OZ MINERALS LTD
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14 August 2013

The Manager, Companies
Australian Securities Exchange
Companies Announcement Centre
Level 4
20 Bond Street
Sydney NSW 2000

Dear Sir/Madam,

OZ Minerals 2013 Half Year Financial Report

Please find attached the OZ Minerals Half Year Financial Report for the six months ended 30 June 2013.

Yours faithfully,

Francesca Lee
General Counsel & Company Secretary

OZ MINERALS
HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
30 JUNE 2013

OZ MINERALS LIMITED
ABN 40 005 482 824

CONTENTS

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Provided below are the Results for Announcement to the Market in accordance with Australian Securities Exchange ('ASX') Listing Rule 4.2A and Appendix 4D for the Consolidated Entity ('OZ Minerals' or the 'Consolidated Entity') comprising OZ Minerals Limited ('OZ Minerals Limited' or the 'Company') and its controlled entities for the half-year ended 30 June 2013 (the 'financial period' or the 'half-year') compared with the half-year ended 30 June 2012 ('the comparative period').

Summary

- Safety programs continue to drive improved safety performance at Prominent Hill
- The first half of 2013 was a period of lower production from Prominent Hill driven by lower ore grades and access restrictions in the open pit
    - Revenue of $316.2 million for the half-year (due to lower prices and first half production)
    - Underlying EBITDA[1] of $50.0 million
    - Asset write-down of $231.9 million (post-tax)
    - Net loss after tax of $268.0 million
- Cash balance of $432.9 million at 30 June 2013 due to higher activity in the pit, investment in the Malu Underground, studies at Carrapateena and also due to timing of sales receipts
- Unfranked dividend of 10 cents per share
- No drawn debt
- Work to extend the life of Prominent Hill is ongoing with a Resource delineation drilling program underway at Malu Underground
- Pre-Feasibility Study commenced at Carrapateena
- Further significant copper-gold mineralisation returned from the Khamsin prospect, 10 kilometres northwest of Carrapateena

Consolidated results

	6 months ended 30 June 2013 $m	6 months ended 30 June 2012 $m	Movement $m	Movement percent
Revenue	316.2	514.8	(198.6)	(38.6)
(Loss)/profit after tax attributable to equity holders of OZ Minerals Limited	(268.0)	119.5	(387.5)	(324.3)
Net tangible assets per share	$6.87	$8.18		

Refer to the 'Review of Results and operations, change in state of affairs and likely developments' section in the Directors' Report for a commentary on the consolidated results.

In accordance with Chapter 19 of the ASX listing rules, net tangible assets per share represent total assets less intangible assets less liabilities ranking ahead of, or equally with, ordinary share capital, divided by the number of ordinary shares on issue at the end of the half-year.

1. OZ Minerals financial results are reported under International Financial Reporting Standards ('IFRS'). This Financial Report and Results for Announcement to the Market include certain non-IFRS measures including Underlying EBITDA, Underlying EBIT, Underlying EBT and Underlying NPAT. These measures are presented to enable understanding of the underlying performance of the Company without the impact of non-trading items such as write-down of assets. Non IFRS measures have not been subject to audit or review. Underlying EBITDA, Underlying EBIT, Underlying EBT and Underlying NPAT are included in Note 2 Operating Segments, which form part of the Financial Report. Refer Note 2 Operating Segments to the Financial Report for further details.

Commentary on results and outlook

The commentary on results and outlook is set out in the Directors' Report.

Dividends

Since the end of the financial period, the Board of Directors has resolved to pay an unfranked dividend of 10 cents per share, to be paid on 25 September 2013. The record date for entitlement to this dividend is 11 September 2013. The financial impact of this dividend amounting to $30.3 million has not been recognised in the Financial Statements for the half-year ended 30 June 2013 and will be recognised in subsequent Financial Statements.

The details in relation to dividends announced or paid since 1 January 2012 are set out below:

Record date	Date of payment	Cents per share	Total dividends $m
11 September 2013	25 September 2013	10	30.3
26 February 2013	12 March 2013	20	60.7
11 September 2012	25 September 2012	10	30.3
24 February 2012	9 March 2012	30	94.3

For Australian income tax purposes, all dividends were unfranked and declared to be conduit foreign income.

The Company's Dividend Reinvestment Plan was suspended in 2010 and remains suspended.

Independent auditors' review report

The Financial Statements upon which this Appendix 4D is based have been reviewed and the Independent Auditor's Review Report to the members of OZ Minerals Limited is included in the attached Consolidated Interim Financial Statements.

DIRECTORS' REPORT

Your directors present their report for OZ Minerals for the half-year ended 30 June 2013 together with the Consolidated Interim Financial Statements. OZ Minerals Limited is a company limited by shares that is incorporated and domiciled in Australia.

Directors

The directors of the Company at any time during the half-year ended 30 June 2013 and up to the date of this report are:

- Neil Hamilton (Non-Executive Director and Chairman)
- Terry Burgess (Managing Director and Chief Executive Officer)
- Paul Dowd
- Brian Jamieson
- Barry Lavin (resigned as Non-Executive Director on 8 March 2013)
- Charles Lenegan
- Rebecca McGrath
- Dean Pritchard

Principal activities

The principal activities of the Consolidated Entity during the financial period were the mining of copper, gold and silver, undertaking exploration activities and development of mining projects.

Dividends

Since the end of the financial period, the Board of Directors has resolved to pay an unfranked dividend of 10 cents per share, to be paid on 25 September 2013. The record date for entitlement to this dividend is 11 September 2013. The financial impact of this dividend amounting to $30.3 million has not been recognised in the Financial Statements for the half-year ended 30 June 2013 and will be recognised in subsequent Financial Statements.

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For Australian income tax purposes, all dividends were unfranked and were declared to be conduit foreign income.

The Company's Dividend Reinvestment Plan was suspended in 2010 and remains suspended.

Review of results and operations, change in state of affairs and likely developments

Overview

OZ Minerals' main assets are the Prominent Hill mine and the Carrapateena exploration project.

In line with the life of mine plan, 2013 is a year of lower copper and gold production from Prominent Hill, with mining in the Malu open pit being in an area of lower than average grades and being the peak year of required waste movement. Production expectations were further curtailed following a slip in the overburden layers of the open pit in the first half of the year. Underground mining operations at Ankata, which commenced in August 2012, continue to perform well.

Copper production guidance for 2013 is 82,000 to 88,000 tonnes, weighted to the second half. Gold production is expected to be between 120,000 and 130,000 ounces. C1 cash costs of production are expected to be US165 to US180 cents per pound of copper.

Work continues on drilling of the area beneath the open pit known as Malu Underground which is expected to be a second underground mine. Drilling to upgrade the current Resource continued to produce results in line with expectation.

At Carrapateena work commenced on the pre-feasibility study which is due for completion in the first half of 2014. Work on a planned exploration decline was delayed until the completion of this study due to higher than expected tendered costs. Drilling of regional prospects saw the discovery of new copper mineralisation at the Khamsin prospect in late 2012 and further encouraging results were returned in the first half.

Exploration was curtailed in the region around Prominent Hill due to lack of success.

Safety performance

OZ Minerals' strategy for safety is based on the Company's commitment to achieving Zero Harm by Choice. This commitment is supported by the Company's core values – Respect, Integrity, Action, Results – which underpin the behaviour of all OZ Minerals employees and contractors.

