

OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 10 Covering Letter
15 Appendix 4E – Preliminary Final Report

23 February 2009

Company Announcements Office
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/ Madam

RECORD ANNUAL CONSOLIDATED NET PROFIT OF A\$115.6 MILLION AND FINAL DIVIDEND OF 3 CENTS PER SHARE

The Board of OM Holdings Limited and its subsidiaries (ASX Code: OMH) is pleased to announce a **record consolidated net profit after tax and minority interests of A\$115.6 million for the year ended 31 December 2008**. A final dividend of **A\$0.03 per share** has been declared taking the full year dividend to **A\$0.065 per share**.

The outstanding result reflects the continued operational and financial strengths of OMH's key mining, marketing and ferro alloy business units throughout 2008 and demonstrates the future operational growth and financial capability of all these business units into 2009:

HIGHLIGHTS

Financials

- **98% increase in 2008 sales revenue to A\$574.1 million** of which A\$288.9 million (50.3% of total sales) was derived in the second half of 2008 despite the suspension of product shipments throughout fourth quarter of 2008
- **Consolidated net profit after tax and minority interests of A\$115.6 million** for the year ended 31 December 2008
- **Consolidated cash flows from operations of A\$151.8 million** (before interest and tax) generated in 2008
- **EBIT margin and Return on Capital Employed of 23.4% and 53.5%**
- **Final dividend of A\$0.03 per share** declared taking the **full year dividend to A\$0.065 per share**
- **Basic EPS increased to A\$0.25** (from A\$0.14) per share and net tangible asset backing per share increased to **A\$0.52** (from A\$0.36)
- **Cash reserves of A\$119.3 million** (including cash collateral of A\$22.3 million as at 31 December 2008)

Production & Exploration

- Continued strong operational performance delivered by the Bootu Creek Manganese Mine (Australia) with **record 2008 production of 672,580 tonnes at 41.9% Mn**
- 91,764 metres of RC drilling and 2,851 metres of diamond drilling completed as part of A\$10 million exploration budget for 2008 at the Bootu Creek Manganese Mine
- **Preliminary assay results indicatively support a substantial increase to the December 2007 Mineral Resource base of 17.75 million tonnes at 25.7% Mn** with the updated Mineral Resource inventory expected to be released within the next few weeks
- **Record annual production of 45,511 tonnes of HCFeMn alloy** by OM Materials (Qinzhou) Co Ltd ("OMQ") during calendar 2008

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Marketing and Trading

- **Record shipments of 530,442 wet tonnes (508,370 dry tonnes)** of high grade product shipped by OMM during calendar year 2008
- OM Materials (Singapore) Pte Ltd ("OMS") marketing and trading activity was **818,519 tonnes during 2008**

Operational and Market Outlook

- **In excess of 150,000 tonnes of contracted sales secured for January to March 2009 Quarter**, reflecting the recovery in manganese alloy and ore demand in China during Q1 2009 despite the continuing volatile and uncertain global market outlook
- OMM's 2009 operating strategy to focus on ensuring **maximum production flexibility and optionality** by preparing and executing a revised mine plan following the release of the updated Mineral Resource inventory, accelerated pre-stripping and ROM stockpile building, maximising commercial outcomes from the processing of high and low grade ROM stockpiles, the commissioning of the rejects re-treatment plant, the **exploration of the highly prospective Helen and Renner Springs projects**, the preparation of the feasibility study for the **mine's expansion case** and ongoing **operating improvements and cost control initiatives**.
- OMM to complete its existing forward exchange contract obligations by May 2009
- OMQ's 2009 operating strategy to focus on **commissioning** the technically, commercially and strategically significant **sinter plant project during Q4 2009** as well as continuing with its ongoing operational improvements and cost control initiatives

OM HOLDINGS LIMITED – GROUP KEY FINANCIAL RESULTS

A\$ million	Year Ended 31 December 2008	Year Ended 31 December 2007	Variance %
Total Ore Sales (tonnes)	836,343	941,440	-11
Total Alloy Sales (tonnes)	78,999	89,791	-12
Total sales	574.1	290.5	+98
Gross profit	243.1	109.9	+121
Gross profit margin (%)	42.3%	37.8%	-
Other income	3.0	1.1	+173
Net gain on sale of marketing rights	-	7.8	-
Distribution costs	(38.8)	(29.1)	+33
Administration & other operating costs	(28.5)	(12.4)	+130
Depreciation/amortisation	(8.8)	(9.0)	-2
Exploration expenditure	(11.9)	(3.6)	+231
IFRS adjustments - share based option transactions	(13.6)	(2.8)	+386
Mine properties impairment written back	9.7	-	-
Exchange gains (losses)	(19.8)	1.8	-1100
Operating profit before interest and tax	134.4	63.7	+111
Interest expense	(1.0)	(1.8)	-44
Income tax	(17.5)	(4.6)	+280
Minority interests	(0.3)	(0.4)	-
Operating profit after tax attributable to members	115.6	56.9	+103



FINANCIAL ANALYSIS

The consolidated revenue for the year ended 31 December 2008 was A\$574.1 million representing an increase of 98% compared to the year ended 31 December 2007. Operating revenue in the 2008 year was positively impacted by the favourable price trend of manganese ore and alloys which peaked at record levels in the third quarter of 2008 despite the suspension of product shipments in the fourth quarter of 2008.

