

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



	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

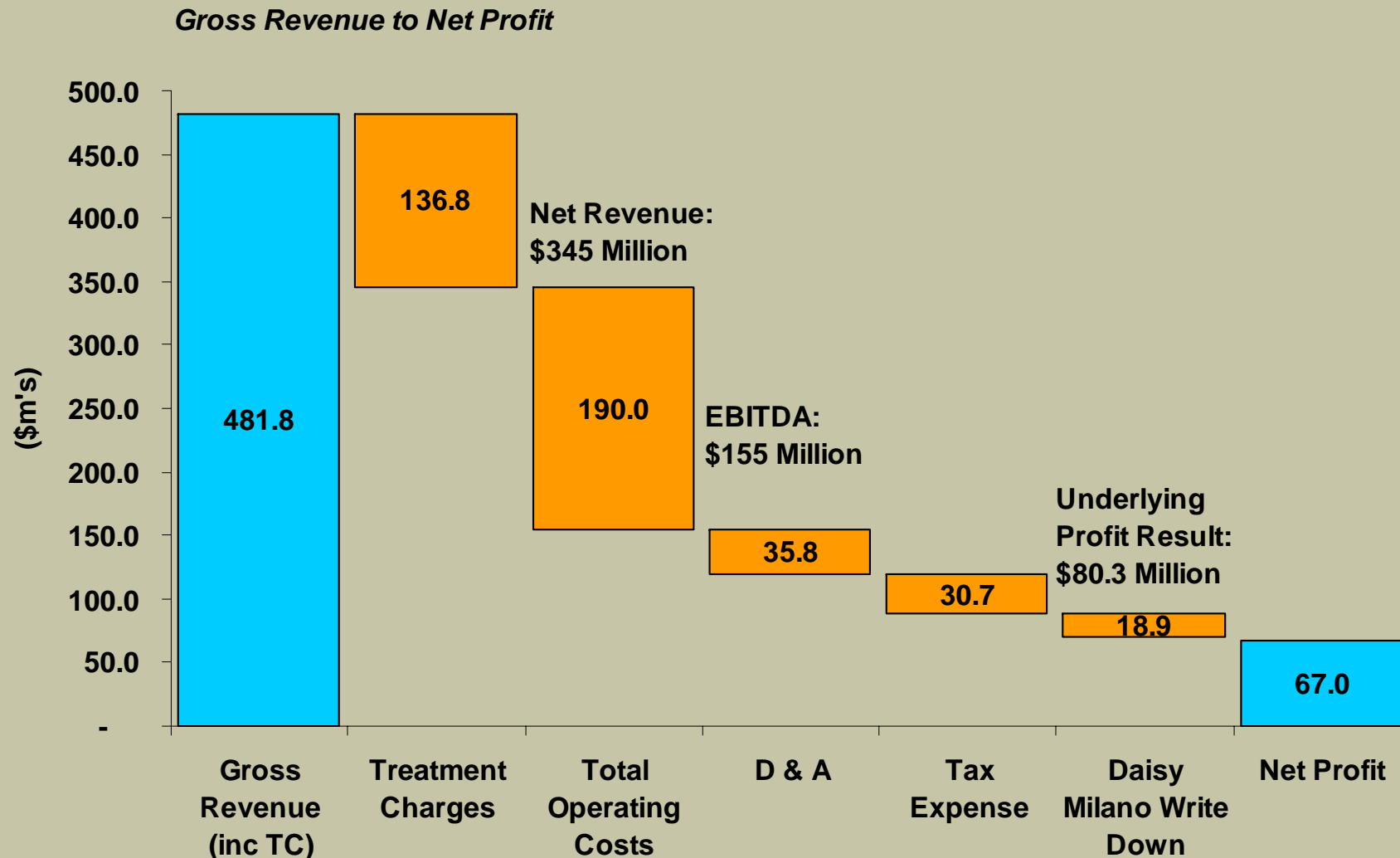
Accounting

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

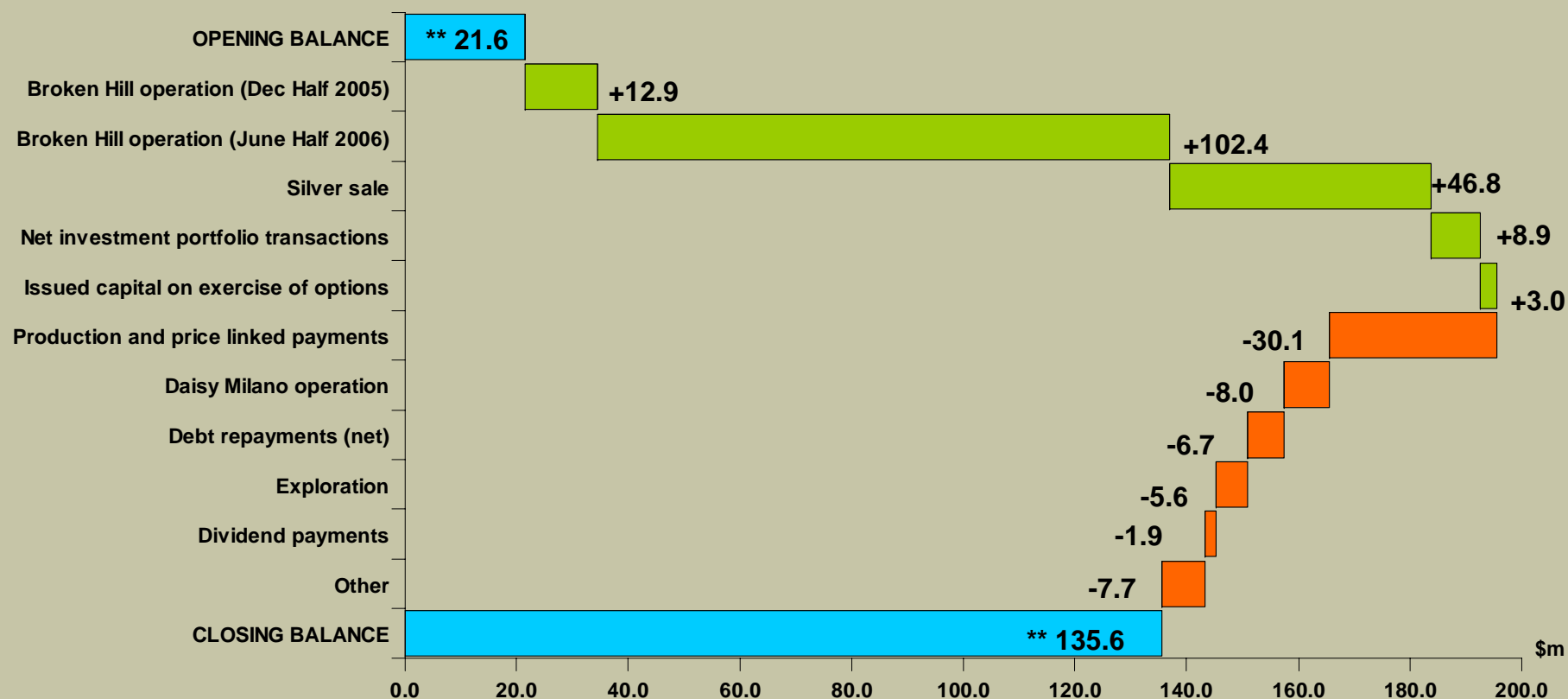
Record profits driven by prices and underlying performance



