



PERILYA

Financial Results - Year Ended 30 June 2006

Len Jubber - Chief Executive Officer
September 2006

Agenda



- Highlights
- FY06 financial results
- Operating performance
- Organic growth
- Business outlook
- Positioning for sustainable growth
- Investment summary

Highlights



- \$67.0M unaudited net profit after tax
- \$80.3M underlying net profit after tax
- Total fully franked dividend of 5c per share
- \$161.6M cash and receivables
- \$166.0M net cash flow from operations
- Broken Hill zinc up 9.2% and lead up 22.4%

Universal Improvement



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	2006	2005	% Var	Jun Half 2006	Dec Half 2005
Revenue (A\$m) #	345.0	193.2	78.6	221.6	123.4
EBITDA (A\$m)	133.0	13.7	870.1	93.9	39.1
NPAT (A\$m)	67.0	(6.1)	na	50.1	16.9
EPS (¢/share)	35.6	(3.6)	na	26.5	9.1
Dividend (¢/share)	5.0	Nil	na	4.0	1.0
Zinc (kt) *	144.1	132.0	9.2	73.4	70.7
Lead (kt) *	74.8	61.1	22.4	38.4	36.4
Silver (Moz)	2.1	1.9	10.5	1.1	1.0
Gold produced (koz)	27.3	4.8	468.8	12.6	14.7

Net of concentrate treatment charges

* Contained metal

Accounting

Limited AIRFS impact

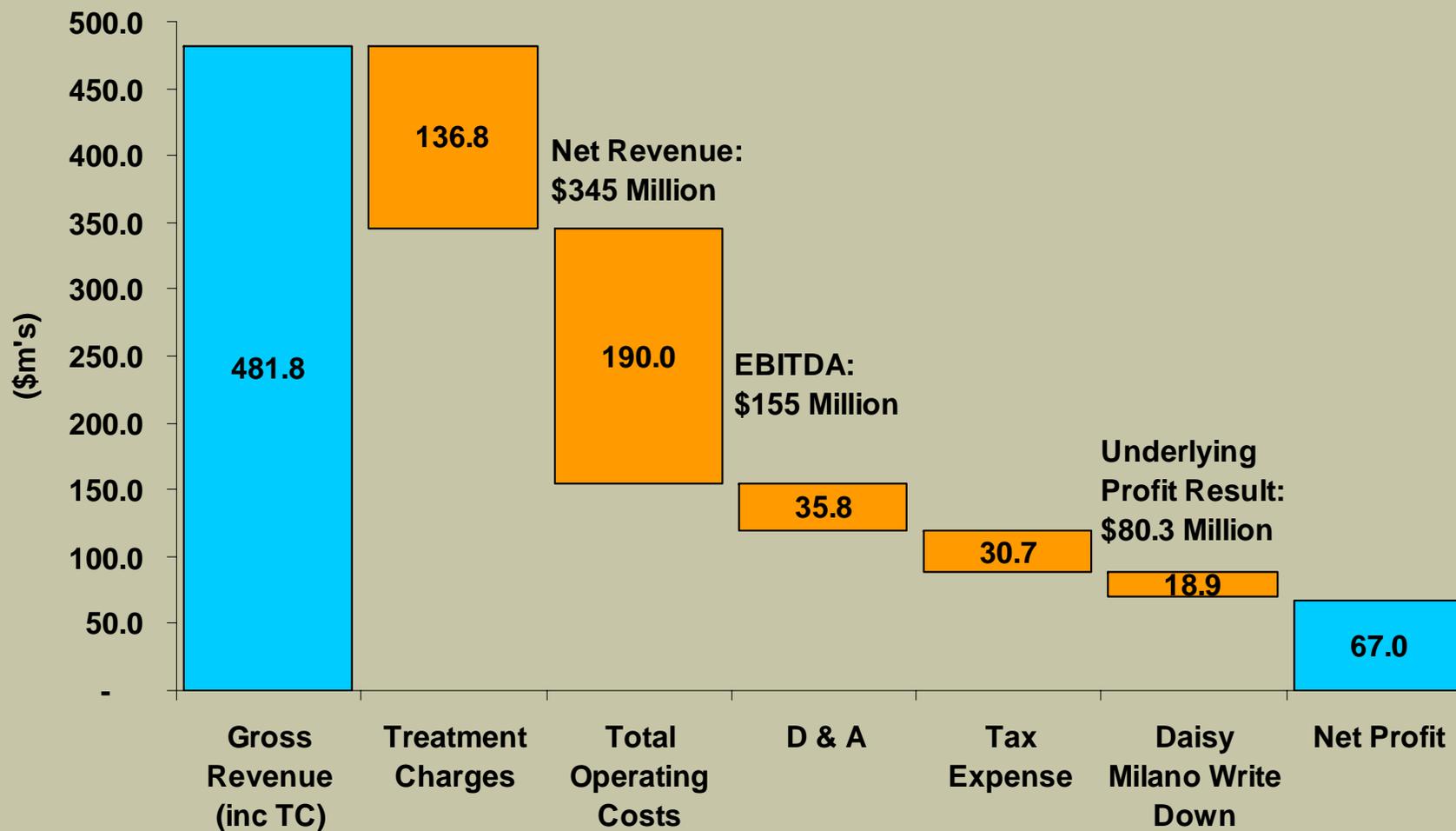


- Application of AIFRS has not significantly impacted on the underlying financial result
- \$13.7M after tax write down for Daisy Milano
 - residual value not reflective of improvements underway
- Hedging considered effective and no impact on P&L