The OMH Group's gross profit margin increased from 37.8% in 2007 to 42.3% in 2008. The significant increase was attributable to strong manganese prices during the first three quarters of 2008.

Other income of A\$3.0 million in 2008 comprised mainly interest income.

Distribution costs increased by 33% from A\$29.1 million in 2007 to A\$38.8 million in 2008, due to an increase in worldwide unit shipping costs (including fuel). Total distribution costs as a percentage of revenue in 2008 accounted for approximately 6.8%, which was lower than the previous year due to the impact of significant price increases derived in 2008.

Total administrative and other operating costs increased from A\$12.4 million in the year of 2007 to A\$28.5 million in 2008, due predominantly to higher employee related expenses across all entities within the OMH Group (including the performance related bonuses awarded to executive management and employees and sign-on fees related to the incoming CEO and CFO), legal costs associated with litigation against the process design engineers responsible for the Bootu Creek processing facility and withholding tax on interest income earned in Australia.

Depreciation and amortisation charges of A\$8.8 million primarily related to the Bootu Creek Manganese Mine.

Exploration expenditure of A\$11.9 million was fully expensed in 2008 and comprised A\$9.4 million at the Bootu Creek Manganese Mine and A\$2.5 million at the Company's Madagascar and Papua New Guinea based chromite projects.

The indicators associated with the previous impairment write down associated with the Bootu Creek Manganese Mine for the year ended 31 December 2006 no longer exist; as a consequence, an impairment write-back of A\$9.7 million was recorded in 2008.

A total of A\$13.6 million was expensed in 2008 in accordance with the IFRS requirement to reflect the valuation of share based unlisted options which vested to Directors and employees during the year 2008.

Exchange losses of A\$19.8 million were recorded in 2008 and comprised exchange losses of A\$22.2 million from OMM due to the close out of forward exchange contracts in November and December 2008 and the close out of OMM's longer dated foreign exchange contracts covering the period 30 June 2009 to 31 December 2009. This was offset by exchange gains of A\$2.4 million recorded by other OMH Group companies.

Taxation expense increased from A\$4.6 million to A\$17.5 million in 2008 due to the significant increase in the consolidated profit before tax recorded by all business units driven by strong operating and financial performance. During 2008, OMM consumed prior period carry forward tax losses and recorded its maiden tax expense of A\$11.2 million. Future tax expense to be incurred by OMM is expected to be charged at the Australian statutory tax rate of 30%.

The OMH Group operating result equated to a basic earnings per share of A\$0.25 in 2008 compared to A\$0.14 in 2007. The net tangible asset backing per share was A\$0.52 per share at 31 December 2008 compared to A\$0.36 per share at 31 December 2007.



Dividend

Due to the excellent operating and financial performance generated by the mining, processing and marketing business units, the Board has declared a final dividend of A\$0.03 per share which is payable on 29 May 2009, with a Record Date for entitlements of 24 April 2009. This takes the total dividend for 2008 to A\$0.065 per share (including the interim dividend of A\$0.035 which was paid on 17 October 2008).

Results Contributions

The operating subsidiaries' contributions to the OMH Group's result for 2008 were as follows:

A\$ million	Year ended 31 December 2008	Year ended 31 December 2007
OM (Manganese) Ltd ("OMM")	48.8	7.7
OM Materials (S) Pte Ltd ("OMS")	48.1	42.2
OM Materials (Qinzhou) Co Ltd ("OMQ")	19.5	11.3
OM Holdings Limited ("OMH")	(1.1)	(4.7)
Liaoyang International Boron Alloy Co Ltd ("LFB")	0.3	0.4
Operating profit after tax attributable to members	115.6	56.9

OMM recorded a record operating profit after tax of A\$48.8 million, which included an impairment write back of A\$9.7 million, an amortisation/depreciation charge of A\$7.5 million, the expensing of exploration expenditure of A\$9.4 million and exchange losses of A\$22.2 million. The significant contribution of this business unit reflected the strong operational performance of the Bootu Creek Manganese Mine throughout 2008, resulting in the production of 672,580 tonnes for the full year compared to 516,448 tonnes for the previous year and continued price increases over the first three quarters. C1 unit production costs for 2008 were A\$4.06/dmtu compared to A\$3.03/dmtu for 2007, predominantly due to higher mining costs associated with the increased volume of material mined in 2008 (approximately double that mined in 2007).

