

# Mineral Resources Limited

An integrated supplier of goods and services to the Resources Sector



## 2008 Interim Results

“Continuing to Grow”

February 21, 2008

Peter Wade, Managing Director  
Bruce Goulds, Chief Financial Officer  
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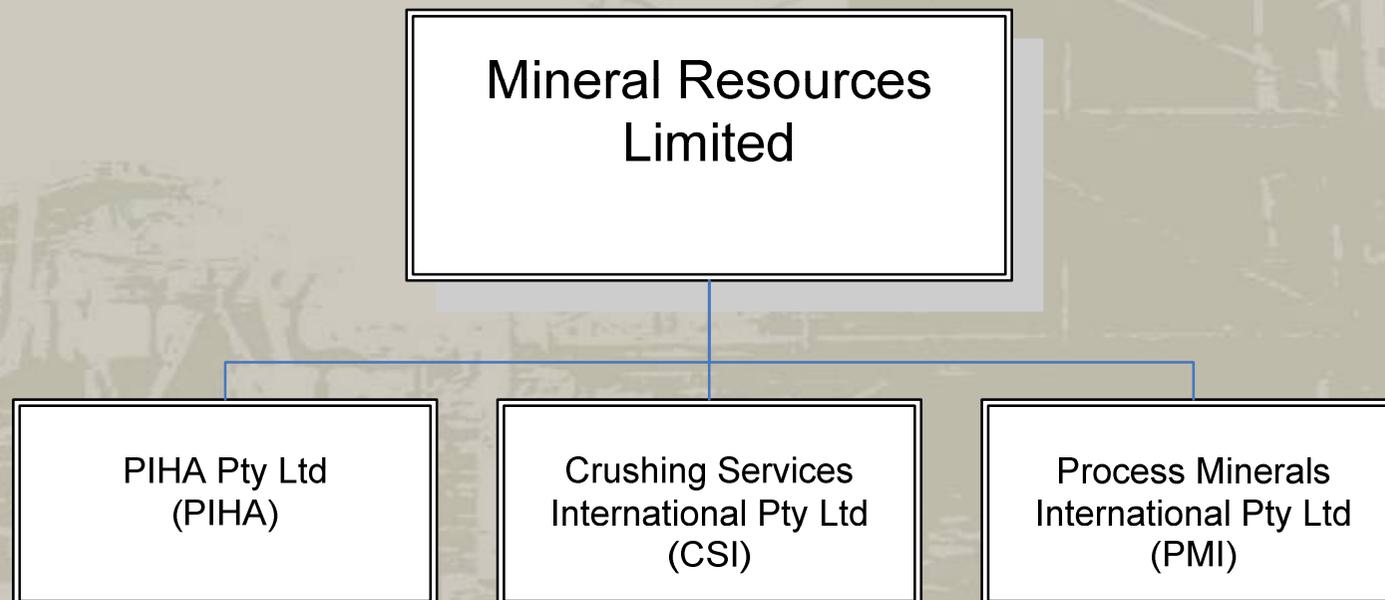


# Consolidated Group Structure

## Mineral Resources Limited

ACN 118 549 910

“An integrated supplier of goods and services to the Resource sector”