Record profits driven by prices and underlying performance



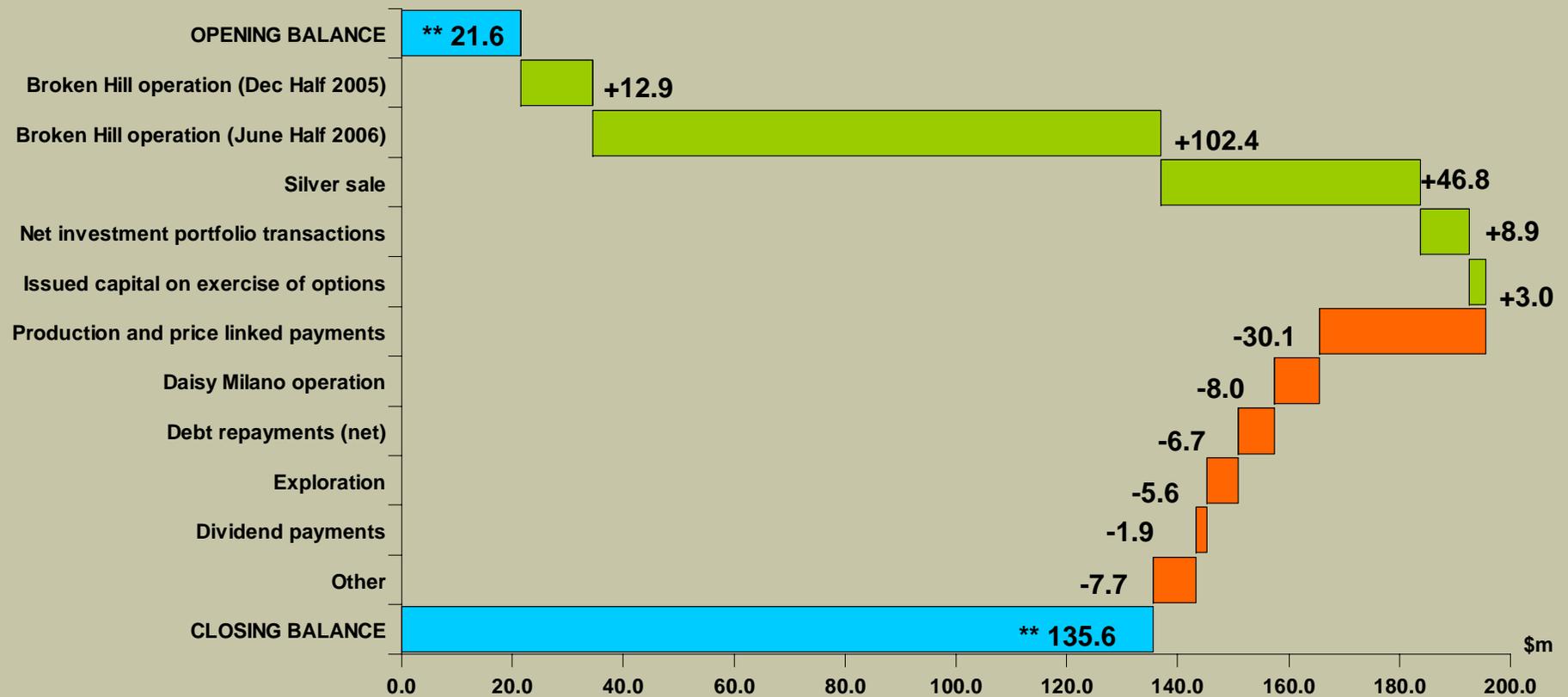
Gross Revenue to Net Profit



Strong cash flow, low debt



2005-2006 CASH MOVEMENTS (\$m)



** Includes restricted cash

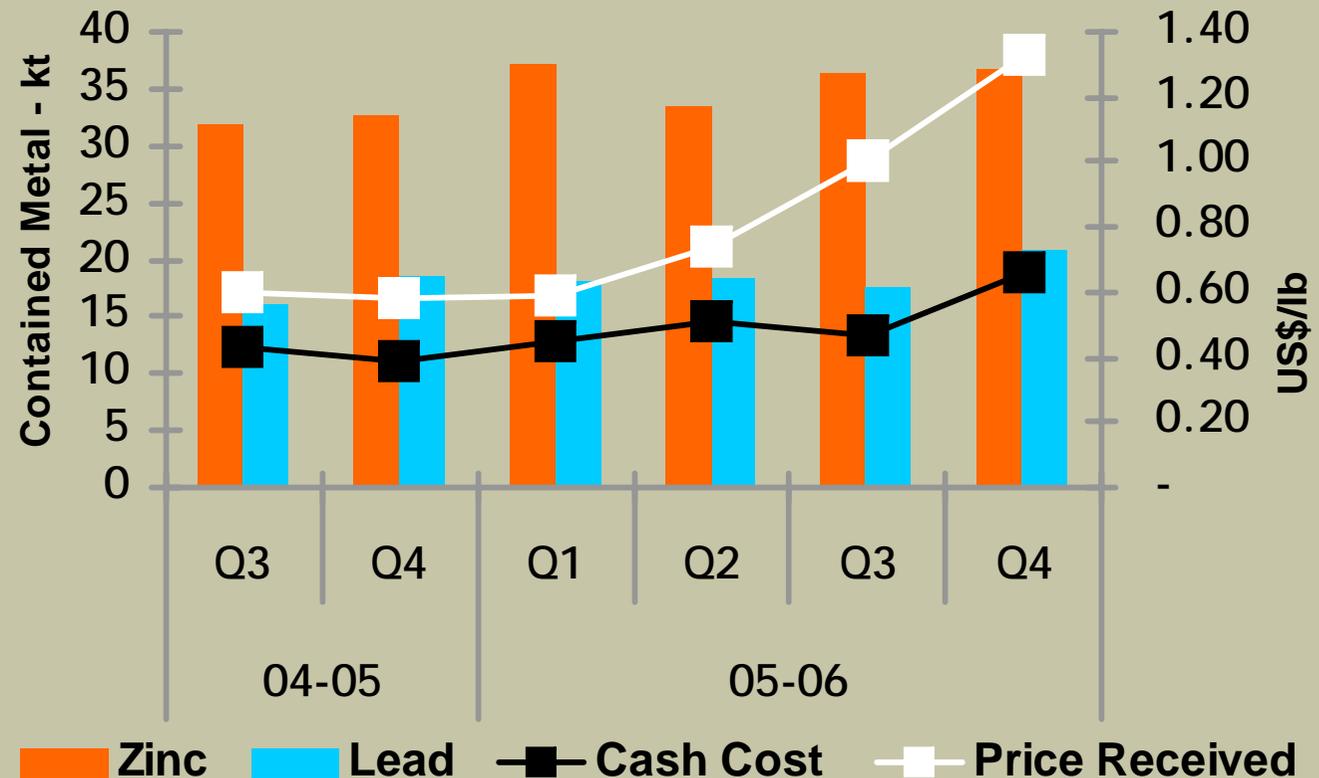
Broken Hill

Consistent production; growing margins



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- Total direct cost increases limited to 4.5%
- Gains in mine scheduling efficiency
- Increased productivity
- Increase in zinc treatment charges linked to metal price