OMS achieved a record operating profit after tax of A\$48.1 million. This was mainly attributable to increases in manganese ore and alloy prices throughout the first three quarters of 2008, secured at greatly enhanced margins and record production from the Bootu Creek Manganese Mine. Sound marketing and trading strategies enabled OMS to take advantage of a robust market and achieve a preferential strategic balance between long term and spot contracts.

OMQ achieved a record operating profit after tax of A\$19.5 million which represented a 73% increase compared to the previous year. This outstanding result was attributable to the strong market demand and high prices secured for HC FeMn produced as well as the OMQ operation producing 45,511 tonnes of HC FeMn compared to 38,101 tonnes for 2007. Overhead and administrative costs were 29% less than budget for 2008.

FINANCIAL POSITION

With the strong operating result generated across the entire OMH Group, total cash and bank balances (including cash collateral of A\$22.3 million) increased to A\$119.3 million as at 31 December 2008 compared to A\$24.4 million as at 31 December 2007.

Inventories increased from A\$51.0 million as at 31 December 2007 to A\$86.3 million as at 31 December 2008. The increase was due primarily to the suspension of product shipments in the fourth quarter of 2008. High grade product inventories as at year end will allow the Group to mitigate the production impact of the wet season in the Northern Territory, support a change in operating strategy to increase pre-stripping activity, build a more substantial ROM stockpile during 2009 and respond to improving demand conditions in a timely manner.



Financial assets available for sale comprised the investment holding of 28.7 million shares in Territory Resources Limited, an ASX-listed iron ore producer. This investment was valued at A\$4.4 million at 31 December 2008 based upon a market price of A\$0.155 per share. This compared to a value of A\$40.2 million at 31 December 2007, based upon a market price of A\$1.38 per share.

Capitalised mine development costs increased from A\$12.4 million as at 31 December 2007 to A\$20.4 million as at 31 December 2008 due primarily to the reinstatement of A\$9.7 million of costs associated with the previous impairment write-back, offset by amortisation for the year.

Payables including trade and other payables increased from A\$41.7 million as at 31 December 2007 to A\$63.6 million as at 31 December 2008. The increase was primarily due to recording the mark-to-market value of forward exchange contracts outstanding at balance date, accruals and other payables.

Total borrowings decreased from A\$6.0 million as at 31 December 2007 to A\$2.2 million as at 31 December 2008. The final balance of OMM's Bootu Creek Manganese Mine's project financing facility was repaid early in first quarter of 2008. The borrowings at 31 December 2008 relate to a working capital facility at the LFB operation which has been operating for a number of years.

Hedging

As at 31 December 2008, OMM had outstanding forward exchange contracts which totalled US\$61 million at an average exchange rate of 0.8258 and had placed funds on deposit totalling A\$17.5 million to cover the mark-to-market shortfall with the hedge facility provider.

Capital Structure

At the Company's Annual General Meeting, held on 30 May 2008, Shareholders approved the subdivision of the Company's issued capital on the basis that every one ordinary share be subdivided into two ordinary shares and that options on issue be adjusted in accordance with the ASX Listing Rules.

During 2008 an additional 22,634,000 ordinary shares were issued arising from the exercise of unlisted options.

During 2008 47,000,000 unlisted options were issued (which had previously been approved by Shareholders at a General Meeting held on 23 September 2008) and a further 9,650,000 options were issued to employees under the Company's Employee Share Option Plan. A total of 460,000 unlisted options lapsed during 2008.

As at 31 December 2008, the Company had 477,579,150 ordinary shares and 72,226,000 unlisted options on issue.

On 8 October 2008 the Company announced it had commenced the implementation of its on-market share buy-back program. The Company instigated this capital management initiative as the Board considered the prevailing market price of OMH shares did not reflect the underlying value, strong earnings and future potential of the OMH Group assets.

As at 31 December 2008 the Company had bought back 983,295 shares at a cost of approximately A\$1 million. Under Bermudan law the Company is able to retain these shares as "treasury shares". Whilst the Company holds such "treasury shares" the rights with respect to those shares eg, voting, entitlements to dividends and distributions are temporarily suspended.



