



# Mineral Resources Limited

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ABN 33 118 549 910  
ACN 118 549 910

21 February 2008

Company Announcements  
Australian Stock Exchange Limited  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

## Financial Report for the half-year ended 31 December 2007

This announcement is for immediate release to the market.

The directors of Mineral Resources Limited (ASX:MIN) are pleased to present the 2007 half-year financial report to the markets. Attached is the company's Appendix 4D and Financial Report for the half-year ended 31 December 2007.

For the half-year ended 31 December 2007, the Mineral Resources group announces a net profit after tax of \$20.06 million as part of the following half-year trading report:

	<b>Half-year to December 2007 Actual</b>	Half-year to June 2007 Actual	Dec07 Half To Jun07 Half	Half-year to December 2006 Actual	Dec07 Half To Dec06 Half
	<b>\$ millions</b>	\$ millions	% Change	\$ millions	% Change
<b>Revenue from ordinary activities</b>	<b>118.9</b>	76.7	+56%	72.8	+63%
<b>Net profit after income tax</b>	<b>20.1</b>	12.8	+56%	7.3	+174%
<b>Earnings per share (cents per share)</b>	<b>16.5</b>	10.7	+54%	6.2	+166%

Net profit after income tax of \$20.06 million includes a share based payment expenses of \$3.128 million.

The directors of Mineral Resources have also declared today a fully franked interim dividend for the 2007/08 year of 6.0 cents per share, payable on 4 April 2008 for all shareholders of record at



# Mineral Resources Limited

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14 March 2008. This interim dividend is in accordance with the company's dividend policy of distributing a minimum of 50% of the net 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.

Mineral Resources has continued to grow strongly throughout the year and the reputation of the business has been enhanced by:

- The exemplary world best practice safety performance,
- Significant value adding to all of our client's operations, and
- Timely and efficient project completion.

The financial results reflect strong company-wide operational performance and profitability driven by strong export sales of manganese, continued crushing performance in excess of client targets and successful repeat business in our piping and pipelining operations.

The six month period has seen the successful export of more than 150,000 tonnes of lump and fines manganese concentrate and the continuation of sales of blended iron ore. The market for both commodities has been firm driven by demand for steel making minerals and price increases have followed. The manganese price, in particular, has increased to more than USD\$7.00 per MnU for 44% fines material and, although the business has been subject to increased shipping and transport costs and a stronger AUD, the profitability for the year to date has been pleasing. MRL has also released to the ASX details of the rights to manganese deposits in the Murchison region of WA which will supplement the production from Woodie Woodie.

Mineral Resources was also awarded a 10 year BOOT crushing and beneficiation contract for the Windimurra Vanadium project with a projected operational commencement in October, 2008. The design work is well advanced and site construction work has commenced. This is a strong endorsement of the 'one stop shop' business model of the company and supplements the Group work on that same site for the provision of general infrastructure and services.

The continued growth of the business and its reputation is a testament to the professional skill and ability of the management and employees of the company. This team, together with the ongoing pipeline of potential contracts, additional processing operations within Australia and the Philippines and the debt free balance sheet provides Mineral Resources with the capability to maintain its position as a quality integrated supplier of goods and services to the resource sector.

Yours Sincerely

Peter Wade  
Managing Director

# Mineral Resources Limited

## Appendix 4D

Half Year Report Period Ended 31 December 2007

Results for Announcement to the Market

	Actual Result \$'000	HY to Dec 06		HY to Jun 07	
		% Inc / (Dec)	Inc / (Dec) \$'000	% Inc / (Dec)	Inc / (Dec) \$'000
Revenue from ordinary activities	118,880	63.3%	46,061	56.4%	42,854
Profit (loss) from ordinary activities after tax attributable to members	20,060	174.0%	12,738	56.2%	7,215
Net Profit (loss) for the period attributable to members	20,060	174.0%	12,738	56.2%	7,215

