



An integrated supplier of goods and services to the Resources Sector

## FULL YEAR 2008 RESULTS



“ON TARGET FOR  
FUTURE GROWTH”

Peter Wade, Managing Director  
Bruce Goulds, Chief Financial Officer

## ABOUT MINERAL RESOURCES



### **PIHA**

- Pipeline & site infrastructure specialist



### **Crushing Services International**

- Australia's largest specialist crushing contractor



### **Process Mineral International**

- Minerals processing & marketing

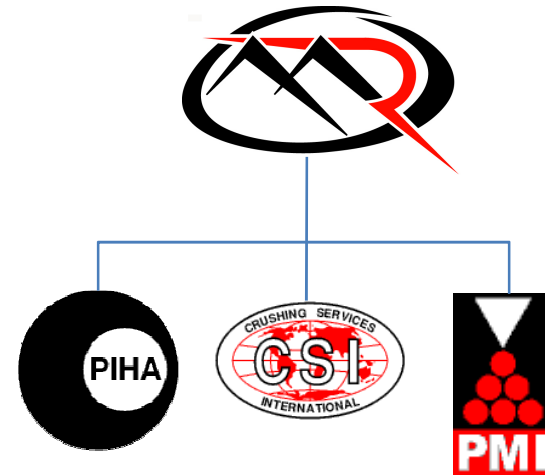
# GROUP STRUCTURE

## Board of Directors

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

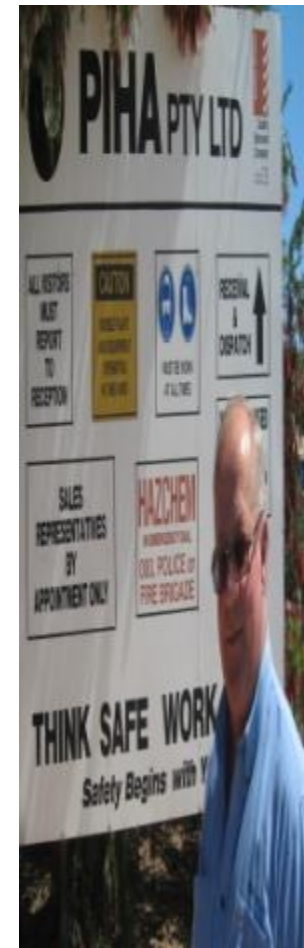
## Senior Management

- Bob Gavranich (General Manager PIHA)
- Steve Wyatt (General Manager CSI)
- David Geraghty (Technical Director PMI)
- Bruce Goulds (CFO)



## OPERATIONAL HIGHLIGHTS

- Strong organic growth across all business sectors
- Safety and performance record maintained
- Staff turnover managed
- Operating cost growth under control
- Mineral processing & crushing contracts exceed production targets
- Contract extensions on two crushing contracts
- 10 year BOO vanadium plant development on time on budget
- Significant pipelining contracts awarded
- Strong manganese and iron ore prices
- 300,000+ tonnes of manganese shipped
- 220,000+ tonnes of iron ore shipped



# COLLABORATIVE AGREEMENT BALFOUR DOWNS MANGANESE

- Collaborative Agreement between Hancock Prospecting (HPPL) and PMI for a 7 year contract plus options to mine, process, transport and ship manganese ore from Balfour Downs formally signed on 14 August, 2008
- Balfour Downs is located in NW Western Australia adjacent to the Roy Hill iron ore tenement
- Initial projected annual production and sale 350,000 tpa with expansion consistent with shipping capacity at Port Hedland
- PMI and HPPL pursuing formal statutory approvals to initiate short term operational commencement – target initial shipment early 2009
- PMI earnings based upon an agreed percentage share of nett profit from product sales
- Non JORC reserve 15 million tonnes of medium grade ferruginous manganese



## FINANCIAL HIGHLIGHTS

- NPAT of \$47.1 million –an increase of 134% over FY2007
- Windimurra capital expenditure covered from internal cash flow
- 50% dividend payout policy confirmed
- Net cash positive position provided by strong cash generation
- Strong growth in manganese prices
- Interest cover 31 times
- Line of credit available for future anticipated capital requirements
- Balance sheet strength complements continued strong earnings growth