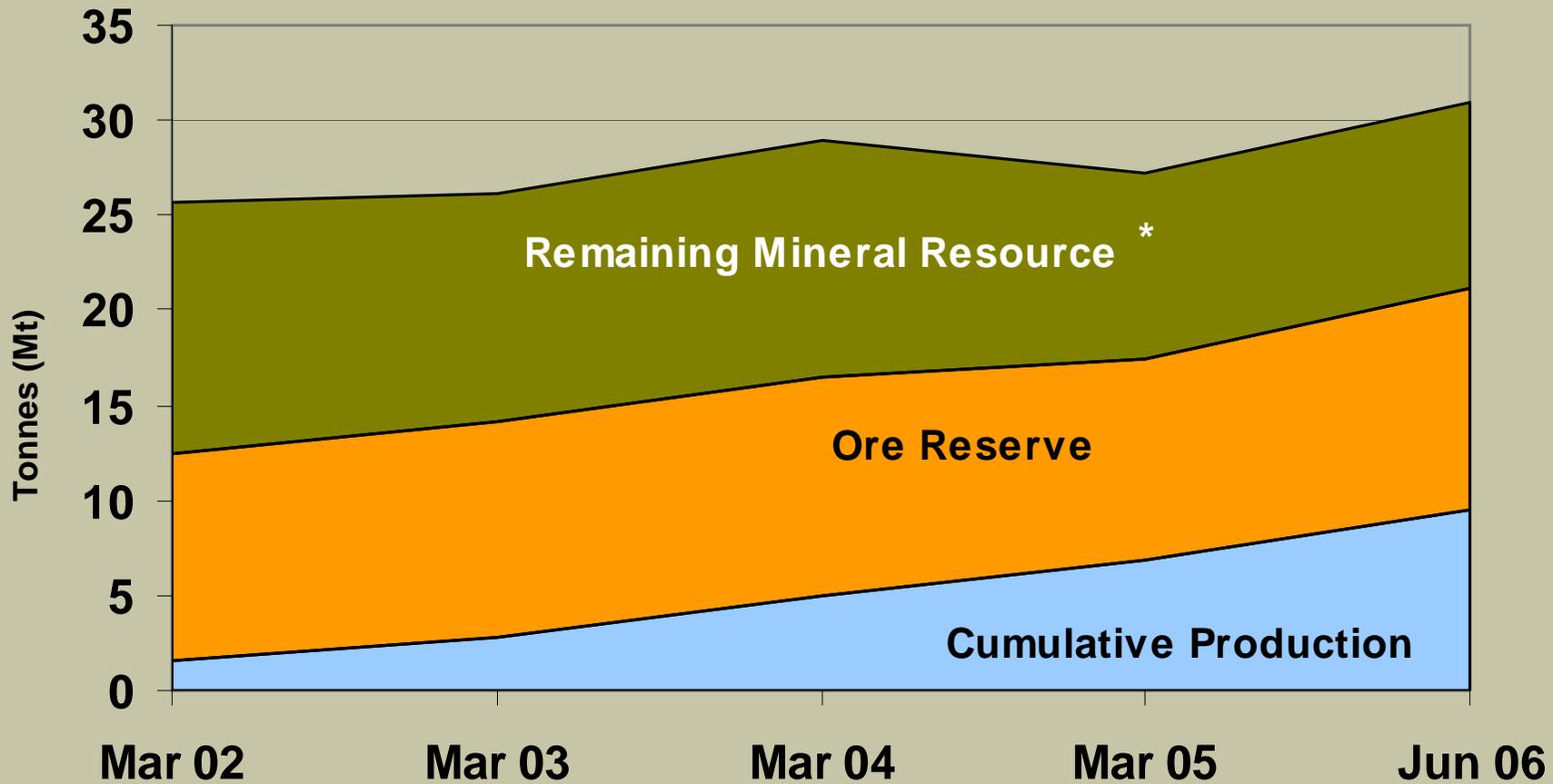
Earnings potential in perspective



- Broken Hill EBIT was 16x prior year
- Average monthly earnings from Broken Hill in the 2H were twice the FY2005 result
- Investments and divestment of non core assets returned ~ \$9.6M, which more than covered Perilya's corporate and overhead costs
- Total write down since change in leadership \$22.9M after tax compared to reported profit after tax \$60.9M

18% increase in Broken Hill reserves

Extends mine life to 6 years



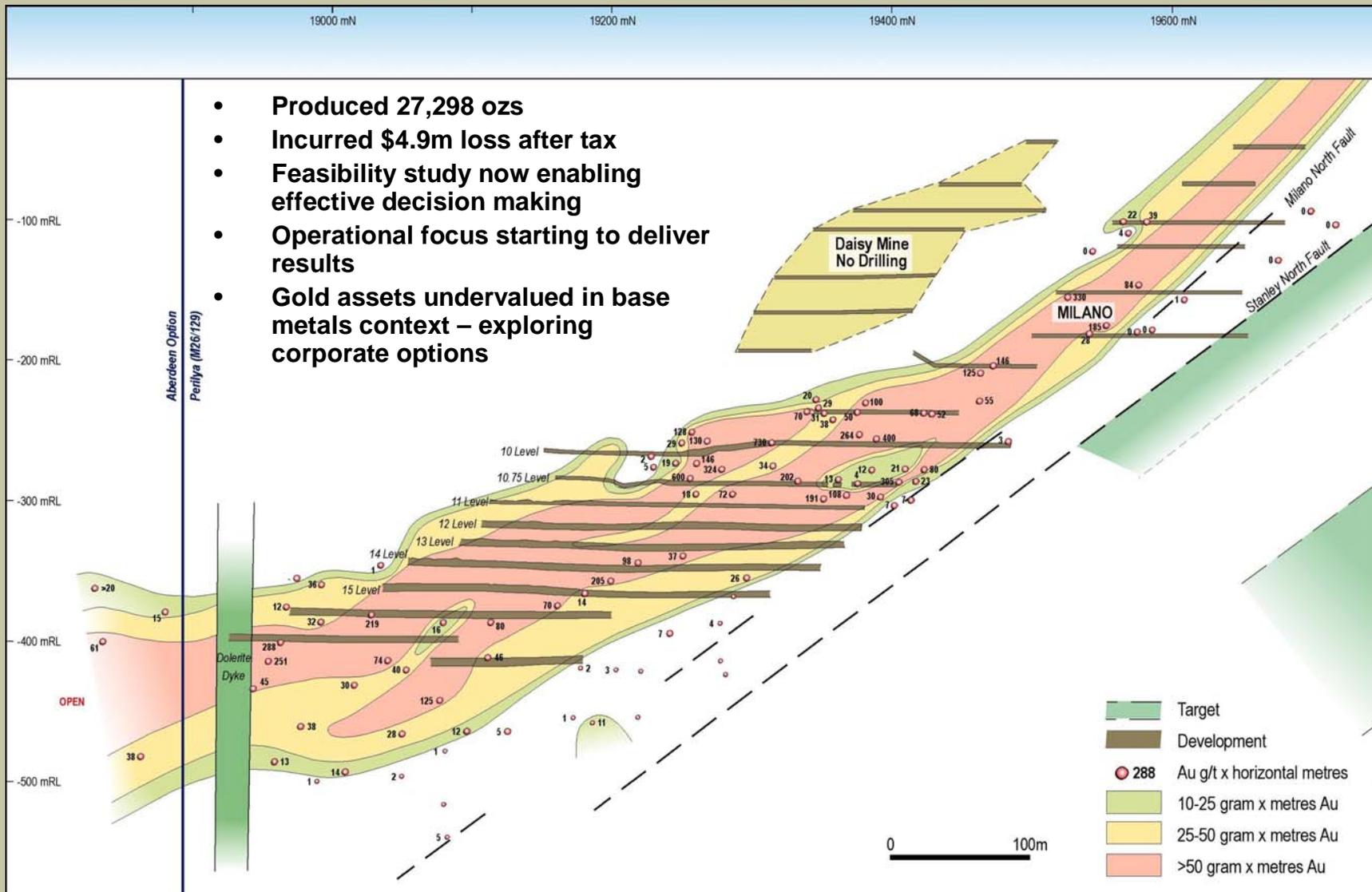
* Includes Southern Operation, Potosi & North Mine

Daisy Milano

Feasibility study nearing completion



- Produced 27,298 ozs
- Incurred \$4.9m loss after tax
- Feasibility study now enabling effective decision making
- Operational focus starting to deliver results
- Gold assets undervalued in base metals context – exploring corporate options



Significant organic growth opportunities



	BASE METALS	GOLD
OPERATING	1 Broken Hill (Zn, Pb, Ag)	
DEVELOPING		2 Daisy Milano
EVALUATING	3a Potosi, BH (Zn, Pb, Ag)	
	3b North Mine Deeps, BH (Zn, Pb)	
	4 Flinders (Zn, Mn)	
RESOURCE DRILLING	5 Mt Oxide (Cu)	7 Moyagee
EXPLORING	6 Tampang (Cu)	6 Tampang
	8 Dee Range (Cu, Zn)	10 Holleton
	9 Woodline Well (Ni)	11 Honeymoon Well
		12 Kanowna