Dividends	Amount per Security	% Franked
<b>Current Period:</b>		
<b>Final Dividend</b>		
Dividend paid 15 November 2007	6.3 cents	100%
<b>Interim Dividend declared during period</b>	6.0 cents	100%
Date the dividend is payable	4/4/08	
Record date for determining entitlement to the dividend	14/3/08	
<b>Prior corresponding period:</b>		
<b>Interim Dividend #1</b>		
Dividend paid 15 November 2006	1.2 cents	100%
<b>Interim Dividend #2 declared</b>	2.0 cents	100%
Dividend paid 30 March 2007		
<b>Net Tangible asset per security</b>		
As at 31 December 2007	65.09 cents	
As at 31 December 2006	43.00 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 2007**

## MINERAL RESOURCES LIMITED

### C O N T E N T S

	PAGE
Directors' Report .....	2
Income Statement.....	4
Balance Sheet.....	5
Statement of Changes in Equity.....	6
Cash Flow Statement.....	7
Notes to the Financial Statements.....	8
Directors' Declaration.....	11
Independent Auditor's Review Report .....	12
Auditor's Independence Declaration .....	14

### CORPORATE DIRECTORY

#### **Directors**

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

#### **Auditors**

RSM Bird Cameron Partners  
8 St Georges Terrace  
Perth WA 6000

#### **Company Secretary**

Bruce Goulds

#### **Registered Office**

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Bibra Lake WA 6163  
Tel: (08) 9434 4922  
Fax: (08) 9434 4955

#### **Bankers**

National Australia Bank  
50 St Georges Terrace  
Perth WA 6000

#### **Share Registry**

Computershare Investor Services Pty Ltd  
45 St Georges Terrace  
Perth WA 6000

#### **Home Stock Exchange**

Australian Stock 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 2007.

#### Directors

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

Michael Kiernan (Non-Executive Chairman)  
Peter Wade (Executive Director / Managing Director)  
Chris Ellison (Executive Director)  
Joe Ricciardo (Non-Executive Director)  
Mark Dutton (Non-Executive Director) - appointed 8 November 2007

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 \$20.06 million for the half-year ended 31 December 2007.

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.

The operations of the consolidated entity have continued to grow strongly throughout the year and the reputation and recognition of the three subsidiary companies has been enhanced by:

- The exemplary world best practice safety performance,
- Significant value adding to all of our client's operations, and
- Timely and efficient project completion.

The integration of the three subsidiaries into a single, structured corporate operation has been successfully managed and a fully integrated mining services operation is now in effect. The integration of the companies and the consistent winning and sales of the processed manganese product has removed the seasonality of the business and both six month periods for the 2007/08 year are forecast to provide equal financial outcomes and profitability.

The financial results reflect strong company-wide operational performance and profitability driven by strong export sales of manganese, continued crushing performance in excess of client targets and successful repeat business in our piping and pipelining operations.

The six month period has seen the successful export of more than 150,000 tonnes of lump and fines manganese concentrate through the Port Hedland No. 1 berth and the continuation of sales of blended iron ore. The market for both commodities has been firm driven by demand for steel making minerals and price increases have followed. The manganese price, in particular, has increased to more than USD\$7.00 per MnU for 44% fines material and, although the business has been subject to increased shipping and transport costs and a stronger AUD, the profitability for the year to date has been pleasing.

Mineral Resources was also awarded a 10 year BOOT crushing and beneficiation contract for the Windimurra Vanadium project with a projected operational commencement in October, 2008. The design work is well advanced and site construction work has commenced. This is a strong endorsement of the 'one stop shop' business model of the company and supplements the Group work on that same site for the provision of general infrastructure and services.

Drilling work is continuing on the iron sands tenements in the Philippines and the testing and sampling results will be progressively available over the next three months.

The continued growth of the business and its reputation is a testament to the professional skill and ability of the management and employees of the company. This team, together with the ongoing pipeline of potential contracts, additional processing operations within Australia and the Philippines and the debt free balance sheet provides Mineral Resources with the capability to maintain its position as a quality integrated supplier of goods and services to the resource sector.