The safety performance improvement of the last two years was maintained during the half-year. The Total Recordable Injury Frequency Rate ('TRIFR') per million hours worked was 9.38 for the half-year (half-year 2012: 13.78). The lost time injury rate component of the total rate is currently at 1.88.

The major program launched across the Company in 2010 to address safety performance has continued in 2013. Our safety strategy has a focus on cultural change and reduction of risk. OZ Minerals employees and contractors work on plans to gain continuous safety improvements.

OZ Minerals' commitment to Zero Harm by Choice is reflected in the OZ Minerals Sustainability Policy and is supported by the OZ Minerals Sustainability Standards, which are a comprehensive set of standards for management of the safety and health, environmental and social aspects of the operations of the Company.

Prominent Hill Mining operations

Production from the Malu Open Pit and Ankata Underground

Production for the six months to June 2013 was 37,853 tonnes of copper and 62,808 ounces of gold contained in concentrate, lower than the previous period due to the combined impact of the following factors:

- 2013 is the peak year for waste movement in the open pit in line with the long term mine plan; this investment will allow access for production of ore in future years. The ratio of waste to ore predicted to be mined in 2013 is 10-11:1.
- The slip in a section of the overburden layers of the open pit restricted access to an area of the pit and so limited the volumes able to be mined. The slip was caused by local groundwater propagating a shear in the 'bulldog' shale units in the overburden above the south wall. Consequently, safe access to a section of the Stage 3 floor of the pit was limited through most of the first half. Remediation of the slip was completed in July, ahead of schedule, which required the removal of 5.3 Mt of waste material and the installation of a network of dewatering boreholes and drains. Normal mining operations recommenced in the area below the slip in Stage 3 in late July.
- Some prolonged and substantial rain events in May and June also led to the equivalent of 5-6 days of lost open pit production.
- Mined grades in the open pit were lower than average Reserve grades due to the area being accessed for mining.
- The Ankata underground mine, which commenced production in August 2012, performed well with the mine continuing to operate at full capacity. Grades were below Reserve grade in the first half due to mine scheduling.

Production for the year is expected to be weighted to the second half with mined volumes from the open pit and grades from both the open pit and underground expected to increase through the remainder of the year.

Malu Underground

Work continued on investigating supplementing existing copper and gold production with a second underground mine from within the currently defined Resources beneath the Malu open pit. During the first half of 2013, access development continued with the development of the Malu Footwall decline completed and work commencing on development of the Malu Hangingwall decline.

During the first half, further drilling from underground was conducted to better define the Resources. Where delineation drilling has been conducted, assays have generally continued to produce composited mineralised intercepts in line with expectation for both position and grade.

Underground drilling and development costs for 2013 are expected to be $52 million.

Ongoing work is underway to assess the value of potentially mining deeper levels of the Prominent Hill Mineral Resource (Malu Deeps and Kalaya).

Costs

The C1 cash cost of production (C1 cost) at Prominent Hill after by-product credits, was US189.4 cents per pound of copper for the six months to June 2013 compared to US107.4 cents per pound for the six months to June 2012.

The increase in C1 costs was primarily due to higher mining costs and lower payable copper and gold production. Mining costs increased in 2013 for a number of reasons. The remediation of the overburden slip above the south wall of the Malu open pit, together with the flow-on impact on open pit mining activities led to lower utilisation rates for mining equipment and consequently higher unit costs. Total mining costs also included Ankata underground mining costs, which were not included in the first half of 2012 as this mine was commissioned in August 2012. Payable metal for both copper and gold was lower in 2013 due to the mining of lower head grade material from the open pit. In the second half, grades are expected to increase as are activity levels in the open pit, improving equipment utilisation rates; as such, C1 guidance has been maintained at the range of US165 to US180 cents per pound of copper.

Exploration Project at Carrapateena

Options for the development of the Carrapateena copper project continue to be a major focus. The pre-feasibility study for the Carrapateena project commenced at the start of 2013 and is due to be completed in the first half of 2014. It includes consideration of a range of options for mining, mine access and infrastructure, process plant and surface infrastructure. The cost of the study, including drilling of an additional three holes required for metallurgical testwork, is expected to be approximately $20 million with $16 million spent in 2013 ($10 million to be spent in the second half).

In addition, site operating and project management costs in 2013 will be approximately $23 million ($9 million to be spent in the second half) and activities related to permitting and environmental baseline studies will be a further $9 million ($7 million to be spent in the second half).

In May, a decision was made to delay the development of the planned exploration decline. The tender exercise for the exploration decline indicated costs that were significantly higher than were forecast; therefore the decision on the decline will now be delayed until results of the pre-feasibility study are received.

Early in the first half, drilling of the Carrapateena deposit was completed for this stage of the project and exploration was directed to the other targets in the area. Work continued at the Khamsin prospect, discovered in late 2012, with drilling in the first half returning further significant intervals of high grade copper mineralisation. Drilling is ongoing to better define the boundaries of the copper-gold mineralisation. Drilling at the Fremantle Doctor prospect also returned significant intervals of copper mineralisation.

Review of consolidated financial results and operations[2]

	Prominent Hill operations 6 months to 30 June 2013 $m	Other operations 6 months to 30 June 2013 $m	Total 6 months to 30 June 2013 $m	**Total 6 months to 30 June 2012 $m
Revenue from sale of metal in concentrate				
Copper	238.6	–	238.6	395.9
Gold	71.9	–	71.9	109.8
Silver	5.7	–	5.7	9.1
Total revenue	**316.2**	–	**316.2**	**514.8**
Net gain on sale of assets in Cambodia	–	–	–	18.8
Other income	0.5	0.8	1.3	6.4
Net foreign exchange gains	8.8	23.3	32.1	2.2
Cost of goods sold including employee benefit expenses	(225.6)	(10.7)	(236.3)	(234.5)
Exploration and evaluation expenses	(3.1)	(34.0)	(37.1)	(47.7)
Other expenses	(19.0)	(7.2)	(26.2)	(28.7)
Underlying EBITDA	**77.8**	**(27.8)**	**50.0**	**231.3**
Depreciation and amortisation expenses	(109.5)	(1.5)	(111.0)	(80.4)
Underlying EBIT	**(31.7)**	**(29.3)**	**(61.0)**	**150.9**
Net financing (expense)/income	(1.1)	6.0	4.9	11.4
Income tax expense on underlying profit before tax			20.0	(42.8)
Underlying NPAT			**(36.1)**	**119.5**
Write-down of assets net of tax			(231.9)	–
NPAT			**(268.0)**	**119.5**

** Comparative information has been restated in accordance with accounting requirements on application of AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*, which impacts the treatment of waste stripping costs. For details refer Note 14 to the Consolidated Interim Financial Statements.

Revenue from sale of concentrates of $316.2 million for the financial period is $198.6 million, or 38.6 percent, less than in the comparative prior period (the first half of 2012). This was primarily driven by lower prices and lower sales volumes for copper and gold. The average London Metal Exchange ('LME') price for copper of US$3.42 per pound in the first half of 2013 was 6.8 percent lower compared to the first half of 2012. Gold traded at an average price of US$1,526.8 per ounce in the first half of 2013, which was 7.5 percent lower than the average gold price in the first half of 2012. However, the lower average Australian dollar to US dollar exchange rate of 1.0154 in the first half of 2013 (1.0328 in the first half of 2012) offset this to an extent resulting in A$ prices for copper and gold being 5.2 percent and 5.9 percent lower respectively compared to the first half of 2012.

