Evolution Mining

FY14 Half-Year Financial Results

For the six month period ending 31 December 2013

21 February 2014

Tim Churcher - VP Finance & Chief Financial Officer

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Half-year financial highlights

- Net profit of A$35.4M
- Revenue from gold, silver and copper sales of A$320.9M
- EBITDA of A$110.9M
- Group production of 214,396 gold equivalent[1] ounces
- Group average cash costs of A$766 (US$707[2]) per ounce and AISC[3] of A$1,070 (US$987[2]) per ounce
- Cash and available credit of A$95.2M at 31 December 2013
- Modest gearing of 13%
- Commercial production achieved at Mt Carlton, Evolution's newest mine
- Exploration team working towards transformational discovery – 4D studies progressing well
- Interim dividend of 1 cent per share declared (unfranked)

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton
2. Using an average AUD:USD exchange rate for the December half of $0.9227
3. AISC (All-in Sustaining Cost) includes C1 cash cost plus royalty, sustaining capital, general corporate and administration expenses

Profit result summary

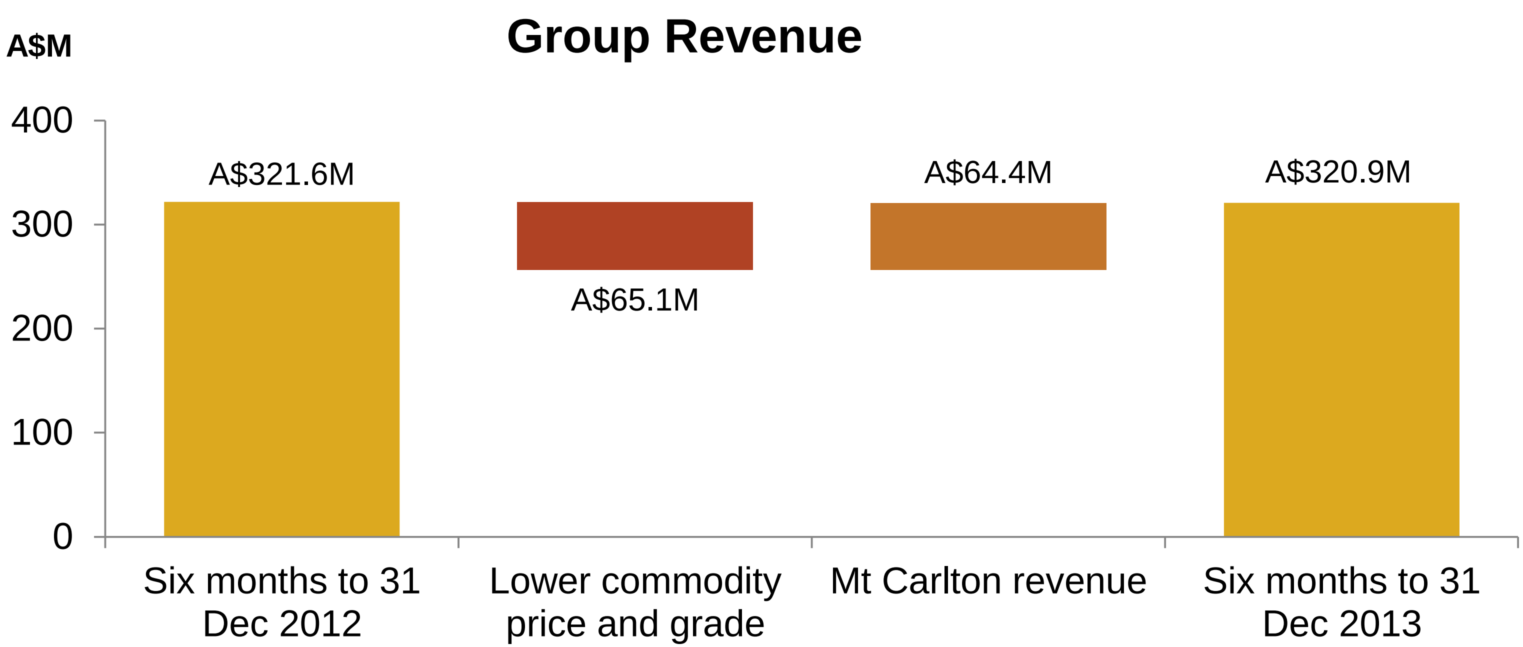
Financial Summary	6 months ending 31-Dec-13 A$'000	6 months ending 31-Dec-12 A$'000	
Gold price received (A$/oz)	1,444	1,630	
Silver price received (A$/oz)	22.49	30.43	
Total Revenue	320,934	321,642	← Lower gold price, Mt Carlton addition
Cost of sales (excluding D&A)	(198,162)	(169,236)	← Mt Carlton costs
Corporate, Exploration & other	(11,899)	(16,938)	← Cost reduction initiatives
EBITDA [1]	**110,873**	**135,468**	
D&A	(68,170)	(71,868)	← June 30 asset impairment
EBIT [1]	**42,703**	**63,600**	
Net interest expense[2]	(7,254)	(5,067)	← Increased debt levels
Income tax expense	-	(17,846)	← Favourable tax ruling
Net Profit	**35,449**	**40,687**	

