



Directors' Report & Financial Statements

Bougainville Copper Limited



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Bougainville Copper Limited
(Incorporated in Papua New Guinea)

Registered Office:
Panguna, Province of North Solomons,
Papua New Guinea.

Share Registers:
Victoria: 84 Flinders Lane, Melbourne. Telephone (03) 654 4899.
A.C.T.: 78 Northbourne Avenue, Canberra City.
P.N.G.: Panguna, Province of North Solomons.
United Kingdom: c/o Central Registration Limited.
1 Redcliff Street, Bristol.

Stock Exchanges:
Listed on the principal exchanges in all Australian
states and New Zealand.

Auditors:
Coopers & Lybrand

Bankers:
Commonwealth Trading Bank of Australia
Bank of America NT & SA
Papua New Guinea Banking Corporation

Solicitors:
Gadens
Arthur Robinson & Co.

Statistical Summary

Financial

	1979	1978	1977	1976	1975	1974	1973	1972*
Earnings (K million)								
Net sales revenue and other income	343.1	225.1	205.3	208.9	193.1	292.6	252.4	95.9
Operating and other expenses	144.1	125.0	126.8	117.5	107.2	90.0	81.8	53.3
Depreciation	40.7	40.4	36.2	31.1	29.6	28.5	24.8	14.5
Earnings before taxation and exchange gains	158.3	59.7	42.3	60.3	56.3	174.1	145.8	28.1
Exchange gains	3.5	10.3	(0.1)	1.3	2.3	7.0	12.9	(0.4)
Earnings before taxation	161.8	70.0	42.2	61.6	58.6	181.1	158.7	27.7
Taxation	77.9	22.0	13.7	20.3	12.4	66.5	0.3	—
Net earnings	83.9	48.0	28.5	41.3	46.2	114.6	158.4	27.7
Dividends	80.2	40.1	21.4	26.7	26.7	73.5	81.4	11.0
Earnings retained	3.7	7.9	7.1	14.6	19.5	41.1	77.0	16.7
Balance sheet (K million)								
Property, plant and equipment	325.4	340.1	352.2	350.4	346.0	352.2	371.7	378.7
Investments	0.1	0.1	0.1	0.1	0.1	0.1	0.1	—
Current assets	201.0	125.8	137.1	136.0	129.5	205.6	130.4	73.9
Total assets	526.5	466.0	489.4	486.5	475.6	557.9	502.2	452.6
Shareholders' funds	294.5	317.5	309.7	302.5	287.9	268.4	227.4	146.7
Exchange fluctuation	5.4	9.0	14.6	9.0	11.5	19.1	39.5	24.2
Long term liabilities	36.2	42.1	53.3	101.7	106.8	121.1	127.5	204.0
Current liabilities	190.4	97.4	111.8	73.3	69.4	149.3	107.8	77.7
Funds employed	526.5	466.0	489.4	486.5	475.6	557.9	502.2	452.6

Production/Sales

Mined								
Ore and waste removed (millions of tonnes)	75.97	79.05	70.79	58.54	56.40	56.00	56.65	46.75
Ore milled (millions of tonnes)	36.17	38.12	34.11	31.21	31.08	30.14	29.14	21.89
Ore grade								
Copper (per cent)	0.55	0.60	0.61	0.64	0.64	0.70	0.73	0.76
Gold (grams/tonne)	0.75	0.82	0.90	0.87	0.80	1.02	1.03	0.77
Silver (grams/tonne)	1.70	1.80	1.86	1.96	1.87	2.12	1.99	2.06
Produced								
Concentrate (thousands of dry tonnes)	584.7	658.6	615.6	596.8	595.5	640.8	650.2	438.1
Contained copper (thousands of tonnes)	170.8	198.6	182.3	176.5	172.5	184.1	182.9	124.0
Concentrate grade								
Copper (per cent)	29.2	30.2	29.6	29.6	28.9	28.7	28.1	28.3
Gold (grams/tonne)	33.7	35.5	36.3	33.9	30.5	32.0	31.6	27.3
Silver (grams/tonne)	76.3	79.8	77.1	76.1	71.0	72.0	69.0	69.3
Shipped								
Total concentrate (thousands of dry tonnes)	586.5	640.9	614.8	605.8	586.9	665.7	625.2	434.4
Shipped to:								
W. Germany	187.6	206.8	198.3	223.2	243.5	221.4	200.3	186.8
Japan	328.2	326.7	337.1	256.4	250.7	343.2	342.9	209.0
Spain	49.0	62.1	47.0	58.2	72.2	57.4	35.8	27.6
Other	21.7	45.3	32.4	68.0	20.6	43.8	46.2	11.0
Values								
Gross value of payable metal (K mill.) (before treatment and refining charges, freight, etc.)	414.6	311.8	270.5	259.8	219.4	307.4	270.8	118.8
Contribution by:								
Copper	247.5	198.8	180.0	192.9	151.6	225.5	224.9	98.2
Gold	155.9	107.2	85.8	62.8	64.3	77.9	43.9	19.5
Silver	11.2	5.8	4.7	4.0	3.5	4.0	2.0	1.1
Other								
Average metal prices								
L.M.E. copper (US\$/lb)	89.8	61.9	59.3	63.6	55.9	93.3	80.9	48.6
London gold market (US\$/oz.)	304.7	193.5	147.8	124.8	160.9	158.7	97.3	58.2
London silver market (US\$/oz.)	11.0	5.4	4.6	4.4	4.4	4.7	2.5	1.7
Return on shareholders' funds (%)	28.5	15.1	9.2	13.7	16.0	42.7	69.7	18.9
Earnings per share (toea)	31.4	18.0	10.7	15.4	17.3	42.9	59.2	10.7
Dividends in toea per fully paid share (par value, 50 toea)	30.0	15.0	8.0	10.0	10.0	27.5	30.0	4.2
Bonus dividend in toea per fully paid share	10.0	—	—	—	—	—	—	—
Number of shares issued at end of year (thousands)	267 375	267 375	267 375	267 375	267 375	267 375	267 375	260 000**
Number of shareholders at end of year	38 750	40 935	43 820	50 082	54 129	55 558	45 353	46 726
Debt: equity ratio	0.15/1	0.19/1	0.37/1	0.40/1	0.44/1	0.52/1	0.72/1	1.62/1
Work force at end of year (P.N.G.)								
Overseas	851	855	853	858	942	980	929	971
National	3 314	3 243	3 063	2 989	3 094	3 242	2 915	2 594

Notes:

* Full year figures; but commercial production commenced 1st April, 1972.

** 1972 figure is for Bougainville Mining Limited.