Strong cash flow, low debt



2005-2006 CASH MOVEMENTS (\$m)



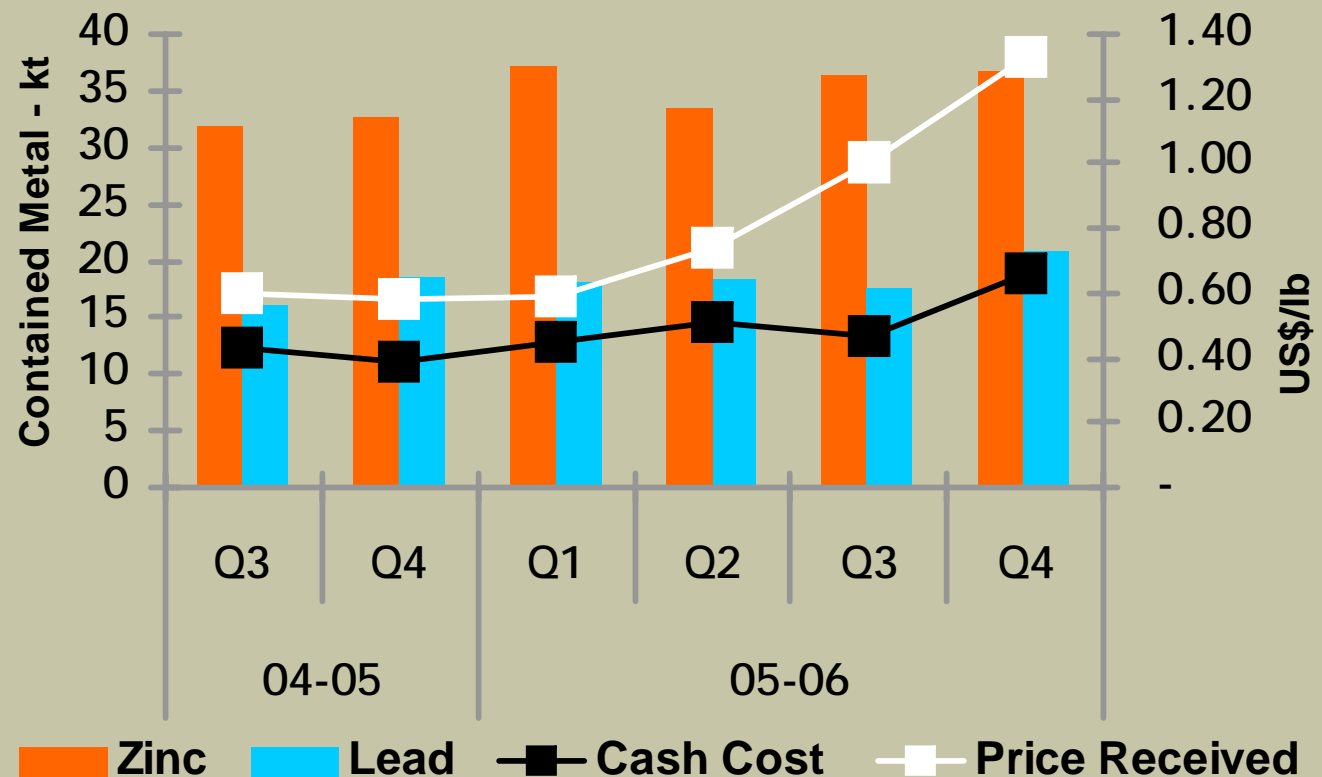
** Includes restricted cash

Broken Hill

Consistent production; growing margins



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



