



Straits Resources Limited

Full Year Financial Results

Year Ending 30 June 2010

31 August 2010

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A YEAR OF CONSOLIDATION AND RE-BUILDING

- Loss of \$69.4 million
 - Includes \$72.3 million impairment against Hillgrove project
 - All other business units showed improved financial performance year on year
 - Loss from continuing activities of \$18.5 million (\$144.0 million loss in 2009)
- EBITDA loss of \$5.6 million from continuing operations
 - Hillgrove EBITDA loss of \$13.3 million (suspended operations costs)
- Cash and Investments \$253.3 million
 - Net cash position of \$173.2 million (net of Convertible Note)
- Investments in Capital, Development and Exploration of \$62.0 million
- Shareholder returns
 - Final Dividend of 5 cents per share (unfranked) payable 8 October 2010
 - On-market share buy back announced 31 August 2010
 - 30 cent per share dividend was paid in October 2009
- Straits Asia investment valued at \$348 million
 - \$20 million of profits and \$13 million of dividends recognised in 2010

A YEAR OF CONSOLIDATION AND RE-BUILDING

- Tritton recapitalisation program in progress
 - 30% increase in resources to 26.5 million tonnes at 1.8% copper
 - Production target of 27,000 tonnes Copper in FY 2011
 - Tritton Deeps exploration demonstrating significant potential to further increase resources
- Mt Muro recapitalisation underway
- Exploration success
 - Greenfields Lachlan Fold belt (NSW) extended mineralisation at Temora project, excellent porphyry intersections at Culingerai prospect
 - Torrens Section 23 approval received
- Magontec back to profitability in 2010
- 2nd instalment of US\$115 million received from PTT in October 2009
- Whim Creek Copper successfully closed
 - Assets sold for shares in ASX listed VentureX and Finders Resources
- Hillgrove – several options being considered including divestment
- Sale process advanced for non-core Gfe trading business

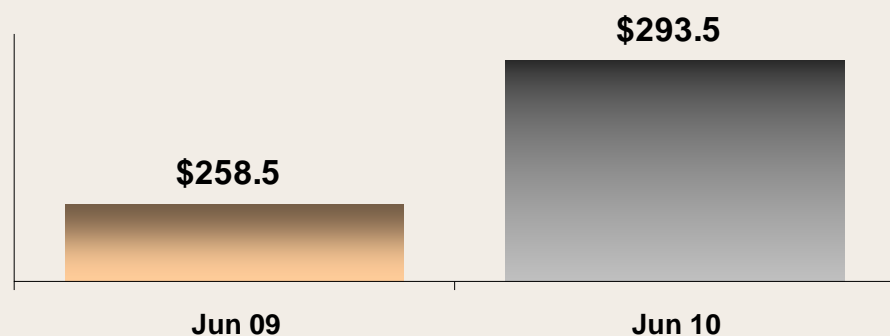


Financial Overview

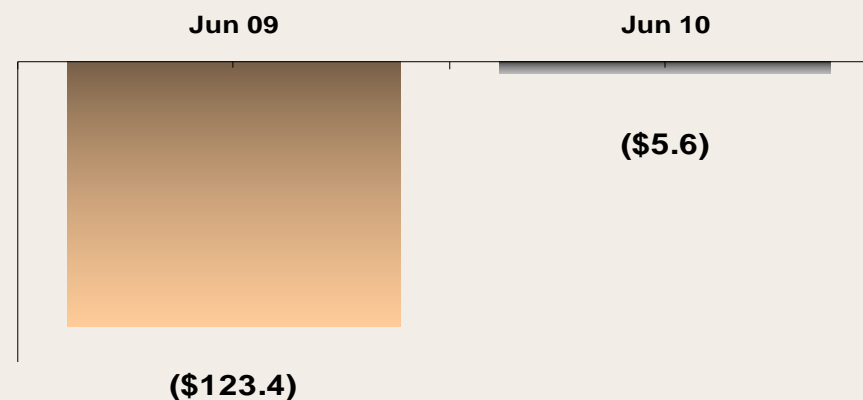
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Improved Performance from Ongoing Operations

