



# St Barbara LIMITED

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## Presentation on the December 2012 Half Year Report

Attached is a presentation to analysts and investors by  
Garth Campbell-Cowan, Chief Financial Officer.

**Ross Kennedy**  
Executive General Manager Corporate Services  
Company Secretary  
21 February 2013



**St Barbara**  
LIMITED

# **December 2012 Half Year Results**

## **Acquisition and integration of Pacific Assets**

**Garth Campbell-Cowan, Chief Financial Officer**

21 February 2013



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The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves 2004 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.

Financial figures are in Australian dollars.  
Financial year is 1 July to 30 June.

# Outline

- 
- St Barbara Overview
  - Financial results
    - Profit and Loss
    - Balance Sheet
  - Sale of Southern Cross
  - Conclusion
  
  - Appendices

# Overview:

## Three gold operations underpinned by long life ore reserves and prospective for growth



**Reserves:** 5.7 Moz<sup>4</sup>  
**Resources:** 16.6 Moz<sup>4</sup>  
**FY13F production:**  
• aggregate 400 koz<sup>2</sup>  
• attributable 380 koz<sup>3</sup>



**Proven development and operations credentials**

### Leonora

- High grade underground Gwalia mine
- FY13F production: 175-190 koz
- 9+ year mine life<sup>4</sup>
- Ore body open at depth
- King of the Hills underground mine FY13F production 55-60 koz

### Simberi

- Low strip open pit mine
- Expanding production capacity to 100 koz p.a.
- FY13F: 65-70 koz<sup>1</sup>
- 9+ year mine life<sup>4</sup>
- Near mine targets for exploration
- Sulphide expansion potential

### Gold Ridge

- Low strip open pit mine
- Processing plant upgraded
- FY13F: 65-70 koz<sup>1</sup>
- 9+ year mine life<sup>4</sup>
- Near mine targets for exploration

1. Aggregate production for the full financial year. Production attributable to St Barbara approx. 10 koz less.
2. Aggregate production for illustration for the full financial year, inc. Pacific Operations from 1 Jul 12.
3. Production attributable to St Barbara, inc. Pacific Operations from 7 Sep 12.
4. As at 30 June 2012 for Australian assets and as at 31 December 2011 for Pacific assets.

# Financial results – 1H FY13

(inc. Allied Gold from 7 Sep 2012)



**Significant investment in Pacific Operations to ensure production reliability and lower unit costs**

## Profit and cash flow

- NPAT \$2.5M, Underlying NPAT \$17.2M <sup>[1]</sup>
- Underlying NPAT from Australian operations \$29M <sup>[1]</sup>
- Cash flow from operations \$21M

## Investment in acquisition and growth

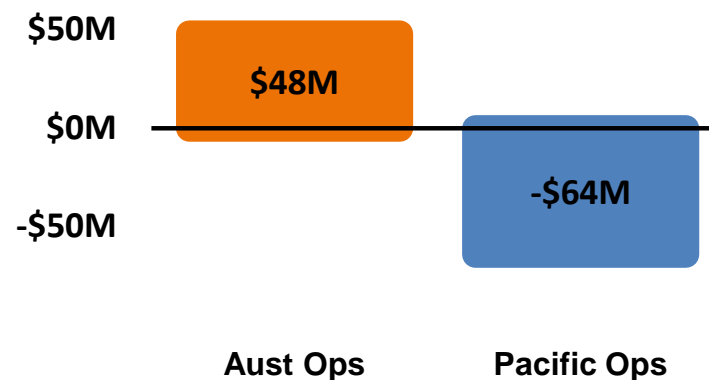
- Capital expenditure \$70M
- Exploration expenditure \$5M

## Balance sheet still strong <sup>[2]</sup>

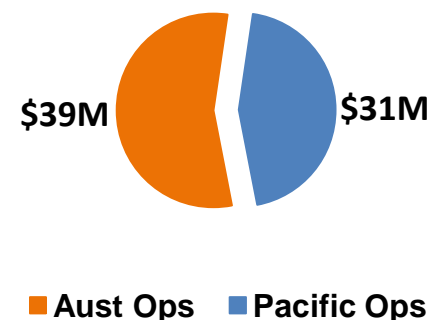
- Cash \$66M, debt \$217M
- Gearing 21% <sup>[3]</sup>

1. Non-IFRS measure, calculation in Appendix  
2. As at 31 Dec 2012  
3. Debt ÷ (debt + equity)

## Net cash flow 1H FY13

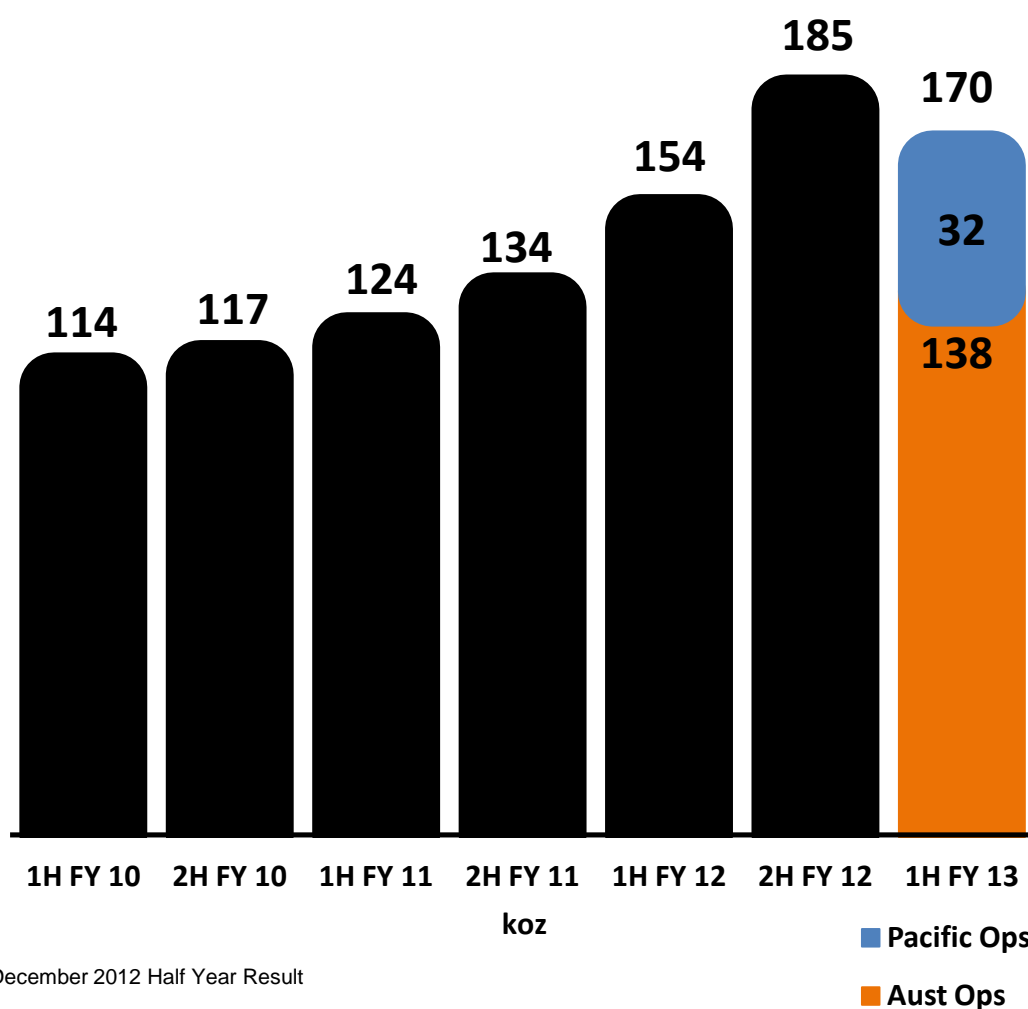


## Capex 1H FY13



# Production up 10% on corresponding half

## Gold Production



- Production growth trend continues after record 2H FY12
- Production growth expected to continue into 2H FY13

