



19 February 2009

Company Announcements Office
Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Financial Report for the half-year ended 31 December 2008

This announcement is for the immediate release to the market.

The directors of Mineral Resources Limited (ASX:MIN) are pleased to present the 2008 half-year financial report to the markets. Attached is the company's Appendix 4D and Financial Report for the half-year ended 31 December 2008.

For the half-year ended 31 December 2008, Mineral Resources announces a net profit after tax of \$23.364 million as part of the following half-year trading report:

	Half-year to December 2008	Half-year to December 2007	Dec08 half to Dec07 half
	Actual \$ millions	Actual \$ millions	% change
Revenue from ordinary activities	142.9	118.9	+20.2%
Net Profit after income tax	23.4	20.0	+16.5%
Earnings per share (cents per share)	18.9	16.5	+14.6%

Net profit after tax of \$23.364 million is after a share based payment expense of \$1.178 million.

The directors have also declared today a fully franked interim dividend for the 2008/09 year of 7.0 cents per share, payable on 3 April 2009 for all shareholders of record at 18 March 2009. This interim dividend is in accordance with the company's dividend policy of distributing a minimum of 50% of the after tax profit.

Mineral Resources reports its business results as a consolidated mining services and processing group operating within the resources sector of the Australian economy.

This 6 month period of operations has been characterized by unprecedented volatility and challenges as a result of the global financial crisis and the corresponding downturn in overall world growth. Significantly, the resources sector has experienced demand and price contractions across steel making minerals which form a major element of our crushing and processing portfolio.

Notwithstanding this extreme cyclical environment, Mineral Resources has continued to grow strongly throughout the period with profit growth of 16.5% on a year on year basis and anticipate continued profitability resulting from a demand improvement for iron ore and manganese in the second half.

In the tight financial and economic conditions we have maintained our stringent focus on cost control, cash flow management and client relationships to optimize opportunities and profitability. The financial results reflect strong company-wide operational performance driven by our business model for outsourcing and service provision.

The markets for iron ore and manganese have been weak in demand and pricing which restricted Mineral Resources' export tonnages over the period. The market is awaiting the outcome of iron ore contract price negotiations by the major miners to provide increased certainty for the full year production and budget targets. We believe that base metal sales in the second half will be significantly greater than in the first half and, although prices will be lower, shipping costs and the weak Australian dollar will assist in maintaining acceptable profitability.

The pipelining and general infrastructure contracting operations of the group have been particularly pleasing with a record order book for the remainder of calendar year 2009, and a strong project pipeline of opportunities. This outcome is a testament to the successful expansion of the Mineral Resources developed tight fit lining technology across the resources and oil and gas sectors and the quality of performance and service by the management and employees of the group.

The Board is confident that the Mineral Resources business model and the fundamentals of our business will allow us to continue to achieve outstanding results across this current business cycle. Our strong balance sheet, cash position and management team leave us well placed to utilize this downturn as a period of opportunity to establish our future business path and maintain our position as a first tier supplier of goods and services to the resources sector.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Wade', with a stylized, cursive script.

Peter Wade
Executive Chairman / Managing Director

Mineral Resources Limited

Appendix 4D

Half Year Report For the 6 months ended 31 December 2008

Results for Announcement to the Market

	Actual Result \$'000	Comparison to previous corresponding period: 6 months to Dec 07	
		% Inc / (Dec)	Inc / (Dec) \$'000
Revenue from ordinary activities	142,890	20.2%	24,010
Profit (loss) from ordinary activities after tax attributable to members	23,364	16.5%	3,304
Net Profit (loss) for the period attributable to members	23,364	16.5%	3,304

Dividends	Amount per Security	% Franked
Current Period:		
Final Dividend		
Dividend paid 18 November 2008	13.35 cents	100%
Interim Dividend declared during period	7.0 cents	100%
Date the dividend is payable	3/4/09	
Record date for determining entitlement to the dividend	18/3/09	
Prior corresponding period:		
Final Interim Dividend		
Dividend paid 15 November 2007	6.3 cents	100%
Interim Dividend		
Dividend paid 14 March 2008	6.0 cents	100%
Net Tangible assets per security		
As at 31 December 2008	96.72 cents	
As at 31 December 2007	65.09 cents	

Results for the period should be read in conjunction with the Financial Report attached.