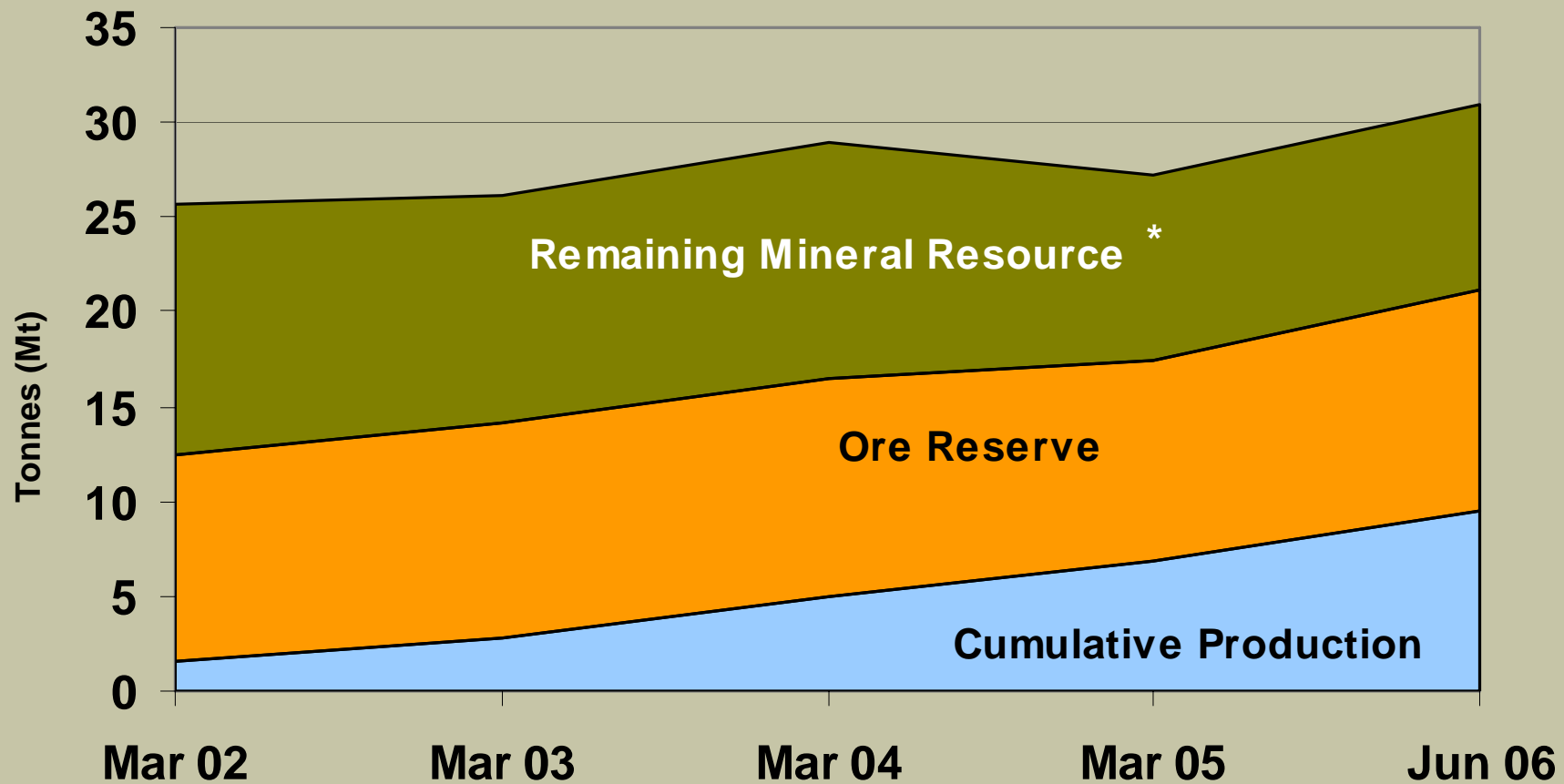
Earnings potential in perspective



- 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



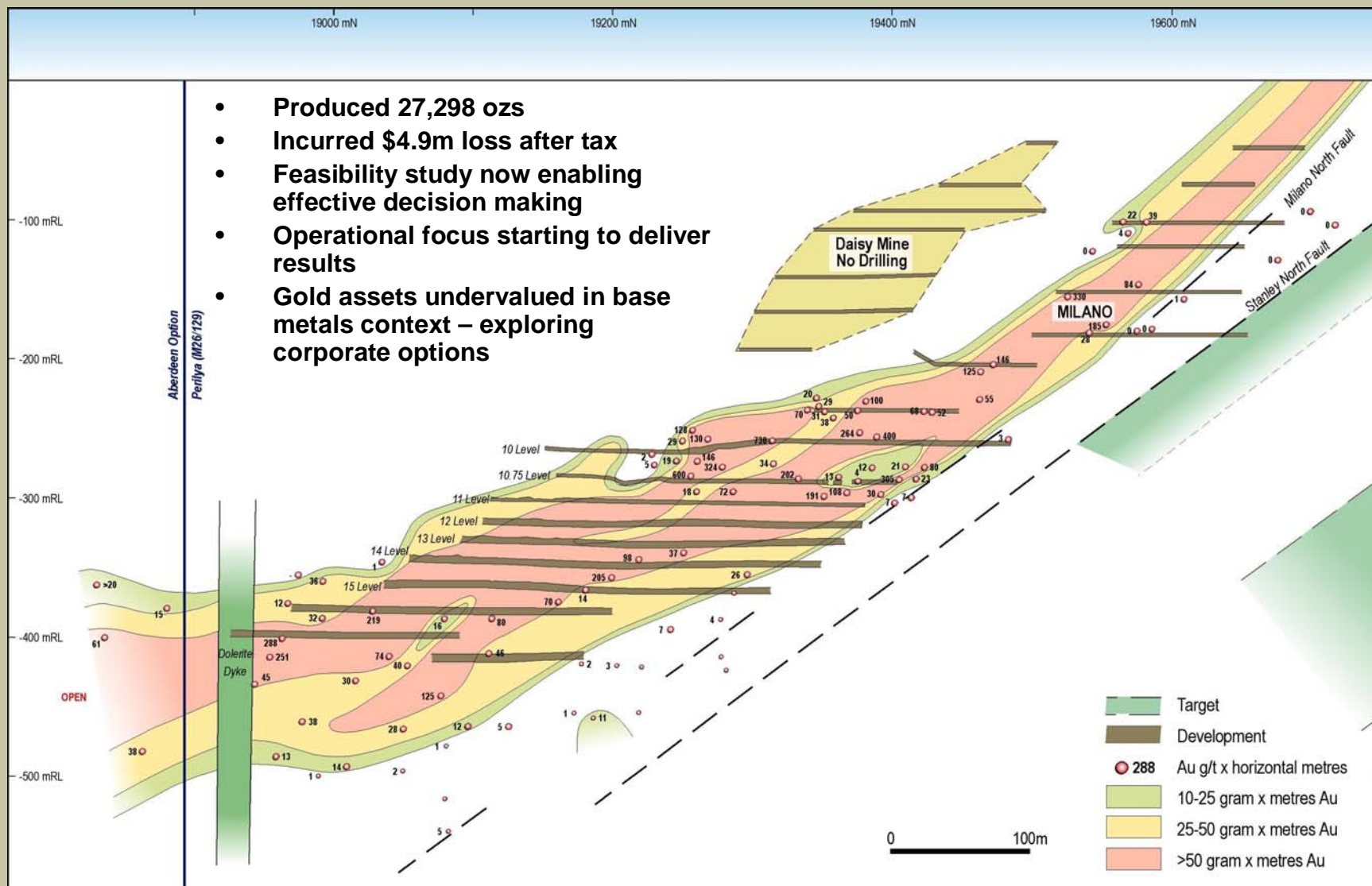
* Includes Southern Operation, Potosi & North Mine

