cents per share) | 70.2 | 34.1 |
| Diluted profit per share (cents per share) | 70.2 | 34.0 |

The accompanying notes form part of these financial statements

Mineral Resources Limited
Statement of financial position
As at 31 December 2013

| | | Consolidated | |
|--|-------------|---------------------|---------------------|
| | Note | 31 Dec 2013 | 30 June 2013 |
| | | \$'000 | \$'000 |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 191,815 | 57,832 |
| Trade and other receivables | | 234,274 | 196,943 |
| Inventories | | 106,099 | 75,689 |
| Other | | 9,716 | 5,896 |
| Total current assets | | <u>541,904</u> | <u>336,360</u> |
| Non-current assets | | | |
| Receivables | | 111 | 113 |
| Investments accounted for using the equity method | | 190 | 190 |
| Available-for-sale financial assets | | 3,336 | 2,712 |
| Property, plant and equipment | | 880,130 | 905,011 |
| Intangibles | | 65,352 | 72,849 |
| Exploration and evaluation assets | | 305,671 | 301,875 |
| Mine development | | 83,742 | 101,993 |
| Deferred tax | | 82,386 | 83,330 |
| Total non-current assets | | <u>1,420,918</u> | <u>1,468,073</u> |
| Total assets | | <u>1,962,822</u> | <u>1,804,433</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 372,993 | 203,095 |
| Borrowings | | 108,387 | 80,376 |
| Financial liabilities value at fair through profit or loss | | 220 | 387 |
| Income tax payable | | 36,433 | 6,635 |
| Provisions | | 17,390 | 16,397 |
| Total current liabilities | | <u>535,423</u> | <u>306,890</u> |
| Non-current liabilities | | | |
| Borrowings | | 142,399 | 287,742 |
| Deferred tax | | 180,687 | 179,338 |
| Provisions | | 12,970 | 12,723 |
| Total non-current liabilities | | <u>336,056</u> | <u>479,803</u> |
| Total liabilities | | <u>871,479</u> | <u>786,693</u> |
| Net assets | | <u>1,091,343</u> | <u>1,017,740</u> |
| Equity | | | |
| Issued capital | 4 | 491,864 | 490,562 |
| Reserves | | 6,121 | 5,981 |
| Retained profits | | 572,238 | 501,183 |
| Equity attributable to the owners of Mineral Resources Limited | | <u>1,070,223</u> | <u>997,726</u> |
| Non-controlling interest | | 21,120 | 20,014 |
| Total equity | | <u>1,091,343</u> | <u>1,017,740</u> |

The accompanying notes form part of these financial statements

Mineral Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2013

| | Issued capital \$'000 | Reserves \$'000 | Retained profits \$'000 | Non- controlling interest \$'000 | Total equity \$'000 |
|--|--------------------------------------|----------------------------|--|---|------------------------------------|
| Consolidated | | | | | |
| Balance at 1 July 2012 | 484,739 | 6,012 | 405,110 | 20,891 | 916,752 |
| Profit/(loss) after income tax expense for the half-year | | - | 63,292 | (247) | 63,045 |
| Other comprehensive income for the half-year, net of tax | - | (718) | - | - | (718) |
| Total comprehensive income for the half-year | - | (718) | 63,292 | (247) | 62,327 |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Shares issued on exercise of options | 300 | - | - | - | 300 |
| Share issued under Dividend Reinvestment Plan | 2,547 | - | - | - | 2,547 |
| Employee share contributions | 502 | - | - | - | 502 |
| Dividends paid (note 5) | - | - | (55,502) | - | (55,502) |
| Balance at 31 December 2012 | 488,088 | 5,294 | 412,900 | 20,644 | 926,926 |

| | Issued capital \$'000 | Reserves \$'000 | Retained profits \$'000 | Non- controlling interest \$'000 | Total equity \$'000 |
|--|--------------------------------------|----------------------------|--|---|------------------------------------|
| Consolidated | | | | | |
| Balance at 1 July 2013 | 490,562 | 5,981 | 501,183 | 20,014 | 1,017,740 |
| Profit/(loss) after income tax expense for the half-year | | - | 130,571 | (273) | 130,298 |
| Other comprehensive income for the half-year, net of tax | - | 140 | - | - | 140 |
| Total comprehensive income for the half-year | - | 140 | 130,571 | (273) | 130,438 |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Transaction with non controlling interests | - | - | - | 1,379 | 1,379 |
| Share issued under Dividend Reinvestment Plan | 1,302 | - | - | - | 1,302 |
| Dividends paid (note 5) | - | - | (59,516) | - | (59,516) |
| Balance at 31 December 2013 | 491,864 | 6,121 | 572,238 | 21,120 | 1,091,343 |

