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MEDIA RELEASE – Full Year Profit Announcement

Mineral Resources Limited (ASX: MIN) ('MRL' or 'the Company') today announced its financial results for the Full Year ended 30 June 2016 (FY16). The key highlights include:

- Normalised EBITDA of A$286 million[1] at the top end of guidance of A$250 million to A$290 million
- Net cash improvement of A$70 million to A$188 million
- Fully franked final dividend of 21.0 cents per share
- Commodity exports increased by 14% to 12.1 million tonnes
- Mining cash costs reduced by 18%
- Equivalent crushing capacity increased by 11%
- Mt Marion lithium operation on target for first shipment in October 2016
- FY17 financial guidance:
  - EBITDA A$360 million to A$400 million
  - 62% CFR iron ore to average US$60 per dry tonne
  - AUD / USD to average 0.75
  - Commodity exports 12.3 million wet tonnes
  - Equivalent crushing capacity 100 million tonnes per annum

Mineral Resources Group	FY15	FY16
Revenue	A$1,299m	A$1,178m
Normalised EBITDA	A$283m	A$286m
Normalised NPAT	A$109m	A$110m
Net Cash	A$118m	A$188m
Fully Franked Dividends (Interim and Final)	22.5cps	29.5cps
Equivalent Crushing Capacity	85Mtpa	94Mtpa
Commodity Exports	10.6Mt	12.1Mt

[1] MRL's financial reporting complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS). The underlying (non-IFRS) profit is unaudited but is derived from the audited accounts by removing the impact of non-recurring items from the reported (IFRS) audited profit. MRL considers that the non-IFRS profit reflects a more meaningful measure of the Group's underlying performance.

Mineral Resources Managing Director Chris Ellison said "the underlying financial results continued to reflect the financial strength and stability of the Group's core mining services business and the Group's focus on managing factors over which it has control, such as mining/processing costs and productivity enhancements, during what was a challenging year in terms of the general economic conditions and substantially lower USD iron ore prices".

"The Group maintained its disciplined approach to capital management while continuing to meet the ongoing capital requirement and research and development investment targets. The Group's balance sheet at year-end remained in a very strong position with A$188 million in net cash and substantial debt facilities. This outcome ensures that the Group is well placed to continue to pursue development options and other new mining service initiatives, irrespective of market conditions".

Financial Performance

MRL has achieved 2016 full-year underlying EBITDA of A$286 million, in line with the prior year and at the high end of the guidance range of A$250 million to A$290 million. This led to an underlying net profit of A$110 million, again in line with the prior year.

This result was underpinned by the contribution from the core mining services business, together with lower mining costs and a record volume of commodity exports, which helped to offset the impact of the continued decline in USD iron ore prices and lower EPC construction earnings.

Statutory full-year loss of A$26 million (after tax) included A$130 million (after tax) of one-off, non-cash impairment which principally related to:

- a reduction in the carrying value of the Group's investment in manganese resources due to prolonged weakness in manganese prices; and
- a reduction in the carrying value of iron ore tenements, reflecting the current iron ore market and management's view on iron ore prices in the medium term.

The directors have resolved to distribute 50% of normalised net profit to shareholders as dividends for the 2016 financial year. A fully franked final dividend of 21.0 cents per share has been declared for shareholders at 1 September 2016. The final dividend together with the interim dividend of 8.5 cents per share makes a total fully franked dividend for 2016 of 29.5 cents per ordinary share, a 31% increase on the prior year.

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