# Pacific Operations yet to contribute

## Key profit drivers

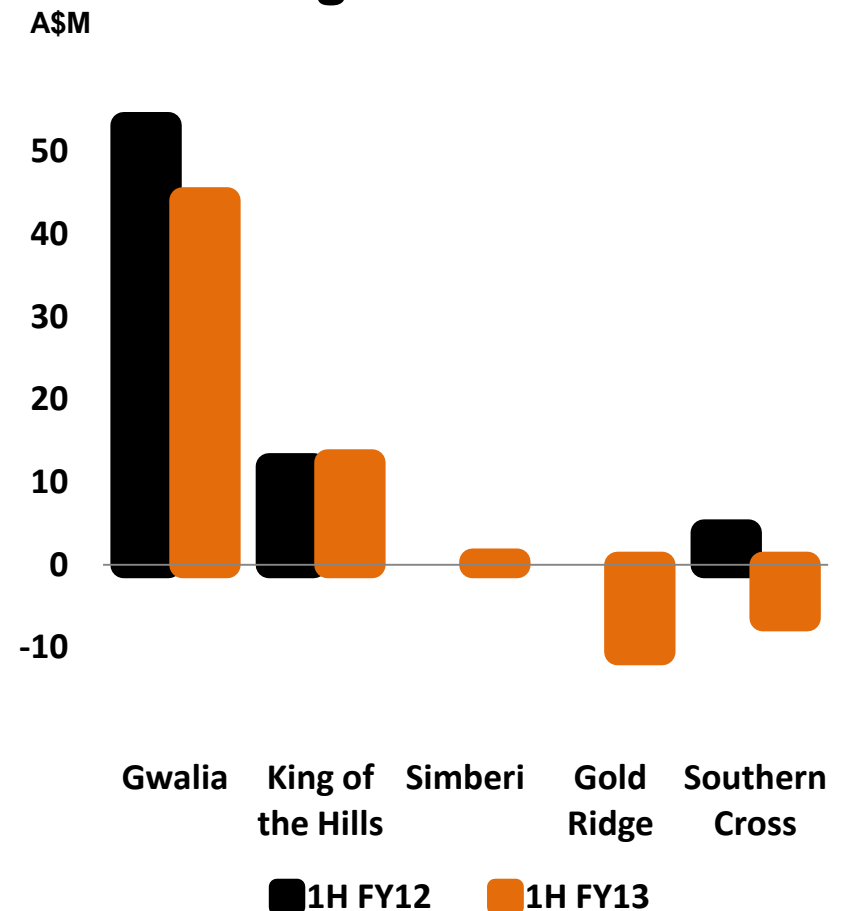
### Australian Operations

- Lower production at Gwalia
- Winding down of Southern Cross Operations –EBIT loss but \$6M net cash generated

### Pacific Operations

- Simberi production shutdowns resulted in lower production and breakeven EBIT
- Gold Ridge – lower production resulted in an operating loss