Revenue from sale of concentrate of $316.2 million for the half year includes a holding certificate sale of $40.1 million.

Total expenditure on mining activities was higher in the first half of 2013 due to the larger mining fleet operating within the open pit and the inclusion of operating costs from the new Ankata underground mine which commenced production in August 2012. The increased open pit mining fleet is required to facilitate the large waste movement program, in 2013 and 2014, to enable access to the open pit ore in future years. The operational difficulties associated with the overburden slip in the open pit in the first half resulted in the cost per tonne of material moved in the open pit increasing to $6.07 in the first half of 2013 compared to $4.79 in the first half of 2012. Unit mining costs are expected to improve in the second half with the slip remediation now complete, full access to all mining areas restored and consequently higher equipment utilisation and material movement achievable.

The increase in open pit expenditure was largely matched by the deferral of mining costs related to waste stripping to the balance sheet. This deferral is driven by the increased waste being mined in 2013 relative to the tonnes of ore being mined.

The Ankata mine was commissioned in August 2012 and has been at full production levels for all of 2013. The mine has produced 593kt of ore at a cash cost of $47 per tonne.

2. Refer to footnote on page 3

In 2012 ore was both mined and also taken from the stockpile to ensure that the mill was fully supplied. This resulted in a stock movement expense of $24.3 million. In 2013 ore mined from both the open pit and the underground are more aligned to the mill requirements, resulting in a credit to the profit and loss statement of $10.6 million.

Exploration expense for the half-year was $37.1 million, mainly comprising exploration and site operating costs at Carrapateena of $31.3 million, Prominent Hill of $3.1 million and global project generation activities of $2.7 million.

Exploration drilling around the Prominent Hill region was stopped in the middle of 2012 and the final phase of work scheduled for the first half of 2013 was completed without any potentially economic mineralisation intersected.

Corporate costs of $24.4 million for the half-year are largely in line with $25.0 million for the first half of 2012. These costs include various group-wide activities such as insurance premiums and the costs of functions such as information technology, strategic sourcing and marketing which support Prominent Hill, Carrapateena and Exploration.

The significant strengthening of the US dollar resulted in net foreign exchange gains of $32.1 million during the financial period on US dollar cash and debtor balances.

Underlying EBITDA of $50.0 million for period is lower than the underlying EBITDA of $231.3 million for the prior period mainly due to the decrease in revenue as noted above.

Depreciation and amortisation expense of $111.0 million was higher during the financial period compared to $80.4 million in the first half of 2012. The increase is due to depreciation on the Ankata Mine which had not been in operation during the first half of 2012 (having commenced production in August 2012) and also due to depreciation of the higher deferred waste stripping asset balance. Mine property and development is depreciated based on units of production of ore mined while fixed processing plant is depreciated based on units of ore processed. Depreciation of infrastructure is on a straight line basis over the life of mine.

Net financing income for the half-year was $4.9 million, comprising interest income of $7.2 million earned on cash deposits, partially offset by bank charges on undrawn debt facilities of $1.4 million, and the unwind of the net present value discount on the provision for mine rehabilitation of $0.9 million.

During the half-year ended 30 June 2013, the Consolidated Entity recognised an asset write-down of $231.9 million post-tax in relation to Prominent Hill property, plant and equipment and gold ore inventories. Further details are provided in Note 13 to the Financial Statements. A number of factors have contributed to this asset write-down, including weakened outlooks for copper and gold prices in the near term combined with current and future work conducted at Prominent Hill. This work has resulted in capitalisation of costs for work on the new Malu Underground mine, deferred waste movements and remediation of the south wall overburden in the Malu open pit.

Other matters

Dividend

In line with its Dividend Policy of paying dividends between 30 to 60 percent of net profit after tax from normal operations on an annual basis, the Company paid dividends of $60.7 million in March 2013 relating to profit for the year ended 31 December 2012.

In recognition of the Company's strong balance sheet and the Board's confidence in the Company's future, the Board of Directors has resolved to pay an unfranked dividend of 10 cents per share, outside of the Dividend Policy, to be paid on 25 September 2013. The record date for entitlement to this dividend is 11 September 2013. The financial impact of this dividend amounting to $30.3 million has not been recognised in the Financial Statements for the half-year ended 30 June 2013 and will be recognised in subsequent Financial Statements. This dividend has been declared to be conduit foreign income for Australian income tax purposes.

Cash holdings

OZ Minerals held a cash balance of $432.9 million at the end of June 2013 compared to $659.0 million as at 31 December 2012. The significant items contributing to this movement were payment of dividends of $60.7 million and an increase in property, plant and equipment due to expenditure on deferred waste mining of $172.4 million. Increased sales in the month of June resulted in a high trade and other receivables balance of $205.1 million, which will convert to cash as sales contracts settle in the third quarter.

Comparatives

Where required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. For details refer Note 14 to the Consolidated Interim Financial Statements.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, ('ASIC') relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the Class Order to the nearest million dollars to one decimal place, or in certain cases, to the nearest dollar. All amounts are in Australian dollars, unless otherwise stated.

Matters subsequent to the end of the financial period

Since the end of the financial period, the Board of Directors has resolved to pay an unfranked dividend of 10 cents per share, to be paid on 25 September 2013. The record date for entitlement to this dividend is 11 September 2013. The financial impact of this dividend amounting to $30.3 million has not been recognised in the Financial Statements for the half-year ended 30 June 2013 and will be recognised in subsequent Financial Statements.

There have been no other events that have occurred subsequent to the reporting date which have significantly affected or may significantly affect the Consolidated Entity's operations, results or state of affairs in future periods.

Lead auditor's independence declaration

The auditor's independence declaration is set out on the following page and forms part of the Directors' Report for the half-year ended 30 June 2013.

This report is made in accordance with a resolution of the directors.

Neil Hamilton

Chairman
Melbourne
14 August 2013

Terry Burgess

Managing Director and Chief Executive Officer
Melbourne
14 August 2013

AUDITOR'S INDEPENDENCE DECLARATION

Lead auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To: the directors of OZ Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2013 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Michael Bray

Partner
Melbourne
14 August 2013

CONSOLIDATED INTERIM INCOME STATEMENT

For the half-year ended 30 June 2013	Notes	6 months to 30 June 2013 $m	**6 months to 30 June 2012 $m
Revenue from sale of concentrates		316.2	514.8
Net gain on sale of assets in Cambodia	8	–	18.8
Other income		1.3	6.4
Net foreign exchange gains		32.1	2.2
Changes in inventories of ore and concentrate		14.9	(21.7)
Consumables and other direct costs		(182.3)	(137.5)
Employee benefit expenses		(44.0)	(41.8)
Exploration and evaluation expenses		(37.1)	(47.7)
Freight expenses		(20.0)	(25.3)
Royalties expense		(4.9)	(8.2)
Share of net loss of investment in Toro	6	(0.7)	(1.4)
Depreciation and amortisation expenses		(111.0)	(80.4)
Write-down of assets	13	(331.3)	–
Other expenses		(25.5)	(27.3)
(Loss)/profit before net financing income and income tax		(392.3)	150.9
Financing income		7.2	13.2
Financing expenses		(2.3)	(1.8)
Net financing income		4.9	11.4
(Loss)/profit before income tax		(387.4)	162.3
Income tax benefit/(expense)	3	119.4	(42.8)
(Loss)/profit for the financial period attributable to equity holders of OZ Minerals Limited		(268.0)	119.5
		Cents	**Cents**
Basic and diluted (loss)/earnings per share		(88.4)	38.5
		Number	**Number**
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share		303,183,917	310,569,792

** Comparative information has been restated in accordance with accounting requirements on application of AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*, which impacts the treatment of waste stripping costs. For details refer Note 14 to the Consolidated Interim Financial Statements.