MINERAL RESOURCES LIMITED
ABN 33 118 549 910
and its controlled entities

Interim Financial Report
for the half-year ended 31 December 2008

MINERAL RESOURCES LIMITED

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CORPORATE DIRECTORY

Directors

Peter Wade (Executive Chairman / Managing Director)
Chris Ellison (Executive Director)
Joe Ricciardo (Non-Executive Director)
Mark Dutton (Non-Executive Director)

Company Secretary

Bruce Goulds

Registered Office

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Bibra Lake WA 6163
Tel: (08) 94377000
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Bankers

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50 St Georges Terrace
Perth WA 6000

Auditors

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

Share Registry

Computershare Limited
45 St Georges Terrace
Perth WA 6000

Home Stock Exchange

Australian Securities Exchange Limited
Level 2, Exchange Plaza
2 The Esplanade
Perth WA 6000
ASX Code: MIN

MINERAL RESOURCES LIMITED

DIRECTORS' REPORT

The Directors submit their report on the consolidated entity of Mineral Resources Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2008.

Directors

The names of the company's directors in office during the half-year and until the date of this report are as below.

Peter Wade (Executive Chairman / Managing Director)

Chris Ellison (Executive Director)

Joe Ricciardo (Non-Executive Director)

Mark Dutton (Non-Executive Director)

Directors were in office for the entire period unless otherwise stated.

Review of Operations

The consolidated entity recorded an operating profit after income tax of \$23.364 million for the half-year ended 31 December 2008.

The principal activity of the consolidated entity is as an integrated supplier of goods and services to the resources sector. There has been no significant change in the nature of this activity during the period.

Despite the extreme volatility in the world economy, and the impact on bulk commodities, the operations of the consolidated entity have continued to perform strongly throughout the half year maintaining its reputation as a contractor of choice with a world best practice safety performance, significant value adding to all of our client's operations, and timely and efficient project completion.

During the half year, PIHA work in hand remained at record levels. Strong forward orders gives the operation certainty going forward into the second half and significant prospects exist to further grow the business with major infrastructure projects in resources and public utilities being actively promoted as part of national stimulus packages.

Crushing contract activity maintained production volumes in the half year despite some customers reducing operations. This is a testament to the Group's reputation of providing significant value to customers operations. The business also continued to mobilise for additional contract work and improved volumes due to commence in the second half. The delay in commencement of production at the Windimurra operation will not impact the 2009 forecast full year results and the BOOT business in the crushing and processing services operations are anticipated to continue to grow across the capital constrained services markets.

The first half results have had the benefit of only limited export tonnes of manganese and iron ore product but the second half has foreshadowed improved market conditions later in the term. 95,000 tonnes of manganese and 180,000 tonnes of iron ore was exported by PMI to Chinese customers during the half. The fall in commodity prices in the second quarter was tempered by reductions in export shipping costs and an improvement in the Australian dollar relative to the US dollar. Mineral Resources' low cost of production stands it in good stead for continued participation in these markets despite the changes in the economics of commodity exporting. Base metal sales for the second half are projected to be significantly up on first half tonnages with shipping and forex again tempering lower spot pricing and across the board production cost reductions minimising landed in China costings.

In addition, the Group has a number of opportunities to obtain and develop additional ore deposits by providing resource owners access to full project, site, operating and commercial management and project financing services as part of the company's supply chain which creates the opportunity for significant value creation that may otherwise not be available to them.

The Group's financial performance and ability to weather the changing economic circumstances of the last six months is enhanced by a solid balance sheet with little debt supported by strong, continuing operational cash flows. This allows for significant business development opportunities and provides a platform for future growth.

Continued strong operational and financial performance of the business exemplifies the capacity of the Group to operate across the widest range of business and economic conditions. Its continued growth in reputation and recognition is a testament to the professional skill and ability of the Board, management and employees of the company. This team, together with the support of shareholders and customers, establishes the superior ongoing operations of the business and confirms the likelihood of solid business performance in the future.

MINERAL RESOURCES LIMITED

DIRECTORS' REPORT

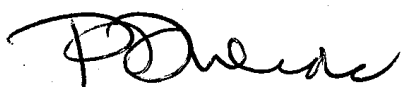
Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within the financial statements.

