



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 2014¹.
- Carrapateena Pre-Feasibility Study under final review.
- Initial Mineral Resource estimate for Khamsin released on 26 May 2014².
- 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.

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.

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

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

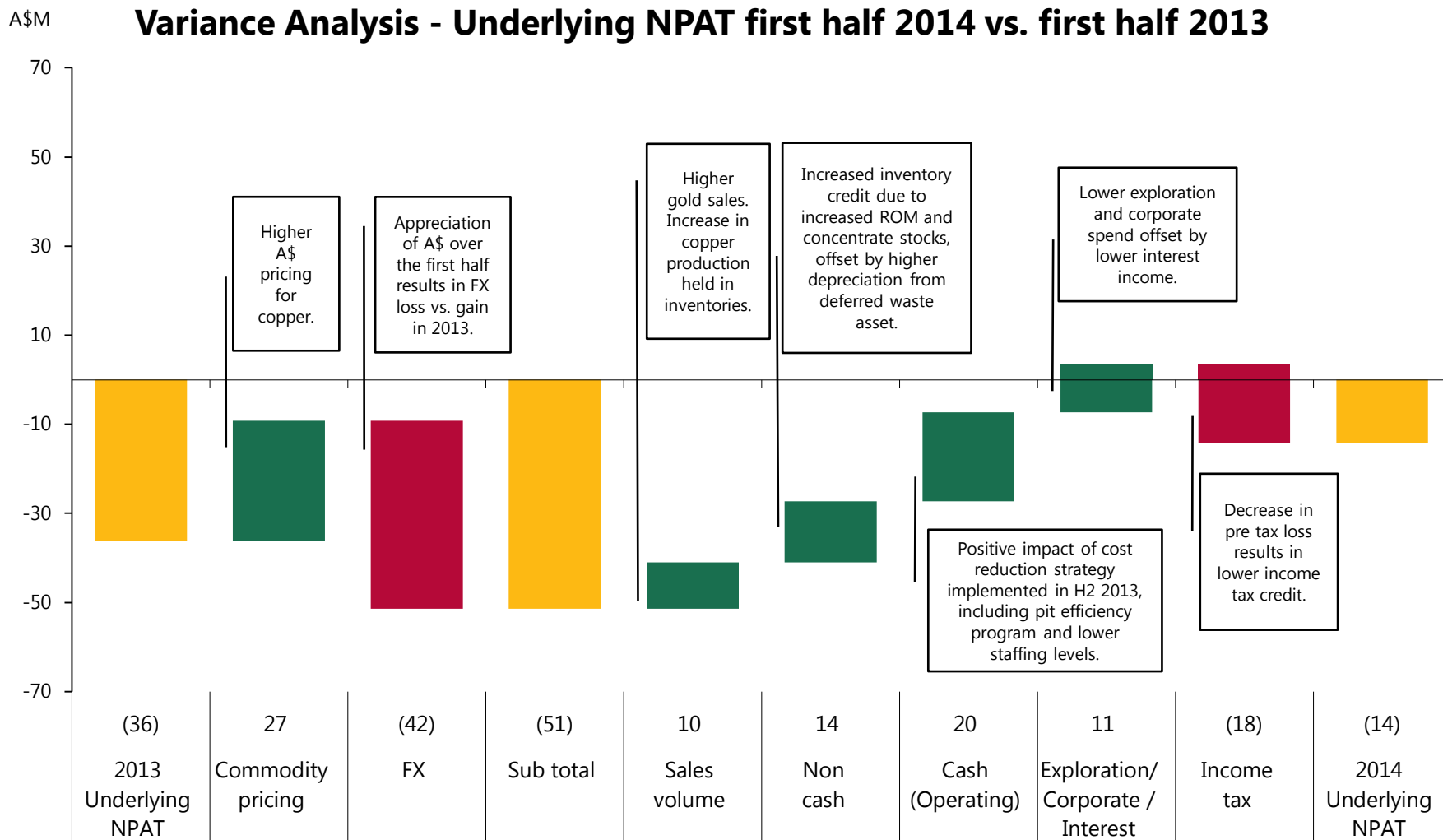
Increase in ore inventory adjustment (net of low grade gold ore write down), lower employee costs and lower open pit unit mining costs.