The above Consolidated Interim Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 30 June 2013	Notes	6 months to 30 June 2013 $m	6 months to 30 June 2012 $m
(Loss)/profit for the financial period		(268.0)	119.5
Other Comprehensive Income			
Items that will not be reclassified to income statement			
Change in fair value of investments in equity securities - net of income tax	7	(121.3)	12.5
Foreign currency translation differences		(0.3)	(0.1)
Total comprehensive (loss)/income for the financial period attributable to equity holders of OZ Minerals Limited		(389.6)	131.9

The above Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2013	Issued capital $m	Retained earnings $m	Treasury shares $m	Foreign currency translation reserve $m	Total $m
Balance as at 1 January 2013	2,058.9	728.0	(4.4)	3.4	2,785.9
Loss for the financial period	–	(268.0)	–	–	(268.0)
Other comprehensive income					
Change in fair value of investments in equity securities, net of income tax	–	(121.3)	–	–	(121.3)
Foreign currency translation differences	–	–	–	(0.3)	(0.3)
Total comprehensive loss for the financial period	–	(389.3)	–	(0.3)	(389.6)
Transactions with owners, recorded directly in equity					
Dividends	–	(60.7)	–	–	(60.7)
Share-based payment transactions, net of income tax	–	2.3	–	–	2.3
Exercise of performance rights	–	(4.1)	4.1	–	–
Total transactions with owners	–	(62.5)	4.1	–	(58.4)
Balance as at 30 June 2013	2,058.9	276.2	(0.3)	3.1	2,337.9
For the half-year ended 30 June 2012					
Balance as at 1 January 2012	2,159.0	638.2	(6.4)	3.4	2,794.2
Profit for the financial period	–	119.5	–	–	119.5
Other comprehensive income					
Change in fair value of investments in equity securities, net of income tax	–	12.5	–	–	12.5
Foreign currency translation differences	–	–	–	(0.1)	(0.1)
Total comprehensive income for the financial period	–	132.0	–	(0.1)	131.9
Transactions with owners, recorded directly in equity					
Dividends	–	(94.3)	–	–	(94.3)
Share buyback	(100.1)	–	–	–	(100.1)
Share-based payment transactions, net of income tax	–	2.3	–	–	2.3
Exercise of performance rights	–	(3.0)	3.0	–	–
Total transactions with owners	(100.1)	(95.0)	3.0	–	(192.1)
Balance as at 30 June 2012	2,058.9	675.2	(3.4)	3.3	2,734.0

The above Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2013	Notes	30 June 2013 $m	**31 December 2012 $m
Current assets			
Cash and cash equivalents		432.9	659.0
Trade and other receivables	4	205.1	171.7
Inventories	5	147.5	162.3
Current tax asset		–	5.1
Prepayments		8.6	5.9
Total current assets		794.1	1,004.0
Non-current assets			
Inventories	5	14.8	90.0
Investments accounted for using the equity method	6	26.7	27.4
Investments in equity securities	7	168.1	288.6
Intangible assets		252.2	252.2
Lease receivables		54.3	59.6
Property, plant and equipment	13	1,200.2	1,363.8
Total non-current assets		1,716.3	2,081.6
Total assets		2,510.4	3,085.6
Current liabilities			
Trade and other payables		96.3	108.3
Provisions		11.2	8.2
Total current liabilities		107.5	116.5
Non-current liabilities			
Deferred tax liabilities	3	44.1	162.1
Provisions		20.9	21.1
Total non-current liabilities		65.0	183.2
Total liabilities		172.5	299.7
Net assets		2,337.9	2,785.9
Equity			
Issued capital		2,058.9	2,058.9
Retained earnings		276.2	728.0
Treasury shares		(0.3)	(4.4)
Foreign currency translation reserve		3.1	3.4
Total equity attributable to equity holders of OZ Minerals Limited		2,337.9	2,785.9

**Comparative information has been restated in accordance with accounting requirements on application of AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*, which impacts the treatment of waste stripping costs. For details refer Note 14 to the Consolidated Interim Financial Statements.

The above Consolidated Interim Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the half-year ended 30 June 2013	Notes	6 months to 30 June 2013 $m	**6 months to 30 June 2012 $m
Cash flows from operating activities			
Receipts from customers		285.9	408.2
Payments to suppliers and employees		(264.8)	(231.2)
Payments for exploration and evaluation		(37.1)	(47.7)
Income tax refund/(payment)		6.5	(6.5)
Financing costs and interest paid		(1.4)	(1.2)
Interest received		7.2	13.6
Net cash (outflows)/inflows from operating activities		(3.7)	135.2
Cash flows from investing activities			
Payment for property, plant and equipment		(172.4)	(142.7)
Proceeds from disposal of assets in Cambodia		3.5	7.8
Payment for acquired lease assets		–	(34.1)
Refund for acquired intangible assets - Carrapateena		–	0.5
Net cash outflows from investing activities		(168.9)	(168.5)
Cash flows from financing activities			
Dividends paid to shareholders	9	(60.7)	(94.3)
Payments on share buyback	10	–	(100.1)
Net cash outflows from financing activities		(60.7)	(194.4)
Net decrease in cash held		(233.3)	(227.7)
Cash and cash equivalents at 1 January		659.0	886.1
Effects of exchange rate changes on foreign currency denominated cash balances		7.2	(7.3)
Cash and cash equivalents at the end of the financial period		432.9	651.1

**Comparative information has been restated in accordance with accounting requirements on application of AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*, which impacts the treatment of waste stripping costs. For details refer Note 14 to the Consolidated Interim Financial Statements.

The Consolidated Entity's closing cash position of A$432.9 million was made up of amounts denominated in US$ of 123.4 million (A$ equivalent of 133.0 million at 30 June 2013 spot rate), and amounts denominated in A$ of 299.9 million.

The above Consolidated Interim Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

Reporting entity

OZ Minerals Limited is a company domiciled in Australia. The Consolidated Interim Financial Statements of the Company for the half-year ended 30 June 2013 comprises the Company and its controlled entities. The Consolidated Entity is primarily involved in the mining of copper, gold and silver and the conduct of exploration and development projects.

The consolidated annual financial report of the Consolidated Entity for the year ended 31 December 2012 is available upon request from the Company's registered office at Level 10, 31 Queen Street, Melbourne, 3000, Victoria, Australia or from the Company's website at www.ozminerals.com.

Statement of compliance

The Consolidated Interim Financial Statements are prepared on a going concern basis in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Consolidated Interim Financial Statements are presented in Australian dollars.

The Consolidated Interim Financial Statements do not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity for the year ended 31 December 2012 and any public announcements made by OZ Minerals Limited during the interim financial reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the Consolidated Interim Financial Statements have been rounded off in accordance with the Class Order to the nearest million dollars to one decimal place, or in certain cases, to the nearest dollar. All amounts are in Australian dollars, unless otherwise stated.

This Consolidated Interim Financial Statements were approved by the Board of Directors on 14 August 2013.