1. EBITDA and EBIT are non-IFRS financial information and are not subject to audit
2. Net interest expense is interest income less interest charged for the period

Key revenue drivers

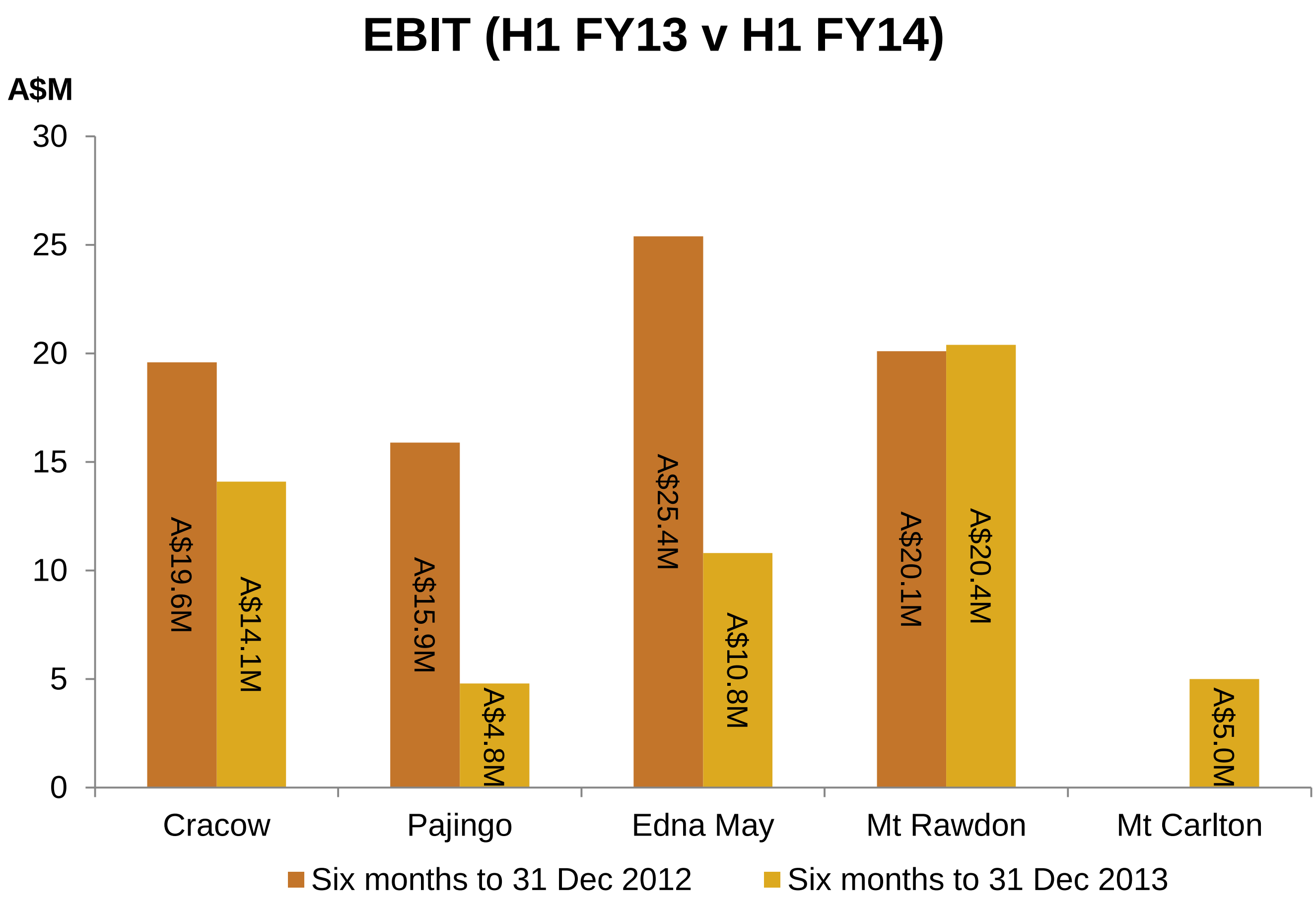
- H1 FY14 revenue from gold and silver sales maintained A$320.9M