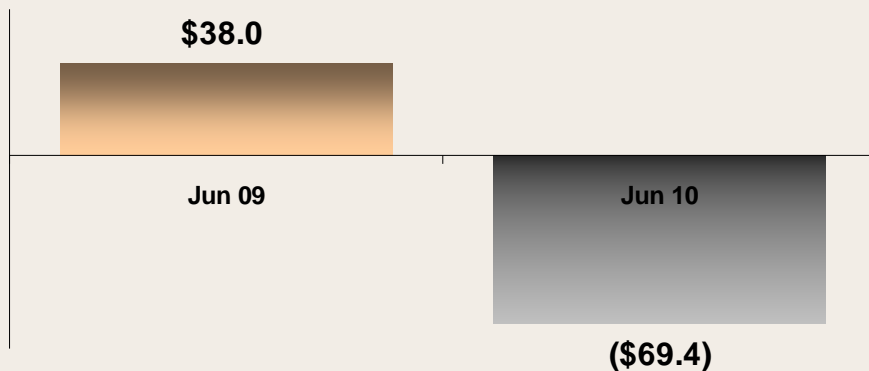
Sales Revenue



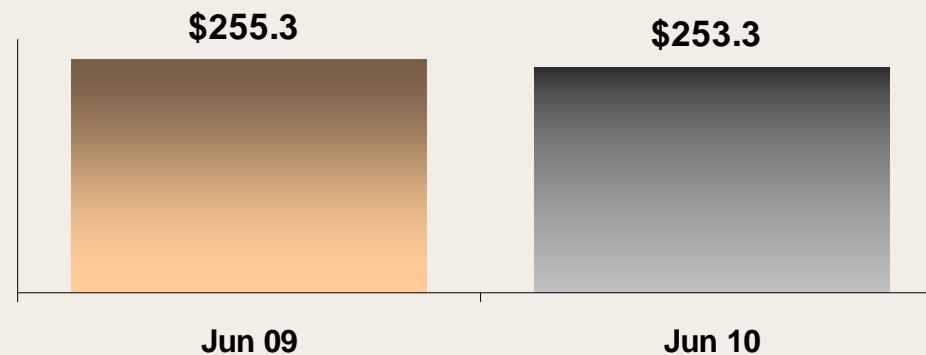
EBITDA



Net Profit/(Loss) after Tax



Group Cash & Investments



All figures in A\$ millions.

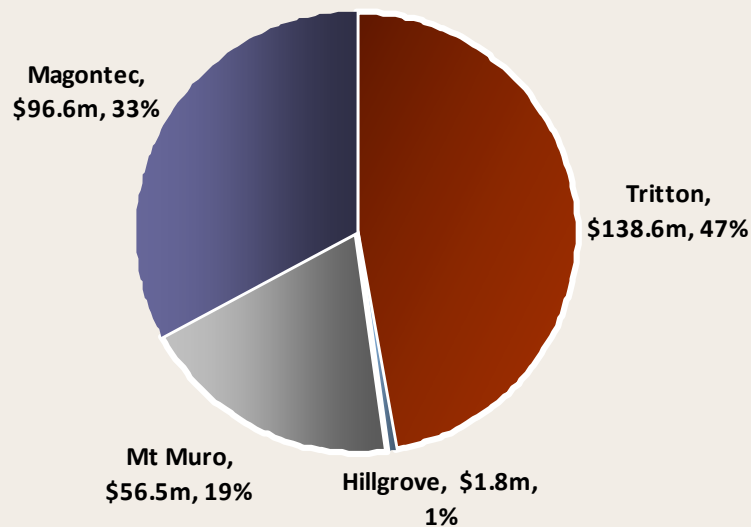
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REVENUES UP 14% TO \$294 MILLION

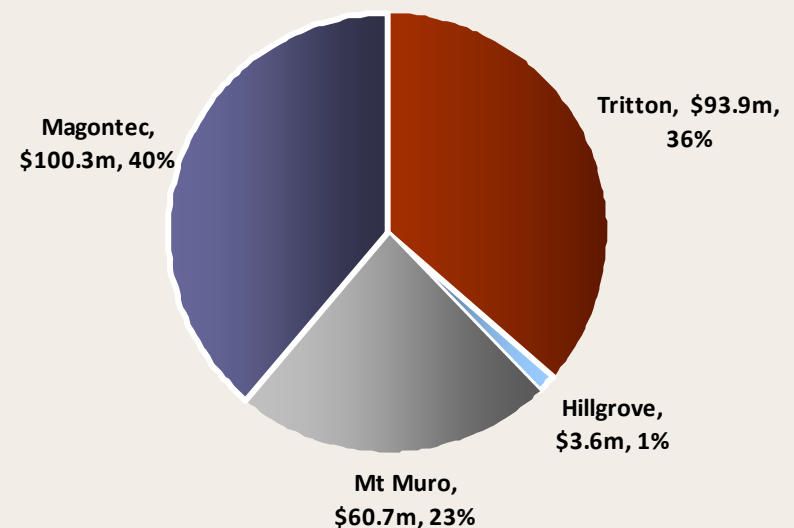
- Total revenue was up \$35.0 million from 2009.
- Most of the revenue increase related to Tritton
 - Copper revenue of \$139 million up 48%
 - Copper sales volumes of 21,057 tonnes were below last years result of 25,385 tonnes, but higher copper prices resulted in higher revenue year on year;
 - 2009 Copper revenues weighed down by legacy hedge losses.



