

13 August 2014

The Manager, Companies  
Australian Securities Exchange  
Companies Announcement Centre  
Level 4, 20 Bond Street  
Sydney NSW 2000



Dear Sir/Madam,

**OZ Minerals 2014 Half Year Financial Results – Announcement and Webcast Details**

Please find attached the OZ Minerals 2014 Half Year Financial Results announcement and presentation.

A management presentation on the results will be available to view on the OZ Minerals website at [www.ozminerals.com](http://www.ozminerals.com) at 10am EST and an archive will be available later in the day.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'P. Lynch', with a stylized flourish at the end.

**Paul Lynch**  
Company Secretary

13 August 2014

# ASX Release

## OZ Minerals 2014 Half-Year Financial Results



OZ Minerals' Managing Director and CEO, Terry Burgess said, 'a strong half year of operations, particularly from the Malu Open Pit, has driven higher revenue and lower operating costs.'

Production for the first half was 40,363 tonnes of copper and 64,528 ounces of gold.

Over the past year open pit operations have delivered significant productivity improvements resulting in high material movements, at a lower unit cost. Gross operational costs have also reduced with the demobilisation of equipment and lower employee costs.

In July copper production guidance for the year was raised to 85,000 to 90,000 tonnes, due to the increased production and accelerated access to higher grade ore achieved in the first half. Gold guidance of 130,000 to 140,000 ounces was maintained.

The new Malu Underground operation at Prominent Hill is on track to commence production in the last quarter of this year.

In recognition of the company's current operational performance and future prospects the Board resolved to pay an unfranked dividend of 10 cents per share.

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**A detailed analysis of the first half operating and financial performance is provided in the Review of Operations section of the 2014 Half Year Financial Report released to the market today.**

### Summary

- Positive safety performance maintained.
- Production of 40,363 tonnes of copper and 64,528 ounces of gold for the period, compared to production of 37,853 tonnes of copper and 62,808 ounces of gold for the corresponding period in 2013.
- Higher production, productivity improvements and increased Australian dollar commodity prices contributed to:
  - Revenue of \$351.0 million for the half year.
  - Underlying EBITDA of \$122.3 million.
  - Underlying Net loss after tax of \$14.3 million.
  - Net loss after tax of \$7.4 million.

- Cash at the end of the half year was \$154.9 million and the company has an undrawn debt facility of US\$200 million.
- Dividend of 10 cents per share (unfranked) for the half year to 30 June 2014.
- Updated Mineral Resource and initial Ore Reserve estimates released for Malu Underground on 30 June 2014<sup>1</sup>.
- An initial Mineral Resource estimate for Khamsin announced on 26 May<sup>2</sup>.
- The Carrapateena pre-feasibility study summary will be released in the coming weeks.

<b>Table 1</b>	<b>H1 2014 A\$m</b>	<b>H1 2013 A\$m</b>
<b>Group revenue</b>	<b>351.0</b>	<b>316.2</b>
<b>Underlying EBITDA<sup>3</sup></b>	<b>122.3</b>	<b>50.0</b>
Depreciation and amortisation	(139.5)	(111.0)
<b>Underlying EBIT<sup>3</sup></b>	<b>(17.2)</b>	<b>(61.0)</b>
Net financing income	0.8	4.9
Income tax benefit	2.1	20.0
<b>Underlying NPAT<sup>3</sup></b>	<b>(14.3)</b>	<b>(36.1)</b>
(Impairment of assets)/profit from discontinued operations, net of tax	6.9	(231.9)
<b>NPAT</b>	<b>(7.4)</b>	<b>(268.0)</b>
<b>Dividends per share – unfranked</b>	<b>\$0.10</b>	<b>\$0.10</b>

For further information please contact:

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<sup>1</sup> See "Mineral Resource and Ore Reserve Statements for Malu Underground Project at Prominent Hill as at 31 December 2013" which was released to the market on 30 June 2014 and which is available to view at [www.ozminerals.com/operations/resources--reserves.html](http://www.ozminerals.com/operations/resources--reserves.html).