The accompanying notes form part of these financial statements

Mineral Resources Limited
Statement of cash flows
For the half-year ended 31 December 2013

| | | Consolidated | |
|---|-------------|---------------------|--------------------|
| | Note | 31 Dec 2013 | 31 Dec 2012 |
| | | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 1,046,256 | 570,750 |
| Payments to suppliers and employees (inclusive of GST) | | (642,332) | (455,707) |
| | | 403,924 | 115,043 |
| Interest received | | 547 | 56 |
| Interest and other finance costs paid | | (9,128) | (2,553) |
| Income taxes paid | | (27,729) | (19,270) |
| Net cash from operating activities | | 367,614 | 93,276 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (48,211) | (226,205) |
| Payments for intangibles | | - | (3,244) |
| Payments for exploration and evaluation | | (3,797) | (9,917) |
| Payments for mining development | | (7,455) | - |
| Proceeds from sale of property, plant and equipment | | - | 1,359 |
| Net cash used in investing activities | | (59,463) | (238,007) |
| Cash flows from financing activities | | | |
| Proceeds from exercise of share options | | - | 3,349 |
| Transaction with non-controlling interests | | 1,296 | - |
| Proceeds from borrowings | | 48,500 | 200,795 |
| Dividends paid | 5 | (58,132) | (55,502) |
| Repayment of borrowings | | (165,832) | (55,595) |
| Net cash from/(used in) financing activities | | (174,168) | 93,047 |
| Net increase/(decrease) in cash and cash equivalents | | 133,983 | (51,684) |
| Cash and cash equivalents at the beginning of the financial half-year | | 57,832 | 76,282 |
| Cash and cash equivalents at the end of the financial half-year | | 191,815 | 24,598 |

The accompanying notes form part of these financial statements

Mineral Resources Limited
Notes to the financial statements
31 December 2013

Note 1. General information

The financial report covers Mineral Resources Limited as a Consolidated Entity consisting of Mineral Resources Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Mineral Resources Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Mineral Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

1 Sleat Road
Applecross WA 6153

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 13 February 2014. The directors do not have the power to amend and reissue the financial report.

The separate financial statements of the parent entity, Mineral Resources Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as disclosed below.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Consolidated Entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Mineral Resources Limited
Notes to the financial statements
31 December 2013

Note 3. Operating segments

Business segment

Mineral Resources Limited has identified its operating segments based on internal management reports that are reviewed by the executive committee (the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

Mineral Resources Limited continues to report its business results as three operating segments being Mining Services and Processing, Mining and Central. All are operating within the resources sector of the Australian economy.

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes and the performance of each segment is measure based on underlying EBIT contribution.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

Operating segment information

| | Mining Services & Processing \$'000 | Mining \$'000 | Central \$'000 | Total \$'000 |
|---|--|------------------|-------------------|-----------------|
| Consolidated - 2013 | | | | |
| <i>Statement of profit or loss for half-year ended 31 December 2013</i> | | | | |
| Revenue | | | | |
| Sales to external customers | 630,823 | 513,697 | - | 1,144,520 |
| Intersegment sales | (212,174) | (3,902) | - | (216,076) |
| Total revenue | 418,649 | 509,795 | - | 928,444 |
| Depreciation and amortisation | (60,965) | (43,547) | (1,833) | (106,345) |
| Interest revenue | - | 37 | 510 | 547 |
| Finance costs | (3,168) | - | (5,961) | (9,129) |
| Other revenue | - | 161 | 550 | 711 |
| Other expenses | (260,235) | (363,207) | (578) | (624,020) |
| Profit/(loss) before income tax expense | 94,281 | 103,239 | (7,312) | 190,208 |
| Income tax expense | | | | (59,910) |
| Profit after income tax expense | | | | 130,298 |

Statement of financial position as at 31 December 2013

| | | | | |
|--------------------------|-----------|---------|---------|-----------|
| Assets | | | | |
| Segment assets | 1,151,856 | 659,113 | 151,853 | 1,962,822 |
| Total assets | | | | 1,962,822 |
| Liabilities | | | | |
| Segment liabilities | 505,432 | 109,804 | 256,243 | 871,479 |
| Total liabilities | | | | 871,479 |