	1HFY14	1HFY13	Change
Gold price received (A$/oz)	1,444	1,630	(11%)
Silver price received (A$/oz)	22.49	30.43	(26%)



Lower commodity prices and grade offset by Mt Carlton revenue

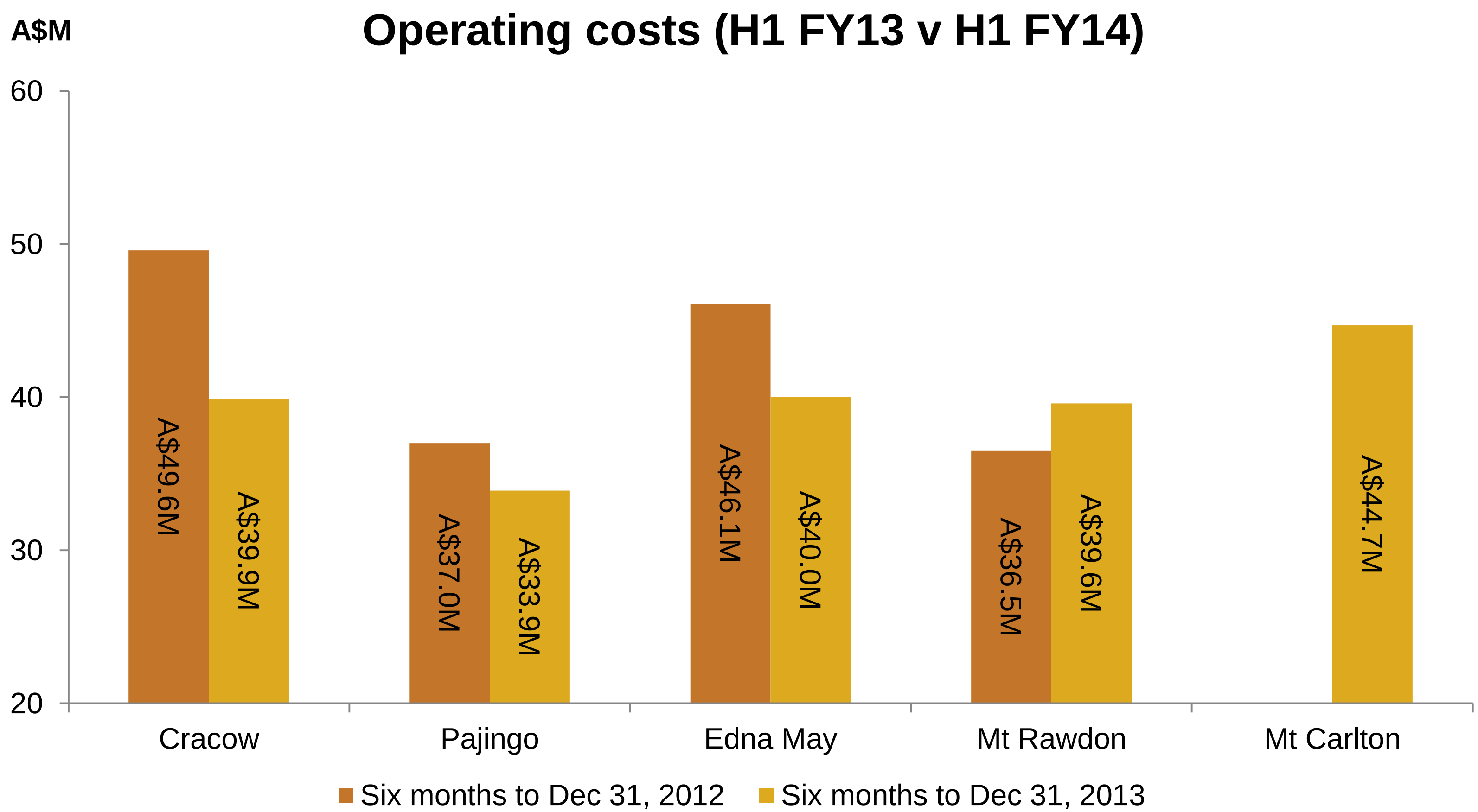
Key profit driver – site EBIT



* Site EBIT excludes corporate and exploration costs. Site EBIT is non-IFRS financial information and not subject to audit.