<sup>2</sup> See "Khamsin Mineral Resources Statement as at 23 March 2014" which was released to the market on 26 May 2014 and which is available to view at [www.ozminerals.com/operations/resources--reserves.html](http://www.ozminerals.com/operations/resources--reserves.html).

<sup>3</sup>OZ Minerals financial results are reported under Australian Accounting Standards ('AASB'). This announcement includes certain non-AASB measures including Underlying EBITDA, Underlying EBIT and Underlying NPAT. These measures are presented to enable understanding of the underlying performance of the Consolidated Entity without the impact of non-trading items such as write-down of assets. Non AASB measures have not been subject to audit or review. Underlying EBITDA, Underlying EBIT and Underlying NPAT are included in Note 2 Operating Segments, which form part of the Consolidated Interim Financial Statements. Refer Note 2 Operating Segments to the Consolidated Interim Financial Statements for further details.



**2014 HALF YEAR FINANCIAL RESULTS**  
13 AUGUST 2014



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OZ Minerals financial results are reported under Australian Accounting Standards(‘AASB’). This release includes certain non AASB measures including Underlying EBITDA, Underlying EBIT, Underlying EBT and Underlying NPAT. These measures are presented to enable understanding of the underlying performance of the Company without the impact of non-trading items such as impairment. Non AASB measures have not been subject to audit or review. Underlying EBITDA, Underlying EBIT, Underlying EBT and Underlying NPAT are included in Note 2 Operating Segments, which form part of the Financial Report. Refer Note 2 Operating Segments to the Financial Report for further details.

All figures are expressed in Australian dollars unless stated otherwise.



- Strong first half performance from Prominent Hill.
  - Copper production above target with 2014 full year guidance increased to 85,000 – 90,000 tonnes of copper (as previously reported).
  - Strong overall cost performance in the first half led to revised C1 guidance reduced to US 110-120 cents per payable pound of copper (as previously reported).
- Updated Mineral Resource and initial Ore Reserve estimates for Malu Underground released on 30 June 2014<sup>1</sup>.
- Carrapateena Pre-Feasibility Study under final review.
- Initial Mineral Resource estimate for Khamsin released on 26 May 2014<sup>2</sup>.
- Positive initial drilling results from early stage exploration in Jamaica.
- Dividend (unfranked) of 10 cents in respect of the first half of 2014.

#### **1 Malu Underground**

See “Mineral Resource and Ore Reserve Statements for the Malu Underground Project at Prominent Hill as at 31 December 2013” which was released to the market on 30 June 2014 and which is available to view on [www.ozminerals.com/operations/resources--reserves.html](http://www.ozminerals.com/operations/resources--reserves.html).

#### **2 Khamsin**

See “Khamsin Mineral Resources Statement as at 23 March 2014” which was released to the market on 26 May 2014 and which is available to view on [www.ozminerals.com/operations/resources--reserves.html](http://www.ozminerals.com/operations/resources--reserves.html).

# STRONG FIRST HALF OF OPERATIONS AT PROMINENT HILL



- Strong mining rates in the Malu Open Pit maintained – 44 million tonnes mined in the first half.
  - Productivity improvements – larger working areas, double benching, adjusted flitch heights, ramp gradients, upgraded dispatch system.
  - Demobilisation of fleet to optimise equipment to mining schedule.
  - Access to larger ore zones.
  - Leading to lower open pit unit costs averaging \$5.10 per tonne for the half.
- Consistent production from Ankata Underground – 0.6 million tonnes mined.
  - Average costs of \$45.33 per tonne.
  - Mine development advancing with 2.1 million tonnes of material available for production drilling.
- Plant continued to operate at high availability.
  - High recoveries of 89.6 percent copper and 77.7 percent gold.
  - 4.5 million tonnes throughput.
- Better than expected copper production.
  - 40,363 tonnes of copper.
  - 64,528 ounces of gold.