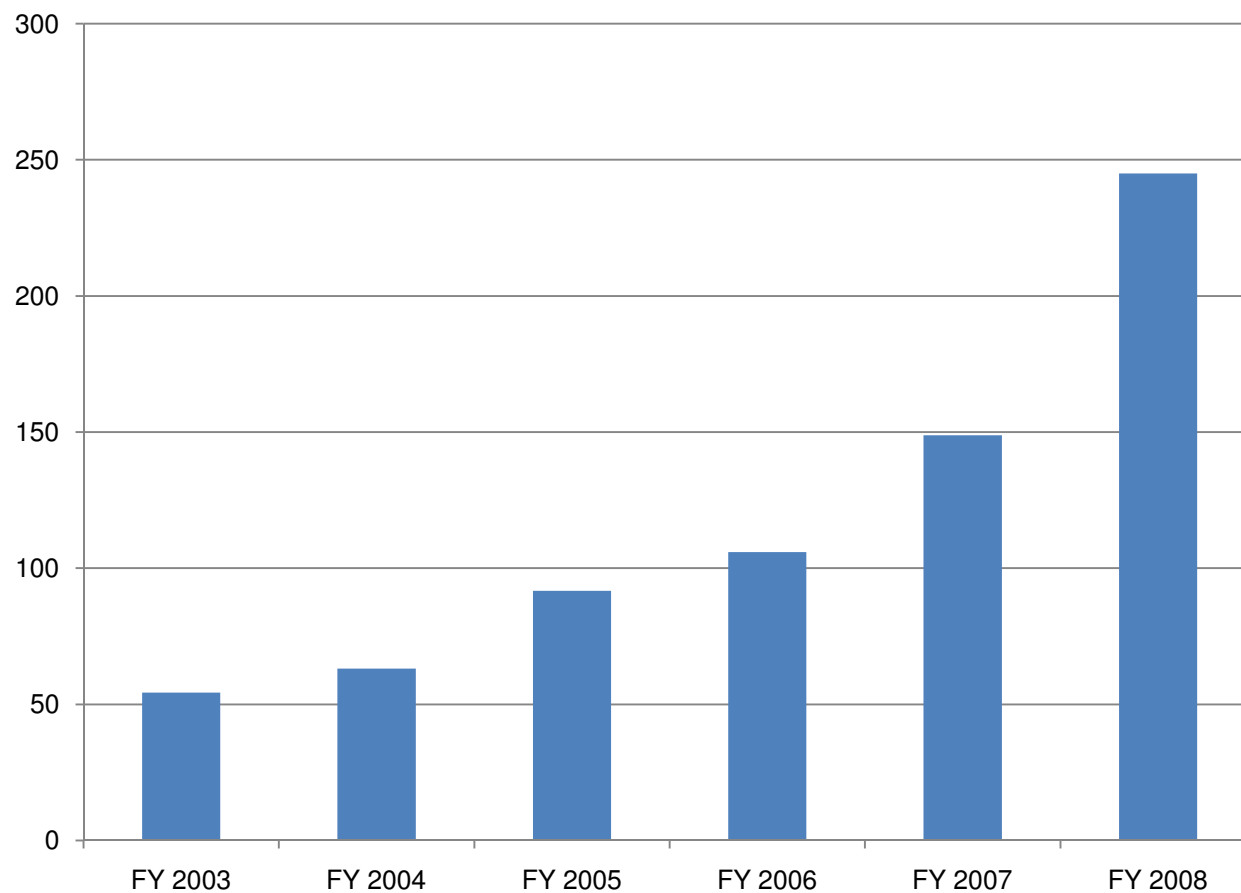
# FINANCIAL COMPARISON YEAR ON YEAR PERFORMANCE

	<b>FY 2008 Actual</b>	<b>FY 2007 Actual</b>	<b>Variance %</b>
Revenue	245.0	148.8	65%
EBITDA	88.8	37.8	135%
NPAT	47.1	20.2	134%



