



Saracen

25 February 2013

ASX & MEDIA RELEASE

HALF YEAR FINANCIAL RESULTS

- Gold production up 15% to 72,337 ounces (2012: 62,456 ounces)
- Revenue increased 13% to \$110.6 million (2012: \$97.7 million)
- EBITDA¹ \$29.6 million (2012: \$29.5 million)
- Net cash flow from operations up 10% to \$33.8 million (2012: \$30.8 million)
- Net Profit after Tax of \$7.0 million (2012: Loss \$22.9 million)

The Directors of Saracen Mineral Holdings Limited (ASX:SAR) ("Saracen" or the "Company"), are pleased to announce that the Company has recorded a net profit after tax of \$7.0 million, after allowing for an income tax provision of \$2.9 million, for the six month period to 31 December 2013.

Gold production was up 15% from the previous corresponding period to 72,337 ounces, and revenue increased by 13% to \$110.6 million despite the fall in the spot gold price from the previous period. This was due not only to higher gold production but also to the Company's substantial gold hedge book which insulated revenues to a significant degree from those price falls.

As a result of the increase in gold production and revenue, net cash flow generated from operations was up 10% to \$33.8 million.

EBITDA¹ for the six month period ending 31 December 2013 was a positive \$29.6 million. During the period both gold production and sales revenue were higher than the previous corresponding period as noted above.

For the half year, Mine Operating Costs increased from \$60.0 million last year to \$72.9 million. The increase is mainly due to approximately \$12 million of capital development works at the Red October underground mine being classified as expenses rather than being capitalised. As an offset, due to the lower amounts being capitalised, the charge for amortisation and depreciation decreased from \$23.3 million in 2012 to \$18.7 million.

At the end of the period, the Company held cash and cash equivalents of approximately \$22.8 million (comprising cash on hand of \$13.4 million and bullion on hand of \$9.4 million). With debt drawn of \$22.0 million, net cash of \$0.8 million is well ahead of market guidance.

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Comment by Saracen's Managing Director, Raleigh Finlayson:

"Saracen's cash flow generation was strong during the period and this has placed the Company in a robust financial position. The Company also returned to profitability during the period reporting a profit after tax of \$7.0 million. Both of these results reflect the benefits of the hard decisions that were made towards the end of the last financial year with the continued focus on maximising cash flow rather than production at any cost.

This strong financial position and the support our hedge book provides, has allowed us to recently acquire the Thunderbox Operations (refer ASX announcement of 21 January 2014) at a time when many companies, in the resources sector, are still under pressure to reduce costs and debt. This is a quality asset and provides Saracen with the scope to generate profitable gold production over many years. While the Thunderbox operations are currently on care and maintenance, this allows us the flexibility to properly plan and finance the reopening of those operations without putting undue stress on the Company, its finances or personnel."

For further information please contact:

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Clarifying Note:

¹**EBITDA:** EBITDA stands for Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA and EBITDA (excluding significant items²) are financial measures which are not prescribed by the International Financial Reporting Standards (IFRS) and represent the profit under IFRS adjusted for specific significant items. EBITDA has not been subject to any specific review procedures by the auditor but has been extracted from the half year financial statements by the Company.