OPERATING PERFORMANCE

Key production statistics from the Bootu Creek Manganese Mine for 2008 are summarised below:

	Unit	FYTD 2008	FYTD 2007
Mining			
Total Material Mined	BCMs	9,146,673	4,422,273
Ore Mined – tonnes	dt	2,018,023	1,391,083
Ore Mined – Mn grade	%	24.44	24.92
Closing ROM Stocks – tonnes	dt	34,286	86,315
Closing ROM Stocks – Mn grade	%	21.78	21.50
Production			
Lumps – tonnes	dt	509,502	383,855
Lumps – Mn grade	%	41.77	42.01
Fines – tonnes	dt	163,078	132,593
Fines – Mn grade	%	42.25	42.71
Total Production – tonnes	dt	672,580	516,448
Total Production – Mn grade	%	41.89	42.19
Sales			
Lumps – tonnes	dt	396,692	376,577
Lumps – Mn grade	%	42.14	42.37
Fines – tonnes	dt	111,678	126,687
Fines – Mn grade	%	42.21	43.16
Total Sales – tonnes	dt	508,370	503,265
Total Sales – Mn grade	%	42.16	42.57

Systematic improvements to various aspects of mining and processing operations carried out over the 2008 calendar year contributed to a record production of 672,580 tonnes at an average grade of 41.9% Mn for 2008. The process plant performance throughout the year demonstrated that an annualised production rate of 700,000 tonnes is achievable, well in excess of the designed plant production rate of 550,000 tonnes per annum.

C1 Unit cash operating costs for the financial year ended 31 December 2008 were A\$4.06/dmtu compared to A\$3.03/dmtu for 2007 due to higher mining costs associated with the increase of total material mined from 4.4 million bcm in 2007 to 9.1 million bcm in 2008.

OMM successfully concluded its A\$10 million 2008 exploration program to significantly expand the December 2007 Mineral Resource and Ore Reserve inventory, and to undertake reconnaissance exploration on its adjacent extensive exploration licences. Preliminary results returned from the planned delineation drill program have been very encouraging and will support a significant increase to the December 2008 Mineral Resource and Ore Reserve inventory which is currently in progress and is planned for publication during the coming weeks.

RC drilling for the 2008 year totalled 91,764 metres with 1,218 RC drill holes completed for the year. Diamond drilling for the 2008 year totalled 2,851 metres with 47 diamond drill holes completed during the year.

The 2,851 metre diamond drilling program (47 holes) was completed in November 2008 and metallurgical test work is currently being assessed on all recently outlined deposits. Initial results for the Tourag deposit are encouraging with results similar to the deposits currently being mined on the east side of the Bootu Creek syncline. The geology and mineralogy of the Masai and Yaka deposits appear very similar to the Tourag deposit.

Grass roots exploration on the Renner and Helen Springs projects has included a detailed aeromagnetic survey over all granted tenure and initial RC reconnaissance drilling adjacent to known outcrops.



In light of the success and extent of the 2008 exploration program, the 2009 exploration budget has been approved at A\$4 million with a focus on the highly prospective Renner and Helen Springs projects where manganese mineralisation was encountered in several of the RC holes.

OMQ's total annual output to a record 45,511 tonnes of HCFeMn for the 2008 calendar year.

Production at the Qinzhou smelter for the year is summarised below:

	FYTD 2008 Tonnes	FYTD 2007 Tonnes
Product (tonnes)		
High Carbon Ferro Manganese ("HCFeMn")	45,511	38,101

2009 OPERATING AND MARKET OUTLOOK

In response to prevailing market conditions OMM's first half 2009 production rate is expected to operate at 500,000 tonnes per annum capacity. With a reduced first half production target and improved mining capability the subsequent rebuilding of ROM stockpiles in the first half of 2009 is anticipated to provide capacity to return to production of 700,000 tonnes per annum with improved product yield and metal recovery performance, once market conditions improve.

The additional production capability from commissioning of the rejects re-treatment plant scheduled during the December 2009 Quarter is expected to enable production to reach an annualised rate of 850,000 tonnes heading into 2010. During the March 2009 Quarter the detailed design of the rejects re-treatment plant and the installation and commissioning of new conveyors for the rejects stockpiling will be completed. This will enable the rejects plant construction to be progressed without further interruption to the operation of the existing processing plant.

The Company also considers it can significantly value add to its production in 2009 by implementing a number of further operational objectives. These measures include efficient management of its new mining contractor, optimising mine planning including prioritising processing of high grade ore, accelerated pre-strip activities, introducing further improvements to the processing plant and implementing further operating cost reduction strategies.

Exploration activity is expected to be limited during the March 2009 Quarter until the current wet season has passed. Annual exploration expenditure for 2009 is budgeted at A\$4 million focusing on the highly prospective Renner and Helen Springs projects, following the extent and success of the 2008 program.

The OMM expansion case feasibility study will also be progressed during 2009 following the release of the updated Mineral Resource inventory, with an objective of preparing the Bootu Creek Manganese Mine for the execution of a 1.5 million tonne per annum production case upon the sustained global recovery.

The technically, commercially and strategically significant OMQ sinter plant project is progressing on schedule and the feasibility study has been completed. Project commissioning is anticipated to occur in Q4 2009. Engineering work, site preparations for construction, civil works and the ordering of long lead-time items are progressing in order to ensure that project timeline deliverables are achieved.