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



PERILYA

	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



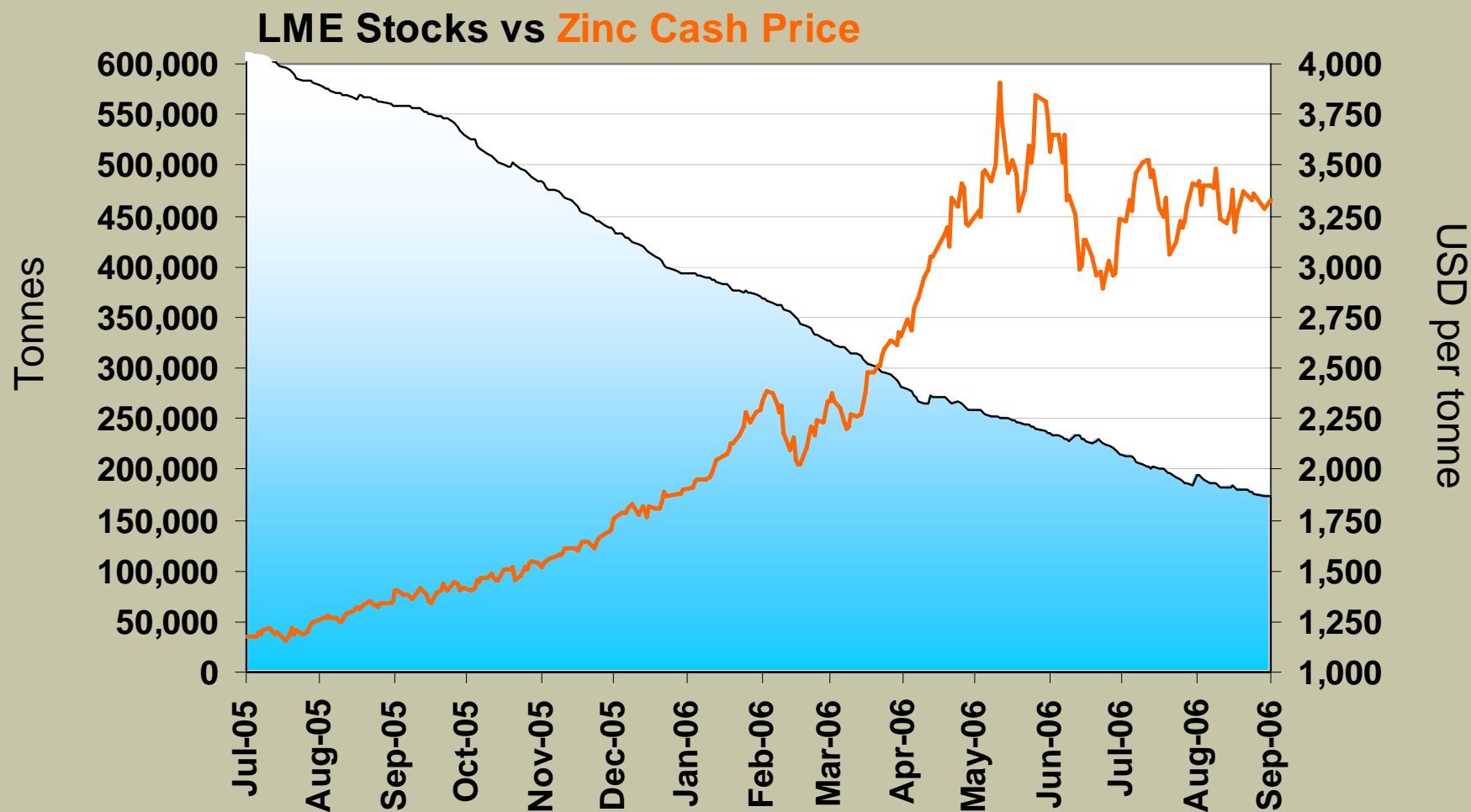
Strategy for sustainable long-term growth