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 the rounding of amounts in the Directors' Report and financial report. Accordingly, the amounts in the Directors' Report and financial report have been rounded to the nearest thousand dollars in accordance with the Class Order.

This report is made in accordance with a resolution of Directors.



PETER WADE
Director

Signed in Perth on the 19th day of February 2009

MINERAL RESOURCES LIMITED

INCOME STATEMENT

For the half-year ended 31 December 2008

	Consolidated Half-year 31 Dec 08 \$'000	Consolidated Half-year 31 Dec 07 \$'000
Revenue from operations	140,939	115,340
Other revenue	1,951	3,540
	<u>142,890</u>	<u>118,880</u>
Depreciation and amortisation expense	8,664	11,883
Employee benefits expense:		
• Share based payments	1,177	3,128
• Other employee benefits	20,386	15,959
Equipment costs	13,791	9,589
Finance costs	903	1,073
Impairment loss	2,849	-
Raw materials and consumables used	18,324	15,651
Subcontractors	9,858	8,485
Transport and freight	26,459	25,397
Change in closing stock	(6,233)	(5,171)
Other expenses	12,528	4,015
	<u>108,706</u>	<u>90,009</u>
Profit before income tax	34,184	28,871
Income tax expense	10,820	8,811
	<u>10,820</u>	<u>8,811</u>
Profit after income tax	23,364	20,060
	<u>23,364</u>	<u>20,060</u>
Basic profit per share (cents per share)	18.9	16.5
Diluted profit per share (cents per share)	18.7	16.4

The accompanying notes form part of these financial statements

MINERAL RESOURCES LIMITED

BALANCE SHEET

As at 31 December 2008

	Consolidated 31 Dec 08 \$'000	Consolidated 30 Jun 08 \$'000
CURRENT ASSETS		
Cash and cash equivalents	22,737	49,577
Trade and other receivables	14,319	19,378
Inventory	21,062	14,252
Financial assets	-	605
Other assets	988	516
TOTAL CURRENT ASSETS	<u>59,106</u>	<u>84,328</u>
NON CURRENT ASSETS		
Trade and other receivables	8	1,539
Investments accounted using equity method	190	189
Financial assets	4,805	2,555
Property, plant and equipment	145,871	120,353
Intangibles	10,235	10,235
Deferred tax assets	7,012	4,442
TOTAL NON CURRENT ASSETS	<u>168,121</u>	<u>139,313</u>
TOTAL ASSETS	<u>227,227</u>	<u>223,641</u>
CURRENT LIABILITIES		
Trade and other payables	31,371	39,007
Finance lease liabilities	10,210	11,355
Income tax payable	13,699	16,068
Provisions	4,078	7,719
TOTAL CURRENT LIABILITIES	<u>59,358</u>	<u>74,149</u>
NON CURRENT LIABILITIES		
Trade and other payables	15	15
Finance lease liabilities	13,919	16,766
Deferred tax liabilities	14,171	13,385
Provisions	9,548	3,304
TOTAL NON CURRENT LIABILITIES	<u>37,653</u>	<u>33,470</u>
TOTAL LIABILITIES	<u>97,011</u>	<u>107,619</u>
NET ASSETS	<u>130,216</u>	<u>116,022</u>
EQUITY		
Issued capital	70,991	64,161
Reserves	3,955	3,448
Accumulated profits	55,270	48,413
TOTAL EQUITY	<u>130,216</u>	<u>116,022</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 2008

	Consolidated Half-year 31 Dec 08 \$'000	Consolidated Half-year 31 Dec 07 \$'000
Total equity at 1 July	116,022	75,660
Profit for the half-year	23,364	20,060
Proceeds from exercise of employee share options	852	225
Fair value of financial assets	4,800	-
Movement in asset revaluation reserve	507	870
Increase in equity from share based payments expense	1,178	3,128
Dividends paid	(16,507)	(7,671)
Total equity at 31 December	130,216	92,272

