

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'Group') consisting of Mineral Resources Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2014.

DIRECTORS

The following persons were directors of Mineral Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Wade
Chris Ellison
Joe Ricciardo
Mark Dutton
Kelvin Flynn

PRINCIPAL ACTIVITIES

During the financial year, the principal continuing activities of the Consolidated Entity consisted of the integrated supply of goods and services to the resources sector.

DIVIDENDS

Dividends paid during the financial year were as follows:

	Consolidated	
	30 June 2014 \$'000	30 June 2013 \$'000
Final dividend for the year ended 30 June 2013 (2013: 30 June 2012) of 32 cents (2013: 30 cents) per ordinary share fully franked at a tax rate of 30% paid on 25 October 2013 (2013: 26 October 2012)	59,516	55,457
Interim dividend for the year ended 30 June 2014 (2013: 30 June 2013) of 30 cents (2013: 16 cents) per ordinary share fully franked at a tax rate of 30% paid on 10 April 2014 (2013: 11 April 2013)	55,894	29,764
	115,410	85,221

On 14 August 2014, the directors declared a final dividend for the year ended 30 June 2014 of 32 cents per ordinary share to be paid on 10 October 2014, a total estimated distribution of \$59,698,000 based on the number of ordinary shares on issue as at 14 August 2014.

REVIEW OF OPERATIONS

The Consolidated Entity produced record revenues of \$1.9 billion for the year ended 30 June 2014, which were 73% greater than for the previous corresponding period. This result was achieved on record iron ore exports of 10.4 million tonnes and the impact of EPC construction revenue.

The Consolidated Entity produced record earnings before interest, tax, depreciation and amortisation of \$554 million (before recognition of \$18 million capital write down on the Aquila Resources shares) for the year ended 30 June 2014, 45% greater than for the previous corresponding period. Record net profit of \$249 million (before recognition of \$18 million capital write down on the Aquila Resources shares) was 38% greater than for the previous corresponding period with the reported net profit of \$231 million being 27% greater than previous corresponding period. This result was achieved on iron ore export growth and the impact of FMG and CML settlements.

The Second Half result was impacted by a 21% decline in the achieved iron ore price and the lesser crushed tonnes following the FMG contract exit, partially offset by the EPC profits from the FMG agreement, the CML settlement and a strong performance in the other areas of the business.

The Consolidated Entity continued to improve safety management during the year with a number of key initiatives to further improve the safety culture and performance. Total Recordable Injury Frequency Rate (TRIFR) at 30 June 2014 was at a world class 7.16 recordable injuries per million hours worked on a rolling twelve monthly basis. Management continues to focus on strategies to further improve this outcome in the future.