# REVENUE PERFORMANCE

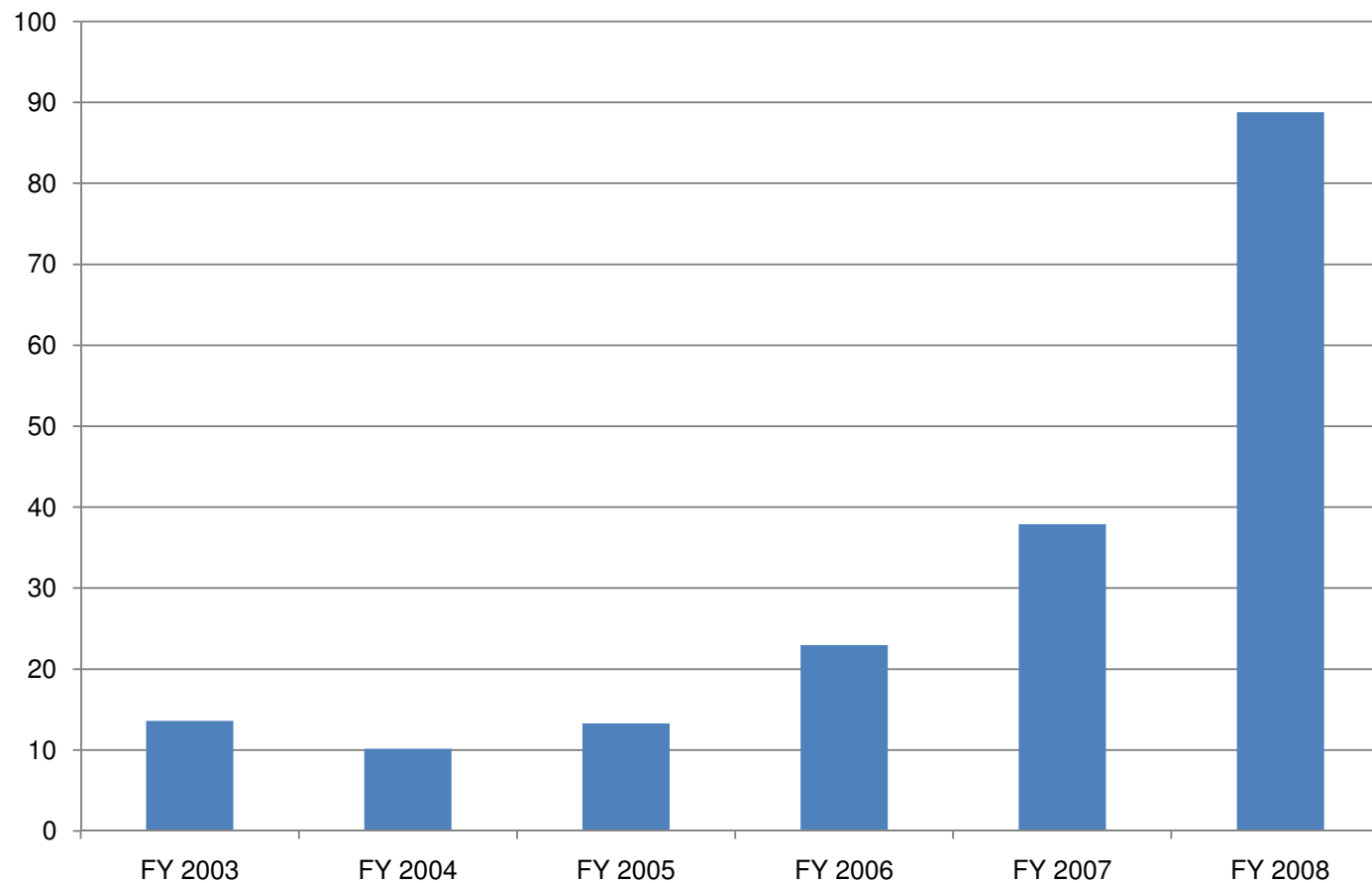
(in \$ millions)





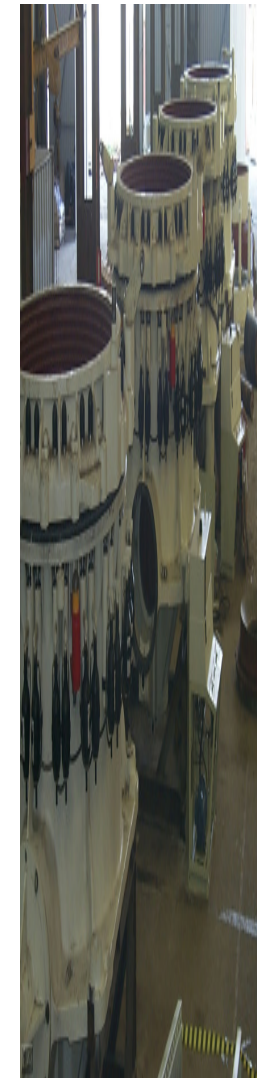
# EBITDA PERFORMANCE

(in \$ millions)