Total site EBIT H1 FY14 of A$55.1M

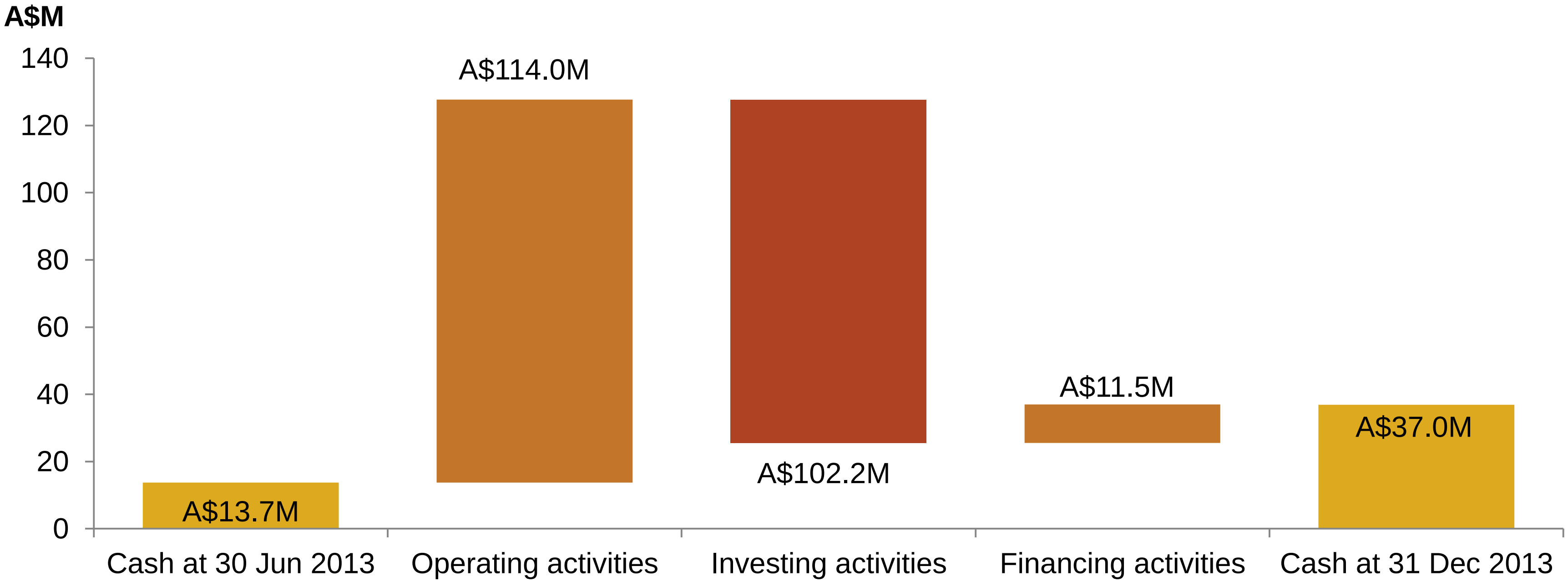
Key profit driver – operating costs



Impact of cost reduction initiatives and productivity improvements

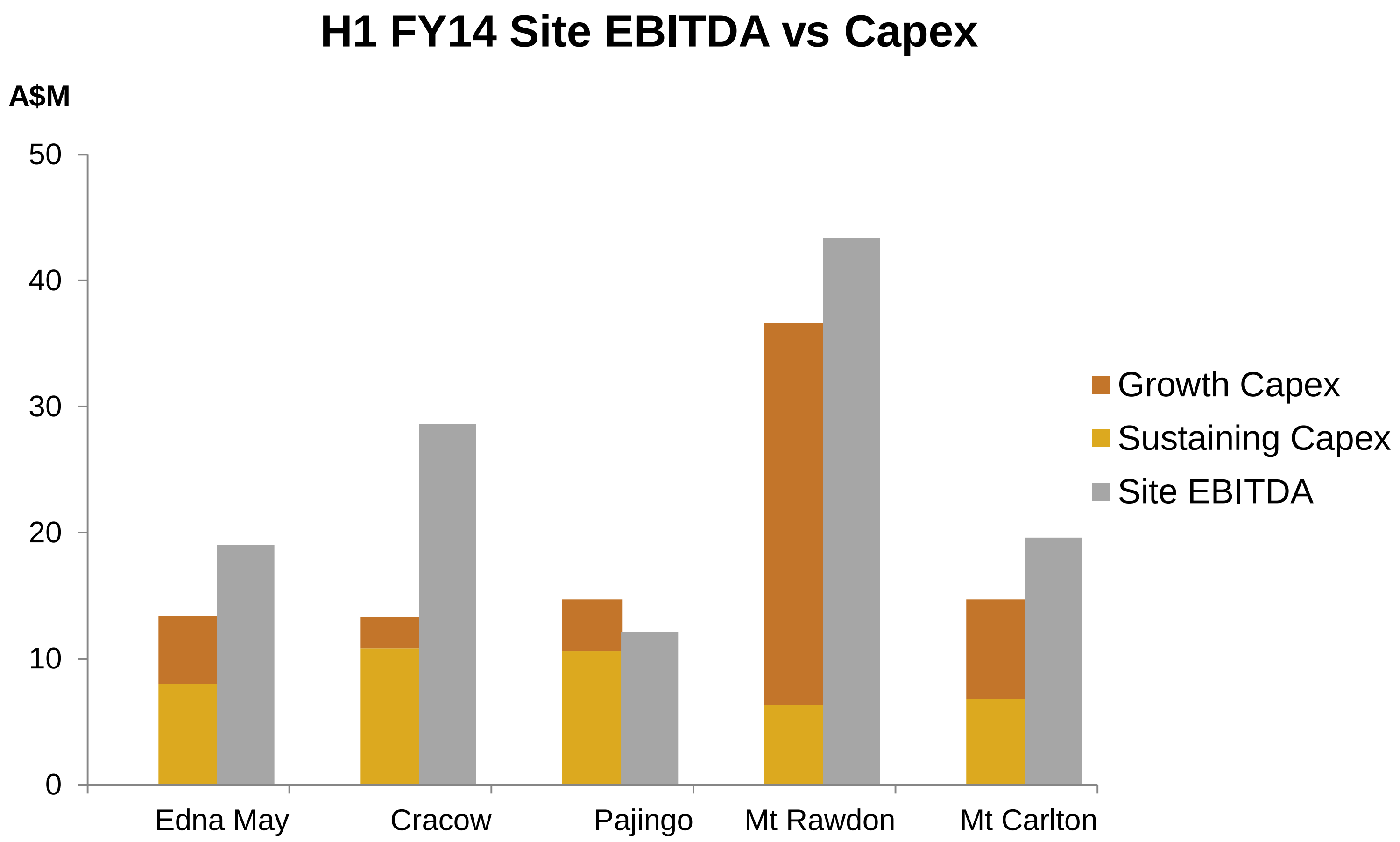
Group cash flow

- Net cash inflow from operations of A$114.0M
- Net cash outflow from investing activities of A$102.2M (A$90.8M of which is capital expenditure outlay)
- Net cash inflow from financing activities of A$11.6M (includes A$7.1M dividend payment)



Generating cash in a lower gold price environment

Cash flow driver - EBITDA



1. Site EBITDA is before all corporate administration costs, non-recurring items and exploration expenses

Site EBITDA[1] of A$122.8M. Capital expenditure of A$90.8M

Balance sheet & liquidity

- Conservative balance sheet maintained
- Available liquidity of A$95.2M (cash and available credit)
- Gearing modest at 13%

Balance Sheet	31 Dec 13 A$'000	30 Jun 13 A$'000
Cash	36,950	13,662
Short term borrowings	12,756	4,496
Long term debt	141,784	126,784
Total debt	154,540	131,280
Net Debt [ND]	117,590	117,618
Equity [E]	776,518	747,329
Net debt + Equity	894,108	864,947
Gearing [ND/ND+E]	**13%**	**14%**
Cash + Available credit	95,166	86,878
Debt capacity	200,000	200,000
Available credit	58,216	73,216

Modest gearing ratio

Summary

- Operational stability and predictability delivered through a portfolio of five Australian mines
- First-half net profit of A$35.4 million
- Implemented production efficiencies, capital discipline and cost reductions in response to a lower gold price environment
- Interim dividend of 1 cent per share delivering returns to shareholders
- FY14 production and cost guidance maintained: 400,000 – 450,000 gold equivalent ounces with cash operating costs in the range of A$770 – A$820/oz
- FY14 capital spend anticipated to be at the lower end of the A$160M – A$185M guidance
- Highly talented exploration team focused on transformational growth
- Strong financial position – no current intention to raise additional equity

Uniquely positioned to participate in a transformational period in the Australian gold industry

Evolution Mining

ASX Code: EVN

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