**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  
Managing Director



Signed in Perth on the 20th day of February 2008

**MINERAL RESOURCES LIMITED**

**INCOME STATEMENT**

**For the half-year ended 31 December 2007**

	<b>Consolidated Half-year 31 Dec 07 \$'000</b>	<b>Consolidated Half-year 31 Dec 06 \$'000</b>
Revenue from operations	115,340	70,065
Other revenue	3,540	2,754
	118,880	72,819
Cost of sales	1,944	821
Depreciation and amortisation expense	11,883	6,350
Employee benefits expense:		
• Share based payments	3,128	692
• Other employee benefits	15,959	15,290
Equipment costs	9,589	7,640
Finance costs	1,073	1,340
Raw materials and consumables used	9,548	8,797
Royalties	4,159	677
Transport and freight	25,397	7,661
Change in closing stock	(5,171)	(888)
Other expenses	12,500	13,618
	90,009	61,998
<b>Profit before income tax</b>	<b>28,871</b>	<b>10,821</b>
Income tax expense	8,811	3,499
	<b>20,060</b>	<b>7,322</b>
	<b>20,060</b>	<b>7,322</b>
Basic profit per share (cents per share)	16.5	6.2
Diluted profit per share (cents per share)	16.4	6.2

The accompanying notes form part of these financial statements

**MINERAL RESOURCES LIMITED**

**BALANCE SHEET**

As at 31 December 2007

	Consolidated 31 Dec 07 \$'000	Consolidated 30 Jun 07 \$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	34,123	19,461
Trade and other receivables	29,728	24,090
Inventory	11,817	4,843
Other assets	951	346
<b>TOTAL CURRENT ASSETS</b>	<u>76,619</u>	<u>48,740</u>
<b>NON CURRENT ASSETS</b>		
Trade and other receivables	5,713	5,577
Investments accounted using equity method	126	121
Other financial assets	78	78
Property, plant and equipment	91,717	89,318
Intangibles	10,235	10,235
Deferred tax assets	2,798	3,660
<b>TOTAL NON CURRENT ASSETS</b>	<u>110,667</u>	<u>108,989</u>
<b>TOTAL ASSETS</b>	<u>187,286</u>	<u>157,729</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	28,570	21,529
Hire purchase creditors	11,564	10,325
Secured loans	-	1,650
Current tax liabilities	8,814	2,991
Provisions	6,951	6,553
<b>TOTAL CURRENT LIABILITIES</b>	<u>55,899</u>	<u>43,048</u>
<b>NON CURRENT LIABILITIES</b>		
Trade and other payables	7,250	8,428
Hire purchase creditors	18,368	16,341
Deferred tax liabilities	13,497	14,252
<b>TOTAL NON CURRENT LIABILITIES</b>	<u>39,115</u>	<u>39,021</u>
<b>TOTAL LIABILITIES</b>	<u>95,014</u>	<u>82,069</u>
<b>NET ASSETS</b>	<u>92,272</u>	<u>75,660</u>
<b>EQUITY</b>		
Contributed equity	60,631	57,278
Reserves	2,936	2,066
Accumulated profits	28,705	16,316
<b>TOTAL EQUITY</b>	<u>92,272</u>	<u>75,660</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 2007**

	<b>Consolidated Half-year 31 Dec 07 \$'000</b>	<b>Consolidated Half-year 31 Dec 06 \$'000</b>
<b>Total equity at 1 July</b>	<b>75,660</b>	<b>43,731</b>
Profit for the half-year	20,060	7,322
Net shares issued in respect of the initial public offering, 28 July 2006	-	13,500
Proceeds from exercise of employee share options	225	-
Transaction costs from issue of shares	-	(1,128)
Gain on revaluation of property, plant and equipment, net of tax	870	1,661
Increase in equity from share based payments expense	3,128	692
Dividends paid	(7,671)	(1,444)
<b>Total equity at 31 December</b>	<b>92,272</b>	<b>64,334</b>