2010 Revenue A\$m

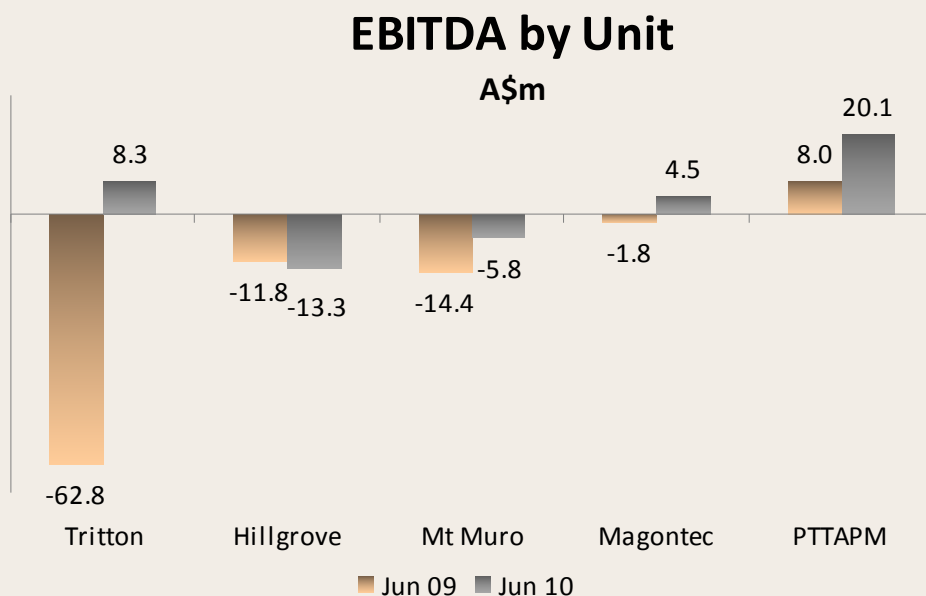


2009 Revenue A\$m



CONTINUING OPERATIONS SHOWING IMPROVED PERFORMANCE

- Tritton increase in EBITDA was driven higher by;
 - Higher copper prices in FY 2010 (although cash costs were higher in FY 2010 v FY 2009 due to lower volumes and grades).
- Hillgrove on suspended operations since August 2009 – all costs expensed for accounting purposes
- Mt Muro improved EBITDA due to higher gold prices
- PTTAPM (includes Straits Asia profit share)
 - Accounting as an associate - higher selling prices and margins contributed to improved performance
- Stronger margins at Magontec due to improved economic conditions in Asia
- Discontinued operations include Gfe, Whim Creek and Straits Asia deferred consideration.

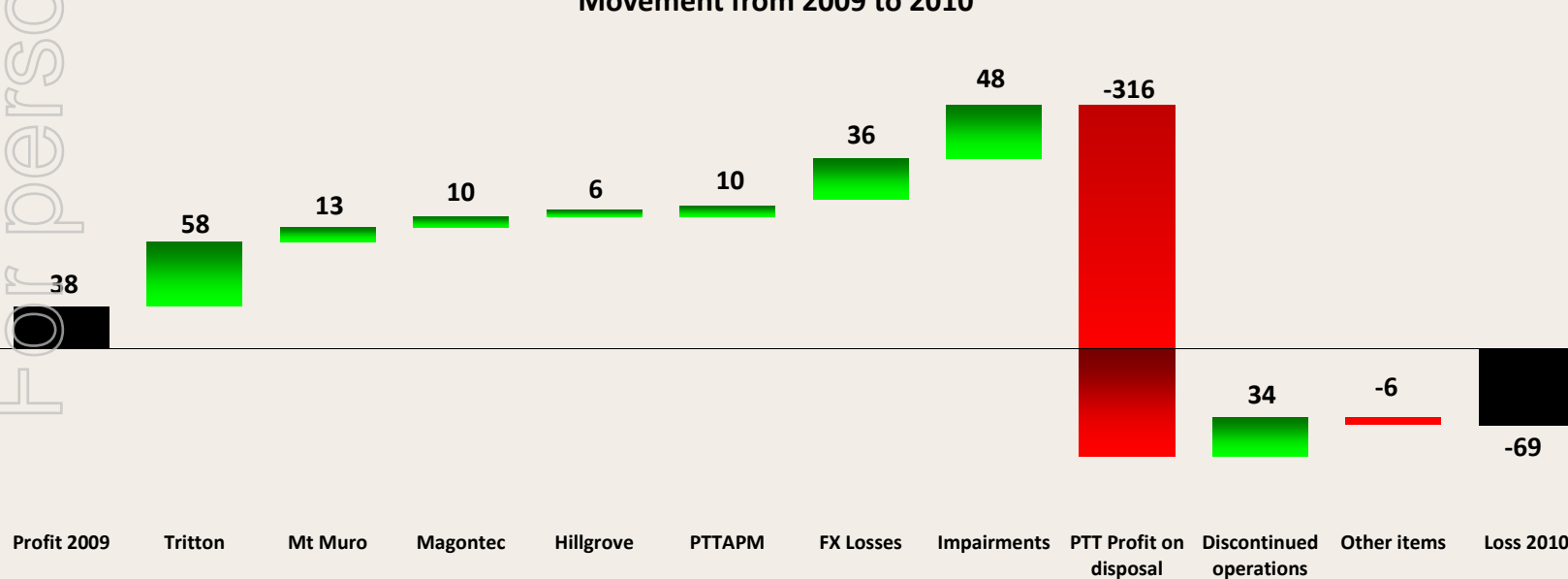


EBITDA	Full Year 2010 \$m	Full Year 2009 \$m
Tritton	8.3	(62.8)
Hillgrove	(13.3)	(11.8)
Precious metals - Mt Muro	(5.8)	(14.4)
PTTAPM	20.1	8.0
Magontec	4.5	(1.8)
FX losses	(6.0)	(42.2)
Other items	(13.4)	1.6
Total EBITDA continuing activities	(5.6)	(123.4)
Profit from discontinued operations	42.3	556.8
TOTAL EBITDA	36.7	433.4