Significant accounting policies

Except as described below, the accounting policies applied by the Consolidated Entity in these Consolidated Interim Financial Statements are consistent with those applied by the Consolidated Entity in its annual financial report for the year ended 31 December 2012. The following mandatory accounting standards were required to be adopted by the Consolidated Entity during the current period:

- AASB 10 *Consolidated Financial Statements* which has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 10 provides a revised approach to determining which investees should be consolidated. The standard changes the requirements for determining whether an entity is consolidated by revising the definition of control and adding further guiding principles. The application of AASB 10 does not have any impact on the amounts recognised in the Consolidated Interim Financial Statements.
- AASB 11 *Joint Arrangements* which has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 11 removes the option to account for jointly controlled entities ('JCEs') using proportionate consolidation. Instead JCEs that meet the definition of a joint venture under AASB 11 must be accounted for using the equity method. The application of AASB 11 does not have any impact on the Consolidated Entity's Interim Financial Statements.
- AASB 12 *Disclosure of Interests in Other Entities* which has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 12 includes all of the disclosures that were previously in AASB 127 *Consolidated and Separate Financial Statements* and AASB 131 *Interest in Joint Ventures*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The revised standard requires a number of disclosures which are consistent with previous disclosures made by the Consolidated Entity and has no impact on the Consolidated Entity's financial position or performance.
- AASB 13 *Fair value measurement*, which has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 13 establishes a single source of guidance under accounting standards for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under AASBs when fair value is required or permitted. The application of AASB 13 did not have a material impact on the amounts recognised in the Consolidated Interim Financial Statements.
- AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* and AASB 2011-12 *Amendments to Australian Accounting Standards* - arising from AASB Interpretation 20. For details refer Note 14 to the Consolidated Interim Financial Statements.

Other mandatory accounting standards issued and required to be adopted by the Consolidated Entity have not been included above as they are not expected to have a material impact on the Consolidated Interim Financial Statements.

Critical accounting estimates and judgements

Estimates and judgements used in developing and applying the Consolidated Entity's accounting policies are continually evaluated and are based on experience and other factors, including expectations of future events that may have a financial impact on the Consolidated Entity and that are believed to be reasonable under the circumstances. The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical estimates and judgements are consistent with those applied by the Consolidated Entity in its consolidated annual financial report for the year ended 31 December 2012 with the addition of the following items:

- Application of AASB 10 *Consolidated Financial Statements* in assessing the accounting treatment of the Consolidated Entity's investment in Toro Energy Limited ('Toro') which involves determining whether OZ Minerals is capable of exerting control over Toro despite holding less than fifty percent of voting rights.
- Application of AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* - significant judgement is required to distinguish between the production stripping which relates to the extraction of inventory and that which relates to the creation of a stripping activity asset. Significant judgement is also exercised in identifying the component(s) of the ore body in the Prominent Hill open pit which impacts the manner in which deferred stripping costs are capitalised and depreciated. Consistent with the judgements made at 31 December 2012, expected volumes of ore and waste to be moved in the open pit continue to be a significant source of judgement. Additionally the Consolidated Entity performed an assessment of the existing balance of the stripping asset at 1 January 2012 and determined that the amount recorded related to mining ore in the future, and therefore no adjustment was made to the asset on transition.
- Application of AASB 118 *Revenue* in applying the revenue recognition criteria.

Comparatives

Where required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. For details refer Note 14 to the Consolidated Interim Financial Statements.

2 Operating segments

The Consolidated Entity operates the Prominent Hill Mine, a copper-gold mine located in the Gawler Craton of South Australia, approximately 650 kilometres north-west of Adelaide and 130 kilometres south-east of Coober Pedy. The principal activities of the Consolidated Entity are mining of copper, gold and silver, carrying out exploration activities and development of mining projects. The exploration and development activities are mainly in South Australia and include the Carrapateena project.

The Prominent Hill Mine generates revenue from the sale of concentrate products containing copper, gold and silver to customers in Asia and Europe.

Other operations include the Consolidated Entity's Group Office (which includes all corporate expenses that cannot be directly attributed to the operation of the Consolidated Entity's operating segment), investment in Toro (refer Note 6 to the Consolidated Interim Financial Statements), other investments in equity securities (refer Note 7 to the Consolidated Interim Financial Statements) and exploration projects including Carrapateena.

Segment results

Segment information that is evaluated by key management is prepared in conformity with the accounting policies adopted for preparing the Financial Statements of the Consolidated Entity which are reported under International Financial Reporting Standards, and includes Underlying EBITDA, Underlying EBIT, Underlying EBT and Underlying NPAT which are used to measure segment performance. These measures are used internally by management to assess performance of the business, make decisions on allocating resources and assess operational management.

For the half-year ended 30 June 2013	Prominent Hill Mine 2013 $m	Other Operations 2013 $m	Total 2013 $m	**Prominent Hill Mine 2012 $m	**Other Operations 2012 $m	**Total 2012 $m
Revenue from sale of concentrates	316.2	–	316.2	514.8	–	514.8
Net gain on sale of assets in Cambodia	–	–	–	–	18.8	18.8
Other income	0.5	0.8	1.3	1.1	5.3	6.4
Net foreign exchange gains	8.8	23.3	32.1	2.2	–	2.2
Changes in inventories of ore and concentrate	14.9	–	14.9	(21.7)	–	(21.7)
Consumables and other direct costs	(182.3)	–	(182.3)	(137.5)	–	(137.5)
Employee benefit expenses	(33.3)	(10.7)	(44.0)	(30.9)	(10.9)	(41.8)
Exploration and evaluation expenses	(3.1)	(34.0)	(37.1)	(22.4)	(25.3)	(47.7)
Freight expenses	(20.0)	–	(20.0)	(25.3)	–	(25.3)
Royalties expense	(4.9)	–	(4.9)	(8.2)	–	(8.2)
Share of net loss of investment in Toro	–	(0.7)	(0.7)	–	(1.4)	(1.4)
Inter-segment (expense)/income	(7.2)	7.2	–	(7.1)	7.1	–
Other expenses	(11.8)	(13.7)	(25.5)	(11.1)	(16.2)	(27.3)
Underlying earnings/(loss) before interest, income tax, depreciation and amortisation ('EBITDA')	77.8	(27.8)	50.0	253.9	(22.6)	231.3
Depreciation and amortisation expenses	(109.5)	(1.5)	(111.0)	(79.4)	(1.0)	(80.4)
Underlying earnings/(loss) before interest and income tax ('EBIT')	(31.7)	(29.3)	(61.0)	174.5	(23.6)	150.9
Net financing (expense)/income	(1.1)	6.0	4.9	(0.6)	12.0	11.4
Underlying earnings/(loss) before income tax ('EBT')	(32.8)	(23.3)	(56.1)	173.9	(11.6)	162.3
Income tax benefit/(expense) on underlying (loss)/earnings before tax			20.0			(42.8)
Underlying net (loss)/profit after tax ('NPAT')			(36.1)			119.5
Write-down of assets net of income tax			(231.9)			–
Net (loss)/profit after tax			(268.0)			119.5

** Comparative information has been restated in accordance with accounting requirements on application of AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*, which impacts the treatment of waste stripping costs. For details refer Note 14 to the Consolidated Interim Financial Statements.