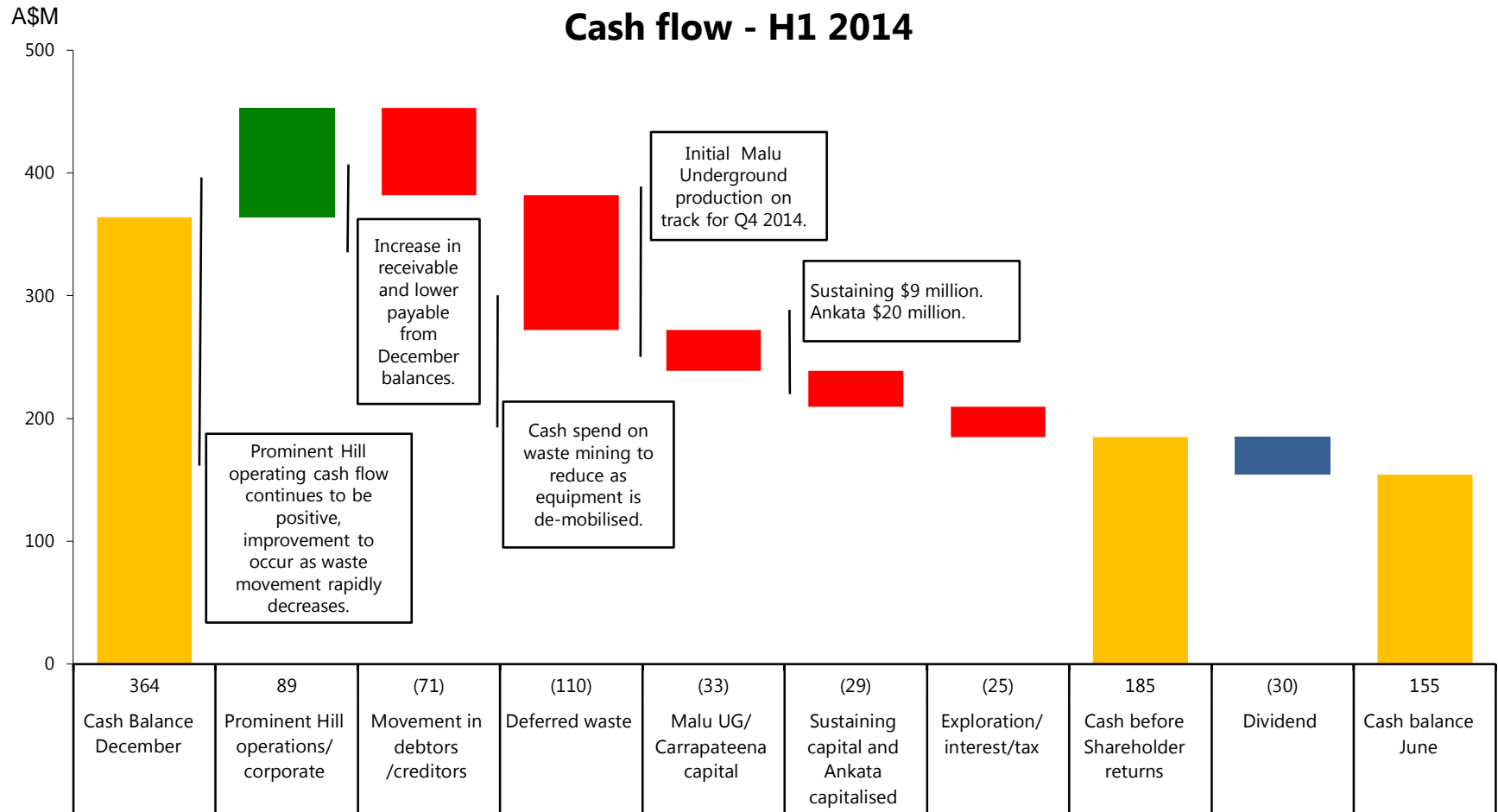
Appreciation of A\$ over the first half results in revaluation of US\$ cash and receivable balances.