LOSS AFTER TAX OF \$69.4 MILLION

- Overall result was significantly impacted by decision to recognise a \$72 million impairment write down against the Hillgrove project
- All other business units showed improved financial performance year on year in line with improved economic conditions
- Profit of \$28.6 million from PTTAPM sales relates to deferred consideration that was received in October 2009
- FX losses of \$6.0 million mostly relate to translation of the Groups USD cash as a result of a stronger A\$ during the year
- Loss from discontinued operations includes the held for sale Gfe trading business and Whim Creek.

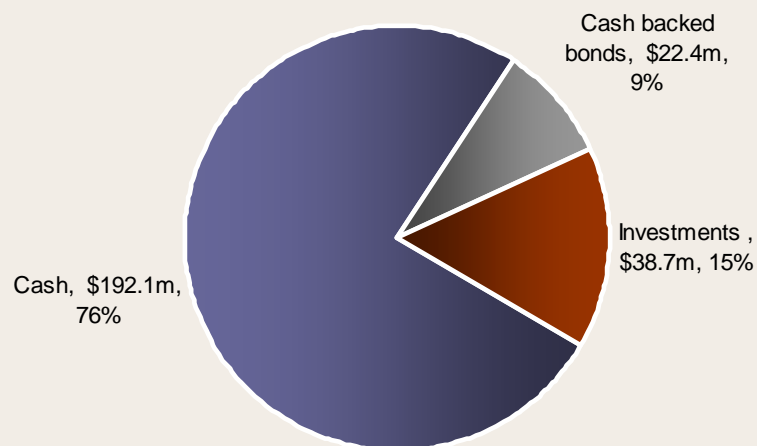
Group Profit/(Loss) A\$ Millions
Movement from 2009 to 2010



Profit/(loss) \$m	FY2010	FY2009
Tritton	(1.7)	(59.5)
Mt Muro	(10.9)	(23.7)
PTTAPM	18.0	7.9
Magontec	1.3	(8.4)
Hillgrove	(8.5)	(14.6)
FX Losses	(6.0)	(42.2)
Other items	(10.7)	(3.5)
(loss) from ongoing activities	(18.5)	(144.0)
Impairments	(75.4)	(123.8)
PTT APM Disposal	28.6	344.2
Discontinued operations	(4.1)	(38.4)
Total Profit/(loss)	(69.4)	38.0

CASH, INVESTMENTS & BORROWINGS OF \$253 MILLION

Group Cash and Investments of \$253 million



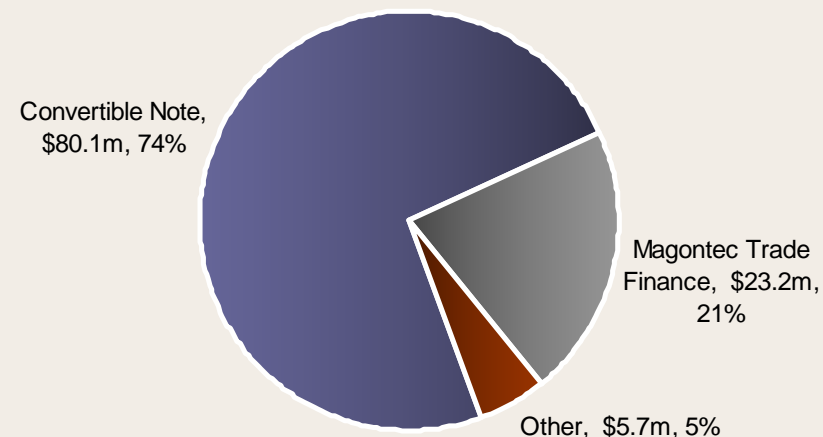
Cash

- Approximately 45% of cash held in USD;
- 95% of funds held with Australia based financial institutions with A- ratings or better (e.g. ANZ, Macquarie, Commonwealth Bank).
- Emphasis on working capital management to release further cash in business

Bonds

- Relates to environment bonds required under law to be put in place for the Groups operations. Classified in balance sheet under receivables.
 - Amounts are determined by Government bodies.
- Investments
 - The Group has a range of investments in listed resource companies as a result of direct share purchases or through asset sales in exchange for equity.
- The investments listed above do not include the Groups investment in PTT Asia Pacific Mining or Goldminco.