3 Income tax

Numerical reconciliation of income tax expense to pre-tax net profit

	6 months to 30 June 2013 $m	6 months to 30 June 2012 $m
(Loss)/profit before income tax	(387.4)	162.3
Income tax benefit/(expense) at the Australian tax rate of 30 per cent	116.2	(48.7)
Adjustments to profit before income tax		
Gain on sale of assets in Cambodia	–	5.6
Other	3.2	0.3
Income tax benefit/(expense)	119.4	(42.8)

Net deferred tax assets/(liabilities)

	31 December 2012 $m	Recognised in income statement $m	30 June 2013 $m
Net deferred tax (liabilities)/assets tax effected at 30 percent			
Tax losses unrestricted	–	48.7	48.7
Tax losses restricted	54.0	0.9	54.9
Capital raising costs	0.8	(0.4)	0.4
Inventories	(5.1)	31.9	26.8
Depreciation and amortisation	(225.0)	38.3	(186.7)
Provisions and accruals	12.1	(0.5)	11.6
Unrealised foreign exchange	0.5	(3.4)	(2.9)
Other	0.6	2.5	3.1
Net deferred tax (liabilities)/assets	(162.1)	118.0	(44.1)

The Consolidated Entity recognises deferred tax assets for deductible temporary differences and unused tax losses only when it is probable that taxable amounts will be available in the future to utilise those temporary differences and losses. The Consolidated Entity has assessed that it is probable that future taxable income will be available to utilise the recognised deferred tax assets.

Recognised tax losses referred to as 'restricted' were transferred into the OZ Minerals Australian tax group on consolidation of the acquired Zinifex group in July 2008 and are subject to a restricted available fraction of current year taxable income which restricts the amount of these losses that can be utilised each year. Under the current tax legislation recognised tax losses do not have an expiry date.

Restricted fractional tax losses of $191.4 million tax effected (31 December 2012: $191.4 million tax effected) continue to be unrecognised in the Balance Sheet at 30 June 2013.

Additionally gross capital losses on disposal of assets during 2009 of $1,935 million (31 December 2012: $1,935 million) continue to be unrecognised in the Balance Sheet at 30 June 2013.

4 Trade and other receivables

	30 June 2013 $m	31 Dec 2012 $m
Trade receivables	189.5	159.2
Other receivables	15.6	12.5
Total trade and other receivables	205.1	171.7

Trade receivables at 30 June 2013 were higher mainly due to the timing of concentrate sales made in late June 2013.

Trade receivables are carried at fair value using a Level 2 valuation method as stipulated by AASB 13 *Fair Value Measurement* which involves observable market prices for commodities, adjusted for terms as per sales contracts.

5 Inventories

	30 June 2013 $m	**31 Dec 2012 $m
Concentrates - at cost	37.6	33.3
Ore stockpile - at cost	87.1	107.6
Stores and consumables - at cost	22.8	21.4
Inventories - current	147.5	162.3
Ore stockpile - non current at net realisable value	14.8	–
Ore stockpile - non-current at cost	–	90.0
Total inventories	162.3	252.3

** Comparative information has been restated in accordance with accounting requirements on application of AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*, which impacts the treatment of waste stripping costs. For details refer Note 14 to the Consolidated Interim Financial Statements.

Non-current inventories represent those ore stockpiles expected to be milled in a period greater than twelve months from 30 June 2013. During the period the Consolidated Entity recognised an inventory net realisable value write-down of $106.3 million (pre-tax) on non-current ore stockpiles. Refer Note 13 to the Consolidated Interim Financial Statements. There were no write-downs in the comparative period.

6 Investments accounted for using the equity method

	30 June 2013 $m	31 Dec 2012 $m
Opening carrying amount	27.4	29.5
Share of Toro’s net loss after tax	(0.7)	(2.1)
Closing carrying amount	26.7	27.4

The Consolidated Entity accounts for its investment in Toro using the equity method. Toro is a uranium exploration company listed on the ASX. The Consolidated Entity holds 410,259,378 shares in Toro, which equates to an interest of 39.4 percent at 30 June 2013 (31 December 2012: 39.4 percent). The share price of Toro as at 30 June 2013 was 7 cents per share (31 December 2012: 11 cents per share).

The share of losses after income tax of $0.7 million represents the Consolidated Entity’s share of Toro’s net loss after tax after adjustments for impairment losses of capitalised exploration expenditure recognised by Toro. The Consolidated Entity performs a separate impairment assessment of its investment in Toro and accordingly does not equity account any impairment losses of capitalised exploration expenditure recognised by Toro.

Summarised financial information of Toro

At the date of this report, Toro has yet to complete its Annual Financial Statements as at 30 June 2013 and therefore summarised financial information on Toro at 30 June 2013 is not included in these Consolidated Interim Financial Statements. The following information is based on the Toro Financial Statements for the half-year ended 31 December 2012, which represent Toro's latest publicly released Financial Statements which have been subject to independent audit or review:

	Assets $m	Liabilities $m	Revenue $m	Net loss after tax $m
Toro Energy Limited	95.9	1.1	0.2	(2.0)

7 Investments in equity securities

	$m
Carrying amount as at 1 January 2013	288.6
Additions	0.8
Net change in fair value recognised in other comprehensive income	(121.3)
Carrying amount as at 30 June 2013	168.1

The carrying value of the investments in equity securities of $168.1 million (31 December 2012: $288.6 million) was made up of investments in Sandfire Resources NL of $153.2 million (31 December 2012: $258.2 million), in Beadell Resources Limited of $6.4 million (31 December 2012: $12.5 million), in IMX Resources Limited of $2.0 million (31 December 2012: $5.8 million), in Renaissance Minerals Limited of $1.8 million (31 December 2012: $6.6 million) and other minor investments amounting to $4.7 million (31 December 2012: $5.5 million).

These investments are carried at fair value using a Level 1 valuation method as stipulated by AASB 13 *Fair Value Measurement* which is based on share prices quoted on the relevant stock exchanges.

8 Sale of assets in Cambodia

On 10 May 2012, OZ Minerals completed the sale of its assets in Cambodia through the sale of OZ Minerals (Cambodia) Limited to Renaissance Minerals Limited ('Renaissance'); an Australian company listed on the ASX, and recognised a net gain of $18.8 million in the comparative period.

Subsequent to the sale, OZ Minerals participated in the Renaissance share issue in November 2012 under which OZ Minerals received shares in Renaissance to the value of $1.5 million. This amount was deducted from a $5.0 million deferred cash consideration which was receivable twelve months after completion of sale under the Sale and Purchase Agreement. The remaining $3.5 million cash consideration was received in January 2013.

In addition to the fair value of the consideration, the Sale and Purchase Agreement with Renaissance provides for two further contingent receipts. The first receipt of $10.0 million is contingent on a 1.25 million ounce gold resource being defined in relation to the assets sold or a decision to mine whichever is earlier. The second receipt of $12.5 million is contingent on the first gold pour and is payable six months after the first gold pour. The two contingent receipts amounting to $22.5 million constituted contingent assets at the time of sale in accordance with the Accounting Standards and continue to be classified as contingent assets in the Financial Statements for the half-year ended 30 June 2013.

9 Dividends

Since the end of the financial period, the Board of Directors has resolved to pay an unfranked dividend of 10 cents per share, to be paid on 25 September 2013. The record date for entitlement to this dividend is 11 September 2013. The financial impact of this dividend amounting to $30.3 million has not been recognised in the Financial Statements for the half-year ended 30 June 2013 and will be recognised in subsequent Financial Statements. The details in relation to dividends announced or paid since 1 January 2012 are set out below:

Record date	Date of payment	Cents per share	Total dividends $m
11 September 2013	25 September 2013	10	30.3
26 February 2013	12 March 2013	20	60.7
11 September 2012	25 September 2012	10	30.3
24 February 2012	9 March 2012	30	94.3

For Australian income tax purposes, all dividends were unfranked and declared to be conduit foreign income.