- 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

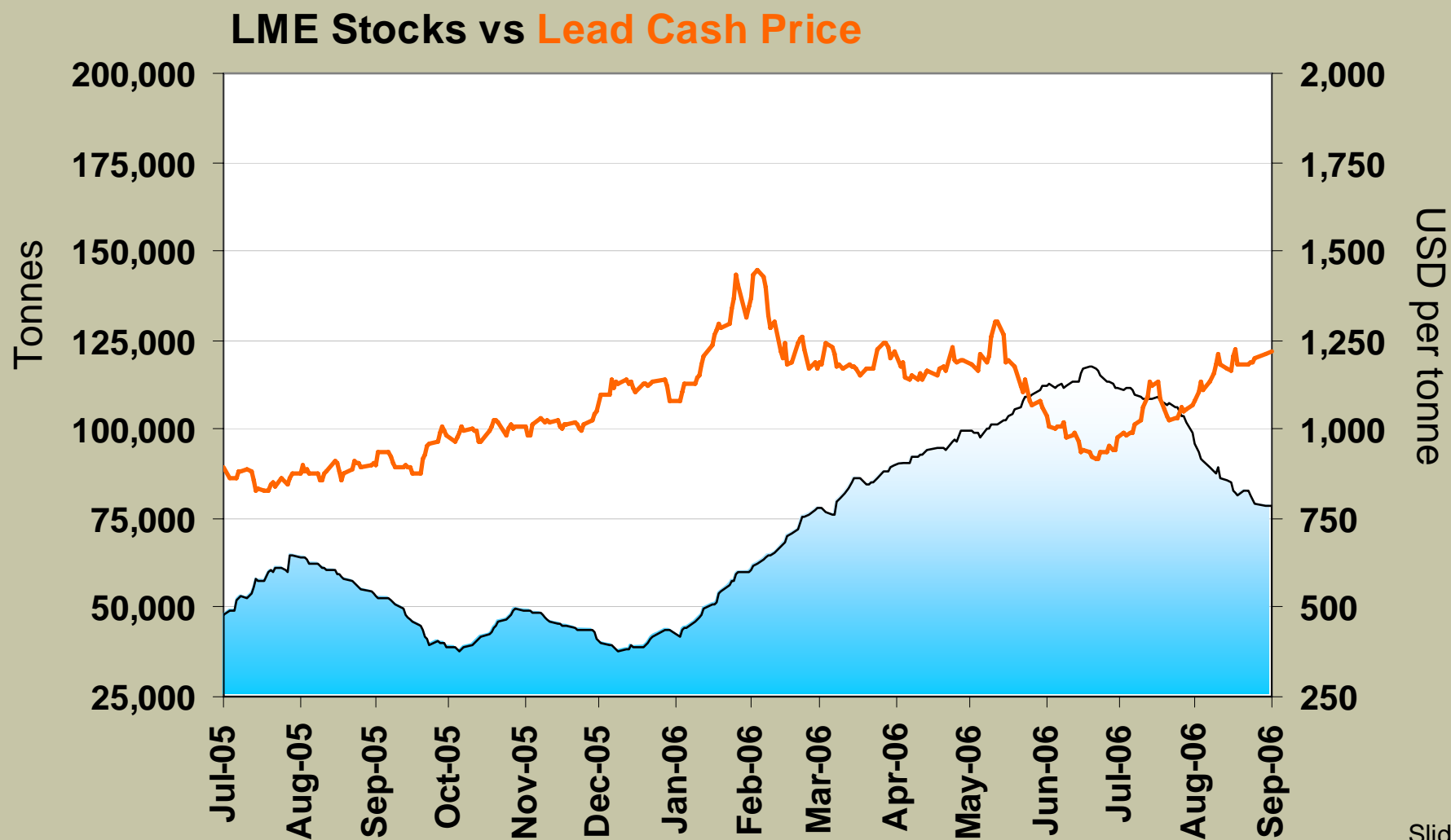
Business outlook

Zinc stocks continue downward trend

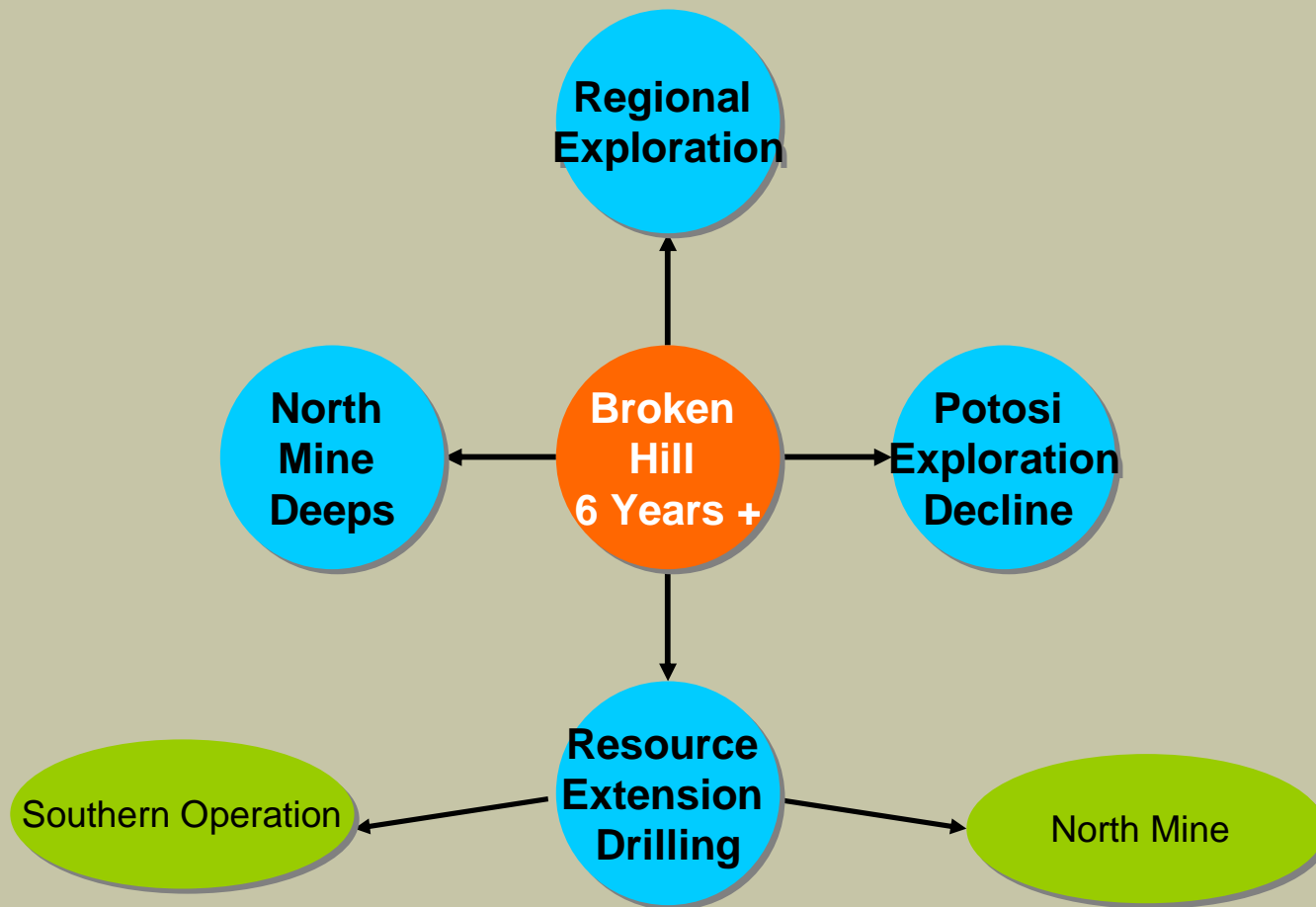