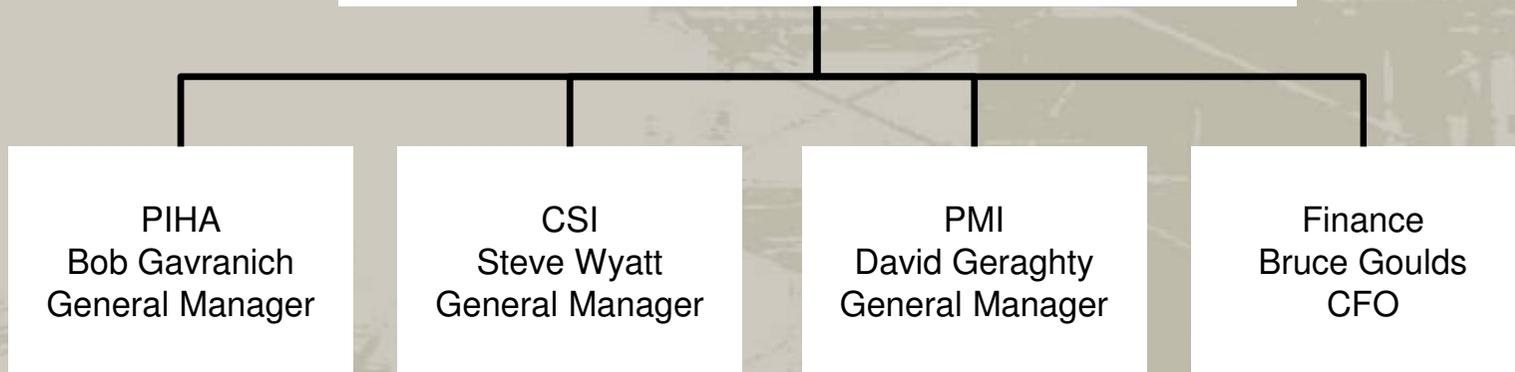




# Board and Management

## Mineral Resources Limited Board

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





# About Mineral Resources Limited

- Leading integrated mining services and processing company
- Formed through the consolidation of 3 associated, long established and successful operations
- PIHA – manufacturing and contracting business involved in construction of pipelines and site infrastructure formed in 1993
- CSI – successful contract crushing company with a build, own, operate business model formed in 1995
- PMI – minerals processing company operating in NW of WA and commencing in the Philippines formed in 1996