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.





BALANCE SHEET



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

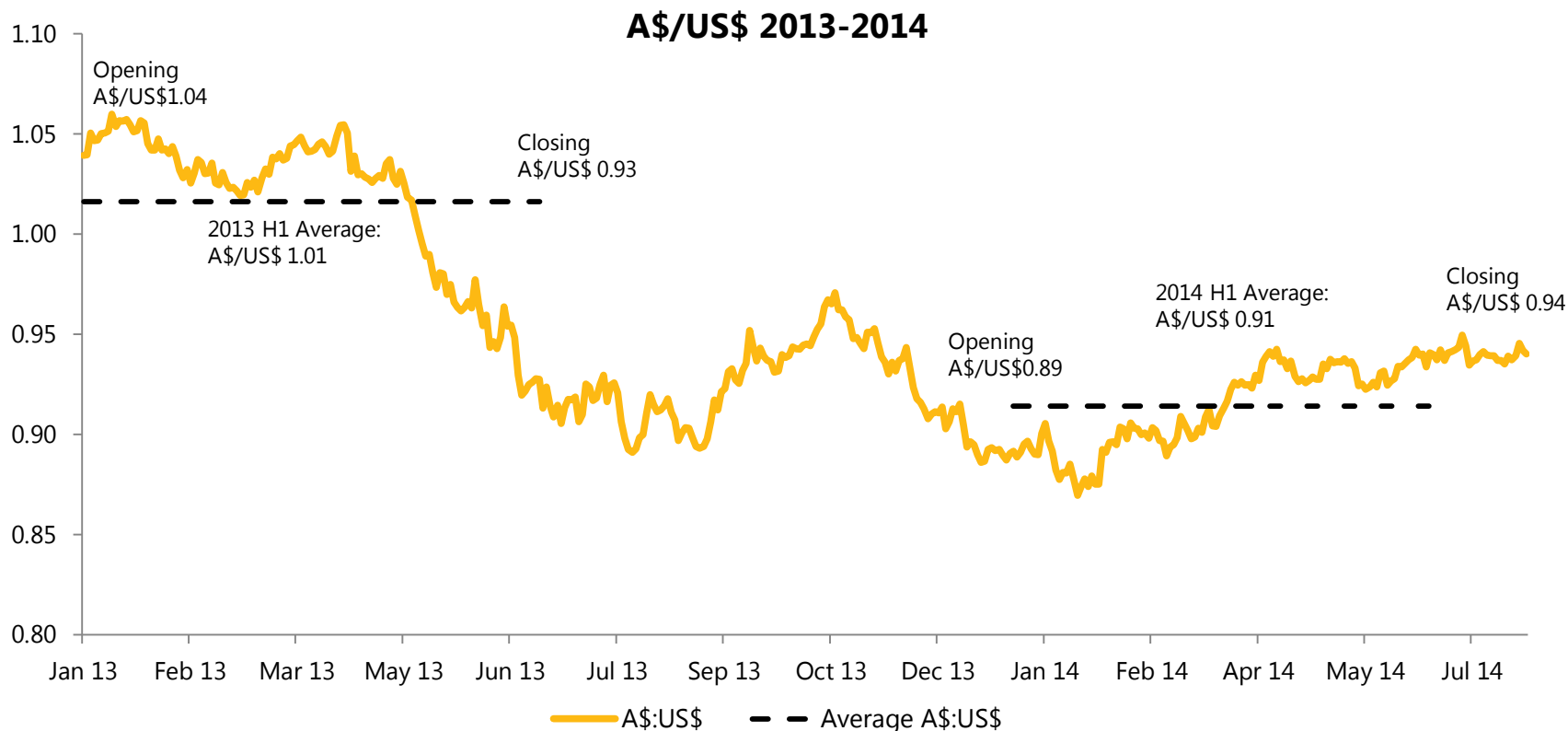
Lower cash balance due to investment in stocks resulting from strong pit performance and timing of receivable/ payable movements.