Strategy for sustainable long-term growth



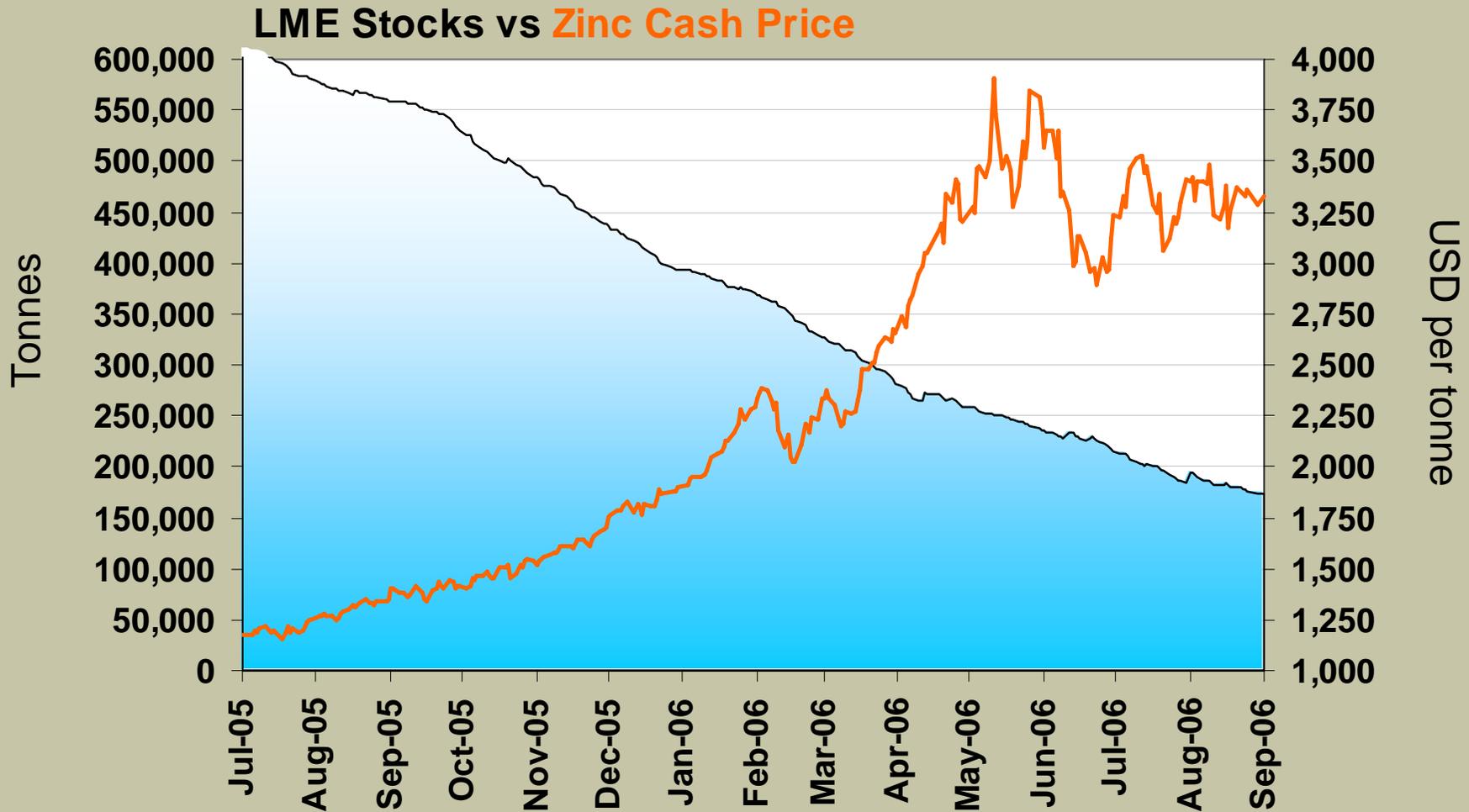
- Capitalise on high zinc and lead prices
- Continue to strengthen balance sheet
- Extend Broken Hill reserves and mine life
- Strengthen project development pipeline
- Diversify Perilya's near term cash flow
- Build people & systems capability

Business outlook

Zinc stocks continue downward trend



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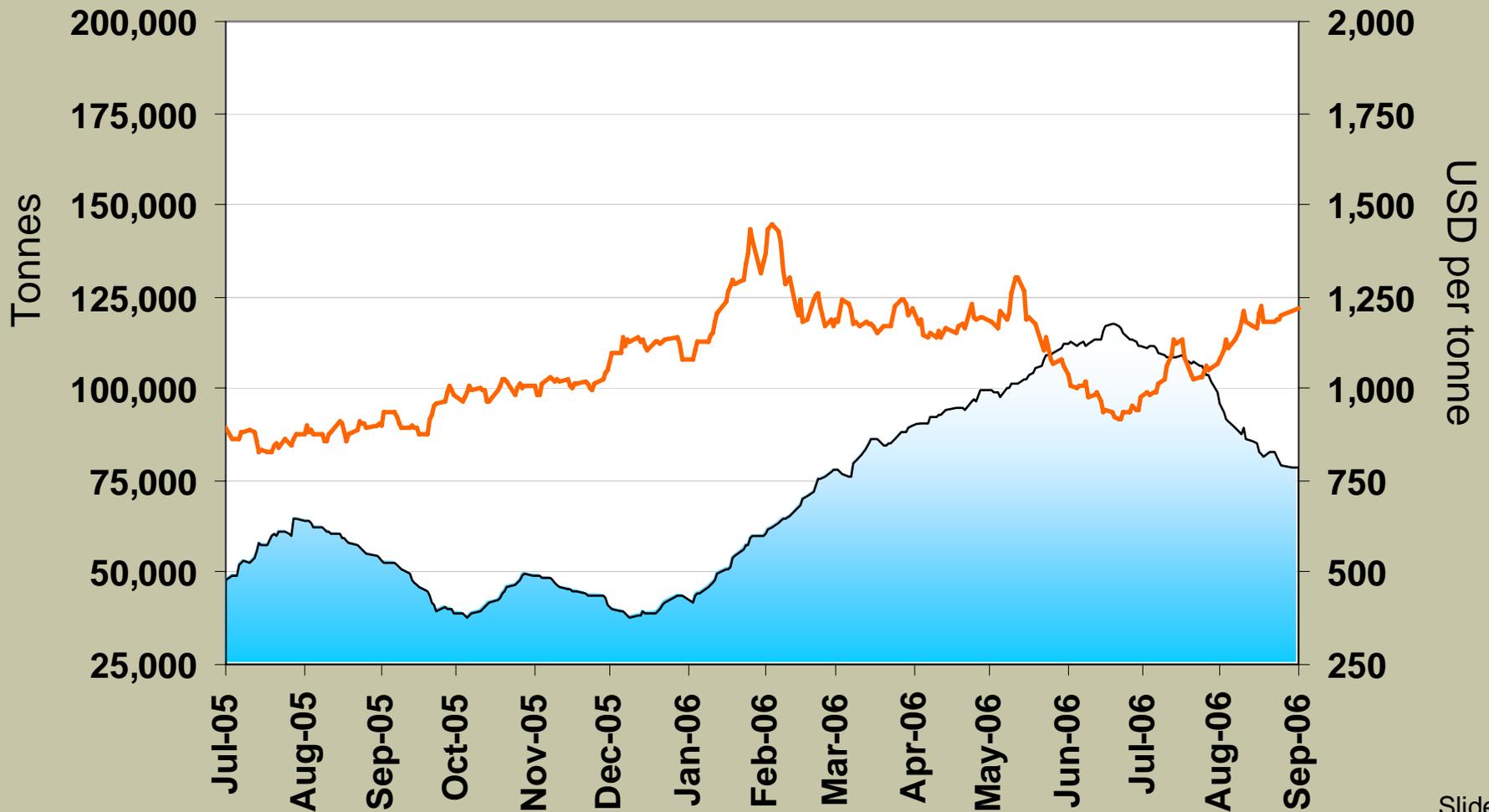