# Agenda

1 Highlights

2 Financial Results and Analysis

3 Operational Review

4 Outlook



# Highlights - Operational

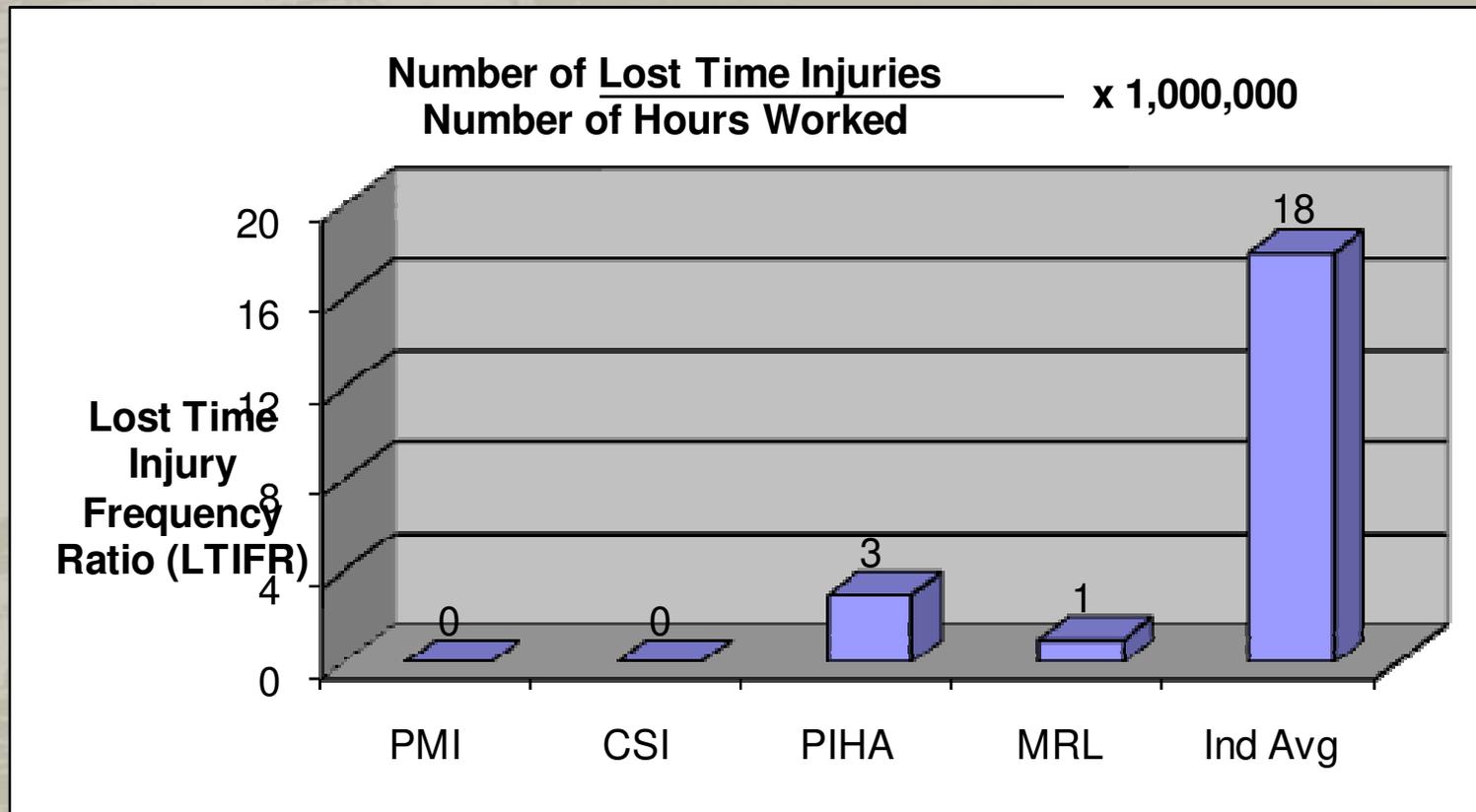
- Continuing growth in all business operations
- Award of 10 year BOO contract for crushing and processing at Windimurra Vanadium project to commence operations in Q2 2008/09
- Annualised rate of 300,000 tonne manganese sales and 220,000 tonnes iron ore sales achieved over first half 2007/08
- Maintenance of world best practice HSE results
- Deed of agreement for ownership and recovery of manganese from Peak Hill tenements to commence operations in Q4 2007/08
- Expanded research and development programs for processing and ore recovery projects
- Continuation of test drilling on Philippine iron sands tenements to establish resource tonnage
- Award of additional iron sands operating agreement on Negros Island (Philippines)



PMI Loading Manganese at  
Port Hedland



# World Best Practice HSE Performance December, 2007





PIHA Fast Fusion welding machine



## Highlights - Financial

- Strong earnings growth
- Half-year NPAT of \$20.06 million
- Full year 2007/08 forecast NPAT \$40.4 million (no seasonality)
- Positive cash position (net of debt) with strong cash generation
- Interest cover 67 times
- Balance sheet strength to support growth targets



# Highlights – Financial

## Comparison of Rolling 6 months Interim Results

	<b>Actual HY Dec06  \$'000s</b>	<b>Actual HY Jun07  \$'000s</b>	<b>Actual HY Dec07  \$'000s</b>	<b>Variance HY Jun07 To HY Dec07 %</b>
Revenue	72,819	76,027	118,880	56%
NPAT	7,322	12,845	20,060	56%



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# Financial Performance

**\$AUD millions**

**6 months to  
December '07**

<b>Revenue</b>	<b>118.9</b>
<b>EBITDA</b>	<b>41.2</b>
<b>Depreciation</b>	<b>11.9</b>
<b>EBIT</b>	<b>29.3</b>
<b>Interest</b>	<b>0.4</b>
<b>PBT</b>	<b>28.8</b>
<b>Tax Expense</b>	<b>8.8</b>
<b>NPAT</b>	<b>20.0</b>
<b>EBIT / Revenue</b>	<b>24.7%</b>
<b>EPS (cents) [half year]</b>	<b>16.5</b>