Business outlook

Lead coming off high stock levels

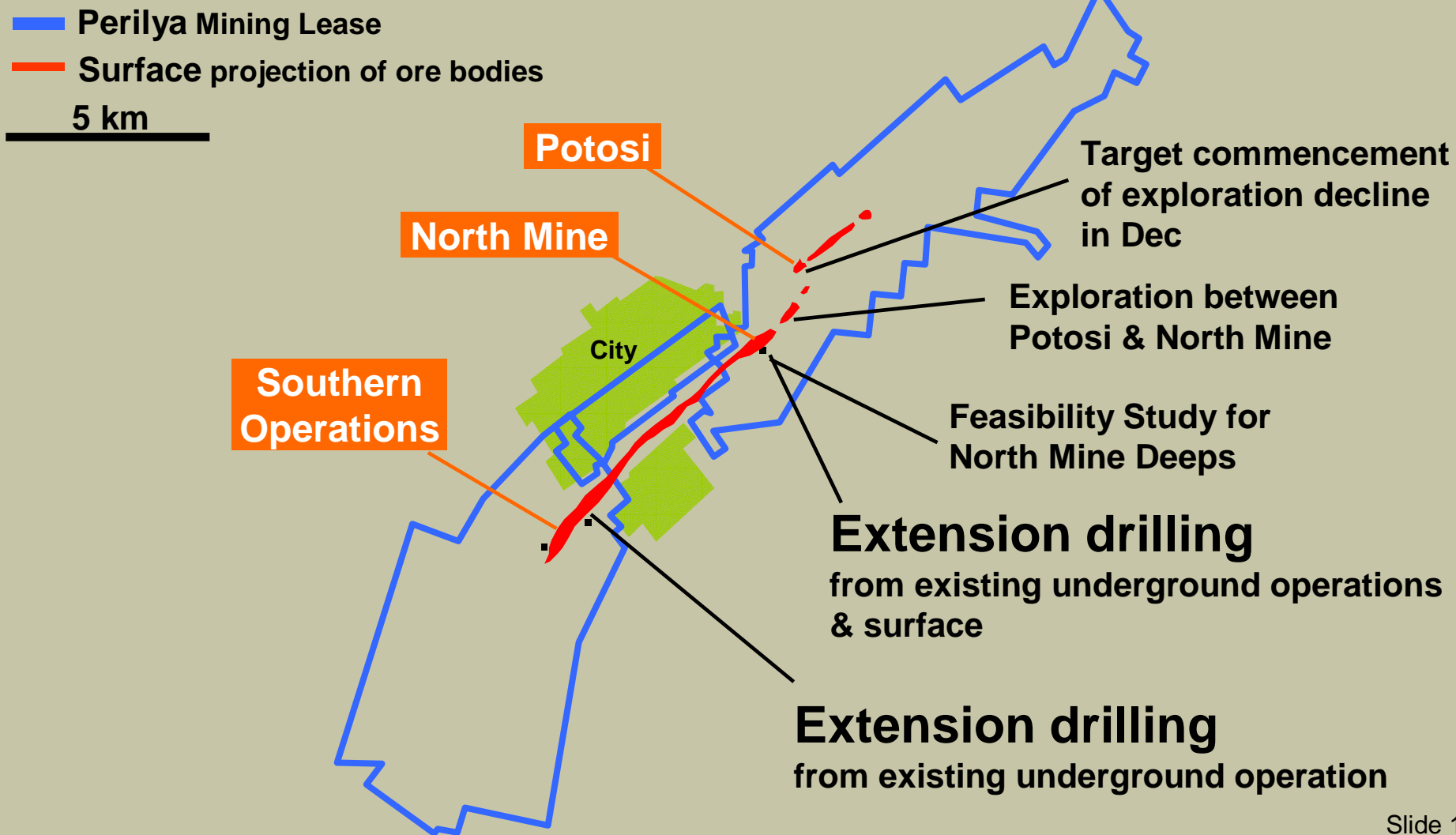


Extending Broken Hill mine life beyond 10 years



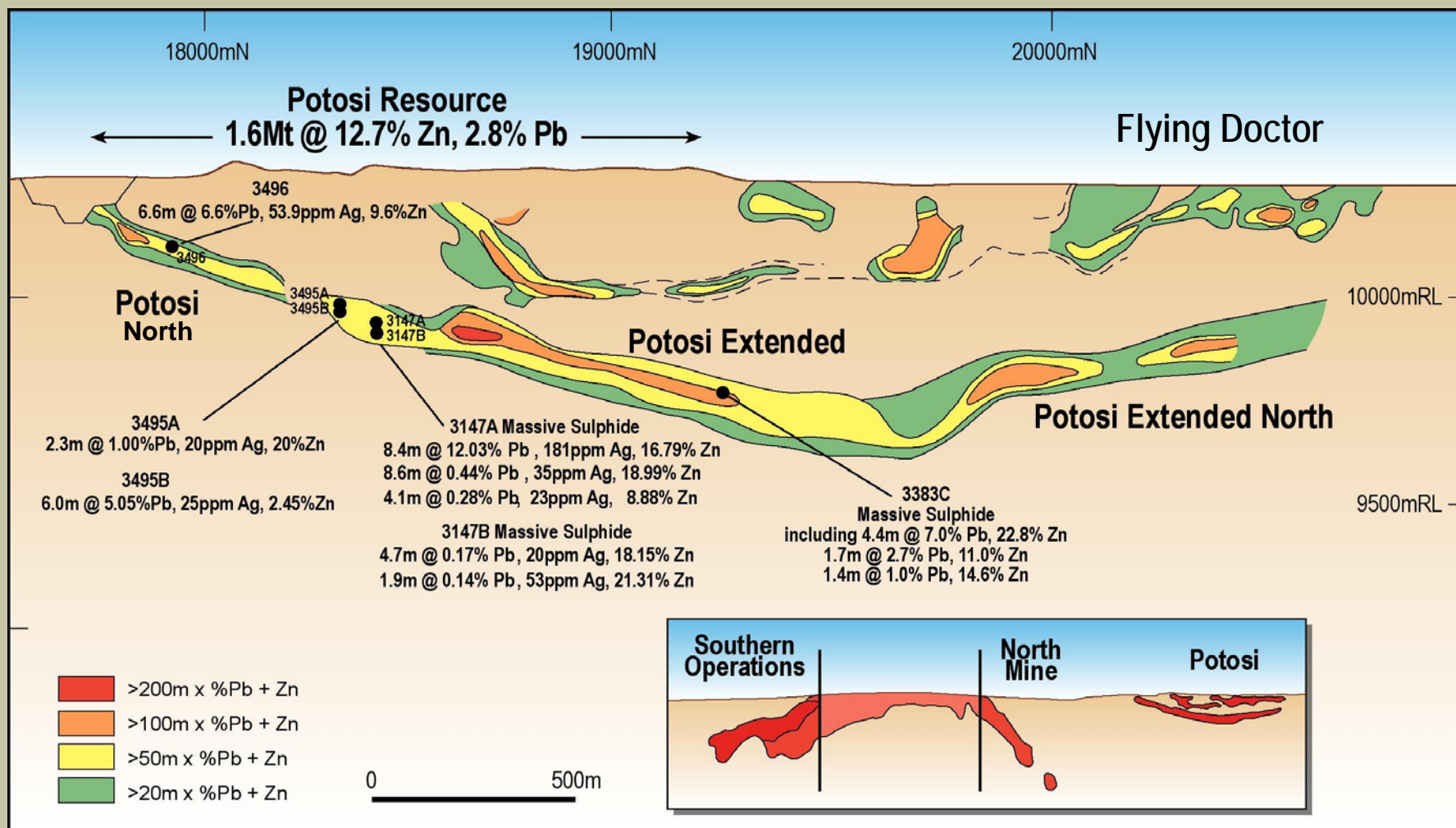