## Segment Profit

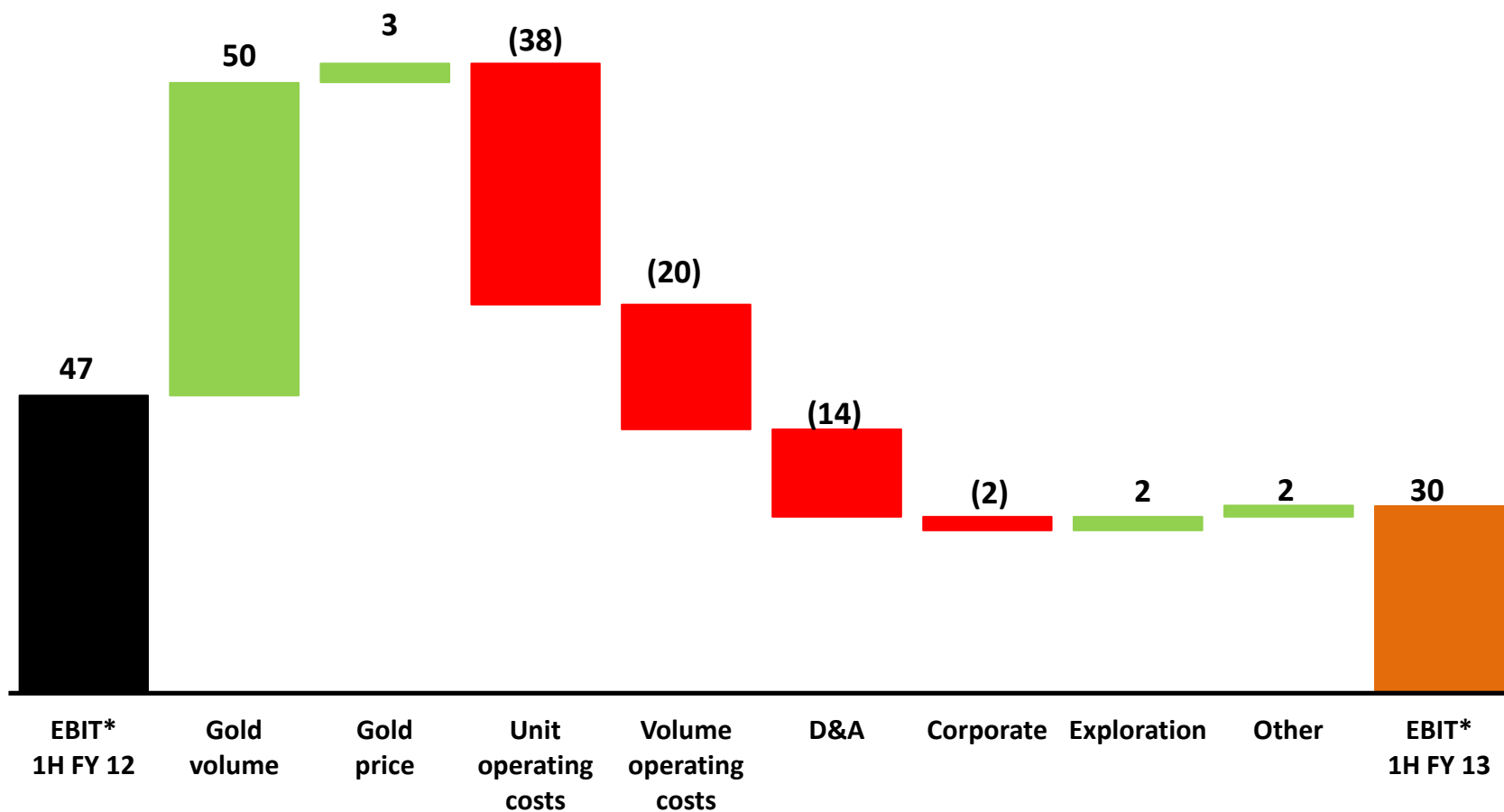




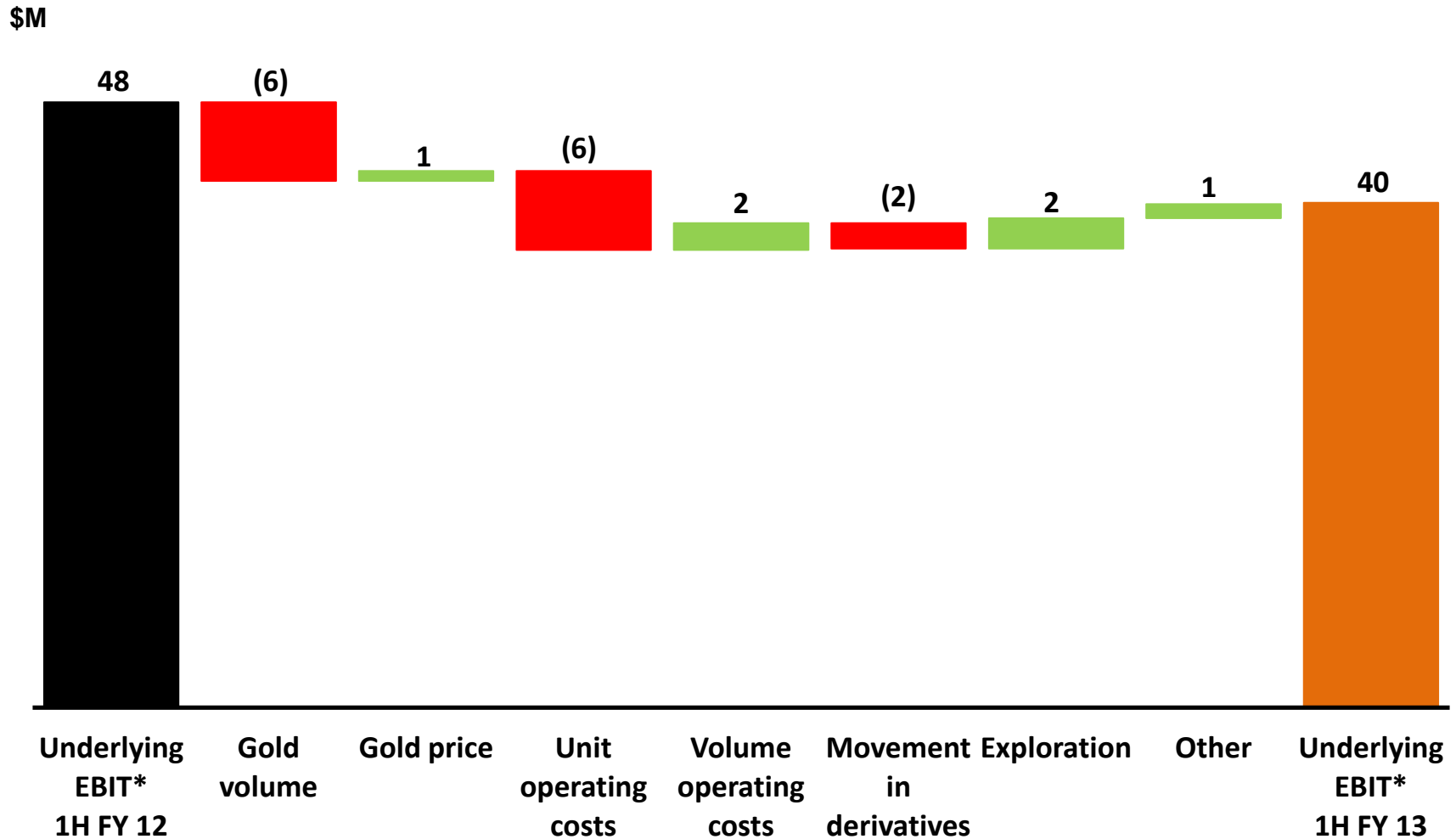
# Key changes in underlying EBIT\*



\$M



# Key changes in underlying Australian EBIT\*

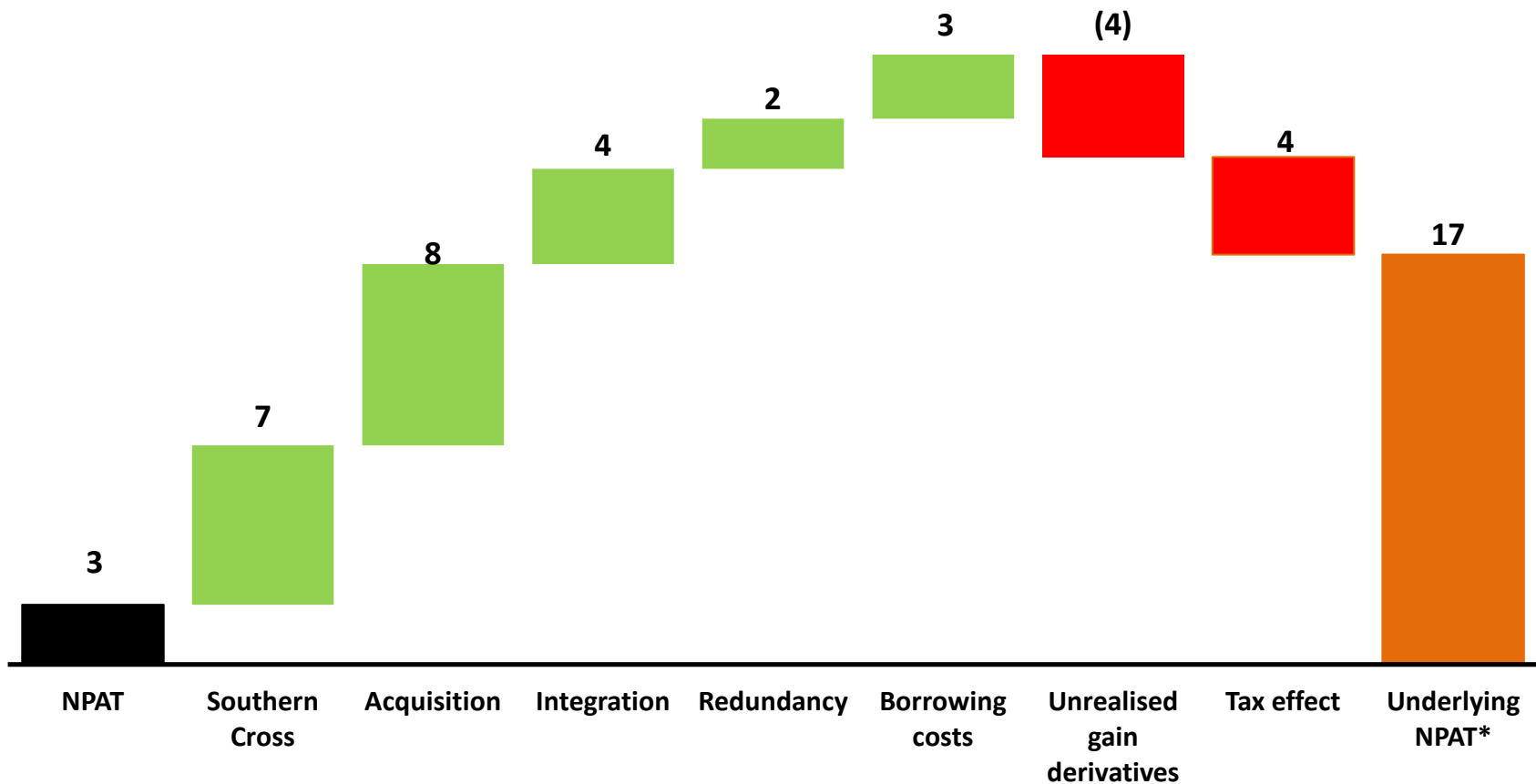


# Significant items in NPAT

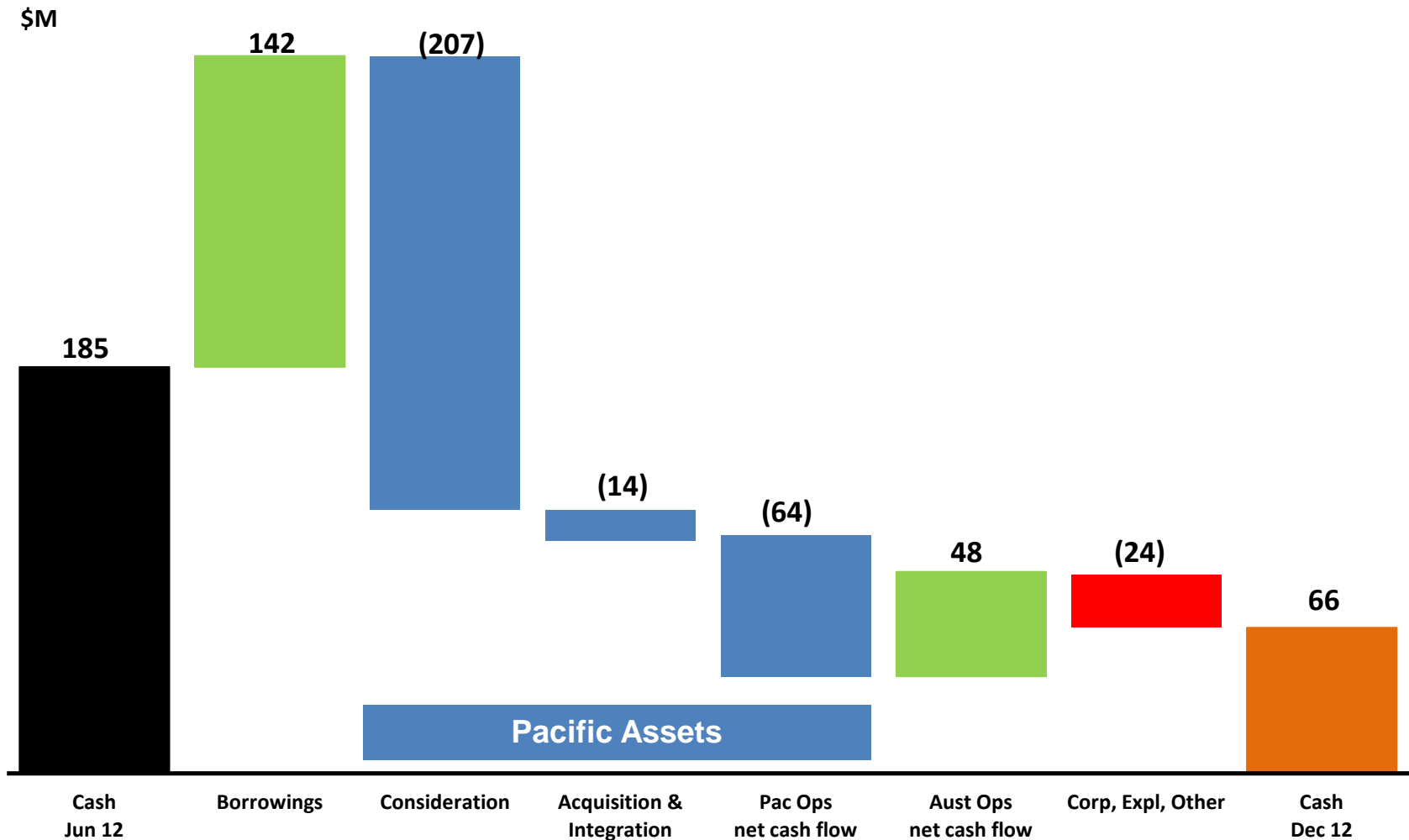
## 1H FY13



\$M

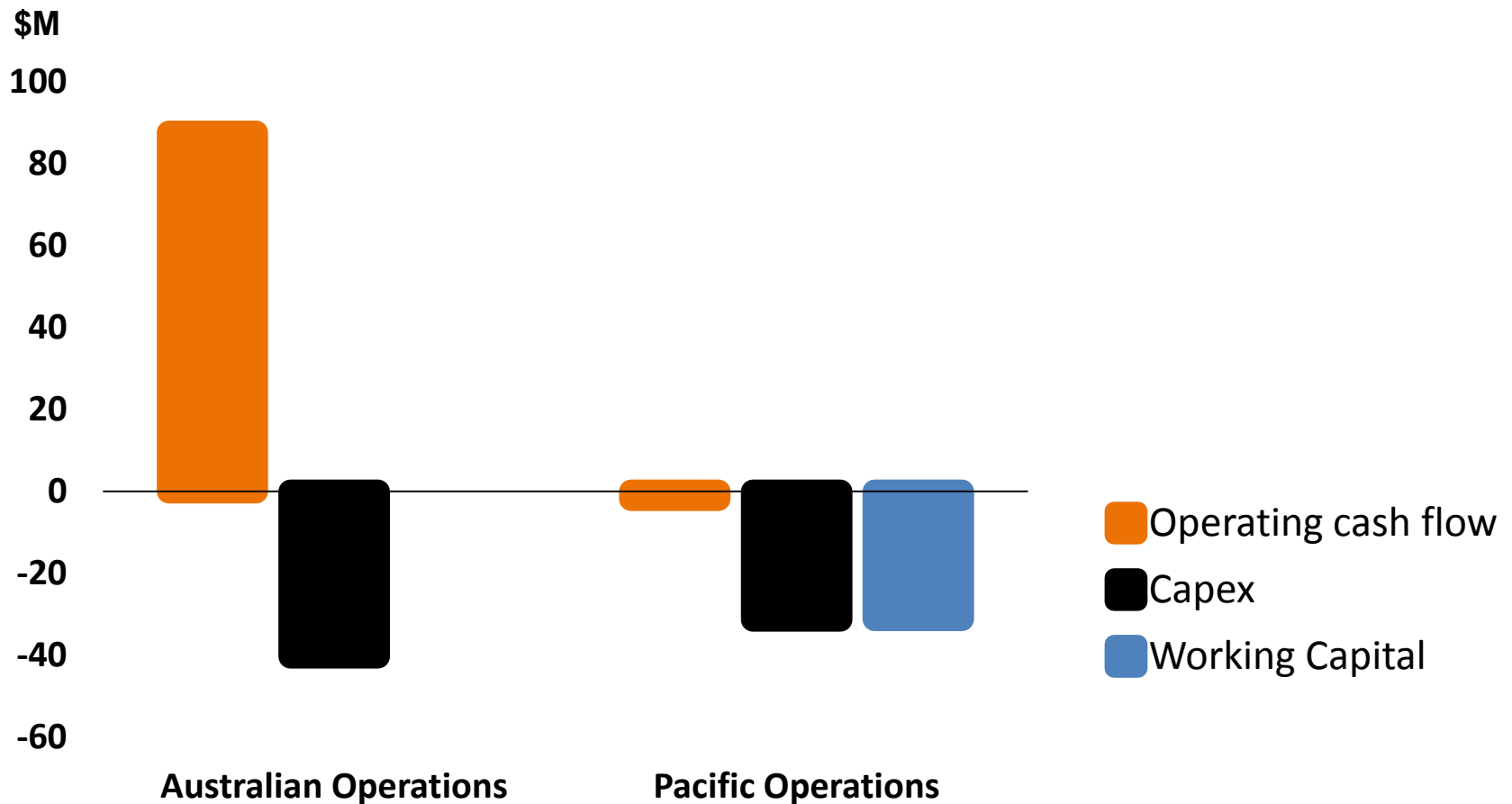


# Cash used to support growth of Pacific Operations



# Operational cash flows

## 1H FY 13

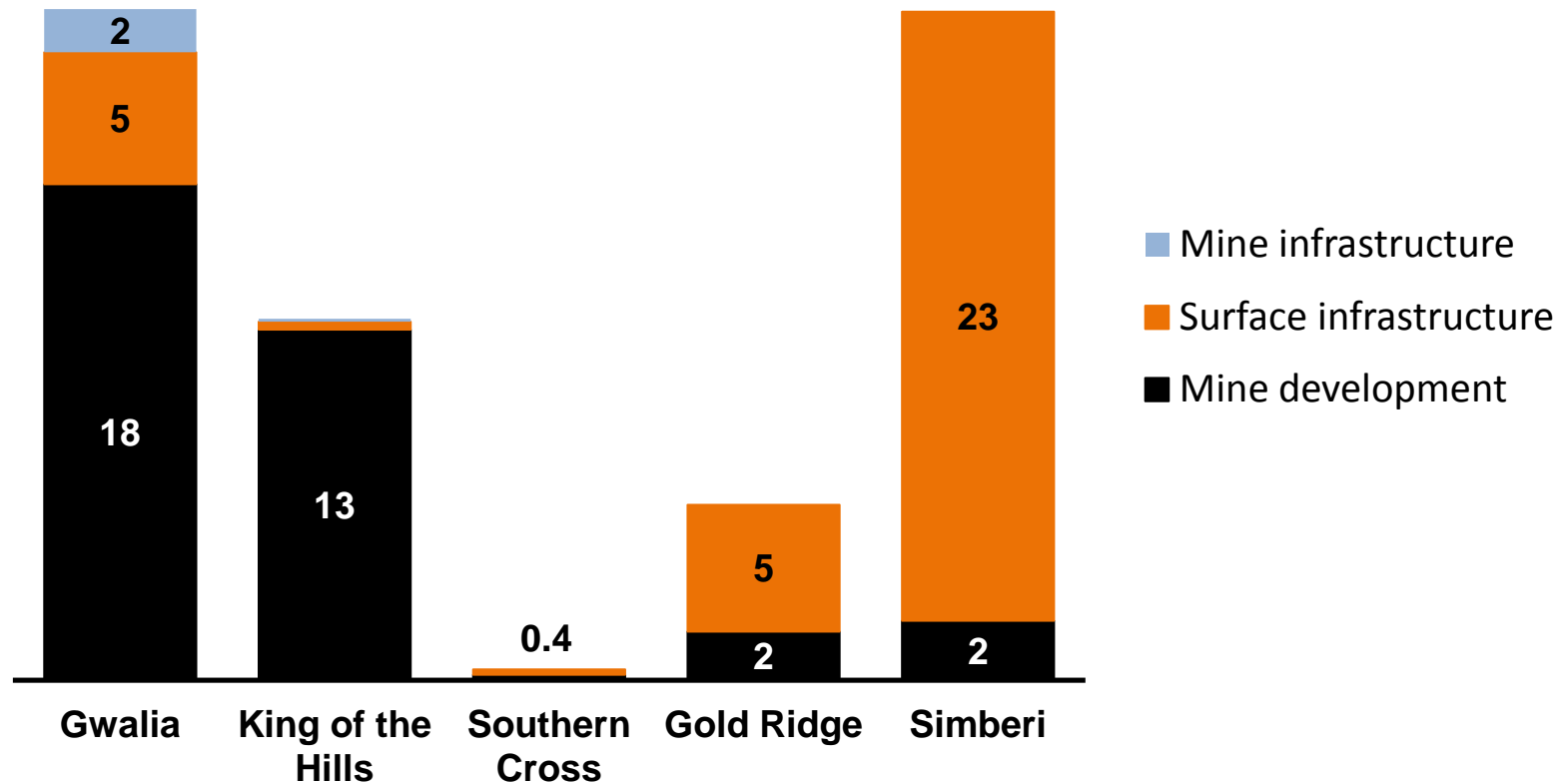


# Investing in development

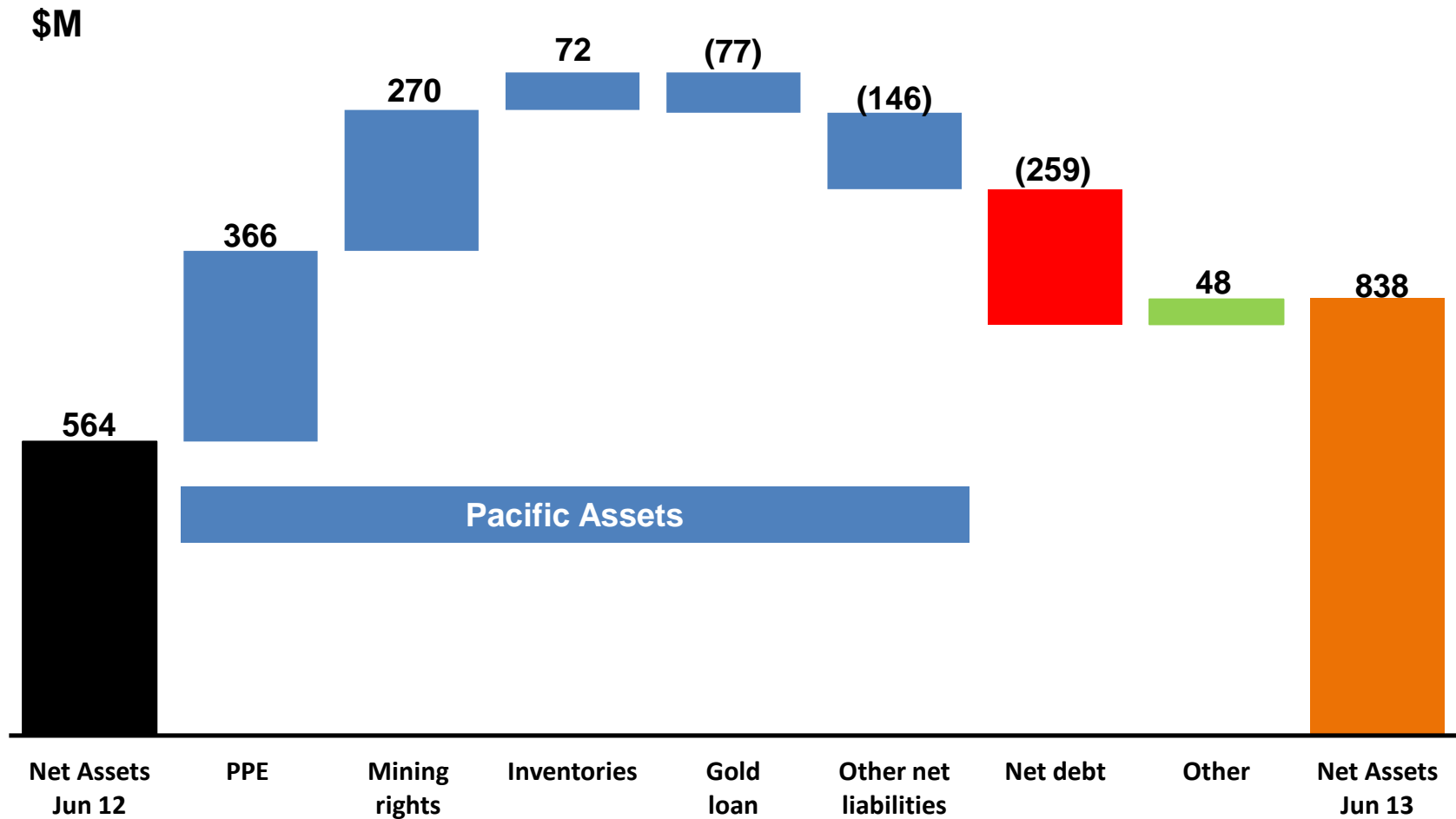
## Capital Expenditure 1H FY13

\$M

\$70M



# Significant changes in Net Assets St Barbara LIMITED

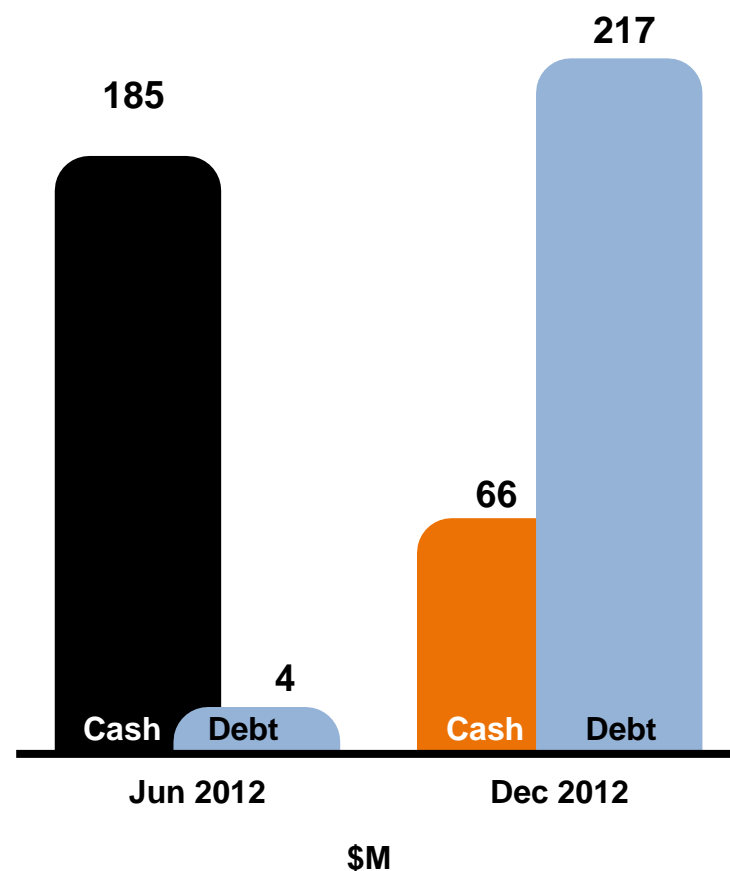


# Financial strength

- Gearing 21% [1, 3]
- Gross tax losses \$220M [2], not expecting to pay tax for at least two years
- Ability to fund Pacific Operations growth from cash flow