# Balance Sheet Strength to Facilitate Growth

<b>\$AUD millions</b>	<b>June 2007</b>	<b>December 2007</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Total Assets</b>	<b>157.7</b>	<b>187.3</b>	<b>29.6</b>	<b>18.8%</b>
<b>Total Liabilities</b>	<b>(82.0)</b>	<b>(95.0)</b>	<b>13.0</b>	<b>15.9%</b>
<b>Net Assets</b>	<b>75.7</b>	<b>92.3</b>	<b>16.6</b>	<b>21.9%</b>
<b>Net Debt (inc. cash balances)</b>	<b>(7.2)</b>	<b>4.2</b>	<b>11.4</b>	
<b>Funds Employed</b>	<b>75.7</b>	<b>92.3</b>	<b>16.6</b>	

## December 2007

**ROFE % [EBIT (annualised) / Funds Employed]** **63.5%**

**ROE % [NPAT (annualised) / Total Equity]** **43.5%**

**Recommended fully franked dividend for record on 7 March '08  
and payable on 28 March '08** **6.0**

**Debt : Equity** **Cash positive**

**Interest Cover (times) [EBIT / Interest]** **67**



# Strong Operational Cashflows

**\$AUD millions**

**6 months to  
December '07**

**EBITDA** **41.2**

**CAPEX (net)** **(13.1)**

**Net Interest Payments** **(0.4)**

**Working Capital and Other** **(7.2)**

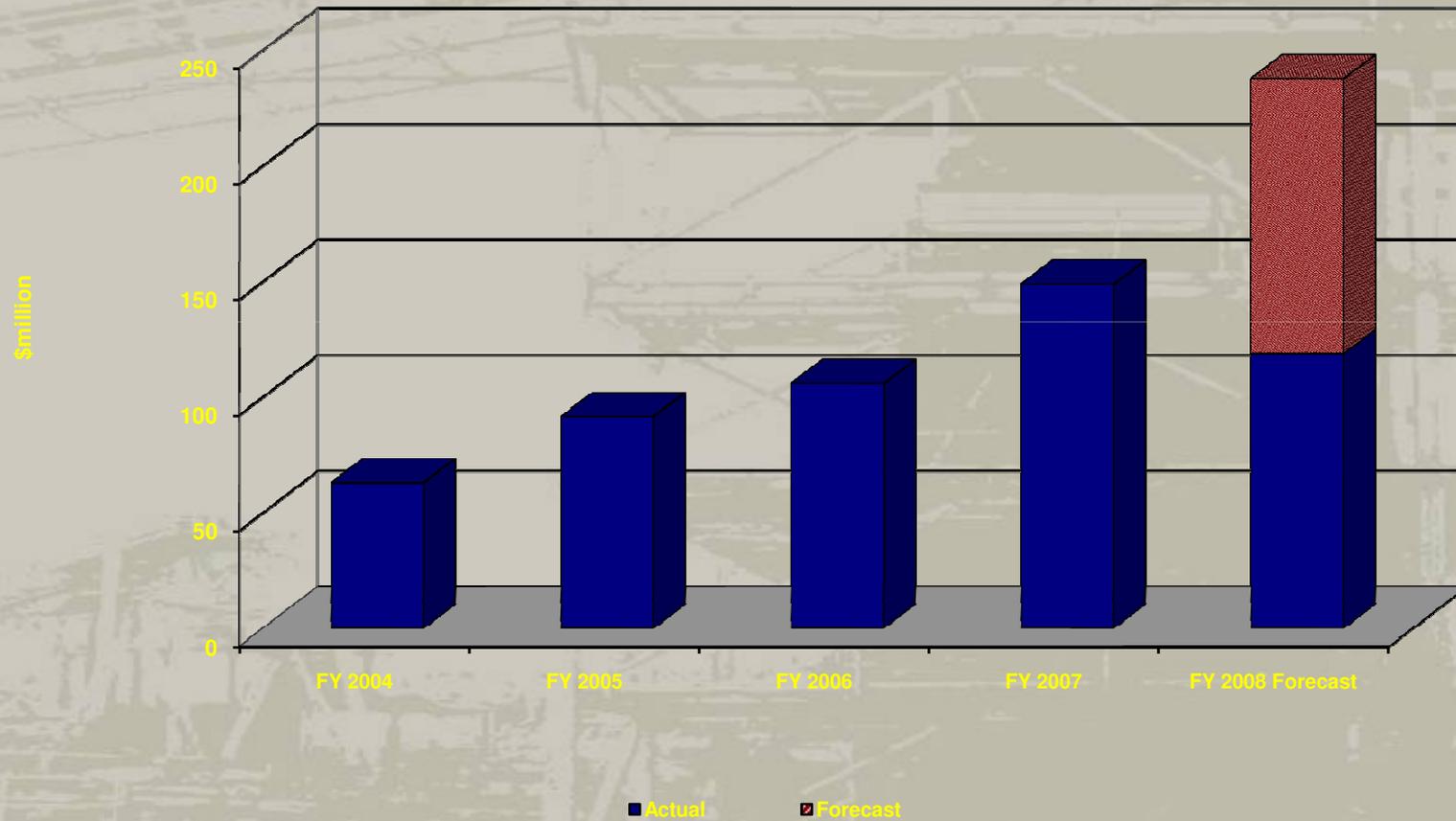
**Net Operating and Investing Cashflow** **20.5**