Business outlook

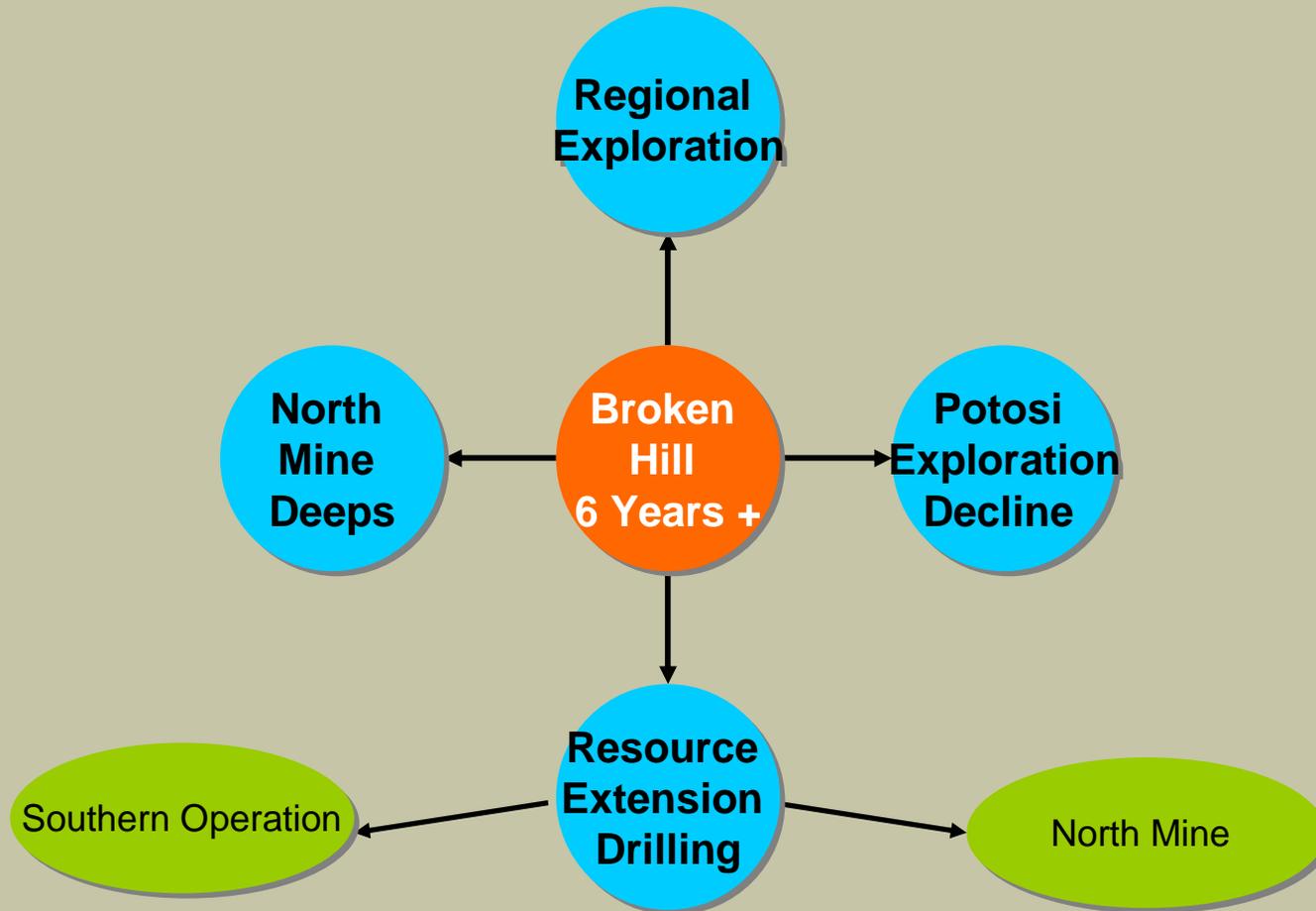
Lead coming off high stock levels



LME Stocks vs Lead Cash Price



Extending Broken Hill mine life beyond 10 years

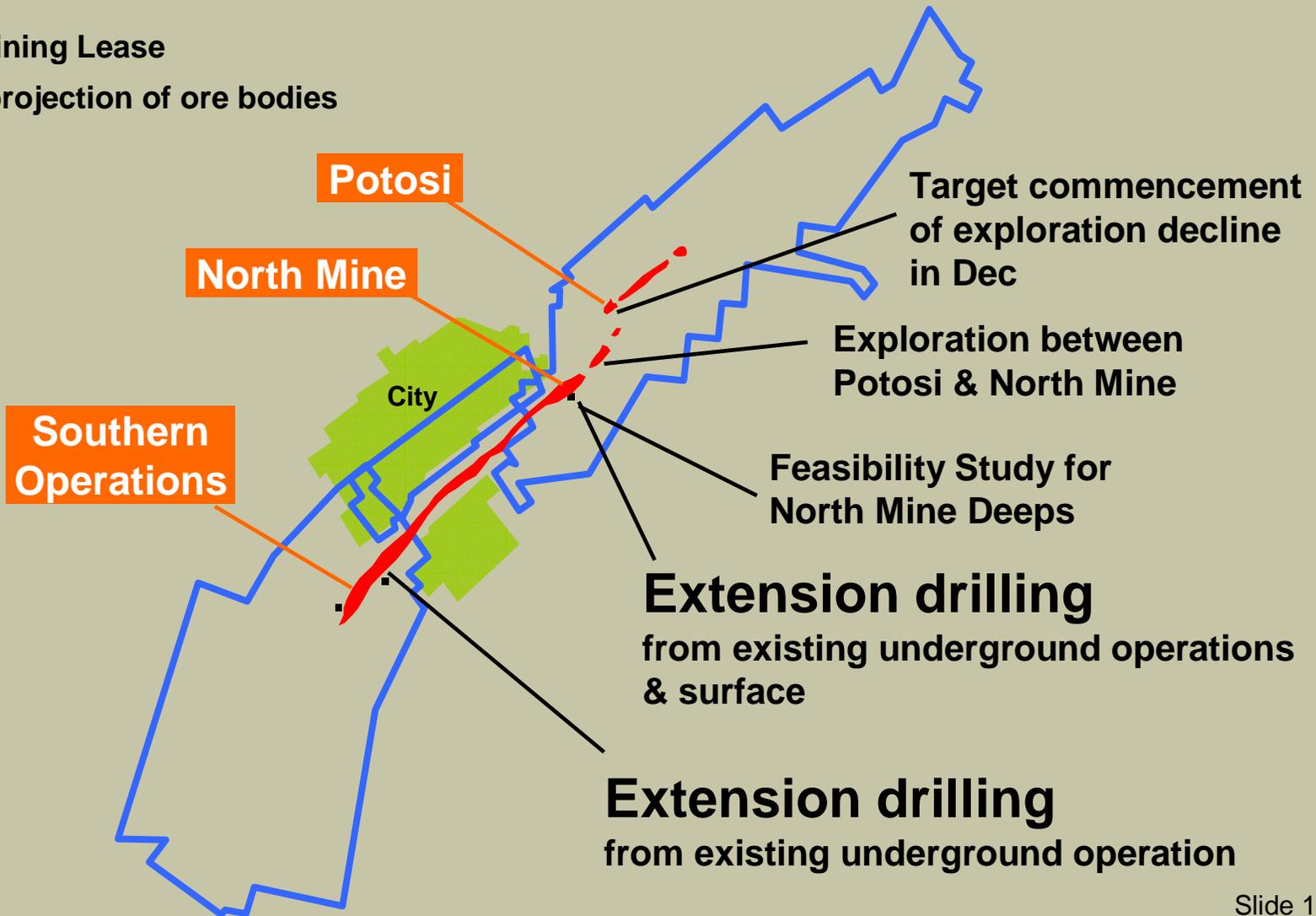


Extending Broken Hill

Near mine focus

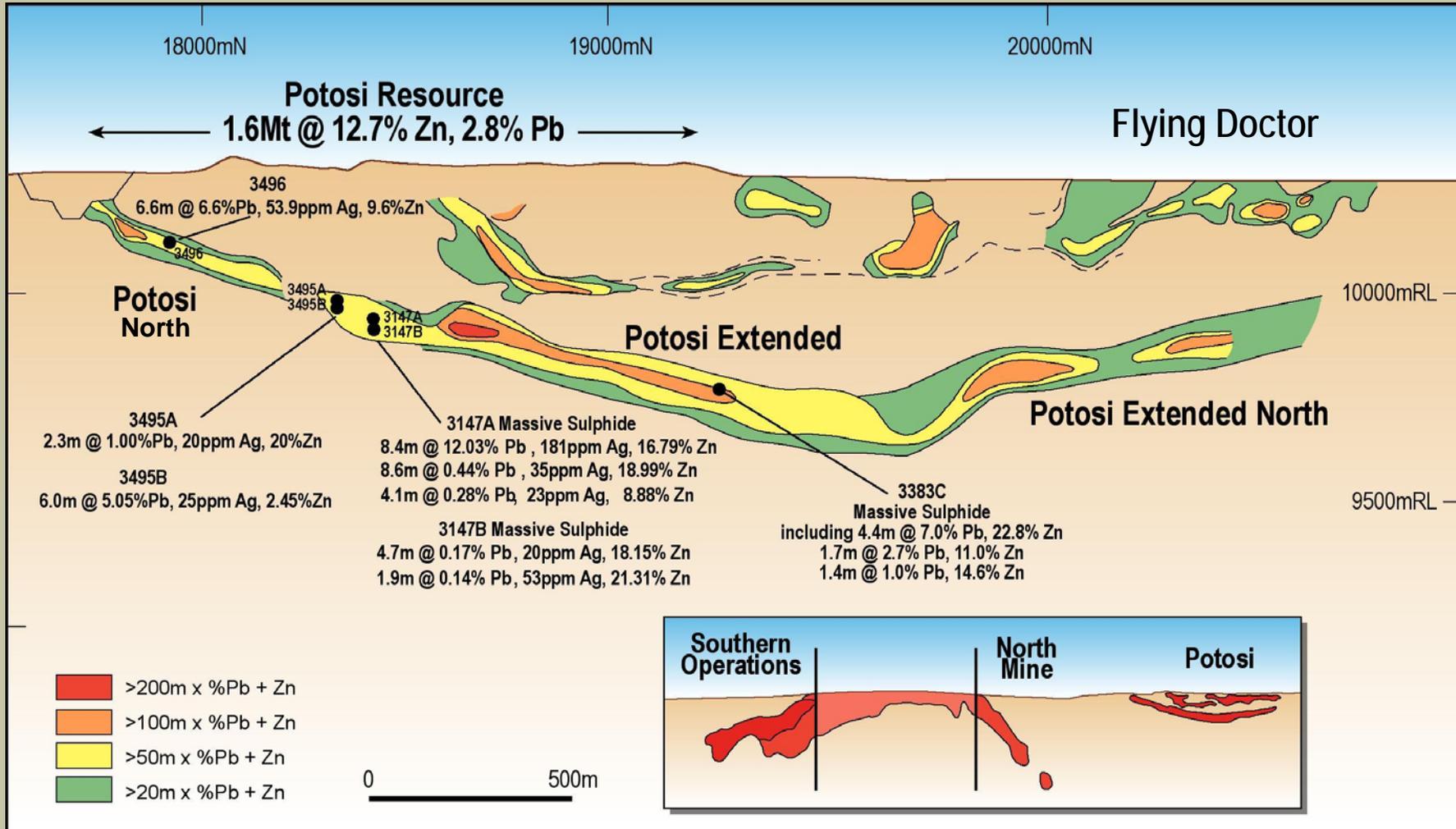


- Perilya Mining Lease
 - Surface projection of ore bodies
- 5 km



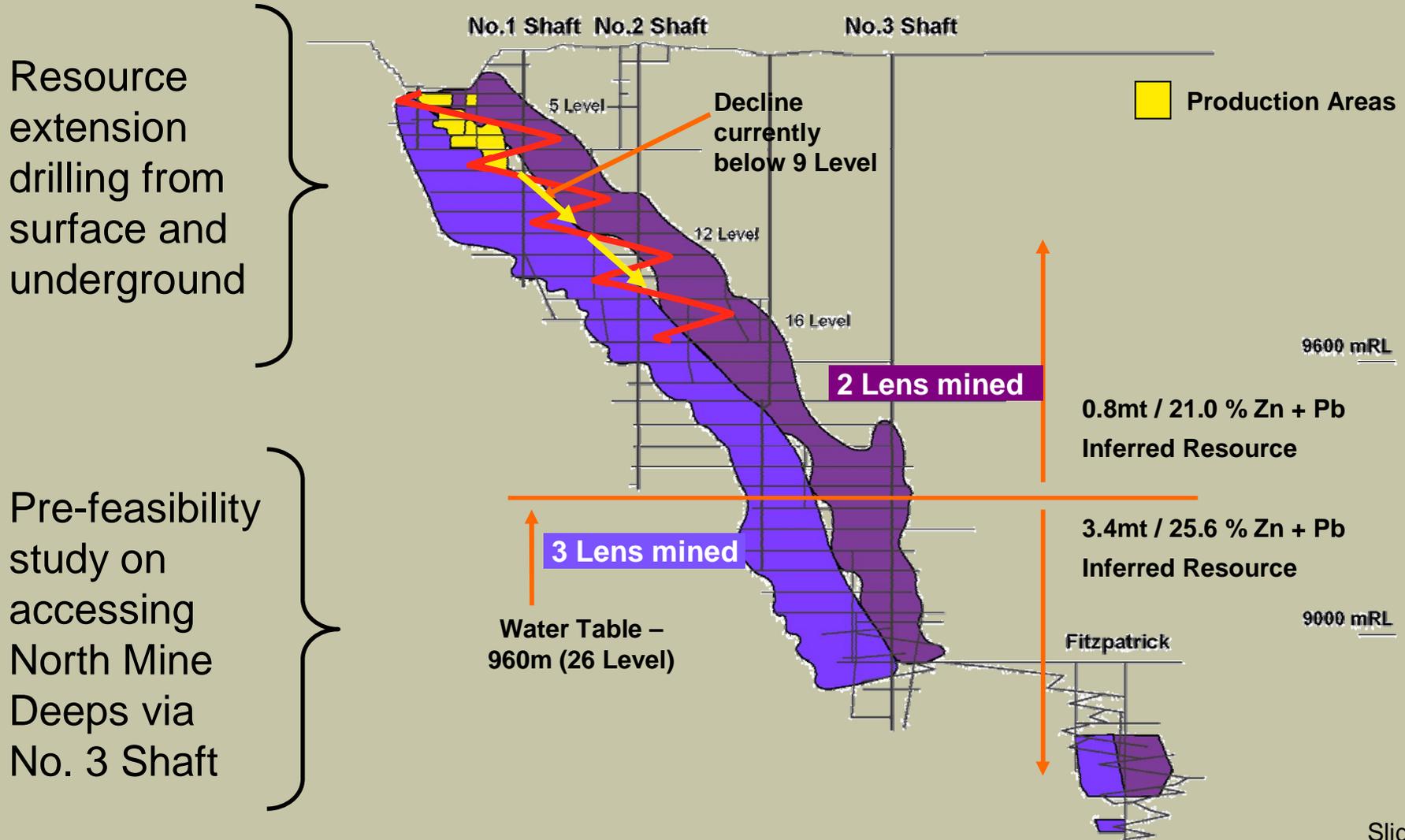