Mineral Resources Limited
Notes to the financial statements
31 December 2013

Note 3. Operating segments (continued)

| | Mining Services & Processing \$'000 | Mining \$'000 | Central \$'000 | Total \$'000 |
|---|--|------------------|-------------------|------------------|
| Consolidated - 2012 | | | | |
| <i>Statement of profit or loss for half-year ended 31 December 2012</i> | | | | |
| Revenue | | | | |
| Sales to external customers | 437,641 | 145,173 | 167 | 582,981 |
| Intersegment sales | (78,860) | (6,010) | - | (84,870) |
| Total revenue | <u>358,781</u> | <u>139,163</u> | <u>167</u> | <u>498,111</u> |
| Depreciation and amortisation | (36,106) | (15,654) | (959) | (52,719) |
| Interest revenue | 3 | 53 | - | 56 |
| Other revenue | 1,282 | 474 | 328 | 2,084 |
| Interest expense | (2,461) | (79) | (13) | (2,553) |
| Other expenses | (218,587) | (127,933) | (8,611) | (355,131) |
| Profit/(loss) before income tax expense | <u>102,912</u> | <u>(3,976)</u> | <u>(9,088)</u> | <u>89,848</u> |
| Income tax expense | | | | (26,803) |
| Profit after income tax expense | | | | <u>63,045</u> |
| <i>Statement of financial position as at 31 December 2012</i> | | | | |
| Assets | | | | |
| Segment assets | <u>758,601</u> | <u>567,510</u> | <u>281,405</u> | <u>1,607,516</u> |
| Total assets | | | | <u>1,607,516</u> |
| Liabilities | | | | |
| Segment liabilities | <u>300,330</u> | <u>122,161</u> | <u>258,099</u> | <u>680,590</u> |
| Total liabilities | | | | <u>680,590</u> |

Mineral Resources Limited
Notes to the financial statements
31 December 2013

Note 4. Equity - issued capital

| | Consolidated | | Consolidated | |
|-----------------|---------------------|---------------------|---------------------|---------------------|
| | 31 Dec 2013 | 30 June 2013 | 31 Dec 2013 | 30 June 2013 |
| | Shares | Shares | \$'000 | \$'000 |
| Ordinary shares | <u>186,112,198</u> | <u>185,987,992</u> | <u>491,864</u> | <u>490,562</u> |

Movements in ordinary share capital

| Details | Date | No of shares | \$'000 |
|---|------------------|---------------------|----------------|
| Balance | 1 July 2013 | 185,987,992 | 490,562 |
| Shares issued for dividend reinvestment | | <u>124,206</u> | <u>1,302</u> |
| Balance | 31 December 2013 | <u>186,112,198</u> | <u>491,864</u> |

Movements in ordinary share capital

| Details | Date | No of shares | \$'000 |
|---|------------------|---------------------|----------------|
| Balance | 1 July 2012 | 184,856,016 | 484,739 |
| Exercise of share options | | 150,000 | 300 |
| Shares issued for dividend reinvestment | | 327,253 | 2,547 |
| Employee share trust contribution | | <u>-</u> | <u>502</u> |
| Balance | 31 December 2012 | <u>185,333,269</u> | <u>488,088</u> |

Note 5. Equity - dividends

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2013 | 31 Dec 2012 |
| | \$'000 | \$'000 |
| DIVIDENDS PAID DURING HALF YEAR | | |
| Fully franked dividends provided for and paid during the half-year | 59,516 | 55,502 |
| DIVIDEND DECLARED SINCE THE END OF THE HALF-YEAR | | |
| Interim dividend for the year ending 30 June 2014 of 30 cents (Previous corresponding period: 16 cents) per ordinary share fully franked at a tax rate of 30% to be paid on 10 April 2014. This dividend amount to be paid has not been provided for in this half year financial report. | 55,834 | 29,653 |
| | <u>115,350</u> | <u>85,155</u> |

Note 6. Contingent liabilities

Since the last annual report, there has been no material change of contingent liabilities.

Note 7. Commitments

The Consolidated Entity has entered into commitments to purchase rail wagons and locomotives for its Carina iron ore operation for approximately \$64 million.

Note 8. Events after the reporting period

On 17 January 2014, the Company announced the buy-out of its Christmas Creek processing plant by Fortescue Metals Limited ("FMG") for approximately \$300million.

No other matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Mineral Resources Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Chris Ellison
Managing Director

13 February 2014
Perth

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MINERAL RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Mineral Resources Limited which comprises the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mineral Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mineral Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

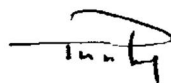
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mineral Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 13 February 2014