The global economic, steel industry and steelmaking raw material market outlook remains volatile and uncertain for 2009. The return of market confidence in the manganese ore and alloy markets during 2009 will be driven, amongst others, by the interaction of the following factors:

- the timing and extent of the recovery of Chinese steel production and subsequent recovery of manganese alloy demand, with encouraging visible signs of improved demand and production appearing during Q1 2009. This has been demonstrated by OMS securing sales commitments in excess of 150,000 tonnes for the March 2009 Quarter;
- the speed of the continued depletion of the remaining high grade manganese ore stockpiles in Chinese ports;
- the full market impact of the announced high grade ore and alloy production cuts by major producers;
- the economic (including cost and cash flow) impact of the deteriorating market conditions on Chinese domestic and marginal seaborne producers following the lacklustre demand of the December 2008 Quarter and the recently announced significantly falling Q1 Quarterly benchmark price; and
- the resulting significant change of production and purchasing dynamics between domestic and seaborne, low grade and high grade and metallurgical and siliceous grade ores during the March 2009 Quarter and the remainder of 2009.

The Company had contracted a substantial percentage of its March 2009 Quarter manganese ore shipments at around the US\$7/dmtu (dry metric tonne unit) CIF China level immediately following the Chinese New Year holiday, on the basis of the prevailing Chinese domestic marketing clearing prices.

However, the February 2009 benchmark price announcement at a substantially lower level has forced the Company to renegotiate some of its contracted prices with its customers. While the first quarter benchmark price surprised the Company and many other market participants (given the supply-demand based market clearing prices prominently traded in China during January and February 2009), the March 2009 Quarter's benchmark price is expected to test the price elasticity of Chinese domestic and marginal seaborne manganese ore supply during the first half of 2009.

From a medium to long term steel and steelmaking raw material demand perspective the Company expects that China will continue to achieve growth and economic performance from ongoing industrialisation and urbanisation. This projected long-term trend will be supported in the short term by various aspects of the previously announced Chinese Government economic stimulus package, most of which are expected to involve high steel product demand intensity, assisted by reduced taxes and tariffs, interest rate cuts and improved availability of credit and trade financing.

OMH's focused production strategy, resource base, strong financial position, flexible marketing and trading strategies, customer relationships and unique capability to execute organic and inorganic growth opportunities continue to underpin its capability for substantial future shareholder value generation. A number of strategic external growth opportunities are also presently being assessed by the Company.



The Company's resource base continues to provide a strong foundation for the timely evaluation and execution of future production increases as soon as demand conditions recover. The Company will also continue to aggressively pursue inorganic growth opportunities that will allow it to diversify its product and geographical exposure in the steelmaking raw materials segment.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

Competent Person's Statement

The details contained in this report pertain to information compiled by Mr Craig Reddell, a full time employee of OM (Manganese) Ltd and who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Reddell 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 December 2004 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Reddell consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Forward-Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of OM Holdings Limited, that could cause actual results to differ materially from such statements. OM Holdings Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.



BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH listed on the ASX in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products and subsequently in processing ores into ferro-manganese intermediate products. The OMH Group now operates commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.

Through its wholly owned subsidiary, OM (Manganese) Ltd, OMH controls 100% of the Bootu Creek Manganese Mine (“Bootu Creek”) located 110 km north of Tennant Creek in the Northern Territory.

Bootu Creek has the capacity to produce 700,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 3,364 km².

Bootu Creek’s manganese product is exclusively marketed by the OMH Group’s own trading division with a proportion of the product consumed by the OMH Group’s wholly-owned Qinzhou smelter located in south west China.

Through its Singapore based commodity trading activities, OMH has established itself as a significant manganese supplier to the Chinese market. Product from Bootu Creek has strengthened OMH’s position in this market.

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Appendix 4E

Preliminary final report

Name of entity

OM HOLDINGS LIMITED

ABN or equivalent company reference	Financial year ended	Previous financial year ended
ARBN 081 028 337	31 December 2008	31 December 2007

1. Results for announcement to the market

		A\$'000		A\$'000	% up/(down)
Revenues from ordinary activities (<i>item 2.1</i>)	Up from	290,490	to	574,065	98%
Profit from ordinary activities after tax (<i>item 2.8</i>)	Up from	57,266	to	115,934	102%
Net profit for the period attributable to members (<i>item 2.12</i>)	Up from	56,864	to	115,632	103%

The consolidated financial statements of OM Holdings Limited ("OMH") are stated in Australian Dollars for the financial year ended 31 December 2008.

2. Consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Revenues from ordinary activities (see items 2.17 to 2.25)	574,065	290,490
2.2 Expenses from ordinary activities (see items 2.17 to 2.25)	(439,629)	(234,637)
2.3 Borrowing costs	(973)	(1,854)
2.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 8</i>)	-	-
2.5 Gain on disposal of marketing rights	-	7,823
2.6 Profit from ordinary activities before tax	133,463	61,822
2.7 Income tax on ordinary activities	(17,529)	(4,556)
2.8 Profit from ordinary activities after tax	115,934	57,266
2.9 Profit (loss) from extraordinary items after tax	-	-
2.10 Net profit	115,934	57,266
2.11 Net profit attributable to outside +equity interests	(302)	(402)
2.12 Net profit for the period attributable to members	115,632	56,864
Non-owner transaction changes in equity		
2.13 Net exchange differences recognised in equity	14,838	(5,921)
2.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)		
2.15 Total transactions and adjustments recognised directly in equity	14,838	(5,921)
2.16 Total changes in equity not resulting from transactions with owners as owners	130,470	50,943

Notes to the consolidated statement of financial performance

Revenue and expenses from ordinary activities

	Current period - \$A'000	Previous corresponding period - \$A'000
2.17 Details of relevant expenses	Please refer to accompanying ASX Announcement	Please refer to accompanying ASX Announcement
2.18 Amortisation of prepaid lease payment on land use rights	42	43
2.19 Amortisation of mine development costs	1,694	965
2.20 Contract provision	-	571
2.21 Depreciation on property, plant and equipment	7,017	8,001
2.22 Impairment of exploration expenditure	11,917	3,629
2.23 Impairment of mine development costs written back	(9,699)	-
2.24 Interest revenue	(2,726)	(1,021)
2.25 Staff costs (including directors' remuneration and retirement benefits scheme contributions)	23,589	13,466
Capitalised outlays		
2.26 Outlays capitalised in intangibles (unless arising from an acquisition of a business)		
- exploration and evaluation costs (see item 3.36)	11,917	3,629
- mine development cost (see item 3.44)	-	-

3. Consolidated statement of financial position

	At end of current period \$A'000	As shown in last annual report \$A'000
Current assets		
3.1	119,278	24,382
Cash (including cash collateral of A\$ 22,317,000 (2007 : A\$3,768,000))		
3.2	26,903	27,250
Receivables		
3.3	86,272	51,023
Inventories		
3.4	232,453	102,655
Total current assets		
Non-current assets		
3.5	4,443	40,243
Investments		
3.6a	-	-
Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)(see item 3.41)		
3.6b	20,384	12,379
Mine development costs		
3.7	70,090	59,686
Other property, plant and equipment (net)		
3.8	2,352	1,812
Prepaid lease payment on land use rights		
3.9	2,190	2,190
Intangibles (net)		
3.10	99,459	116,310
Total non-current assets		
3.11	331,912	218,965
Total assets		
Current liabilities		
3.12	63,642	41,658
Payables		
3.13	2,170	6,032
Interest bearing liabilities - borrowings		
3.14	-	-
Non-interest bearing liabilities - borrowings		
3.15	14,713	4,805
Tax liabilities		
3.16	-	-
Other		
3.17	-	-
Bank overdraft		
3.18	-	-
Hire purchase creditor		
3.19	80,525	52,495
Total current liabilities		
Non-current liabilities		
3.20	-	-
Hire purchase creditor		
3.21	-	5
Interest-bearing liabilities - borrowings		
3.22	657	298
Long term provision		
3.23	-	-
Trade and other payables		
3.24	657	303
Total non-current liabilities		
3.25	81,182	52,798
Total liabilities		
3.26	250,730	166,167
Net assets		

3. Consolidated statement of financial position (continued)

	Equity		
3.27	Capital/contributed equity	100,729	93,768
3.28	Reserves	22,371	33,993
3.29	Retained profits (see item 6)	125,078	36,597
3.30	Equity attributable to members of the parent entity	248,178	164,358
3.31	Outside ⁺ equity interests in controlled entities	2,552	1,809
3.32	Total equity	250,730	166,167
3.33	Preference capital included as part of item 3.30	N/A	N/A

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Notes to the consolidated statement of financial position

Exploration and evaluation expenditure capitalised

	At end of current period \$A'000	As shown in last annual report \$A'000
3.34 Opening balance	-	-
3.35 Exchange realignment	-	-
3.36 Expenditure incurred during current year (see item 2.28)	11,917	3,629
3.37 Expenditure written off during current year	-	-
3.38 Impairment adjustment	(11,917)	(3,629)
3.39 Expenditure transferred to mine development costs	-	-
3.40 Other	-	-
3.41 Closing balance as shown in consolidated balance sheet (item 3.6a)	-	-