Extending Broken Hill - Potosi

Develop exploration decline



Extending Broken Hill - North Mine

Two pronged approach



New development - Flinders

Four staged approach



Mineral Resource

- Total 941kt @ 30% zinc

Stage 1

- Beltana 150 – 180kt @ 30 - 35% zinc

Stage 2

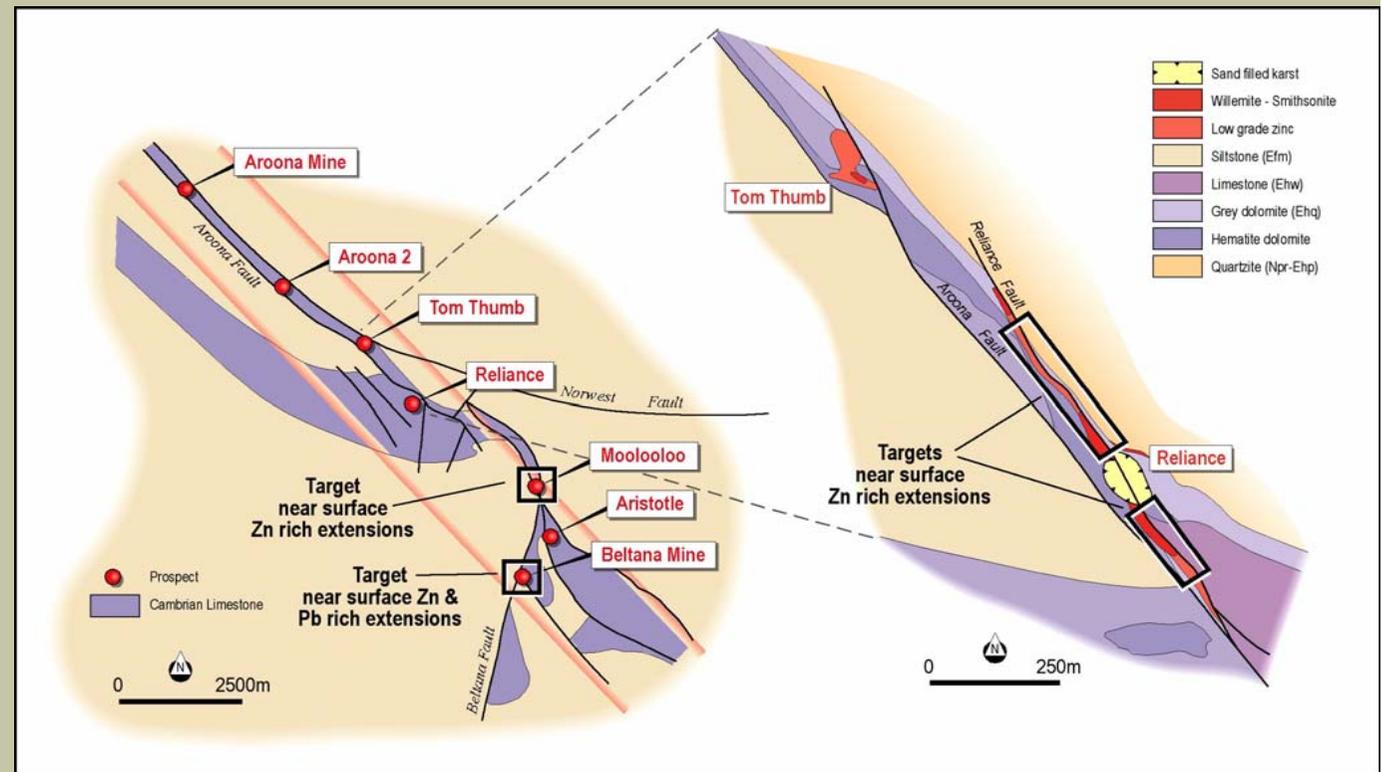
- Evaluate viability of direct ore shipping from further deposits along line of strike