- Capital management reviewed regularly

1. As at 31 Dec 2012
2. As at 30 June 2012
3. Debt ÷ (debt + equity)

## Cash & Debt





# Banking facilities

## Well capitalised for development

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Bank debt facilities increased from \$120 to \$150 million

- Better aligns the facility with working capital and investment requirements of the Pacific Operations
- Provided by Barclays and Deutsche
- Term of up to 4 years using existing security

### Facilities at 31 December 2012

- Bank debt facility \$150 million
- Red Kite gold loan \$67 million

# Sale of Southern Cross strengthens finances

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- Sale to Hanking Gold Mining Pty Ltd
- Sale agreement subject to preconditions
- Payment of \$22.5M, deposit of \$5M received in trust
- Rehabilitation obligations of approx. \$17 million transfer to the acquirer

# Conclusion



- 
- Focus on restoring and improving infrastructure, mining and processing reliability at Gold Ridge and Simberi
  - Production expected to increase in Q3 and Q4
  - FY13 guidance issued in December 2012 maintained
  - Drilling programs targeting discoveries continuing at:
    - Gold Ridge, Solomon Islands
    - Simberi, Papua New Guinea

# Appendices

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# Acquisition of Allied Gold



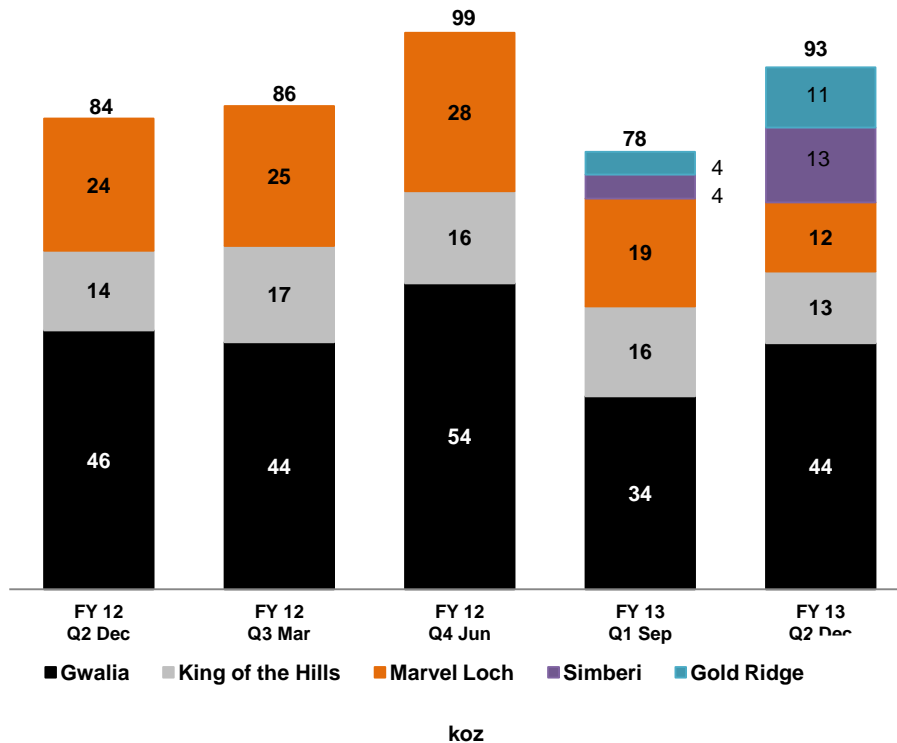
- St Barbara gained control of Allied Gold Mining Plc on 7 September 2012
- Consideration:

Cash	\$211 million
Equity	<u>\$273 million</u>
Purchase price	<u>\$484 million</u>
- Allocation of purchase price in financial statements is provisional

# St Barbara Attributable Gold Production



St Barbara Attributable Gold Production



Figures displayed to nearest thousand ounces.

- This chart only includes production attributable to St Barbara, incorporating production from the Pacific Operations from the date of acquisition, 7 Sep 2012
- Q1 excludes 20 koz pre-acquisition gold production

# Consolidated Guidance

Gold production attributable to St Barbara <sup>[1]</sup>



		Q3 FY13	Q4 FY13	FY13
<b>Gold Production</b>	koz			<b><u>371-401</u></b>
• Leonora				230-250
• Southern Cross				31
• Gold Ridge		16-18	23-25	55-60
• Simberi <sup>[2]</sup>		16-18	20-22	55-60
<b>Cash Operating Costs</b>	A\$/oz			
• Leonora				710-745
• Southern Cross				1,420-1,450
• Gold Ridge		1,500-1,650	980-1,100	1,450-1,620
• Simberi <sup>[2]</sup>		1,100-1,250	950-1,100	1,050-1,200
<b>Capex</b>	\$M			
• Leonora				65-75
• Southern Cross				0
• Gold Ridge				(Q2-Q4) 10-12
• Simberi				(Q2-Q4) 22-25
<b>Exploration Expenditure</b>	\$M			20-25

