



Media Release

ASX: OMH

1 May 2008

OMH GROUP ON TRACK FOR RECORD A\$80M FIRST HALF PROFIT FOLLOWING RECORD MARCH QUARTER *UNPRECEDENTED FINANCIAL PERFORMANCE FROM ALL BUSINESS UNITS*

OM HOLDINGS LIMITED

(ARBN 081 028 337)

ASX code: OMH

Share price: \$3.26
(close of trade on 30 April 2008)

Market capitalisation: ~\$800M

Ordinary shares on issue: 234.023M
Unlisted Options: 12.784M

Board

Non Executive Chairman
Mr John Raubenheimer

Director, CEO
Mr Low Ngee Tong

Non-Executive Director
Ms Julie Anne Wolseley

Non Executive Director
Mr Ong Beng Chong

Non Executive Director
Mr Tan Peng Chin

Top Shareholders

Board/Management 21%
Strategic Partners 14%
HSBC Custody Nom. 12%
Zero Nominees Pty Ltd 8%
Top 20 Shareholders 77%

HIGHLIGHTS

- Forecast consolidated June half yearly net profit of >A\$80M.
- Outstanding operational performance by Australian manganese mine, Qinzhou smelter in China and metal trading operations.
- Bootu Creek Manganese Mine, Northern Territory:
 - **48% increase in quarterly production to 183,046t @ 42.3% Mn**
 - **Strong quarter underpins 700,000tpa production target.**
 - **43% increase in manganese Ore Reserves to 10.3mt @ 24.5% Mn.**
 - **Expected mine life of 8.5 years at 700,000tpa.**
- Qinzhou Smelter, China
 - **Record production of 10,291t of High Carbon Ferro Manganese.**
 - **Forecast annual record production of 41,200t of HC FeMn for 2008.**

OM Holdings Limited (ASX: OMH – “OMH”) has forecast a consolidated net profit for the half year to 30 June 2008 of **no less than A\$80 million** after delivering its strongest ever financial and operational performance during the March 2008 Quarter.

The diversified ASX-listed commodity trading, metals and mining house today (**Thursday**) reported outstanding March quarterly results with the production performance from its 100%-owned **Bootu Creek Manganese Mine** in the Northern Territory, **Qinzhou Smelter** (China) and **the metal trading operations** all exceeding quarterly operational milestones.

OMH Group's CEO, Mr Low Ngee Tong, said the March 2008 Quarter demonstrated a period of unprecedented financial performance from all business units, with all of its business units delivering strong results in an environment of record demand and prices for manganese ore and alloys underpinned by China's continued expansion.

“Despite the volatility within financial markets, the long-term fundamentals underpinning the market for manganese remain very positive and continue to be driven by the strong growth of the Chinese economy,” Mr Low commented.

“The outstanding contributions from all business units in the March Quarter is expected to be consistent and sustainable throughout 2008, and the Group is on target to generate a consolidated net profit of at least A\$80 million for the half year to 30 June 2008,” he continued.

Total manganese production from the Group's 100%-owned Bootu Creek increased by 48% quarter-on-quarter to **183,046 tonnes at 42.3% Mn** – 34% above design capacity and 5% above the targeted 175,000 tonnes per quarter production rate for the Bootu Creek operation.

The Company's 100% owned Qinzhou Smelter in Guangxi, China also delivered record quarterly production of 10,291 tonnes of High Carbon Ferro Manganese (HC FeMn), 17% above budget despite having only one furnace operating throughout the quarter. This represented a 16% increase on the December 2007 Quarter production of 8,898 tonnes.

OM Materials (S) Pte Ltd, the Group's 100%-owned Singapore-based commodity trading operations delivered an outstanding trading and financial result for the March Quarter, with ore and alloy tonnages traded increasing by 27% compared with the previous Quarter and the manganese price continuing to rise, reflecting strong demand and worldwide production shortages.

"The Bootu Creek mine achieved a new monthly production record in March of 65,330 tonnes, with mining capacity continuing to be ramped up during the Quarter. This was an excellent quarterly production result which was assisted by lower than expected seasonal rainfall, an overall improvement in plant throughput rates as a result of recently completed modifications and higher product yields from ore mined from Stage 4 of the Shekuma Pit," commented the Managing Director of OM (Manganese) Ltd, Mr Paul Thomas.

"Importantly, we are also demonstrating the capacity of the infrastructure to accommodate increased production volumes, with a record 60,261 tonnes of ore railed from Bootu Creek to Darwin in March and a total of 161,939 tonnes railed for the March Quarter," he added. March was a monthly record with manganese ore exports of 89,169 tonnes loaded onto three vessels.

"Our ability to successfully shift additional volumes via the existing rail and port facilities is the key to our longer-term growth plans for the Bootu Creek operation," Mr Thomas said. OMM is continuing to work on increasing production to a sustainable rate of 700,000 tonnes per annum (tpa), with the March Quarter performance exceeding the required quarterly production target of 175,000 tonnes to achieve this. The operation produced 516,448 tonnes at 42.2% Mn during the 2007 financial year.

Other highlights of the Quarter included a 43% increase in manganese Ore Reserves to 10.3 million tonnes at 24.5% Mn and a 12% increase in Mineral Resources, net of production for 2007, to 17.75 million tonnes at 25.7% Mn.

Mr Thomas said the current life-of-mine plan would support a mine life of 8.5 years at the increased 700,000tpa production rate, with further expansion above this level to be driven by exploration success. In this regard, the Company has commenced an expanded 2008 exploration program, with a budget of more than A\$7 million allocated to further extend the mine life and reinforce Bootu Creek's potential as a world-class, long-life asset.

The Bootu Creek operations continued to benefit from the strength in global manganese prices, with its realised price per tonne of ore sold increasing by 31%. Unit cash operating costs were A\$3.83/dmtu produced, compared with A\$4.16/dmtu for the December 2007 Quarter despite the effect of additional operational costs arising from accelerated mining activities.

Commenting on the outlook for the manganese market, Mr Low said: "China produced approximately 490 million tonnes of crude steel in 2007 and is scheduled to increase its output in 2008 to approximately 520 million tonnes. Therefore China is estimated to require 7.5 to 8 million tonnes of imported manganese ore and will not find it easy to produce such a quantity of high-grade ore within the current global market.

In other Quarterly highlights, the OM Holdings Group declared a final dividend of 4 cents per share which will be paid on 30 May 2008. The Company also confirmed that it was actively progressing the application process for its proposed secondary listing on the Main Board of the Hong Kong Stock Exchange which is expected to be completed in early July 2008. See *attached Market Update for full details*.

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