**Financing Cashflow** **(6.3)**

**Total Increase in Cash** **14.0**

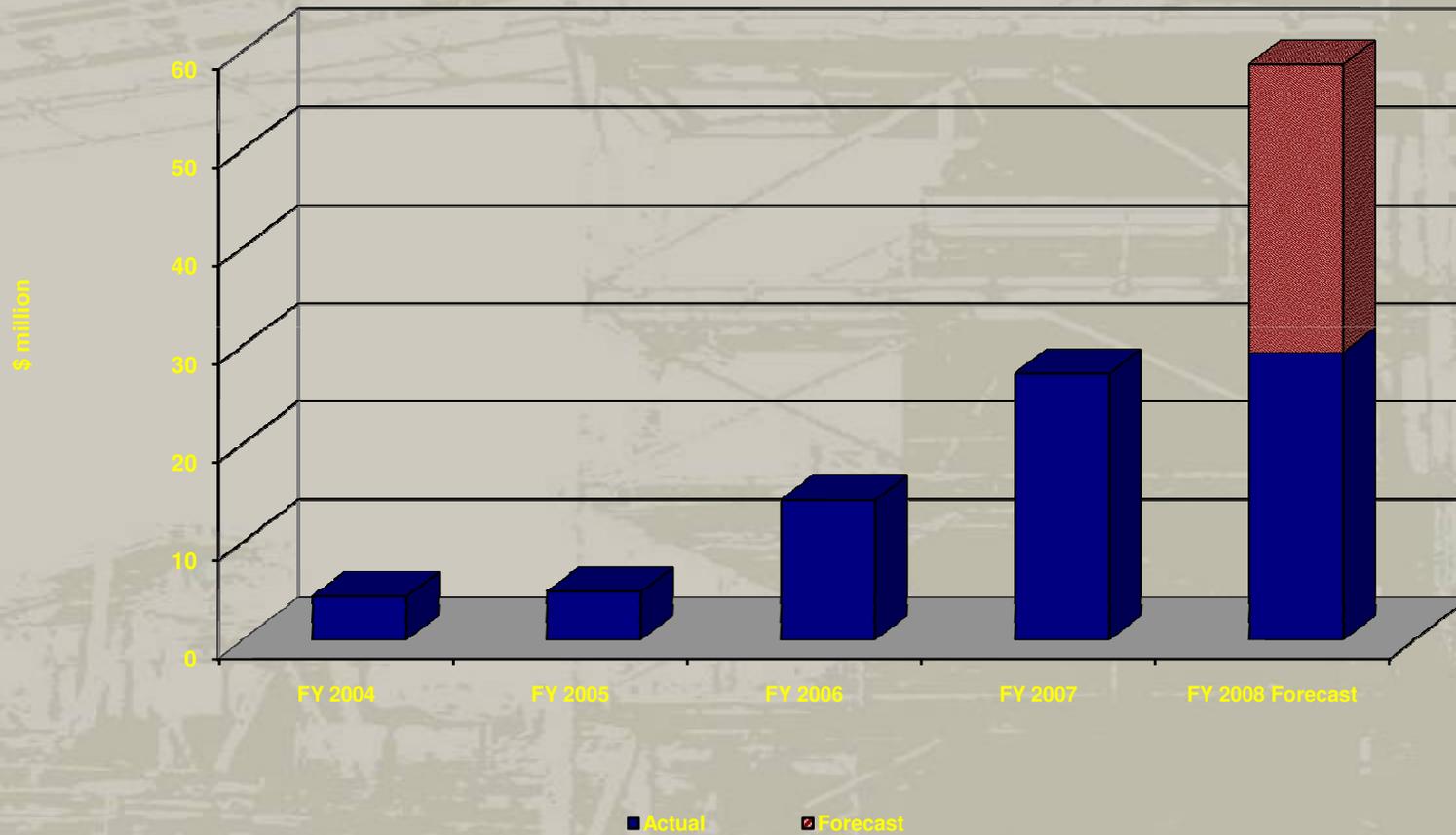


# Revenue Performance





# EBIT Performance





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# Operational Review of Interim 6 month Performance

- Subsidiary business integration processing ahead of program.
- Operations performing above forecast targets
- Margin increases in manganese sales offset cost and shipping increases and stronger AUD
- Business climate for resources and mineral processing continuing strongly with metals prices for iron ore and manganese remaining strong
- Strong growth in project pipeline
- Consolidation of long term contract crushing and processing operations and targetted additional BOO opportunities
- Increased business reputation and recognition
- Potential acquisition targets identified



CSI Primary crusher



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# Outlook - Market

- Continuing strong global demand for commodities
- ‘China story’ to remain expansive in the long term and minimise impact of potential US recession
- Exports constrained by port infrastructure issues; increased demurrage and shipping delays
- Increased cost pressures and supply side constraints from skills shortages, increased cost of debt and general market inflation
- Critical labour and management shortages being addressed with the further introduction of skilled workers from overseas and increased training initiatives
- Significant junior mining company production activity planned
- Manganese and iron ore prices to remain strong
- Increased positioning of customers in production chain