Extending Broken Hill

Near mine focus



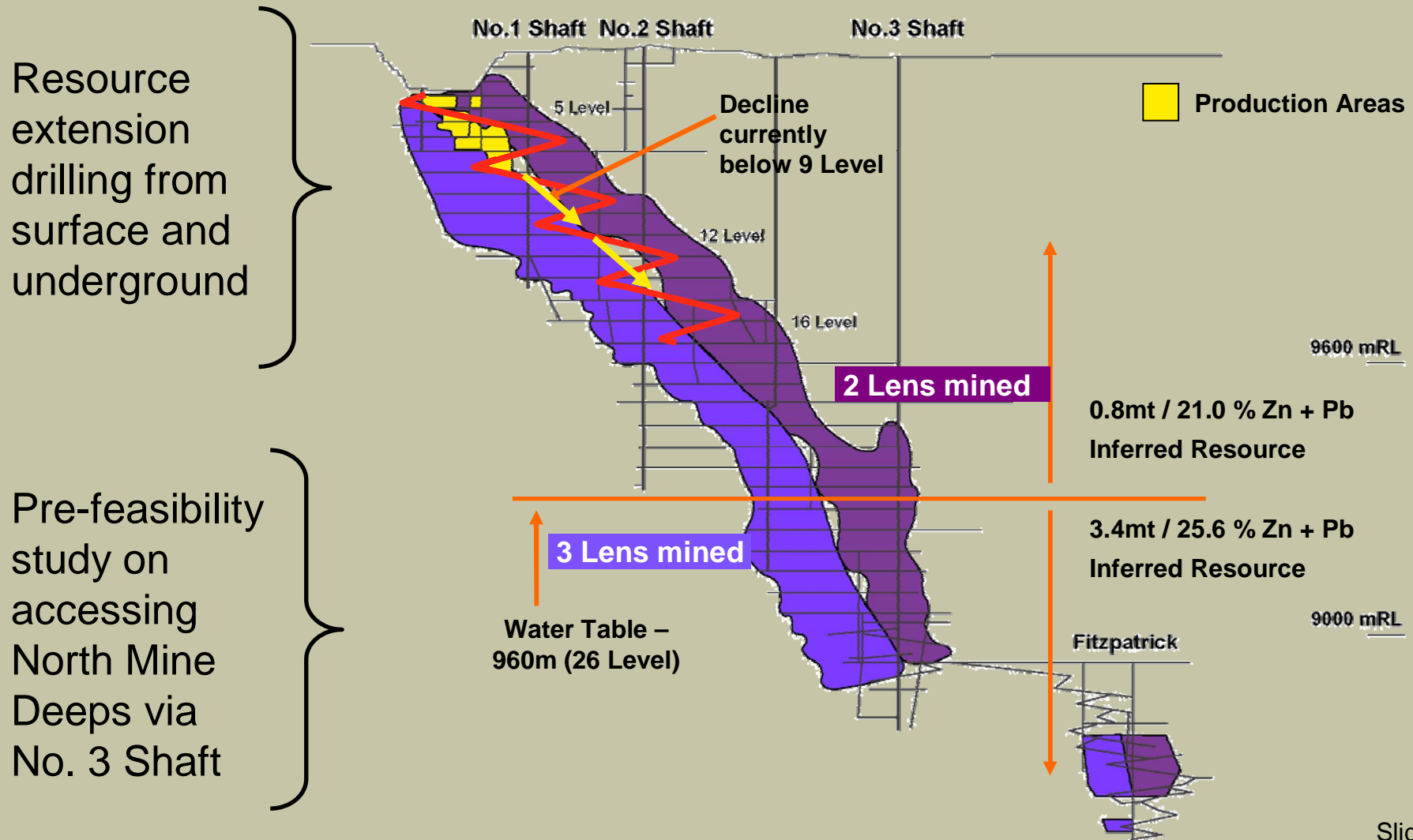
Extending Broken Hill - Potosi

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