Increase in working capital balances.

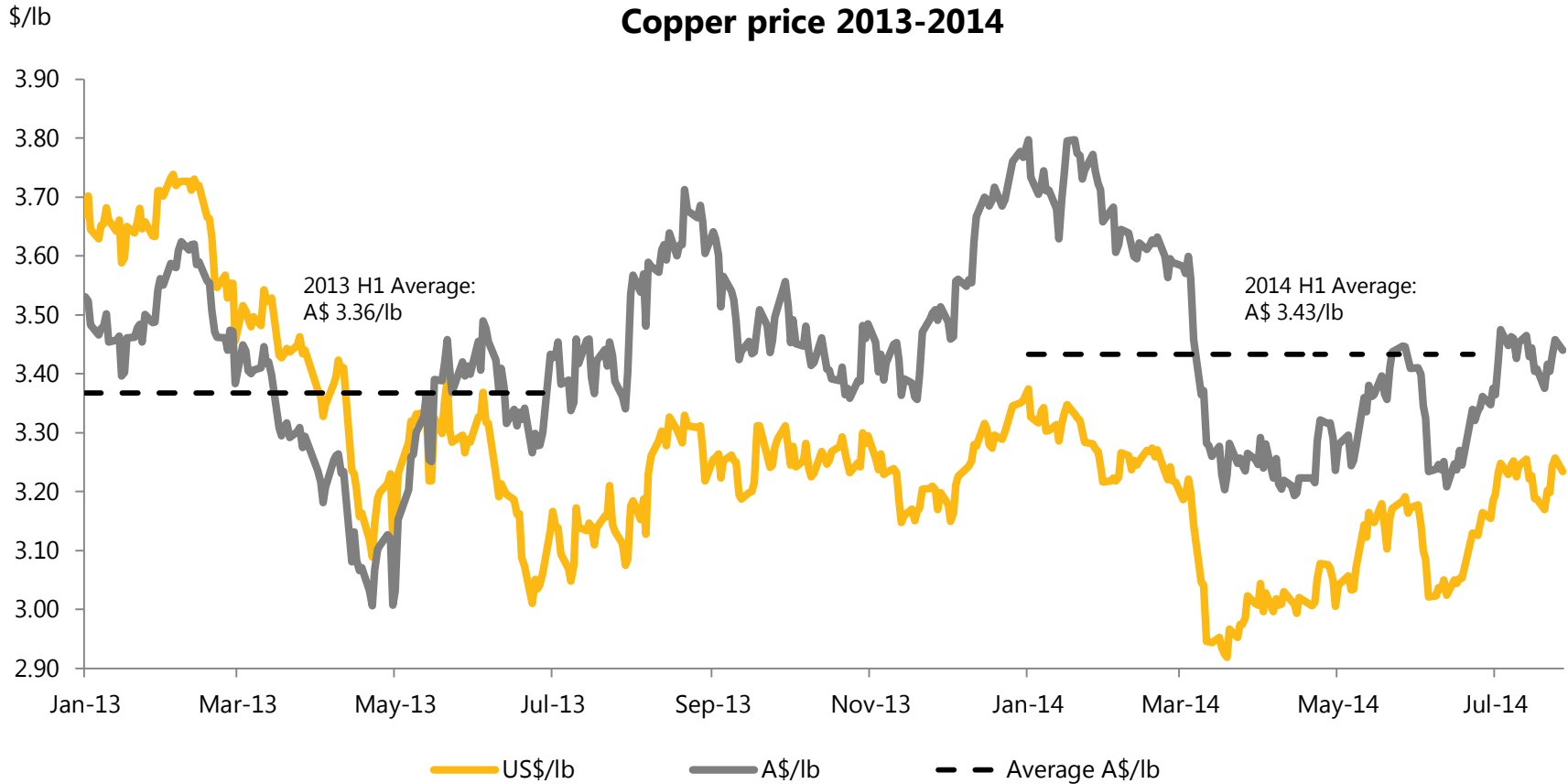
Includes deferred waste balance of \$458 million, the remaining life of mine strip ratio is 2.25.

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.