Philippines drilling samples



# Outlook - Operational

- Continuing focus on HSE quality performance to maintain world best practice
- Finalisation of drilling and sampling for iron sands in Philippines
- Construction and commissioning of Windimurra Vanadium plant
- Commencement of manganese recovery operation from Peak Hill tenements
- Achievement of increased tonnages from existing contract crushing projects
- Award of additional pipelining contracts in Australia and Brunei
- Continued export of manganese and iron ore from Port Hedland
- Ongoing programme to secure additional manganese and iron ore resources
- MRL is a foundation partner in the Utah Point export wharf development at Port Hedland providing additional export capacity from Q3, 2009



CSI operations



# Outlook - Corporate

- FY2008 results on target for forecast NPAT of \$40.4 million
- Balance sheet capable of supporting significant additional projects and acquisition initiatives
- Level of debt to increase from expenditure on Windimurra project but supported by 10 year contract revenue
- Dividend payout ratio of 50% confirmed by Board as long term commitment
- Strengthening of management team and implementation of succession planning initiatives



PIHA Ocean outfall pipeline



# Outlook – Business Strategy

## “MORE OF THE SAME”

- Maintain core business focus
- Add value to clients and shareholders
- Maintain high quality Board, management and operating team
- Grow profitability, reputation and share price
- Acquisition of complementary, earnings accretive business operations
- Implement geographic and commodity diversification strategies