# H1 FINANCIAL SUMMARY

## IMPROVING FINANCIAL PERFORMANCE



- Improving financial performance.
  - Increase in revenue to \$351.0 million.
  - Increase in underlying EBITDA to \$122.3 million.
  - Offset by depreciation of \$139.5 million (mainly deferred waste).
  - Reduction in underlying net loss after tax to \$14.3 million.
- As previously reported, cash on hand at 30 June 2014 of \$154.9 million, with increased trade debtors, concentrate and ore inventories and less trade payables.
- Balance sheet remains debt free with strong liquidity levels maintained.
- Investment in Malu Underground development continues with \$30 million invested in the first half, first production on-track for the fourth quarter of 2014.



# INCOME STATEMENT



A\$M	Jun-13	Jun-14
Revenue	316.2	<b>351.0</b>
Cost of goods sold	(236.3)	<b>(174.1)</b>
Net foreign exchange gain/(loss)	32.1	<b>(10.0)</b>
Exploration expense	(37.1)	<b>(25.2)</b>
Other expenses	(24.9)	<b>(19.4)</b>
<b>Underlying EBITDA</b>	50.0	<b>122.3</b>
Depreciation and amortisation	(111.0)	<b>(139.5)</b>
<b>Underlying EBIT</b>	(61.0)	<b>(17.2)</b>
Net financing income	4.9	<b>0.8</b>
Income tax benefit	20.0	<b>2.1</b>
<b>Underlying NPAT</b>	(36.1)	<b>(14.3)</b>
Asset write down (net of tax)	(231.9)	-
<b>NPAT from continuing operations</b>	(268.0)	<b>(14.3)</b>

Increase in A\$ pricing for copper combined with higher gold volumes sold.

Increase in ore inventory adjustment (net of low grade gold ore write down), lower employee costs and lower open pit unit mining costs.

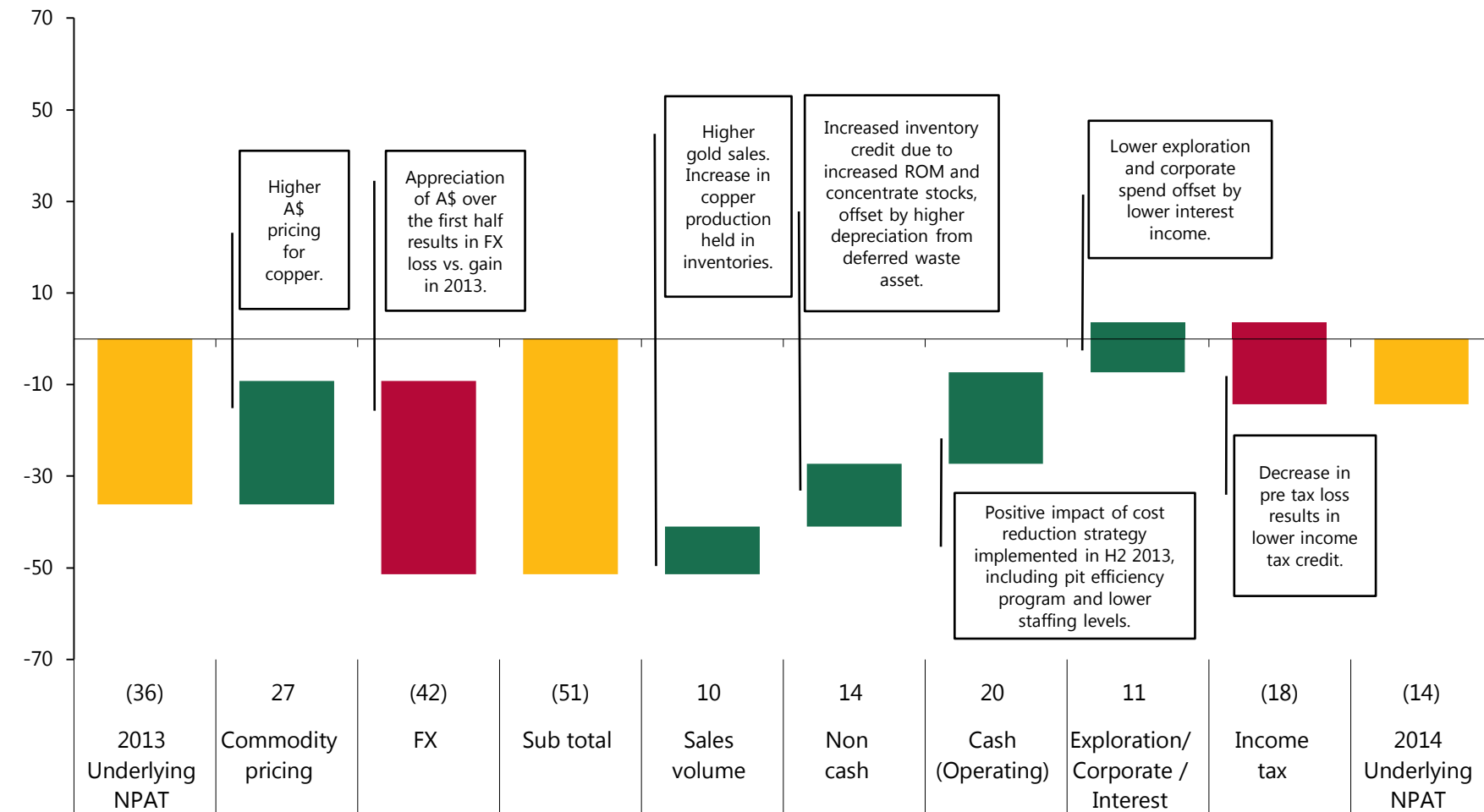
Appreciation of A\$ over the first half results in revaluation of US\$ cash and receivable balances.

