

MEDIA RELEASE

OM Holdings Limited Posts Outstanding 1H2018 Financial Performance with A\$106.4m NPAT on Revenue of A\$828.3m

Highlights

- Mining and smelting activities at full operating capacity as well as robust ore and alloy prices contributed to strong overall financial performance
- Revenue increased by 215% from A\$263.1 million in 1H2017 to A\$828.3 million in 1H2018
- Net profit after tax of A\$106.4 million compared to A\$21.4 million net loss in 1H2017
- Net asset backing per ordinary share was 55.43 cents as at 30 June 2018 as compared to 39.34 cents as at 31 December 2017
- Consolidated cash position of A\$73.2 million as at 30 June 2018 as compared to A\$34.4 million as at 31 December 2017
- Net cash generated from operating activities of A\$98.4 million for 1H2018 as compared to net cash generated from operating activities of A\$22.1 million for 1H2017

24 August 2018 – ASX-listed **OM Holdings Limited** and its subsidiaries (“**OMH**” or the “**Group**”); a vertically integrated manganese mining, smelting and trading company, today announced its consolidated financial results for the six months ended 30 June 2018 (“**1H2018**”). The Group recorded a strong overall financial performance with significant improvements in earnings, financial position and cash flow. This was mainly attributed to mining and smelting activities at the Group’s Australian subsidiary OM (Manganese) Ltd (“**OMM**”) and the OM Materials (Sarawak) Sdn. Bhd. (“**OM Sarawak**”) smelter both operating at full capacity, supported by robust ore and alloy prices.

As at 30 June 2018, all of OM Sarawak's 16 furnaces were in full operation, with 10 furnaces producing FeSi and 6 furnaces producing manganese alloy, together with the Group's Chinese smelting operation, contributed A\$424.7 million to the Group's 1H2018 revenue, an increase of approximately 124% from the A\$189.3 million in 1H2017. The Group's Bootu Creek mine produced 343,878 tonnes of manganese at an average grade of 35.76% Mn in 1H2018. This was a 19% increase from the 1H2017 production of 287,830 tonnes, and contributed A\$91.6 million to the Group's 1H2018 revenue.

The Group's revenue from operational activities for 1H2018 was A\$828.3 million, representing a 215% increase over the A\$263.1 million of 1H2017.

Net profit after tax was A\$106.4 million, as compared to a net loss of A\$21.4 million in 1H2017. Gross profit margin rose from 18.8% in 1H2017 to 22.3% in 1H2018.

Commenting on the Group's 1H2018 financial performance, Mr Low Ngee Tong, Executive Chairman, OM Holdings Limited said, ***"I am pleased to report that for 1H2018, we recorded outstanding operating and financial performance. Not only were our revenue and earnings up, we also considerably strengthened our financial position and cash flow. The fundamentals of the Group's business remain sound, and we continue to aim for sustainable growth despite external medium term challenges with emerging global trade tensions."***

The Group's financial position continued to improve. Net asset backing per ordinary share of the Group was 55.43 cents per ordinary share as at 30 June 2018 as compared to 23.73 cents and 39.34 cents per ordinary share as at 30 June 2017 and 31 December 2017 respectively.

Total borrowings decreased from A\$510.7 million as at 31 December 2017 to A\$496.6 million as at 30 June 2018 mainly due to the full repayment of the Group's restructured loan balance as at 31 December 2017 of A\$39.3 million during the half year ended 30 June 2018. The Group's total borrowings to equity ratio decreased from 1.77 times as at 31 December 2017 to 1.22 times as at 30 June 2018.

Net cash generated from operating activities was A\$98.4 million for 1H2018, as compared to A\$22.1 million in 1H2017. Consolidated cash position was A\$73.2 million as at 30 June 2018 as compared to A\$34.4 million as at 31 December 2017.

Mr Low added, “***With the significant turnaround in the Group’s operations and surplus cash flow generated, I am pleased to announce that the Board will be seeking shareholder approval for a dividend to be declared of A\$0.03 per fully paid ordinary share. Accordingly, the Board will be convening a Special General Meeting to be held by the end of September 2018 which will also include seeking shareholder approval to update the Company’s Bye-laws so as to enable the dividend to be declared and paid.***”

Subject to the receipt of shareholder approval to amend the Bye-laws and the declaration of the dividend, the Record Date for the dividend will be 5 October 2018 and the Payment Date will be 26 October 2018.

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This media release is to be read in conjunction with the Company’s announcement posted on the ASX website on 24 August 2018.