# FINANCIAL PERFORMANCE

<b>\$AUD millions</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Revenue</b>	<b>148.8</b>	<b>245.0</b>
<b>EBITDA</b>	<b>37.8</b>	<b>88.8</b>
<b>Depreciation</b>	<b>10.7</b>	<b>19.6</b>
<b>EBIT</b>	<b>27.1</b>	<b>69.2</b>
<b>Interest</b>	<b>1.5</b>	<b>2.2</b>
<b>PBT</b>	<b>25.6</b>	<b>67.0</b>
<b>Tax Expense</b>	<b>5.4</b>	<b>19.9</b>
<b>NPAT</b>	<b>20.2</b>	<b>47.1</b>
<b>EBITDA / Revenue</b>	<b>25.4%</b>	<b>36.2%</b>
<b>EPS (cents)</b>	<b>16.9</b>	<b>38.7</b>



# BALANCE SHEET STRENGTH TO FACILITATE GROWTH

\$AUD millions	June 2007	June 2008	\$ Change	% Change
Total Assets	157.7	223.6	65.9	+42%
Total Liabilities	(82.0)	(107.6)	(25.6)	-31%
Net Assets	75.7	116.0	40.3	+53%
Net Cash Position	(8.8)	21.5	30.3	
Funds Employed	84.5	94.5	10.0	+12%

	June 2008
ROFE % [EBIT / Funds Employed]	73%
ROE % [NPAT / Total Equity]	41%

**Recommended fully franked dividend of 13.35 cents for record on 21 September'08 and payable on 18 November '08**

Debt : Equity	n/a
Interest Cover (times) [EBIT / Interest]	31 times

# STRONG OPERATIONAL CASH FLOWS

<b>\$AUD millions</b>	<b>12 months to June 2008</b>
<b>EBITDA</b>	<b>88.8</b>
<b>CAPEX (including funded items)</b>	<b>(50.6)</b>
<b>Net Interest Payments</b>	<b>(0.4)</b>
<b>Working Capital and Other</b>	<b>5.8</b>
<b>Net Operating and Investing Cashflow</b>	<b>43.6</b>
<b>Financing Cashflow</b>	<b>(13.5)</b>
<b>Total Increase in Cash</b>	<b>30.1</b>



# OPERATIONAL REVIEW OF FY2008 PERFORMANCE

- Successful integration of operating units into consolidated company
- Contracting and crushing operations growing solidly by managing skills shortages and cost increases
- Resources and mineral processing sectors continue strong demand
- Expanded manganese processing operation to match increased demand and sales prices
- Strong project pipeline opportunities
- Labour, consumables, shipping and forex cost increases over the year
- Strengthened balance sheet to support project opportunities



## STRATEGIC FOCUS

- Investment in strong management and operating team and structured succession plan
- Core business focused
- Forging enduring partnership links with major mining houses
- Expand long term BOO contract base
- Grow corporate brand value
- Geographic and commodity diversification
- Development of processing technology to expand core business
- Partnering with clients to add value for all stakeholders





# OPERATIONAL OUTLOOK

- Maintenance of world class safety performance
- Increased pipeline of project opportunities
- Expansion of manganese recovery operations
- Expansion of pipelining and HDPE contracts
- Progression of project definition for Philippine iron sands project
- Production of manganese and iron ore to meet annual tonnage forecasts
- Secure access to additional resources within Australia
- Access to export wharf developments at Port Hedland to facilitate export expansion
- Management of critical labour shortages to maintain market performance
- Shipping and forex cost implications to be managed



## MARKET OUTLOOK

- 'China story' to remain expansive in the long term with strong global demand for steel making commodities
- Port and transport capacity to control supply growth
- AUD has peaked against USD
- Windimurra BOO plant on target for start up in October 2008
- Balfour Downs project production in early 2009
- Mn and Fe prices to remain strong into 2009
- Credit tightening limits Mid Tier and Junior miner moves to production

