



ASX / Media Release

ASX: OMH

21 February 2011

OM HOLDINGS REPORTS 75% INCREASE IN ANNUAL NET PROFIT ON THE BACK OF STRONG SALES AND RECORD BOOTU PRODUCTION

HIGHLIGHTS

- **75% increase in net attributable Full Year profit to A\$47.2 million**
 - **115% increase in Full Year EBIT to A\$56.7 million**
 - **93% increase in Full Year EBITDA to A\$68.3 million**
 - **Sales revenue of A\$307.5 million driven by higher manganese ore prices and strong sales of manganese ore, manganese alloy and iron ore products**
 - **Bootu Creek Quarterly and Annual production records broken during 2010**
 - **Cash reserves of A\$42.1 million as at 31 December 2010**
 - **Positive market outlook for 2011**
 - **Long-life, high-grade Tshipi Borwa Project commences mine development while Malaysian smelter project feasibility remains firmly on track**
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International diversified minerals group, OM Holdings Ltd (**ASX Code: OMH**) ("**OMH**" or "**the Company**") today announced a consolidated net profit of A\$47.2 million for FY2010, a 75% increase on the consolidated net profit of A\$26.9 million from the prior year.

The Company also announced a 93% leap in Full Year EBITDA to A\$68.3 million and a 115% increase in Full Year EBIT to A\$56.7 million on the back of strong sales and record production at the Bootu Creek Manganese Mine in the Northern Territory.

OMH Chief Executive Officer, Peter Toth, said the outstanding financial and operating performance in 2010 showed that the Company's operational and strategic initiatives were achieving their targets.

"We are particularly pleased with the improvements we have been able to achieve at Bootu Creek, which reached a record annualised production rate of 920,000 tonnes during the second half of 2010, putting us firmly on target to achieve an annual production rate of one million tonnes in 2011," Mr Toth said.

Mr Toth said the Company's sales performance and revenue reflected the strong demand for the Company's manganese ore and alloy products during the year, which was underpinned by record Chinese crude steel production of 627 million tonnes in 2010.

"The 2011 manganese market outlook is positive and the industry fundamentals remain solid. On the demand side, the continued recovery of global steel production, an expectation of further strong growth in Chinese crude steel output and the trend of increasing Manganese unit consumption by steelmakers provides a positive demand outlook for 2011," Mr Toth said.

“The lack of latent high-grade manganese ore capacity from major producers and continued strong demand from Chinese alloy smelters points to the normalisation of producer and port stockpiles in the short term. The continued decline of Chinese low grade domestic ore production due to resource, grade and cost pressures will also continue to influence supply side conditions in 2011,” he said.

Building on the strong financial and operating result, Mr Toth also reported that the Company’s major transformational growth projects are well on track.

“I am especially delighted that the process of developing the world-class Tshipi Borwa manganese deposit in South Africa into a world-class operating mine has commenced, less than a year after OMH’s investment in the Project. The project partners are fully focused on delivering a mine that by 2013 will become a major supplier of high-grade ore with an annualised production capacity of 2.4 million tonnes and a minimum life of 60 years,” Mr Toth said.

“Developing Tshipi, alongside our integrated smelting strategy in Malaysia are key components in our strategy of transforming OMH into the leading independent globally integrated manganese producer and cementing its position as a strategic supplier of manganese products to the Chinese and Asian steel industries,” Mr Toth added.

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ABOUT OM HOLDINGS LIMITED

OMH listed on the ASX in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products and subsequently in processing ores into ferro-manganese intermediate products. The OMH Group now operates commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.

Through its wholly owned subsidiary, OM (Manganese) Ltd, OMH controls 100% of the Bootu Creek Manganese Mine (“Bootu Creek”) located 110 km north of Tennant Creek in the Northern Territory.

Bootu Creek has the capacity to produce 1,000,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 2,600km².

Bootu Creek’s manganese product is exclusively marketed by the OMH Group’s own trading division with a proportion of the product consumed by the OMH Group’s wholly-owned Qinzhou smelter and sinter ore plant located in south west China.

Through its Singapore based commodity trading activities, OMH has established itself as a significant manganese supplier to the Chinese market, a position that is strengthened by products from Bootu Creek and Qinzhou.

OMH is a constituent of the S&P/ASX 200 a leading securities index.

OMH holds a 26% investment in Ntsimbintle Mining (Proprietary) Ltd, which holds a 50.1% interest in the world class Tshipi Borwa manganese project in South Africa.

OMH also holds the following strategic shareholding interests in ASX listed entities:

- 16% shareholding in **Northern Iron Limited** (ASX Code: NFE), a company presently producing iron ore from its Sydvaranger iron ore mine located in northern Norway;
- 11% shareholding in **Shaw River Resources Limited** (ASX Code: SRR), a company presently exploring for manganese in Western Australia and Ghana;
- 19% shareholding in **Scandinavian Resources Limited** (ASX Code: SCR), a company presently exploring for iron ore, manganese, gold and copper in Sweden and Norway.

OMH has also announced plans for a listing on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEx”) to further broaden OMH’s shareholder base internationally and give OMH access to future capital raising opportunities in the growing Asian market to support its longer term growth strategy.