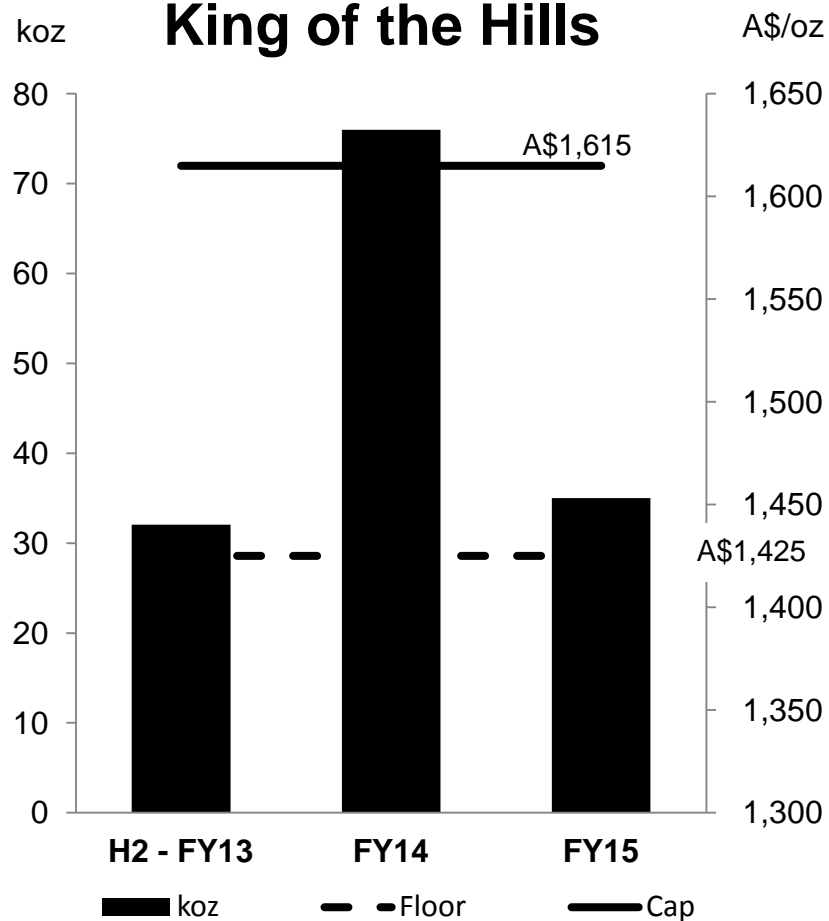
[1] Incorporates production from the Pacific Operations from the date of acquisition, 7 Sep 2012

[2] Subject to completion of plant expansion in April 2013

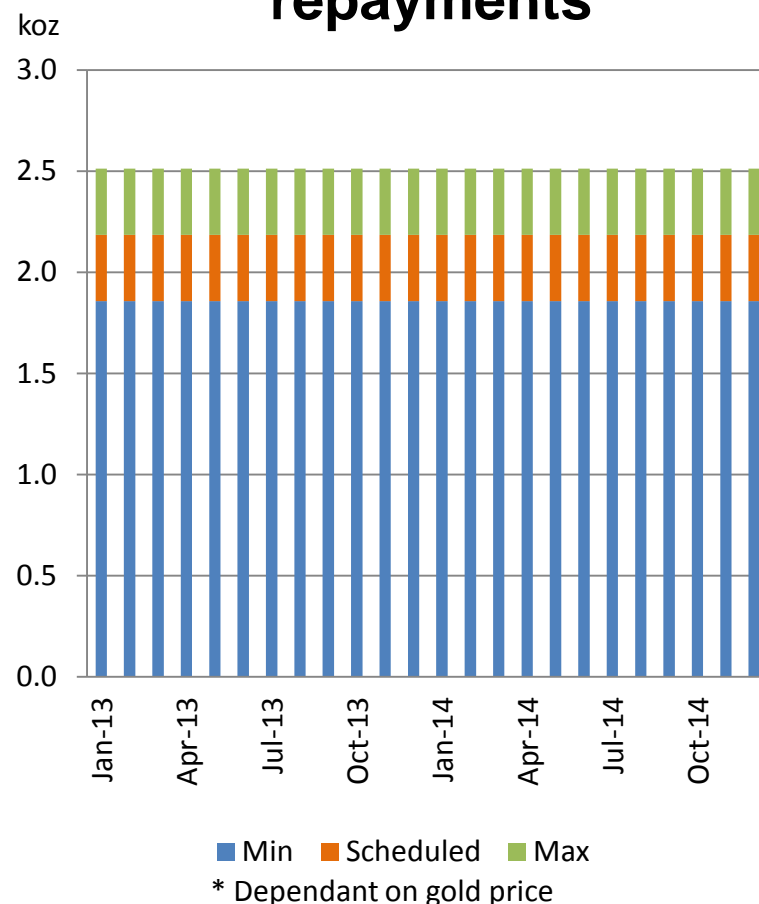
# Focus on returns from non-core, higher cost operations



## Hedge Profile King of the Hills



## Red Kite monthly loan repayments\*

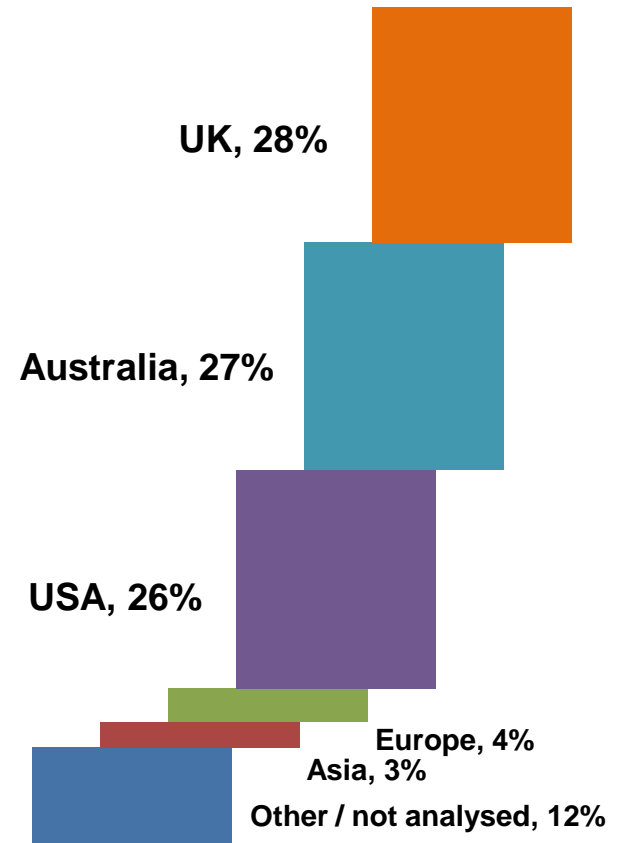
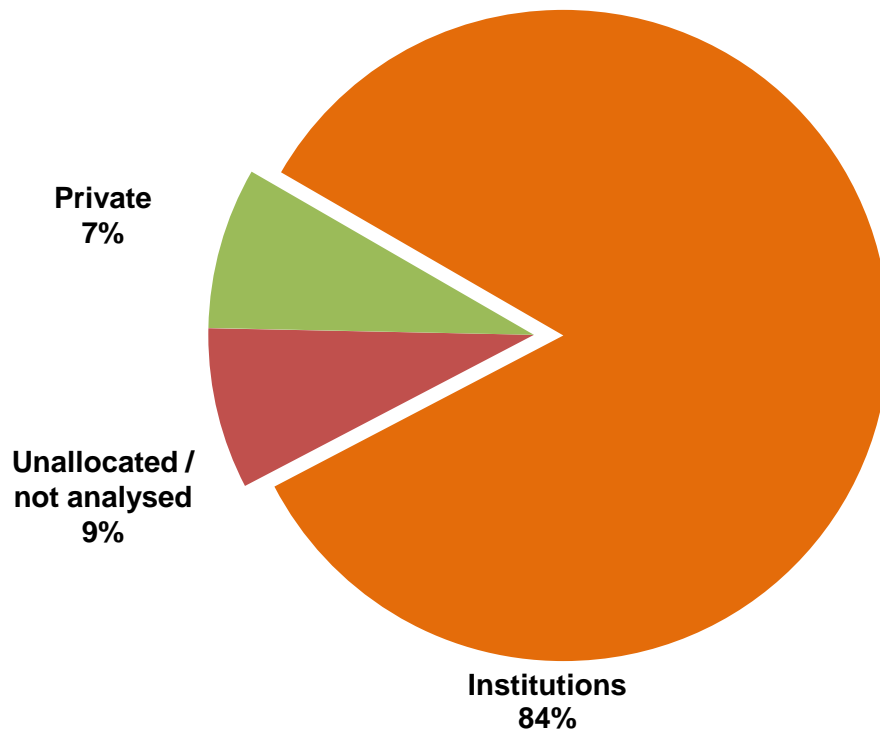