Stage 3

- Evaluate potential to beneficiate lower grade ore to economic levels

Stage 4

- Regional exploration within the surrounding 4,029 km² tenements



New development - Flinders

Stage 1 Beltana

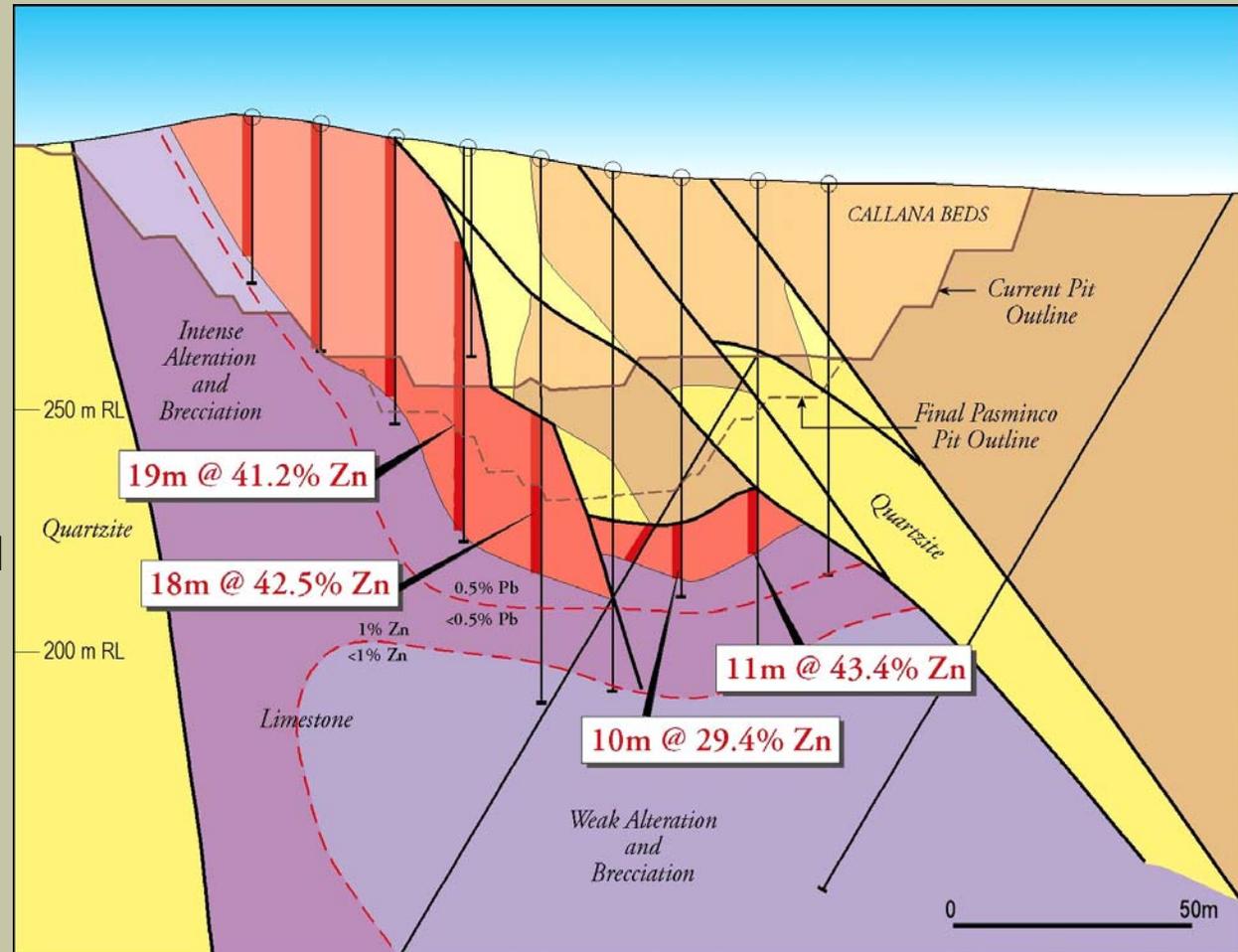


Direct Ore Shipping

- Beltana 150 – 180kt @ 30 - 35% zinc
- Successfully completed processing trial
- Annual off-take ~ 40 – 50kt
- A\$5-10m up front capital