Group Borrowings of \$109 million



Unsecured Convertible Note (Fixed Rate)

- Premium 50%, Conversion price \$1.30, Coupon 4% per annum and yield to maturity of 8%.
- Maturity date 29 Jan 2013.
- Standard Chartered would convert into 19.3% of Straits based on current issued share capital.

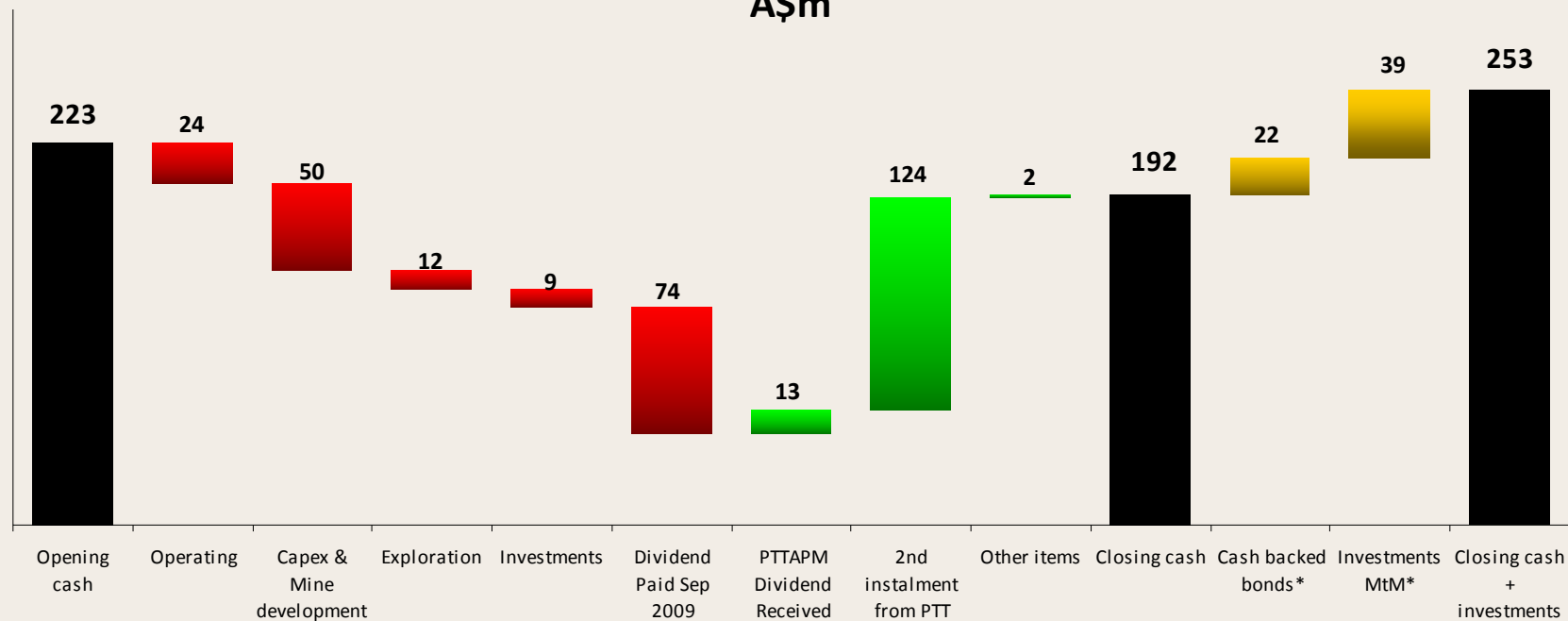
Trade Finance (Floating Rate)

- Used by Magontec to fund inventory's and working capital.
- Predominately denominated in USD & Euro
- Average interest cost of 2.8% at 30 June 2010;
- Secured against Receivables and Inventories held by Magontec with no recourse to Straits Resources other entities.
- Gfe excluded – now classified as *Held for Sale* on balance sheet

CASHFLOWS

- \$62 million of capital, mine development and exploration investment for the year
- Decrease of \$39 million in cash and equivalents for FY 2010
- Operating cash outflows reflect Hillgrove suspension of activities and build-up of inventories at Magontec
- Dividends of \$13 million received from PTTAPM
- 2nd instalment of A\$124 million (US\$115 million) received from PTT in October 2009
- \$73 million of dividends paid to shareholders in September 2009