The accompanying notes form part of these financial statements

MINERAL RESOURCES LIMITED

CASH FLOW STATEMENT

For the half-year ended 31 December 2008

	Consolidated Half-year 31 Dec 08 \$'000	Consolidated Half-year 31 Dec 07 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	161,653	119,737
Payments to suppliers and employees	(120,261)	(82,672)
Interest received	966	636
Interest and other costs of finance paid	(903)	(1,073)
Income taxes paid	(14,466)	(2,513)
NET CASH INFLOW PROVIDED BY OPERATING ACTIVITIES	26,989	34,115
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(34,610)	(13,654)
Proceeds from the sale of other fixed assets	428	532
NET CASH USED IN INVESTING ACTIVITIES	(34,182)	(13,122)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	852	225
Dividends paid	(16,507)	(7,671)
Repayment of borrowings	(5,565)	(7,439)
Proceeds of borrowings	1,573	8,554
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(19,647)	(6,331)
NET INCREASE / (DECREASE) IN CASH HELD	(26,840)	14,662
Cash at beginning of the financial period	49,577	19,461
CASH AT END OF THE FINANCIAL PERIOD	22,737	34,123

The accompanying notes form part of these financial statements

MINERAL RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2008

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this financial report should be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Mineral Resources Limited and controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial period.

(a) Basis of accounting

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The financial report covers the consolidated entity of Mineral Resources Limited and controlled entities. Mineral Resources Limited is a listed public company domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and generally does not take into account changing money values or, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

2. DIVIDENDS

	Consolidated 31 Dec 08 \$'000	Consolidated 31 Dec 07 \$'000
ORDINARY SHARES		
Fully franked dividends provided for and paid during the half-year	16,507	7,671
DIVIDENDS DECLARED SINCE THE END OF THE HALF-YEAR		
In addition to the above dividend, since the end of the half-year the directors have recommended the payment of a further interim dividend of 7.0 cents per share, fully franked on the basis of tax paid at 30%. The aggregate amount of the proposed dividend, to be paid on 3 April 2009 for shares on record at 18 March 2009.	8,685	7,314

MINERAL RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2008

3. CONTRIBUTED EQUITY

		Consolidated 31 Dec 2008 \$'000
a) Paid-Up Capital		66,973
b) Movements	No of Shares '000	Paid-Up Capital \$'000
Balance 1 July 2008	122,883	64,161
Exercise of employee share options	670	852
Share issued as part of remuneration package	500	-
Fair value of financial asset	-	4,800
Increase in equity from share based payments expense from issue of options	-	1,178
Balance 31 December 2008	124,053	70,991

4. SEGMENT INFORMATION

Mineral Resources Limited operates in one business, being an integrated supplier of goods and services to the resources sector and one geographical segment, being Australia.

5. CONTINGENT LIABILITIES

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

6. EVENTS SUBSEQUENT TO REPORTING DATE

On 18 February 2009, Windimurra Vanadium Limited and its subsidiary, Midwest Vanadium Pty Ltd, (WVL) announced the appointment of an administrator and a receiver and manager. A receivable that does not exceed \$1.1 million is due from WVL at the balance date. The directors consider, based on information available at the date of this financial report, that recovery in full of this asset, is likely. Also, a processing plant that is in the final stages of commissioning, is located at WVL's mine site. The directors consider that this asset is not impaired as a result of these appointments due to the range of commercial alternatives available for use of the processing plant.

Except as disclosed above, in the Directors' Report and Note 2 to the Financial Statements regarding the dividend declared, since the end of the half-year, there has not been any material events subsequent to the end of the reporting date and the date of this half-year financial report that has not been recognised in this financial report.

MINERAL RESOURCES LIMITED

DIRECTORS' DECLARATION

In the Directors' opinion:

- 1) The financial statements and notes are 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 2008 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- 2) At the date of this statement there are reasonable grounds to believe that Mineral Resources Limited will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of directors.

Signed at Perth on the 19th day of February 2009.



Peter Wade
Director

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MINERAL RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mineral Resources Limited ("the consolidated entity") which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both Mineral Resources Limited (the company) and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 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 2008 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 31 December 2008, 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.

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Professional Standards
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International, an affiliation of independent
accounting and consulting firms.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

Scudliff

S C CUBITT
Partner

Perth, WA
Dated:

19 February 2009

RSM Bird Cameron Partners

Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION TO THE BOARD OF DIRECTORS OF MINERAL RESOURCES LIMITED

As lead auditor for the review of the financial report of Mineral Resources Limited for the half year ended 31 December 2008, 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
Chartered Accountants

SC Cubitt

Perth, WA

Dated:

19 February 2009

S C CUBITT
Partner

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