The Company's Dividend Reinvestment Plan was suspended in 2010 and remains suspended.

10 Issued capital

In June 2012, the Consolidated Entity completed a share buyback program for $200.0 million which commenced in August 2011. In the comparative period, the Consolidated Entity bought back and cancelled 10,901,828 shares amounting to $100.1 million as part of the share buyback program. The number of fully paid ordinary shares on issue at 31 December 2012 and at 30 June 2013 was 303,470,022.

11 Contingencies

Bank guarantees

OZ Minerals Group Treasury Pty Ltd has provided certain bank guarantees to third parties, primarily associated with the terms of mining leases, exploration licences and office leases, in respect of which the relevant entity is obliged to indemnify the bank if the guarantee is called upon. At the end of the financial period, no claims have been made under any of these guarantees. The amount of some of these guarantees may vary from time to time depending upon the requirements of the recipient. These guarantees are backed by collateral deposits and amounted to $34.9 million as at 30 June 2013 (31 December 2012: $30.1 million).

Provision is made in the Balance Sheet for the anticipated costs of the mine rehabilitation obligations under the mining leases.

Deeds of indemnity

The Company has granted indemnities under Deeds of Indemnity with each of its current and former Non-Executive Directors and members of the Executive Committee, the Company Secretary, the Group Treasurer and each employee who is a director of a controlled entity of the Consolidated Entity, in conformity with Rule 10.2 of OZ Minerals Limited's Constitution.

Where applicable, each Deed of Indemnity indemnifies the relevant director, officer or employee to the fullest extent permitted by law for liabilities incurred while acting as an officer of OZ Minerals, any of its controlled entities and any outside entity, where such an office is held at the request of the Company. Under these indemnities, the Company meets the legal costs incurred by Company officers in responding to investigations by regulators.

Employees

The Consolidated Entity has a policy that it will, as a general rule, support and hold harmless an employee who, while acting in good faith, incurs personal liability to others as a result of working for the Consolidated Entity.

Auditor

No indemnity has been granted to an auditor of the Consolidated Entity in their capacity as auditors of the Consolidated Entity.

Warranties and indemnities

The Company has given certain warranties and indemnities to the purchasers of assets and businesses that have been sold. Warranties have been given in relation to various matters including the sale of assets, taxes and information. Indemnities have also been given by the Consolidated Entity in relation to matters including compliance with law, environmental claims, and failure to transfer or deliver all assets and payment of tax.

Notification was received from one of the purchasers for a possible claim under one of the indemnities. The Company is disputing this notification. OZ Minerals is not in a position to calculate a sufficiently reliable estimate of any possible obligation, if found to exist, but in any event it is unlikely to be significant to the financial position of the Consolidated Entity.

Tax related contingencies

The Consolidated Entity is subject to the ATO's routine program of tax reviews and audits. The Consolidated entity may also be subject to routine tax reviews and audits in overseas jurisdictions. The final outcome of any tax review or audit cannot be determined with an acceptable degree of reliability. The Consolidated Entity believes that it is making adequate provision for its taxation liabilities and is taking reasonable steps to address potentially contentious issues with the ATO and tax authorities in overseas jurisdictions. However there may be an impact on the Consolidated Entity if any revenue authority review or audit results in an adjustment that increases the Consolidated Entity's taxation liabilities.

Stamp duty refund

OZ Minerals has a contingent asset of $7.5 million refund of stamp duty which is before the Supreme Court of Western Australia, Court of Appeal. The initial judgement favourable to OZ Minerals has been appealed by the West Australian Office of State Revenue. The refund of the stamp duty is a possible asset at 30 June 2013 and being dependent on the final Court ruling, has not been recognised as an asset at 30 June 2013.

Other

OZ Minerals Limited and its controlled entities are defendants from time to time in other legal proceedings or disputes, arising from the conduct of their businesses. OZ Minerals does not consider that the outcome of any of these proceedings or disputes is likely to have a material effect on the Company's or the Consolidated Entity's financial position.

12 Matters subsequent to the end of the financial period

Since the end of the financial period, the Board of Directors has resolved to pay an unfranked dividend of 10 cents per share, to be paid on 25 September 2013. The record date for entitlement to this dividend is 11 September 2013. The financial impact of this dividend amounting to $30.3 million has not been recognised in the Financial Statements for the half-year ended 30 June 2013 and will be recognised in subsequent Financial Statements.

There have been no other events that have occurred subsequent to the reporting date which have significantly affected or may significantly affect the Consolidated Entity's operations, results or state of affairs in future periods.

13 Write-down of assets

The Consolidated Entity recognised asset write-downs of $231.9 million (post-tax) at 30 June 2013, comprising inventory net realisable value write-down of $74.4 million (post-tax) and impairment of property, plant and equipment of $157.5 million (post-tax). Total pre-tax asset write-downs at 30 June 2013 were $331.3 million.

Inventory net realisable value write-down

Inventory is recognised at the lower of cost and net realisable value.

Pursuant to inventory net realisable value assessment, the Consolidated Entity recognised an inventory write-down of $106.3 million (post-tax $74.4 million) in respect of gold ore stockpiles at 30 June 2013.

Net realisable value was calculated as the estimated future sales price of the concentrate that the Consolidated Entity expects to realise when the gold ore is processed and sold, less estimated costs to convert the gold ore to concentrate.

Impairment of property, plant and equipment

	$m
Carrying amount as at 1 January 2013 - restated	1,363.8
Increase in deferred mining	112.7
Additions - other	59.7
Depreciation expense	(111.0)
Sub-total	1,425.2
Impairment of property, plant and equipment	(225.0)
Carrying amount as at 30 June 2013	1,200.2

The Consolidated Entity performs an impairment assessment when there is an indication of possible impairment. A detailed impairment assessment was performed at 30 June 2013, which was triggered by the fall in the Consolidated Entity's market capitalisation below its net assets value.

The circumstances which have led to the impairment write-down are due to a combination of factors, including lower expected prices for copper and gold in the near term, offset by lower Australian dollar to US dollar exchange rates. In addition, asset carrying values were higher as a result of the capitalisation of work towards developing the new Malu Underground mine, deferred waste movements in the Malu open pit, and remediation of the south wall overburden slip in the open pit. Pursuant to the detailed assessment, an impairment loss of $225.0 million (post-tax $157.5 million) was recognised in relation to the Prominent Hill cash-generating unit. Refer Note 2 to the Consolidated Interim Financial Statements for description of Prominent Hill operations.

The impairment assessment was performed on a value in use basis using an internal valuation based on Board approved budgets and mine plans, using a real post-tax discount rate of ten percent (fifteen percent real pre-tax). In assessing the recoverable amount of the Prominent Hill mine, the Consolidated Entity made a number of significant assumptions, including assumptions regarding commodity prices, foreign exchange rates and risk adjustments to future cash flows. Commodity prices, exchange rates, reserves and resources, and expectations regarding future operating performance can change significantly over short periods of time, which can have a significant impact on the carrying amount of assets. The Consolidated Entity considered information available from industry analysts and commentators in relation to short and long-term commodity prices and forward exchange rates.

14 Application of AASB Interpretation 20

AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* and AASB 2011-12 Amendments to Australian Accounting Standards - arising from AASB Interpretation 20 applies to annual reporting periods beginning on or after 1 January 2013. The Consolidated Entity applied these interpretations which are mandatory from 1 January 2013, with retrospective adjustments from 1 January 2012 as required by the transitional provisions of AASB Interpretation 20.