Group Cashflow Movement
A\$m



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SUBSTANTIAL RE-INVESTMENT INITIATIVES COMMENCED

Tritton

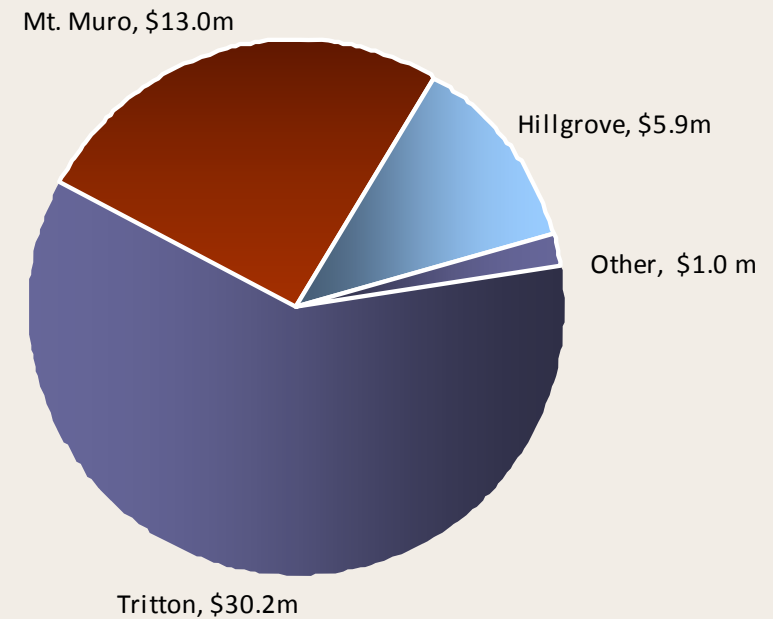
- Commencement of Paste Fill project (targeted completion end 2010)
- Commencement of “Bottom-up” mining method and North East development commencement
- Ongoing underground capital development expenditure

Mt Muro

- Soan underground and Serujuan open pit cut-back development work commencing
- Above works will be completed during FY2011

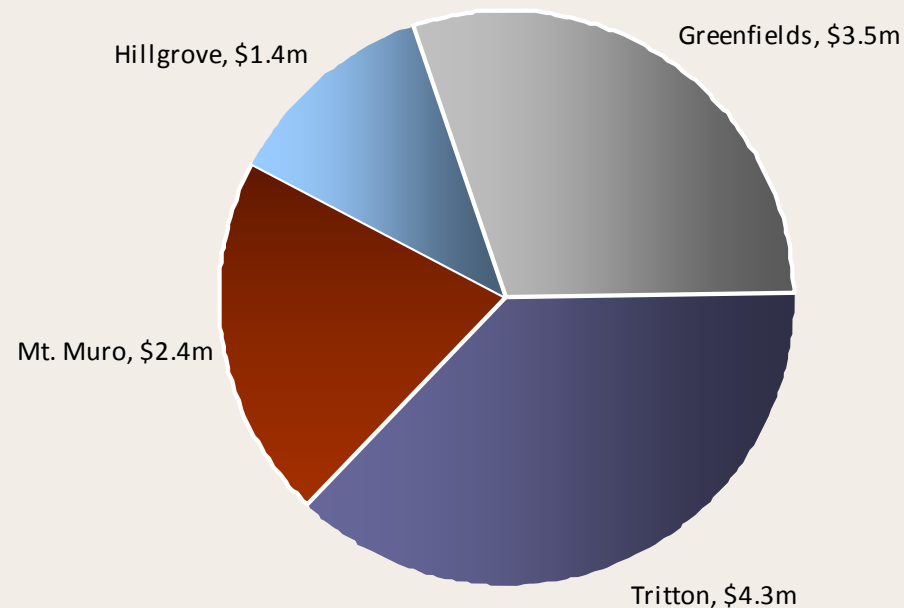
Hillgrove

- Includes some committed development, ongoing improvement works and care & maintenance costs



Strong Commitment to Active Exploration

- Exploration expenditure of \$11.6 million
 - Includes drilling at greenfields and existing operations
- 30% increase in copper resource at Tritton to 466,000 tonnes
- Tritton Deeps discovery
- Aggressive exploration programme re-commenced at Muro during the year
- Exploration at Hillgrove was limited to definition and near mine targets.
 - Total known resource increased by 412,000 tonnes – expenditure now on hold
- Greenfields
 - Lachlan Fold Belt (NSW) - extended mineralisation at Temora project, excellent porphyry intersections at Culingeraï prospect