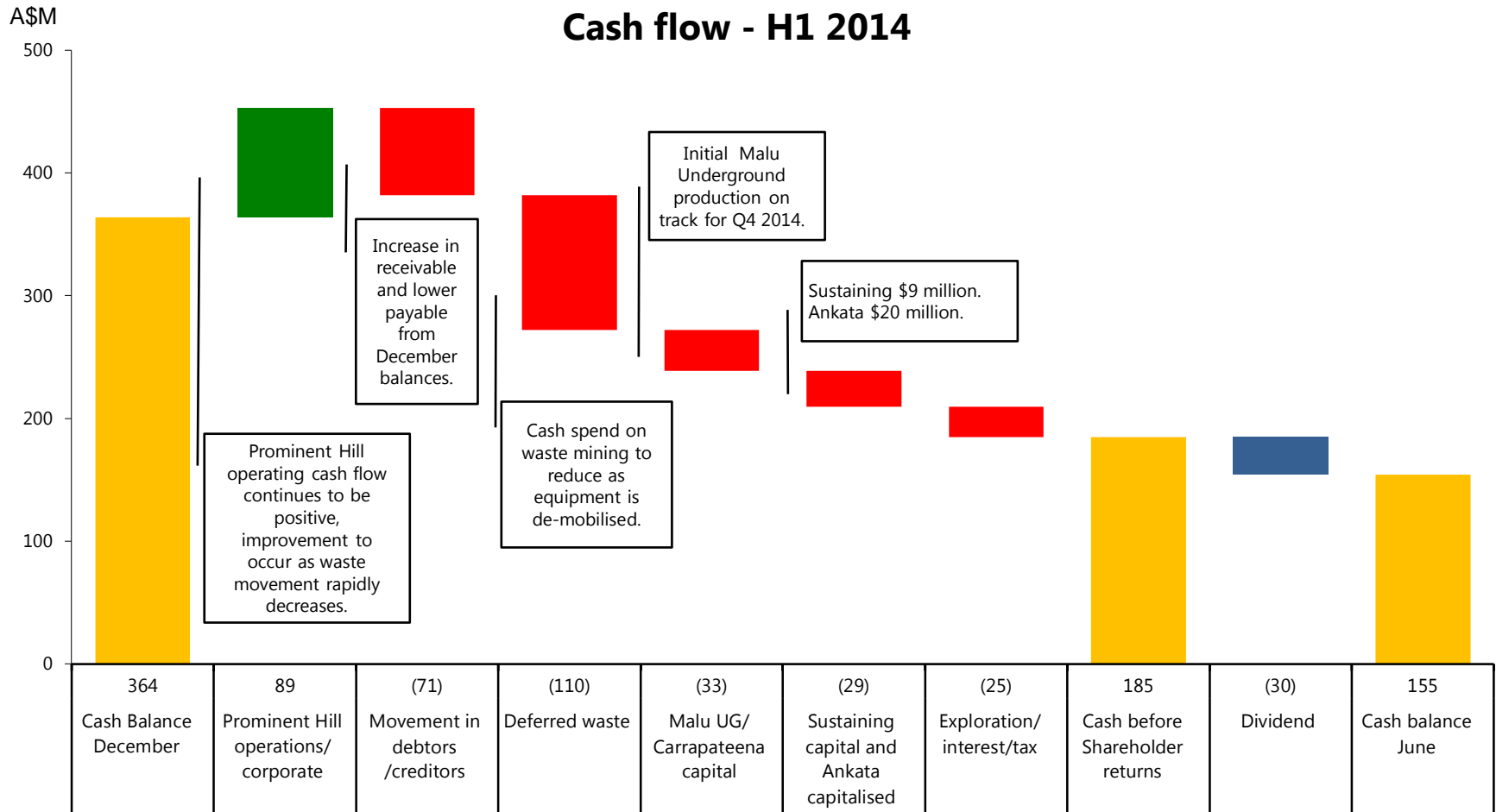
Carrapateena studies \$13 million, Carrapateena regional exploration \$9 million.