Mine development costs

	At end of current period \$A'000	As shown in last annual report \$A'000
3.42 Opening balance	14,502	14,502
3.43 Exchange realignment	-	-
3.44 Expenditure incurred during current year (see item 2.28)	-	-
3.45 Impairment adjustment	9,699	-
3.46a Expenditure transferred from exploration and evaluation costs	-	-
3.46b Accumulated amortisation of mine development costs	(3,817)	(2,123)
3.47 Other	-	-
3.48 Closing balance as shown in consolidated balance sheet (item 3.6b)	20,384	12,379

4. Consolidated statement of cash flows

	Current period - \$A'000	Previous corresponding period- \$A'000	
Cash flows related to operating activities			
4.1	Profit before tax	133,463	61,822
4.2	Amortisation of mine development costs	1,694	965
4.3	Amortisation of prepaid lease	33	35
4.4	Amortisation of long term prepayments	9	8
4.5	Depreciation of property, plant and equipment	7,017	8,001
4.6	Equity-settled share-based payment	13,756	2,765
4.7	Exchange rate adjustments	17,300	(6,988)
4.8	Impairment of mine development costs written back	(9,699)	-
4.9	Loss on disposal of financial asset available for sales	58	-
4.10	Loss on disposal of property, plant and equipment	968	19
4.11	Provision for exploration and evaluation costs	11,917	3,629
4.12	Write down/(write back) of inventories to net realisable value	3,511	(492)
4.13	Interest expenses	973	1,854
4.14	Interest income	(2,726)	(1,021)
4.15	<i>Operating profit before working capital changes</i>	178,274	70,597
4.16	Increase in inventories	(38,760)	(15,612)
4.17	Decrease/(increase) in trade and bill receivables	8,252	(9,867)
4.18	Increase in prepayments, deposits and other receivables	(7,947)	(1,292)
4.19	Decrease in trade and bills payables	(2,837)	(6,759)
4.20	Increase/(decrease) in other payables and accruals	14,420	(133)
4.21	Increase in other long term liabilities	359	-
4.22	<i>Cash generated from operations</i>	151,761	36,934
4.23	Interest paid	(973)	(1,854)
4.24	Overseas tax paid	(7,934)	(35)
4.25	Net operating cash flows	142,854	35,045
Cash flows related to investing activities			
4.26	Payment for exploration and evaluation costs	(11,917)	(3,629)
4.27	Purchase of property, plant and equipment	(14,943)	(8,828)
4.28	Purchase of land use rights	-	(21)
4.29	Proceeds from disposal of property, plant and equipment	97	-
4.30	Proceeds from disposal of financial asset available for sales	61	-
4.31	Interest received	2,726	1,021
4.32	Net investing cash flows	(23,976)	(11,457)

4. Consolidated statement of cash flows (continued)

	Cash flows related to financing activities		
4.33	Dividend paid to minority shareholders	(74)	(178)
4.34	Dividend paid	(25,996)	(4,529)
4.35	Purchase of treasury shares	(1,006)	-
4.36	Net repayment from new bank and other loans	(3,867)	(22,618)
4.37	(Increase)/decrease in cash collateral	(18,549)	3,410
4.38	Proceeds from issue of shares, net of issue costs	6,961	16,504
4.39	Net financing cash flows	(42,531)	(7,411)
4.40	Net increase in cash held	76,347	16,177
4.41	Cash at beginning of period (see Reconciliation of cash)	20,614	4,437
4.42	Cash at end of period (see Reconciliation of cash item 4.49)	96,961	20,614

4.43 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (If an amount is quantified, show comparative amount.)

Nil

4.44 Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:

	Current period \$A'000	Previous corresponding period - \$A'000
4.45 Cash on hand and at bank (excluding cash collateral)	96,961	20,614
4.46 Deposits at call	-	-
4.47 Bank overdraft	-	-
4.48 Other (provide details)	-	-
4.49 Total cash at end of period (item 4.42)	96,961	20,614

5. Dividends (distributions)

	Amount per security	Franked amount per security
Final dividend	A\$ 0.03	N/A
Interim dividend	A\$ 0.035	N/A
Previous corresponding period – Final dividend	A\$ 0.04	N/A
– Interim dividend	A\$ 0.02	N/A
Date the dividend (distribution) is payable: Final : 29 May 2009 Interim : 17 October 2008		
Record date for determining entitlements to the dividend, (in the case of a trust, distribution) Final : 24 April 2009 Interim : 19 September 2008		
If it is a final dividend, has it been declared No (Only proposed)		

OM Holdings Limited has no dividend or distribution reinvestment plans.

6. Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
6.1 Retained profits at the beginning of the financial period	36,597	(15,279)
6.2 Net profit attributable to members (<i>item 2.12</i>)	115,632	56,864
6.3 Net transfers from (to) reserves (<i>details if material</i>)	(1,155)	(459)
6.4 Net effect of changes in accounting policies	-	-
6.5 Dividends and other equity distributions paid or payable	(25,996)	(4,529)
6.6 Retained profits at end of financial period (see item 3.29)	125,078	36,597

7. NTA backing

	Current period A\$	Previous corresponding Period A\$
7.1 Net tangible asset backing per ⁺ ordinary security	52.04 cents	36.04 cents

8. Details of associates

Name of the associate	Percentage of interest	Aggregate share of profits/(losses)	
		Current period - \$A'000	Previous corresponding period - \$A'000
-	-	-	-

9. Foreign Accounting Standards used in compiling the report

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards ("IAS") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee.

10. Commentary on the result for the year

10.1 Earnings per security (EPS)

	Current period	Previous corresponding Period
	A\$	A\$
(a) Basic EPS	24.81 cents	14.30 cents
(b) Diluted EPS	23.55 cents	13.03 cents

- (c) Diluted EPS is calculated based on the profit attributable to equity holders of the Company of A\$115,631,914 (2007: A\$56,863,437) and the weighted average number of ordinary shares adjusted for the effects of all dilutive potential shares of 491,115,369 (2007: 436,345,784) after taking into account the effect of dilutive potential ordinary shares for the share options.

10.2 Segment information

Please refer to Table 1 attached.

10.3 Others

Significant features of operating performance and a discussion of trends in performance are detailed in the accompanying ASX announcement.

11. This report is based on accounts to which one of the following applies

- | | | | |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have <i>not</i> yet been audited or reviewed. |

Sign here:


.....
Joint Company Secretary

Date: 23 February 2009

Print name: **Heng Siow Kwee/ Julie Anne Wolseley**

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Table 1 Segment information**(a) Geographical segments**

Analysis of operating revenue, segment results, segment assets and segment liabilities by geographical location based on location of customers is as follows:

2008

	PRC A\$'000	Korea A\$'000	Others A\$'000	Consolidated A\$'000
Sales to customers outside the Consolidated Entity	390,552	71,089	112,424	574,065
Segment results	60,536	7,495	63,679	131,710
Unallocated corporate income and expenses				-
Profit from operations				131,710
Finance costs				(973)
Finance income				2,726
Gain on disposal of marketing rights				-
Profit before income tax				133,463
Income tax expenses				(17,529)
Profit for the year				115,934
Assets				
Segment assets	106,570	6,278	143,014	255,862
Unallocated corporate assets				76,050
				331,912
Liabilities				
Segment liabilities	25,366	2,505	49,279	77,150
Unallocated corporate liabilities				4,032
				81,182

SEGMENT INFORMATION (Continued)

(a) Geographical segments (Continued)

2007

	PRC A\$'000	Korea A\$'000	Others A\$'000	Consolidated A\$'000
Sales to customers outside the Consolidated Entity	248,488	12,808	29,194	290,490
Segment results	50,867	4,993	825	56,685
Unallocated corporate income and expenses				(1,853)
Profit from operations				54,832
Finance costs				(1,854)
Finance income				1,021
Gain on disposal of marketing rights				7,823
Profit before income tax				61,822
Income tax expenses				(4,556)
Profit for the year				57,266
Assets				
Segment assets	162,597	3,055	9,557	175,209
Unallocated corporate assets				43,756
				218,965
Liabilities				
Segment liabilities	45,063	1,163	4,678	50,904
Unallocated corporate liabilities				1,894
				52,798

SEGMENT INFORMATION (Continued)

(a) Geographical segments (Continued)

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment analysed by geographical location of assets:

2008

	PRC A\$'000	Singapore A\$'000	Australia A\$'000	Consolidated A\$'000
Carrying amounts of segment assets:				
Segment assets	73,212	48,798	133,852	255,862
Unallocated corporate assets				76,050
				331,912

2007

	PRC A\$'000	Singapore A\$'000	Australia A\$'000	Consolidated A\$'000
Carrying amounts of segment assets:				
Segment assets	41,841	61,094	72,274	175,209
Unallocated corporate assets				43,756
				218,965

(b) Business segments

2008

	Ores A\$'000	Ferro alloys A\$'000	Others A\$'000	Consolidated A\$'000
Sales to customers outside the Consolidated Entity	370,122	203,891	52	574,065
Carrying amounts of segment assets :				
Segment assets	190,856	62,522	2,484	255,862
Unallocated corporate assets				76,050
				331,912

SEGMENT INFORMATION (Continued)

(b) Business segments (cont'd)

2007	Ores A\$'000	Ferro alloys A\$'000	Others A\$'000	Consolidated A\$'000
Sales to customers outside the Consolidated Entity	220,822	69,602	66	290,490
<hr/>				
Carrying amounts of segment assets :				
Segment assets	129,126	46,072	11	175,209
Unallocated corporate assets				43,756
				<hr/>
				218,965
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