Financial Overview – Balance Sheet



\$M's	Jun-10	Jun-09	Notes
Assets			
Cash	192.1	223.0	Approximately 45% of cash held in USD.
Receivables	57.5	96.7	Includes \$22m of cash backed performance bonds, Magontec receivables of \$18m and VAT/GST receivables of \$8.8m
Inventory	65.4	112.8	Magontec accounts for \$29m of inventories. Tritton, Mt Muro and Hillgrove unfinished and finished goods stockpiles account for the balance.
Other Financial Assets	40.4	107.1	Mark to market value of the Groups various investments in mining entities. Comparative period included deferred consideration due from PTT.
Derivative financial instruments	-	0.2	
Assets classified as held for sale	78.2	3.9	Gross Asset value of GfE business - includes, cash, receivables and inventories. Related liabilities outlined below.
Investment in PTT APM	260.2	242.4	Book value of investment in PTT Asia Pacific Mining (PTTAPM). Includes PTTAPM's investment in Straits Asia Resources.
Tax assets	1.4	1.7	Deferred tax asset of the Varomet Group.
Property, Plant, Equipment & Exploration	285.7	330.5	Book value of the Groups assets held by controlled and consolidated entities.
Intangible Assets	5.6	5.9	\$4.7m in relation to Goodwill for GfE/Magontec Group.
Total assets	986.5	1,124.2	
Liabilities			
Payables	49.1	64.2	Trade creditors and accrued expenses.
Interest bearing liabilities Current	27.5	59.3	Trade finance borrowings used by Magontec to finance receivables & inventories (see Assets above) totalling \$23m. Accrued Convertible Note Interest of \$3.2m and Hire purchase and other loans totals \$1.3m.
Interest bearing liabilities Non-Current	82.0	75.4	Convertible note with Standard Chartered Private Equity. Liability includes principal of \$72.4m plus accrued interest of \$4.5m. Hire-purchase and other loans total \$5.1m.
Liabilities classified as held for sale	56.1	-	Gross liabilities of Gfe business (includes payables and trade finance loans)
Tax liabilities	2.3	19.1	Tax liabilities comprise the tax effect of the Groups investment in PTT Asia Pacific Mining offset by other tax assets that mostly comprise carried forward tax losses of \$41m.
Provisions	29.5	31.6	Provisions for mine closure and employee related provisions.
Derivative financial instruments	3.3	0.1	Net out of the money position on commodity derivatives.
Non Interest Bearing Facilities	0.5	0.8	
Total Liabilities	250.3	250.4	
Net Assets/Shareholders Equity	736.2	873.8	

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Operating Review

30% INCREASE IN COPPER RESOURCES TO 466,000 TONNES

- Production in FY2010 impacted by lower feed grades compared to FY 2009
- Targeting Copper production of 27,000t in FY 2011
- Significant investment in recapitalisation and efficiency programme commenced in FY2010
 - Implementation of Paste Fill
 - Change to “bottom up” mining method
 - Undertaking some owner operator functions from FY 2011
 - Preparing North East mine to commence production
- Exploration success
 - 30% increase in total resources to 466,000 tonnes of Copper
 - Program in FY 2011 to further convert and enlarge reserves base
- Sites financial performance constrained by high TC/RC's

Production Statistics		FY 2010	FY 2009
Development	Metres	6,986	7,372
Ore Mined (Tritton)	Tonnes	911,539	932,532
	Grade (%)	2.35	2.72
	Cu Tonnes	21,451	25,404
Ore Milled	Tonnes	906,347	921,116
	Grade (%)	2.37	2.74
	Cu Tonnes	21,464	25,187
Recovery	%	94.23	94.11
Concentrate	Tonnes	81,183	95,026
	Cu %	24.91	24.95
	Cu Tonnes	20,847	24,111

Resources	Measured	Indicated	Inferred	Total
Tonnes (kt)	2,800	14,100	10,200	27,100
Cu (%)	2.7	1.8	1.3	1.7
Reserves	Proved	Probable	Total	
Tonnes (kt)	2,100	4,730	6,830	
Cu (%)	2.5	1.7	2.1	
Cu recoverable (t)	48,400	85,600	134,000	

TARGETING 300,000 OUNCE/5 YEAR MINE LIFE

- Production of 45,521 ounces of Gold in line FY2009 performance
- Cash costs of US\$1,196/oz
 - Impacted by lower grades as recapitalisation program commenced
 - Ongoing improvement programs underway to reduce costs and improve efficiencies
 - Reduced costs expected in FY2011
- US\$20 million investment program approved targeting 300,000 ounce 5 year mine life
- Commenced cutback and mining of Serujan open pit
- Start development of Soan underground
- Scaled up exploration activities
- Longer term targeting 80,000 ounces production by 2013/2014

Production Statistics	Full Year 2010	Full Year 2009
Overburden (bcm)	2,131,050	2,666,907
Ore mined (dmt)	602,563	622,100
Ore feed to plant (dmt)	615,544	652,050
Gold grade (g/t)	2.56	2.62
Silver grade (g/t)	12.41	24.55
Gold recovery (%)	89.67	88.70
Silver recovery (%)	58.92	60.20
Gold production (oz)	45,521	48,846
Silver production (oz)	143,496	304,360

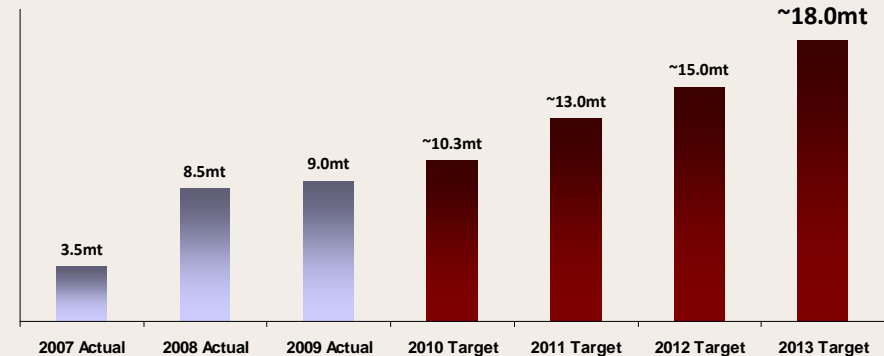
Resources	Measured	Indicated	Inferred	Total
Tonnes (kt)	-	13,200	3,900	17,100
Au (g/t)	-	1.4	1.2	1.3
Ag (g/t)	-	43	16	36

