



28 August 2013

ASX & MEDIA RELEASE

FINANCIAL REPORT FOR 2012/13 YEAR

- Gold production up 17% to 136,168 ozs (2012: 116,122 ozs)
- Revenue up 13% to A\$210.6 million (2012: A\$186.5 million)
- EBITDA¹ (excluding significant items²) A\$55.8 million (2012: A\$63.2 million)
- Net cash flow from operations up 40% to A\$72.8 million (2012: A\$51.9 million)
- Net Loss after Tax of A\$63.1 million (2012: Profit A\$18.7 million)

Saracen Mineral Holdings Limited (ASX:SAR) ("Saracen" or the "Company") advises that it has released its financial results for the 2012/13 financial year ("FY2013") as attached.

The Company reported a net loss after tax of A\$63.1 million for the financial year. This result is after including pre-tax, non-cash impairment write-downs totalling \$79.6 million.

These write-downs primarily relate to the calculated impairment effect of the sharply lower gold prices applicable in the later part of FY2013 and more specifically the spot gold price at balance date. The lower price was adopted in the assumptions used for determining the value of ore stockpiles (written down by A\$22.9 million) and production assets of the future value of the Company's cash generating units (written down by A\$47.6 million). In addition to this, an evaluation of the results of exploration activities undertaken over the last year resulted in the impairment of some exploration assets (written down by A\$9.1 million).

The impairment review for mining and development assets was conducted using an average of Saracen's hedge prices and a A\$1,300/oz spot gold price, whilst the review for ore stockpiles utilised a spot gold price assumption of A\$1,300/oz.

The comprehensive loss after tax attributable to Saracen was \$30.7 million. The \$32.4 million difference between this amount and the net loss after tax of \$63.1 million is due to the inclusion of the fair value after tax gain on the Company's hedge book as at 30 June 2013.

Sales revenue for the year was A\$210.6 million, up 13 % (from A\$183.8 million in the previous year) mostly as a result of higher gold production of 136,368 ounces versus 116,122 ounces in FY2012. Average gold price for the year was A\$1,582/oz (2012: A\$1,624/oz).

Gross profit from mining operations for the year was A\$2.7 million (2012: A\$46.0 million) after deducting A\$8.2 million for royalties and A\$62.3 million in depreciation and amortisation (2012: A\$7.0 million and A\$26.6 million respectively).

Net cash flow from operations for the year was up 40% on the previous year to A\$72.8 million (2012: A\$51.9 million). Capital expenditure on purchases of plant & equipment, mine development and exploration totalled A\$107.6 million for the year, an increase of 10% (2012: A\$97.9 million).

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EBITDA¹ (excluding significant items²) for the year was a positive A\$55.8 million (2012: A\$63.2 million).

At the end of the year, the Company had drawn down loans of A\$22 million out of available facilities of A\$45 million.

In addition, the Company had 176,600 ounces of gold hedged at an average price of A\$1,683/oz. The hedging is divided into monthly allocations spread over the period July 2013 to August 2016. As at 30 June 2013, the hedge book had a mark-to-market value of A\$45.8 million.

Detailed results for the financial year ended 30 June 2013 are set out in the attached ASX Appendix 4E and the audited Financial Report.

Raleigh Finlayson
Managing Director

Important Notes:

¹EBITDA

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 items². EBITDA (excluding significant items²) has not been subject to any specific review procedures by the auditor but has been extracted from the financial statements by the Company.

²Significant Items

Significant items for the relevant periods are listed below:-

<i>Item</i>	<i>Period ended 30 June 2013 A\$'000</i>	<i>Period ended 30 June 2012 A\$'000</i>
<i>Impairment of mining properties</i>	<i>(47,660)</i>	<i>-</i>
<i>Impairment of deferred exploration</i>	<i>(9,102)</i>	<i>-</i>
<i>Inventory write-down</i>	<i>(22,885)</i>	<i>(6,257)</i>
<i>Loss on disposal of assets</i>	<i>(1,637)</i>	<i>-</i>
<i>Change in fair value of derivatives</i>	<i>-</i>	<i>4,697</i>
<i>Net realised loss on derivatives</i>	<i>-</i>	<i>(10,584)</i>
<i>Total Significant Items</i>	<i>(81,284)</i>	<i>(12,144)</i>