OM HOLDINGS LIMITED

MEDIA RELEASE

OM Holdings Limited 1H2017 Financials Rides on Upturn in Manganese Ore and Alloy Prices.

Highlights

- **EBITDA up from A$3.7 million to A$41.5 million**
- **Revenue increases by 43% to A$263.1 million**
- **Gross Profit Margin improves from 16% to 19%**
- **Net loss reduced by 74% from A$82.2 million to A$21.3 million**

30 August 2017 – ASX-listed **OM Holdings Limited** and its subsidiaries ("**OMH**" or the "**Group**"); a vertically integrated manganese mining, smelting and trading company, today announced that mainly due to a rise in the prices of manganese ores and alloys, its EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) has increased to A$41.5 million for the six months ended 30 June 2017 ("**1H2017**") from A$3.7 million in the six months ended 30 June 2016 ("**1H2016**")

The Group's revenue from operational activities for 1H2017 was A$263.1 million, representing a 43% increase over the A$183.4 million of 1H2016. The increase in revenue was mainly attributed to a rise in the prices of manganese ore and manganese alloys; as well as an increase in the Group's alloy trading activities.

Commenting on the Group's 1H2017 financial performance, **Mr Low Ngee Tong**, **Executive Chairman, OM Holdings Limited** said, "***I am pleased with the significant improvement in our financial performance. For the period under review, our Bootu Creek mine manganese ore production and sales, and Sarawak smelter manganese alloy production and sales were operating at approximately only 60%***

and 40% nameplate capacity respectively. As we steadily ramp up production, I expect further improvement in financial performance."

For the month of June 2017 itself, with the mine running at almost full capacity and the smelter running 12 furnaces, the Group recorded an after tax profit of A$12.2 million.

OMH's gross profit margin rose from 16% in 1H2016 to 19% in 1H2017, not only as a result of stronger ore and alloy prices, but also due to the increasing operational efficiency of the Group's smelting complex in Sarawak, Malaysia.

The Group's net loss after tax has been reduced by 74% from A$82.2 million for the six months ended 30 June 2016 ("1H2016"), to A$21.3 million for the six months ended 30 June 2017 ("1H2017"). Part of the losses for the period of reporting was due to foreign exchange losses incurred when the strengthening Malaysian Ringgit payables of the Group's operations were translated to United States Dollars (USD).

The Group's consolidated cash position as at 30 June 2017 stands at A$30.9 million and operating cash flow remains positive with net cash generated from operating activities for the period of reporting increasing by 45% from to A$22.1 million. Total borrowings decreased to A$583.3 million as at 30 June 2017 from A$617.6 million as at 31 December 2016, mainly due to the Group's partial repayment of its Mezzanine Loan facility.

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This media release is to be read in conjunction with the Company's announcement posted on the ASX website on 30 August 2017.