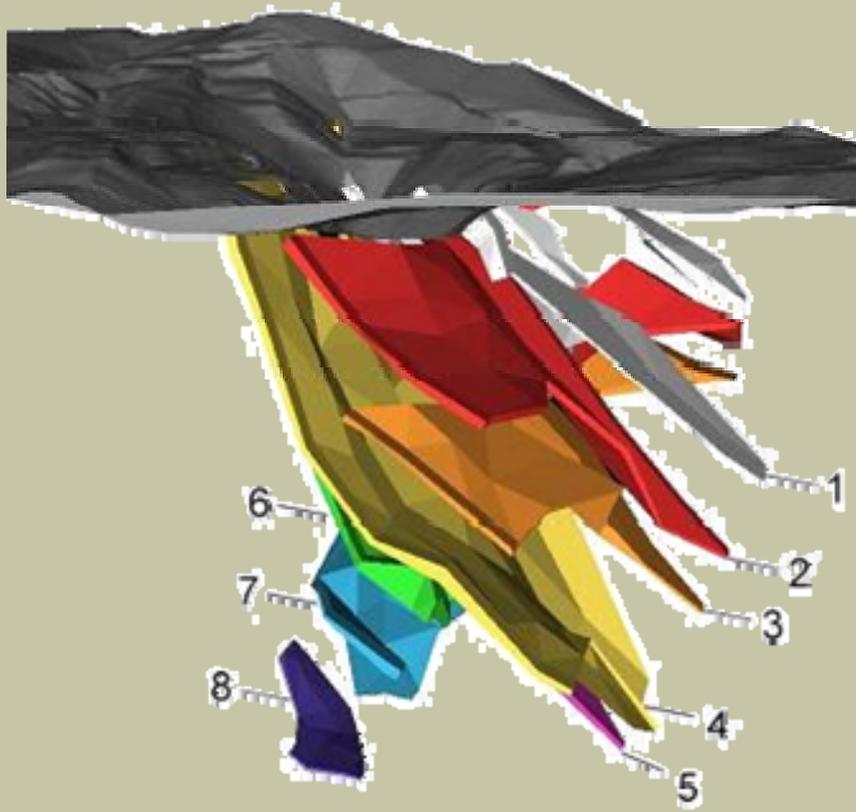
September Quarter

- Complete feasibility study to project implementation level
- Conclude off-take arrangements



New development - Mount Oxide

23% Resource upgrade, drilling recommenced



- 100,000 tonnes Cu metal (3.7mt @ 2.7%)
- Located 25km from Mt Gordon
- Resource extension drilling commenced

Lens	Tonnes	Cu %
1	578,490	1.83
2	454,334	1.84
3	447,984	1.88
4	1,186,782	2.5
5	568,032	4.35
6	335,592	3.76
7	34,776	1.96
8	115,200	4.44

Mergers and acquisitions



- Diversify Perilya cash flow
- Strong balance sheet and cash flow
- Disciplined approach
 - focus on base metals with strong fundamental outlook
 - production capacity comparable to Broken Hill
 - risk weighted hurdle rates
 - value accretive to Perilya's strategy for sustainable long-term growth

Perilya : investment summary



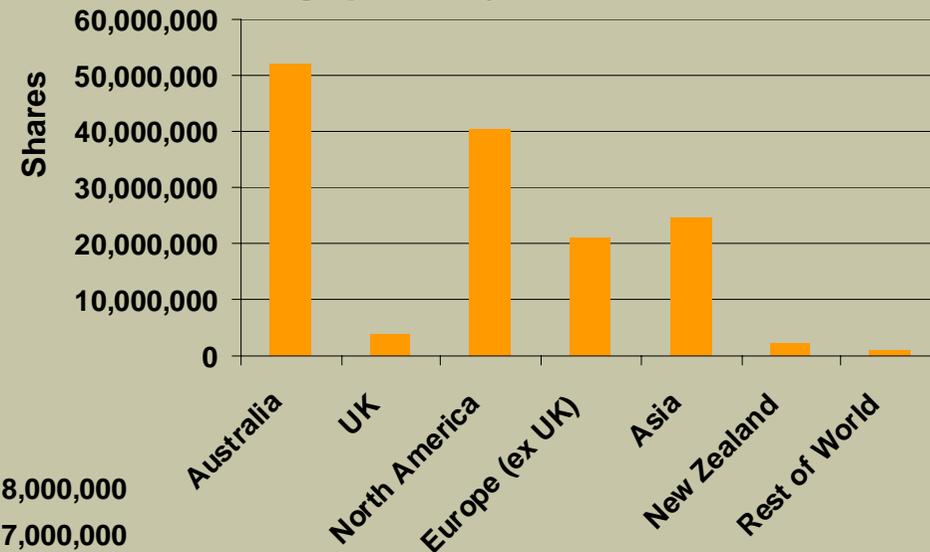
- Strong balance sheet including ~ \$160M cash and receivables and \$7M debt
- Strong operating cash flow - \$166M
- Sustainable dividend policy
- Extended Broken Hill mine life and growth potential
- Good development pipeline
- Exploration potential

Capital Structure as at August 2006

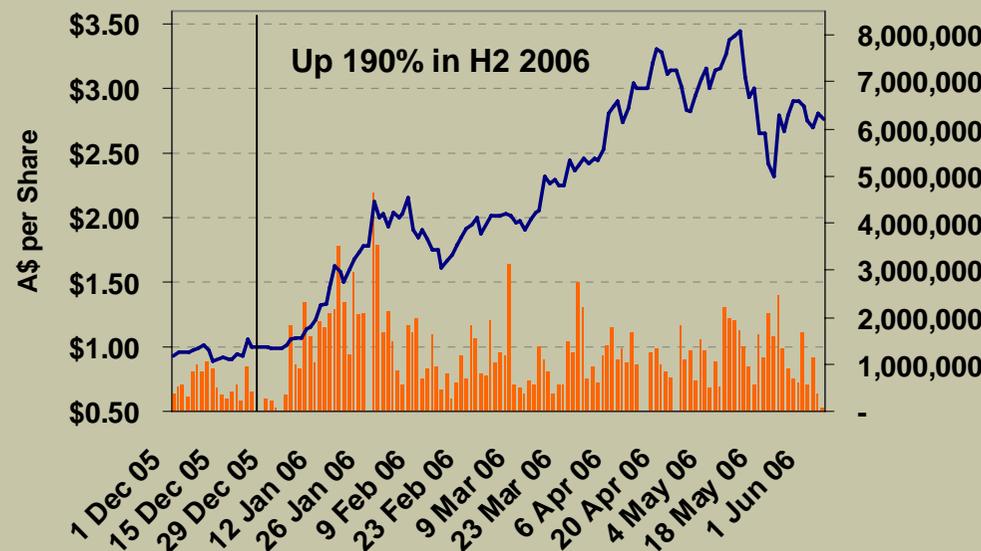


ASX Code	PEM
Shares on Issue	191.0 m
Unlisted Options	8.0 m
Share Price	A\$3.00
Market Capitalisation	A\$573m
Average Daily Turn-over	928,000 shares

Geographic analysis of investors – 31 Jul 2006



Perilya – Share Price Performance



- Over 50% foreign held
- Strong recent interest from North America and Asia
- Taking a global perspective on investor relations

source: IRESS

Disclaimer



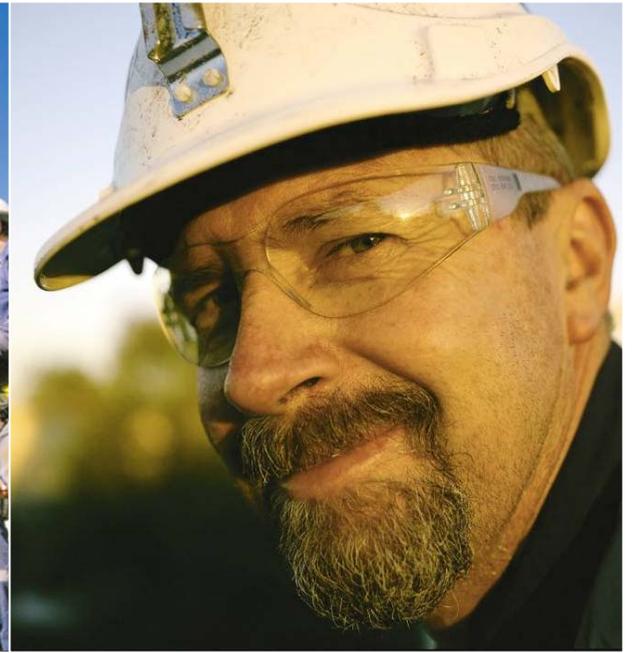
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All figures are expressed in Australian Dollars unless stated.



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Questions