Previously, the Consolidated Entity deferred production stripping costs where this was considered to be the most appropriate basis for matching the cost against the related economic benefits. The amount of stripping costs deferred was based on the life of mine average strip ratio calculated by dividing the total tonnage of waste expected to be mined over the ore extracted for the life of mine. Production stripping costs incurred in the period were deferred to the extent that the current period actual strip ratio exceeded the life of the mine average strip ratio. Such deferred costs were then charged to the Income Statement through the caption 'consumables and other direct costs' when the actual strip ratio in any period fell below the life of mine average strip ratio.

In accordance with AASB Interpretation 20, the Consolidated Entity has adopted the following accounting policy and now capitalises production stripping costs to the extent they provide access to ore expected to be mined in the future. The deferred mining balance is subsequently amortised on a unit of production basis over the expected useful life of the component of the ore body that becomes directly accessible as a result of the production stripping. If the mining costs are not separable between ore and waste mining, costs are allocated on the basis of the relative volume of waste which exceeds the waste to ore stripping ratio of the particular component.

A component is a specific part of the ore body that is made more accessible as a result of the stripping activity. The Consolidated Entity determines the component of an ore body based on mine plans and regularly reviews those plans for any changes. Any changes are applied prospectively.

On transition the Consolidated Entity undertook an assessment of the stripping asset in existence at 1 January 2012 and determined that the asset could be attributed to future production of ore from the identified components. As a result no adjustment was made to the stripping asset on transition. The initial application of AASB Interpretation 20 resulted in restatement of certain prior period balances as presented below.

	6 months to 30 June 2012		
Consolidated Interim Income Statement For the half-year ended 30 June 2012	**Previously Reported $m**	**Adjustments $m**	**Restated $m**
Revenue from sale of concentrates	514.8	–	514.8
Net gain on sale of assets in Cambodia	18.8	–	18.8
Other income	6.4	–	6.4
Net foreign exchange gains	2.2	–	2.2
Changes in inventories of ore and concentrate	(19.4)	(2.3)	(21.7)
Consumables and other direct costs	(146.1)	8.6	(137.5)
Employee benefit expenses	(41.8)	–	(41.8)
Exploration and evaluation expenses	(47.7)	–	(47.7)
Freight expenses	(25.3)	–	(25.3)
Royalties expense	(8.2)	–	(8.2)
Share of net loss of investment in Toro	(1.4)	–	(1.4)
Depreciation and amortisation expenses	(74.1)	(6.3)	(80.4)
Other expenses	(27.3)	–	(27.3)
Profit before net financing income and income tax from continuing operations	150.9	–	150.9
Financing income	13.2	–	13.2
Financing expenses	(1.8)	–	(1.8)
Net financing income	11.4	–	11.4
Profit before income tax from continuing operations	162.3	–	162.3
Income tax expense	(42.8)	–	(42.8)
Profit for the financial period attributable to equity holders of OZ Minerals Limited	119.5	–	119.5

Consolidated Interim Balance Sheet As at 31 December 2012	31 December 2012 Previously Reported $m	Adjustments $m	Restated $m
Current assets			
Cash and cash equivalents	659.0	–	659.0
Trade and other receivables	171.7	–	171.7
Inventories	166.3	(4.0)	162.3
Current tax asset	5.1	–	5.1
Prepayments	5.9	–	5.9
Total current assets	1,008.0	(4.0)	1,004.0
Non-current assets			
Inventories	92.2	(2.2)	90.0
Investments accounted for using the equity method	27.4	–	27.4
Investments in equity securities	288.6	–	288.6
Intangible assets	252.2	–	252.2
Lease receivables	59.6	–	59.6
Property, plant and equipment	1,357.6	6.2	1,363.8
Total non-current assets	2,077.6	4.0	2,081.6
Total assets	3,085.6	–	3,085.6
Current liabilities			
Trade and other payables	108.3	–	108.3
Provisions	8.2	–	8.2
Total current liabilities	116.5	–	116.5
Non-current liabilities			
Deferred tax liabilities	162.1	–	162.1
Provisions	21.1	–	21.1
Total non-current liabilities	183.2	–	183.2
Total liabilities	299.7	–	299.7
Net assets	2,785.9	–	2,785.9
Equity			
Issued capital	2,058.9	–	2,058.9
Retained earnings	728.0	–	728.0
Treasury shares	(4.4)	–	(4.4)
Foreign currency translation reserve	3.4	–	3.4
Total equity attributable to equity holders of OZ Minerals Limited	2,785.9	–	2,785.9

	6 months to 30 June 2012		
Consolidated Interim Statement of Cash Flows For the half-year ended 30 June 2012	Previously Reported $m	Adjustments $m	Restated $m
Cash flows from operating activities			
Receipts from customers	408.2	–	408.2
Payments to suppliers and employees	(239.8)	8.6	(231.2)
Payments for exploration and evaluation	(47.7)	–	(47.7)
Income taxes paid	(6.5)	–	(6.5)
Financing costs and interest paid	(1.2)	–	(1.2)
Interest received	13.6	–	13.6
Net cash inflows from operating activities	126.6	8.6	135.2
Cash flows from investing activities			
Payment for property, plant and equipment	(134.1)	(8.6)	(142.7)
Proceeds from disposal of assets in Cambodia	7.8	–	7.8
Payment for acquired lease assets	(34.1)	–	(34.1)
Refund for acquired intangible assets - Carrapateena	0.5	–	0.5
Net cash outflows from investing activities	(159.9)	(8.6)	(168.5)
Cash flows from financing activities			
Dividends paid to shareholders	(94.3)	–	(94.3)
Payments on share buy-back	(100.1)	–	(100.1)
Net cash outflows from financing activities	(194.4)	–	(194.4)
Net decrease in cash held	(227.7)	–	(227.7)
Cash and cash equivalents at 1 January	886.1	–	886.1
Effects of exchange rate changes on foreign currency denominated cash balances	(7.3)	–	(7.3)
Cash and cash equivalents at the end of the financial period	651.1	–	651.1

15 Deregistration of controlled entities

The following entities were deregistered during the half-year ended 30 June 2013 and as a result are no longer controlled by the Consolidated Entity:

- OZ Minerals Finance (Holdings) Pty Ltd
- OZ Minerals Finance Pty Ltd
- OZ Minerals Golden Grove (Holdings) Pty Ltd
- OZ Minerals Reliance Exploration Pty Ltd
- OZ Minerals Mexico SA de CV

DIRECTORS' DECLARATION

Directors' Declaration

1. In the opinion of the directors of OZ Minerals Limited ('the Company'):

   (a) the Financial Statements and notes set out on pages 12 to 27 are in accordance with the *Corporations Act 2001,* including:

      (i) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2013 and of its performance for the half-year ended on that date; and

      (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and payable.

Signed in accordance with a resolution of the directors.

Neil Hamilton

Chairman
Melbourne
14 August 2013

Terry Burgess

Managing Director and Chief Executive Officer
Melbourne
14 August 2013

Independent auditor's review report to the members of OZ Minerals Limited

We have reviewed the accompanying half-year financial report of OZ Minerals Limited, which comprises the consolidated balance sheet as at 30 June 2013, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Consolidated Entity comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410), in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of OZ Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT AUDITOR'S REVIEW REPORT - CONTINUED

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of OZ Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Michael Bray

Partner
Melbourne
14 August 2013