Increased depreciation from deferred waste assets due to higher ore mined.

Improvement in underlying operations despite inclusion of low grade gold ore write down in underlying profit.

## Variance Analysis - Underlying NPAT first half 2014 vs. first half 2013





# BALANCE SHEET



A\$M	Consolidated Dec-13	Consolidated Jun-14
<b>Assets</b>		
Cash	364.0	<b>154.9</b>
Receivables	127.6	<b>162.8</b>
Inventories	172.8	<b>235.2</b>
Prepayment	4.0	<b>6.2</b>
Investments & exploration assets	493.7	<b>481.1</b>
PP&E and leased equipment	1,355.0	<b>1,383.7</b>
<b>Total Assets</b>	<b>2,517.1</b>	<b>2,423.9</b>
<b>Liabilities</b>		
Payables	133.7	<b>95.2</b>
Net deferred tax liabilities	30.9	<b>22.7</b>
Provisions	24.6	<b>26.3</b>
<b>Total Liabilities</b>	<b>189.2</b>	<b>144.2</b>
<b>Net Assets</b>	<b>2,327.9</b>	<b>2,279.7</b>

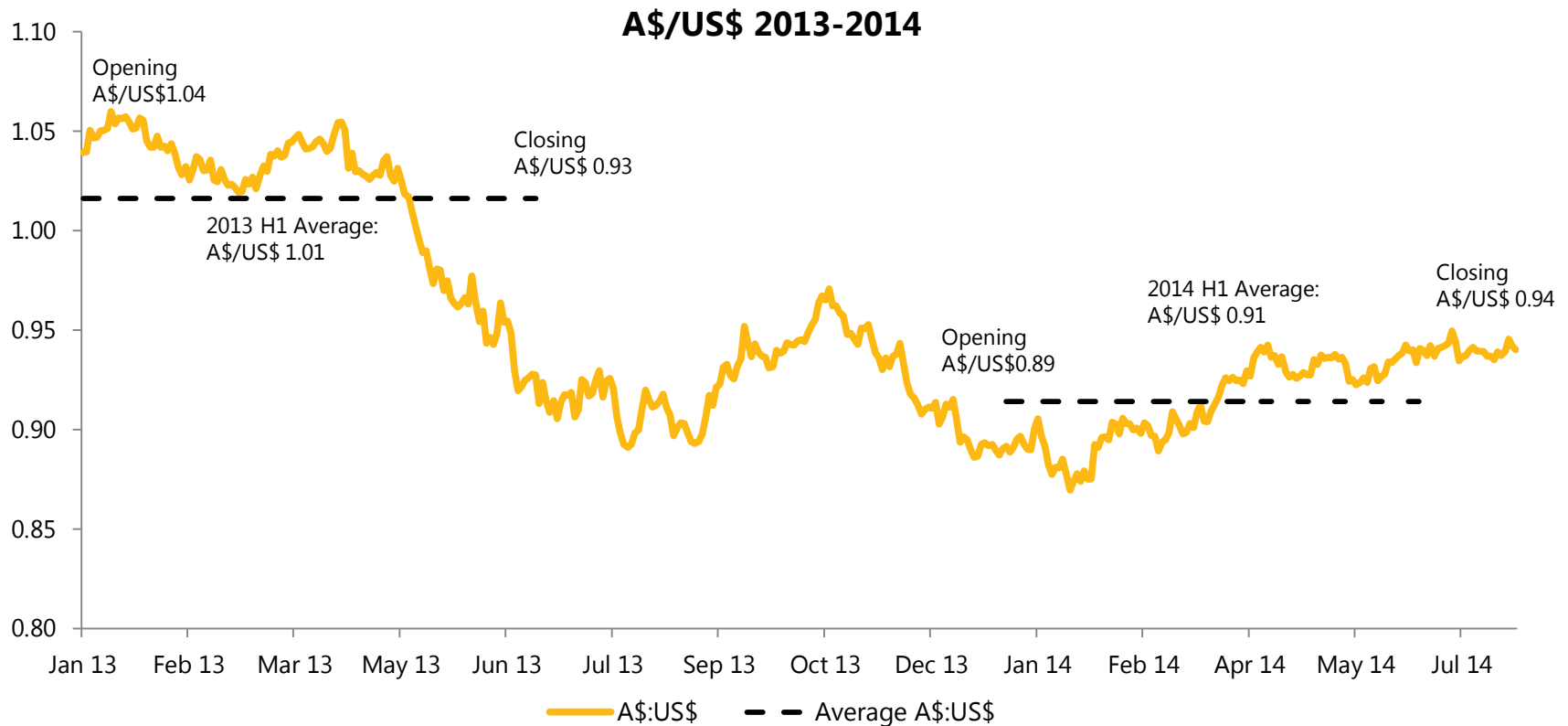
Lower cash balance due to investment in stocks resulting from strong pit performance and timing of receivable/ payable movements.

Increase in working capital balances.

Includes deferred waste balance of \$458 million, the remaining life of mine strip ratio is 2.25.