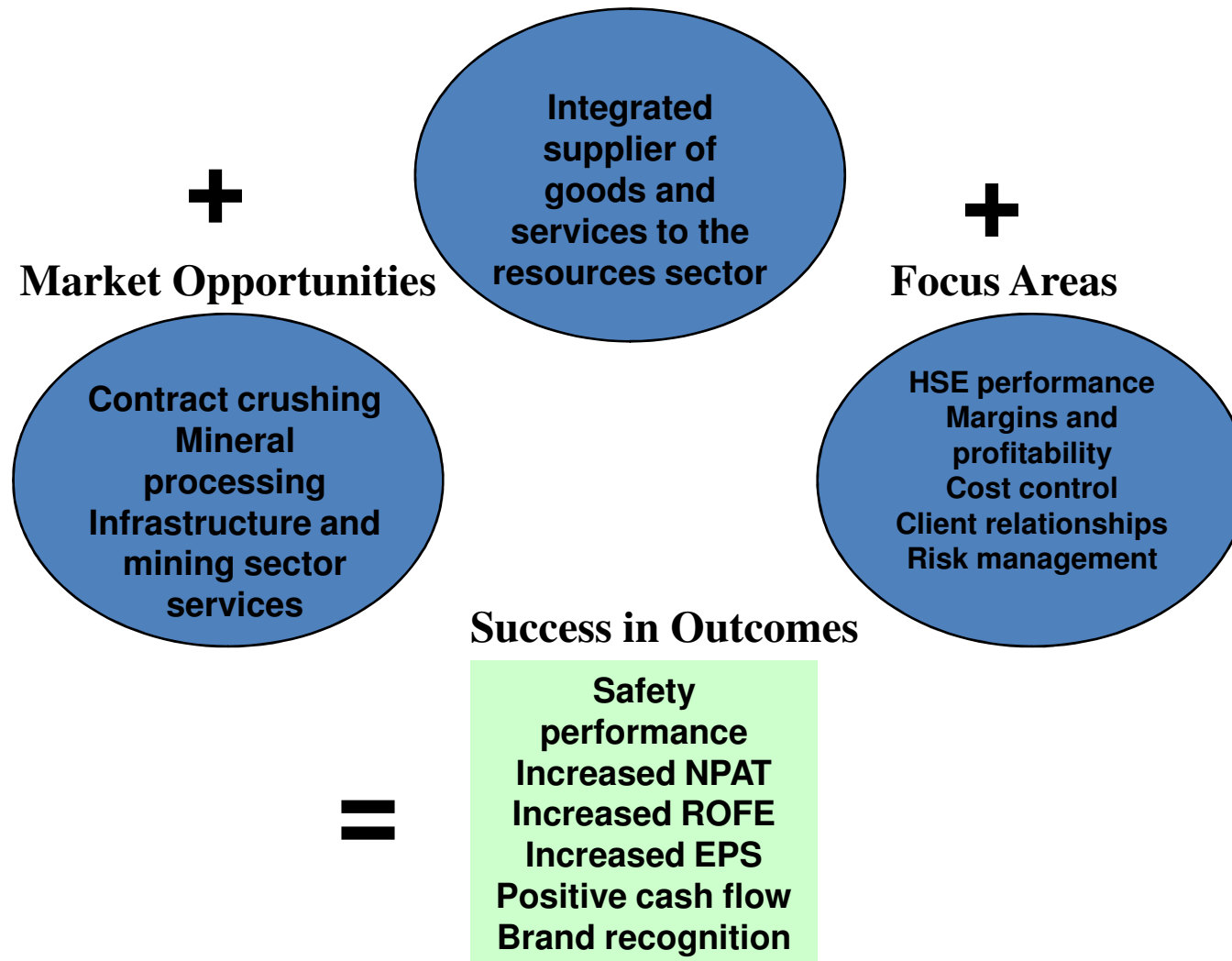


# FUTURE TRENDS & OPPORTUNITIES

- The China story continues
- Cash is like oxygen
- Supply < Demand in steel making minerals
- Client/contractor partnerships requires adding value for both parties
- Port, transport and shipping availability to control export growth opportunities
- Outsourcing operations optimise use of scarce labour, plant and equipment resources
- Recovery and processing low grade ores provides reduced carbon impact



# BUSINESS MODEL





Brunei Lined Water  
Injection Pipeline