# Strong institutional share register, wide broker coverage



## Top 100 Shareholding Structure



Analysis and geographic spread of Top 100 Shareholders as at 15 January 2013

# Strong institutional share register, wide broker coverage



## Significant Shareholders <sup>[1]</sup>

<b>M&amp;G Investment Mgt</b>	19%
<b>Van Eck Associates</b>	8%
<b>Franklin Resources</b>	6%

<b>Institutional Shareholders <sup>[2]</sup></b>	84%
<b>Shares on issue <sup>[3]</sup></b>	488M

**Approved Depositary Receipts  
(ADR) are trading in USA**

1. As at 20 February 2013 as advised by shareholders.
2. As at 15 January 2013.
3. As at 31 January 2013.

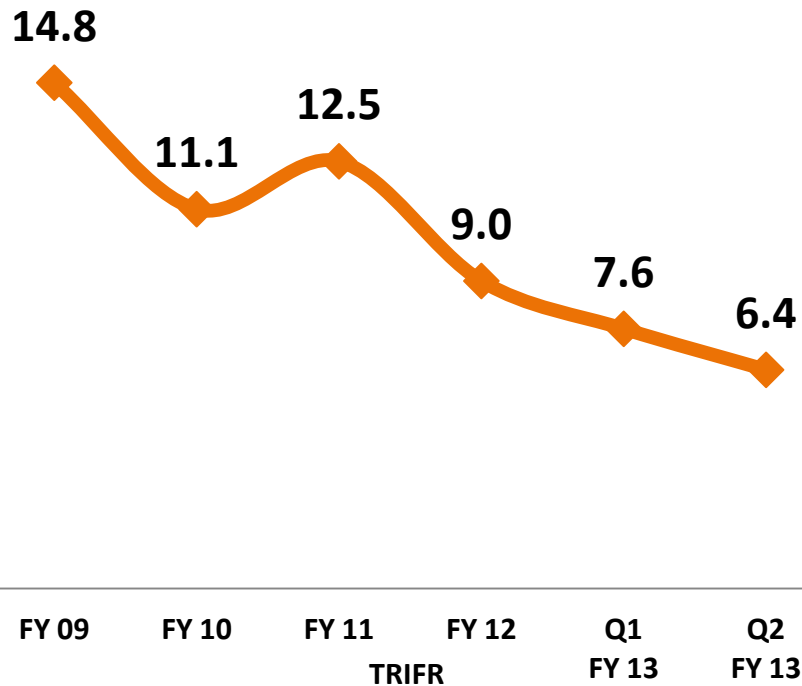
## Broker Research Coverage

Argonaut Securities	Troy Irvin
Baillieu	Sophie Spartalis
Bell Potter	Stephen Thomas
Canaccord	Luke Smith
Citi	Craig Sainsbury
CLSA	James Stewart
Deutsche Bank	Chris Terry
Evans and Partners	Cathy Moises
Goldman Sachs	Ian Preston
Macquarie Equities	Mitch Ryan
Nomura	David Radclyffe
Ord Minnett	David Brennan
Patersons	Alex Passmore
RBC	Steuart McIntyre

# Start safe, stay safe



## Safety



- TRIFR includes Pacific Operations from September 2012

(rolling 12 month average Total Recordable Injury Frequency Rate)

Note: TRIFR for Sep 2012 initially reported as 6.1 based on estimated hours. As a result of lower actual hours, it has been restated to 7.6.

# Non-IFRS Measures



## Non-IFRS Measures

We supplement our financial information reporting determined under International Financial Reporting Standards (IFRS) with certain non-IFRS financial measures, including cash operating costs and underlying net profit after tax. We believe that these adjusted measures provide meaningful information to assist management, investors and analysts in understanding our financial results and assessing our prospects for future performance. We believe these adjusted financial measures are important indicators of our recurring operations because they exclude items that may not be indicative of, or are unrelated to, our core operating results and, in conjunction with the IFRS financial measures, provide a more comprehensive picture for analysing trends in our underlying businesses. We believe cash operating costs and underlying net profit after tax are important measures in assessing the Company's overall financial performance.

### Cash operating costs

- Calculated according to common mining industry practice using The Gold Institute (USA) Production Cost Standard (1999 revision)
- Refer December 2011 Quarterly Report available at [www.stbarbara.com.au](http://www.stbarbara.com.au) for calculation

### Significant items

- Items included in IFRS Net Profit After Tax that the Board and Management consider may not be indicative of, or are unrelated to, our core operating results (such as profit or loss on gold options, or the sale of tenement rights)

### Underlying net profit after tax

- Net Profit After Tax excluding identified significant items

### Underlying earnings per share

- Underlying net profit after tax per ordinary share

# Non-IFRS Measures



	31 Dec 12	31 Dec 11
	A\$000	A\$000
<b>NPAT to Underlying NPAT <sup>[1]</sup></b>		
Sales revenue	285,755	249,315
EBITDA (including significant items)	65,574	88,937
EBIT (including significant items)	13,676	42,764
<b>Reported net profit/(loss) after tax for the year</b>	<b>2,461</b>	<b>46,518</b>
Total net significant items	12,444	6,289
EBITDA – excluding significant items	73,551	78,458
EBIT – excluding significant items	29,843	48,678
<b>Underlying net profit after tax for the year</b>	<b>17,186</b>	<b>49,432</b>

1. Refer Interim Financial Reports to 31 Dec 2012 and 31 Dec 2011, available at [www.stbarbara.com.au](http://www.stbarbara.com.au)

# Non-IFRS Measures



	31 Dec 12 A\$000	31 Dec 11 A\$000
<b>Significant items <sup>[1]</sup></b>		
Unrealised gain/(loss) on derivatives	(4,087)	7,464
Realised gain on derivatives	(190)	(635)
Borrowing costs written off	2,678	-
Southern Cross related disposal costs	305	-
Allied Gold related acquisition costs	7,576	-
Integration costs	4,031	-
Redundancy costs	2,131	-
<b>Total significant items – pre tax</b>	<b>12,444</b>	<b>6,829</b>

1. Refer Interim Financial Reports to 31 Dec 2012 and 31 Dec 2011, available at [www.stbarbara.com.au](http://www.stbarbara.com.au)

# Competent persons statement



The information in this report that relates to Company-wide Exploration Results and Mineral Resources in Australia is based on information compiled by Mr. Phillip Uttley, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Phillip Uttley is a full-time employee of St Barbara Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr. Uttley consents to the inclusion in the statement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves in Australia is based on information compiled by Mr. John de Vries, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. de Vries is a full-time employee of St Barbara Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr. de Vries consents to the inclusion in the statement of the matters based on his information in the form and context in which it appears.

The information in this document that relates to Mineral Resources and Ore Reserves for Simberi and Gold Ridge, together with any related assessments and interpretations, has been based on information compiled by Colin Ross Hastings who is a Member of The Australasian Institute of Mining and Metallurgy. Colin Ross Hastings is a full-time employee of St Barbara Ltd. Colin Ross Hastings has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code). Colin Ross Hastings consents to the inclusion of the information relating to Exploration Results, Mineral Resources and Ore Reserves for Simberi and Gold Ridge contained in this document in the form and context in which it appears.

# Investor Relations Enquiries

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