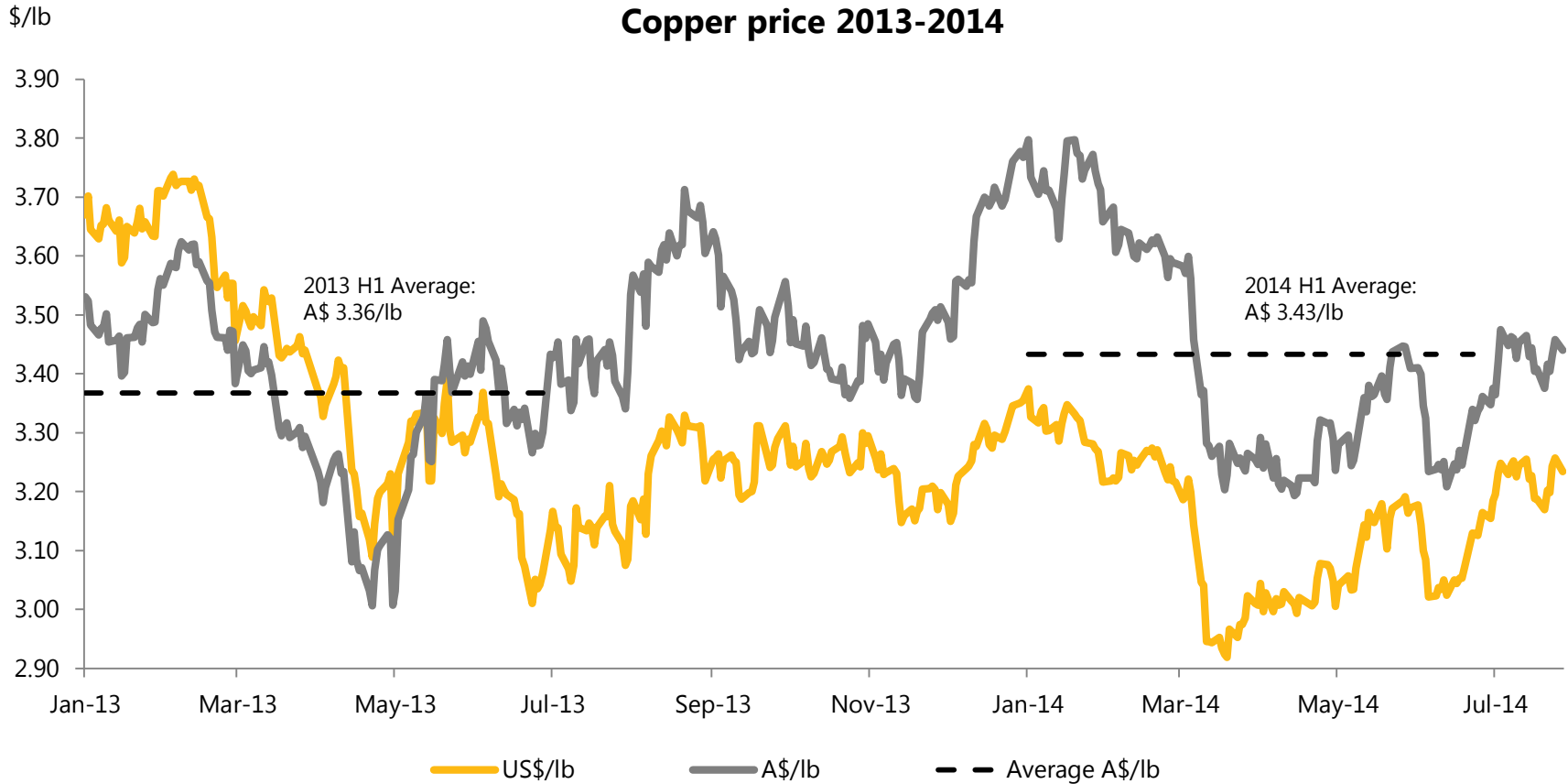
Reduction in trade payable reduces cash balance.

- Balance sheet characterised by significant liquidity and no debt; undrawn facility: US\$200 million.



- Differential in A\$/US\$ rates has two impacts on the 2014 interim financial results.
  - Lower average exchange rate results in higher realised pricing for Australian dollar copper as compared with the same period in 2013.
  - Appreciation of exchange rate over the 2014 first half results in loss recorded on revaluation of US denominated cash and receivable holdings.





- Copper price in Australian dollar terms has been higher than the same period in 2013, although lower in US dollar terms.
- US\$ pricing has recovered from fall in early March 2014.

## Improving financial performance.

- Higher than expected copper production in the first half.
- Lower unit costs in Malu Open Pit.
- Dividend of 10 cents per share.
  - Record date 11 September 2014
  - Payment date 25 September 2014
- As previously reported, 2014 guidance increased to 85,000 tonnes to 90,000 tonnes copper and gold guidance of 130,000 ounces to 140,000 ounces maintained.
- Open pit waste movement expected to be lower in the second half, unit mining costs forecast to be lower than \$5.80 per tonne.
- Malu Underground development on track for first production in fourth quarter.
- Carrapateena Pre-Feasibility Study nearing completion with announcement of key results in the coming weeks.
- Exploration to continue at Fremantle Doctor in the second half.