Reserves	Proved	Probable	Total
Tonnes (kt)	-	1,900	1,900
Au (g/t)	-	3.4	3.4
Ag (g/t)	-	64	64
Au recovered (oz)		190,500	190,500
Ag recovered (oz)		2,700,000	2,700,000

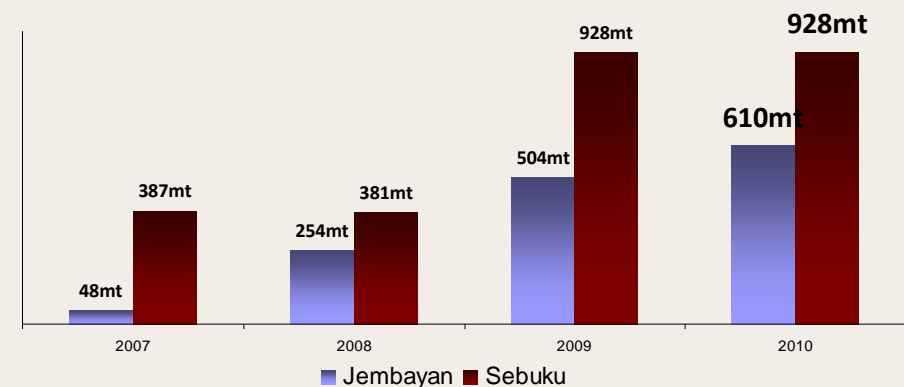
EXPOSURE TO A WORLD CLASS PIPELINE OF THERMAL COAL PROJECTS

- Investment in Straits Asia Resources valued at \$348 million
- SRL share of PTTAPM profits \$20.1 million during FY 2010
- Dividends received of \$13.1 million during FY 2010
- Straits received 2nd tranche of US\$115 million from PTT in October 2009
 - SRL owns 40% of PTTAPM & indirectly 18.2% of SGX listed Straits Asia Resources
 - Board representation with 2 directors on PTTAPM and SAR boards
- Straits Asia Resources (SAR) performance**
 - Production of 9.8 million tonnes coal
 - Sales of 10.5 million tonnes coal
 - Jembayan reserve upgrade to 127 million tonnes marketable coal
- Growth pipeline
 - SAR targeting 16-18 million tonnes production by 2013 from Sebuk and Jembayan
 - Madagascar feasibility study completion targeted before end 2010
 - Brunei detailed mapping program conducted during the year.
 - Continue to process activities associated with stage 2 of the exploration program.

Straits Asia Profile for Growth*



Straits Asia - Growth in Resources*



* Source: Straits Asia Resources presentation July 2010 & Jembayan Resource Upgrade announced 19 August 2010

** 12 months ended 30 June 2010.

RETURN TO PROFITABILITY IN 2010

- Revenue of \$96.6 million (FY2009 \$100.3 million)
- EBITDA \$4.5 million (FY2009 \$1.8 million loss)
- Profit after tax of \$1.3 million (FY2009 \$8.4 million loss)
- Stronger operating margins and return to profitability
- Improved economic conditions in China and Asia
- Cost cutting and successful introduction of efficiency improvements
- Future operating improvements highly leveraged to the global automotive sector

MAGONTEC

Magontec is a leading global supplier of magnesium alloys and anodes with plants in China and Europe



3C (Cellphone, Computer, Camera)



Anodes used in water heaters



Speciality uses in automobiles

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Outlook

STRAITS IS WELL POSITIONED TO BENEFIT FROM ANY FURTHER UPTURN IN GLOBAL ECONOMIC ACTIVITY, WITH EXPOSURE TO COPPER, THERMAL COAL AND GOLD

• Copper

- Tritton targeting 27,000t copper production for FY 2011
- Strategy to develop a 30,000tpa project with minimum 8 year mine life
- Complete paste fill implementation, owner operator and change to transverse mining method

• Thermal Coal

- Straits Asia targeting 16-18 million tonnes of production from Sebuk and Jembayan by 2013
- Brunei drilling commencement and Madagascar feasibility completion

• Gold

- Mt Muro re-capitalisation to be completed by March 2011
- Strategy to produce 80,000 Gold equivalent by FY2014

• Active Exploration

- Investing \$25 million across Group in FY2011

• Complete divestment of non-core Gfe business and resolve way forward for the Hillgrove project

• Strong balance sheet with Cash and Investments of \$253 million

Contact Information



For further information contact:
Milan Jerkovic – Chief Executive Officer
+61 (8) 9480 0500
or
James Carter – Chief Financial Officer
+61 (8) 9480 0500

- Straits Resources Limited
- Level 1, 35 Ventnor Avenue
 - WEST PERTH WA 6005
 - Telephone: 61 (8) 9480 0500
 - Email: info@straits.com.au
- www.straits.com.au

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