The accompanying notes form part of these financial statements

**MINERAL RESOURCES LIMITED**

**CASH FLOW STATEMENT**

**For the half-year ended 31 December 2007**

	<b>Consolidated Half-year 31 Dec 07 \$'000</b>	<b>Consolidated Half-year 30 Dec 06 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	108,327	72,674
Payments to suppliers and employees	(71,262)	(54,524)
Interest received	636	329
Interest and other costs of finance paid	(1,073)	(1,178)
Income taxes paid	(2,513)	-
<b>NET CASH INFLOW PROVIDED BY OPERATING ACTIVITIES</b>	<b>34,115</b>	<b>17,301</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(13,654)	(4,752)
Proceeds from the sale of other fixed assets	532	1,145
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(13,122)</b>	<b>(3,607)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	225	13,500
Costs of share issue	-	(1,128)
Dividends paid	(7,671)	(1,444)
Repayment of borrowings	(7,439)	(6,721)
Proceeds of borrowings	8,554	1,732
<b>NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES</b>	<b>(6,331)</b>	<b>5,939</b>
<b>NET INCREASE IN CASH HELD</b>	<b>14,662</b>	<b>19,633</b>
Cash at beginning of the financial period	19,461	(1,257)
<b>CASH AT END OF THE FINANCIAL PERIOD</b>	<b>34,123</b>	<b>18,376</b>

The accompanying notes form part of these financial statements

## MINERAL RESOURCES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2007

#### 1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2007 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 2007 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.

##### (b) Plant and Equipment - Change in Estimate

During the half-year, the estimated useful lives of certain items of plant and equipment were revised. The financial effect of the change in an accounting estimate on the half-year was an increase in depreciation expense of the consolidated entity of \$3,300,000.

The financial effect of this change in estimates on future financial years can not be disclosed as the future estimated life of the assets involved cannot be reliably estimated.

**MINERAL RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2007**

**2. DIVIDENDS**

	<b>Consolidated 31 Dec 07 \$'000</b>	<b>Consolidated 31 Dec 06 \$'000</b>
<b>ORDINARY SHARES</b>		
Fully franked dividends provided for and paid during the half-year	7,671	1,444
<b>DIVIDENDS DECLARED SINCE THE END OF THE HALF-YEAR</b>		
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 6.0 cents per share, full franked on the basis of tax paid at 30%. The aggregate amount of the proposed dividend, to be paid on 4 April 2008 for shares on record at 14 March 2008.	7,314	2,407

**3. CONTRIBUTED EQUITY**

		<b>Consolidated 31 Dec 2007 \$'000</b>
a) Paid-Up Capital		60,631
b) Movements	<b>No of Shares '000</b>	<b>Paid-Up Capital \$'000</b>
<b>Balance 1 July 2007</b>	<b>120,348</b>	<b>57,278</b>
Exercise of employee share options	250	225
Increase in equity from share based payments expense from issue of shares	1,167	417
Increase in equity from share based payments expense from issue of options	-	2,711
<b>Balance 31 December 2007</b>	<b>121,765</b>	<b>60,631</b>

**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.

**MINERAL RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2007**

**5. CONTINGENT LIABILITIES**

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

**6. EVENTS SUBSEQUENT TO REPORTING DATE**

Except as disclosed in Note 2 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 2007 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 Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.
- 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 20th day of February 2008.



Peter Wade  
Managing Director

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
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www.rsmi.com.au

## 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 2007, 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 company 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 designing, implementing and maintaining internal control 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 2007 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 Australian professional ethical pronouncements and 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 2007 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*.

Perth, WA

Dated: 20 February 2008

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS

Chartered Accountants

*SC Cubitt*

S C CUBITT

Partner

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges 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 TO THE BOARD OF DIRECTORS OF MINERAL RESOURCES LIMITED

As lead audit partner for the review of the financial report of Mineral Resources Limited for the half-year ended 31 December 2007, 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.

This declaration is in respect of Mineral Resources Limited and the entities it controlled during the period.

*RSM Bird Cameron Partners*  
RSM BIRD CAMERON PARTNERS  
Chartered Accountants

*SC Cubitt*  
S C CUBITT  
Partner

Perth, WA

Dated: *20 February 2008*