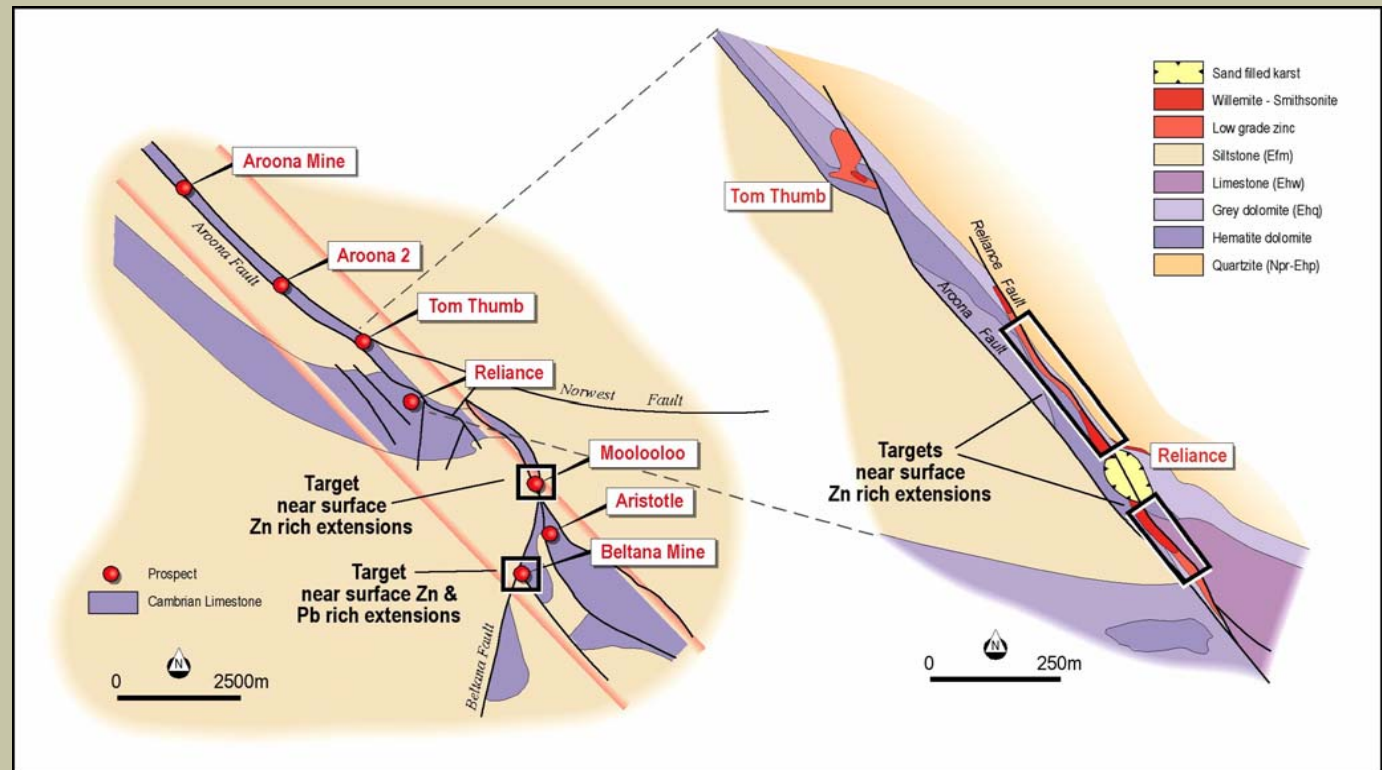
- Evaluate viability of direct ore shipping from further deposits along line of strike

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

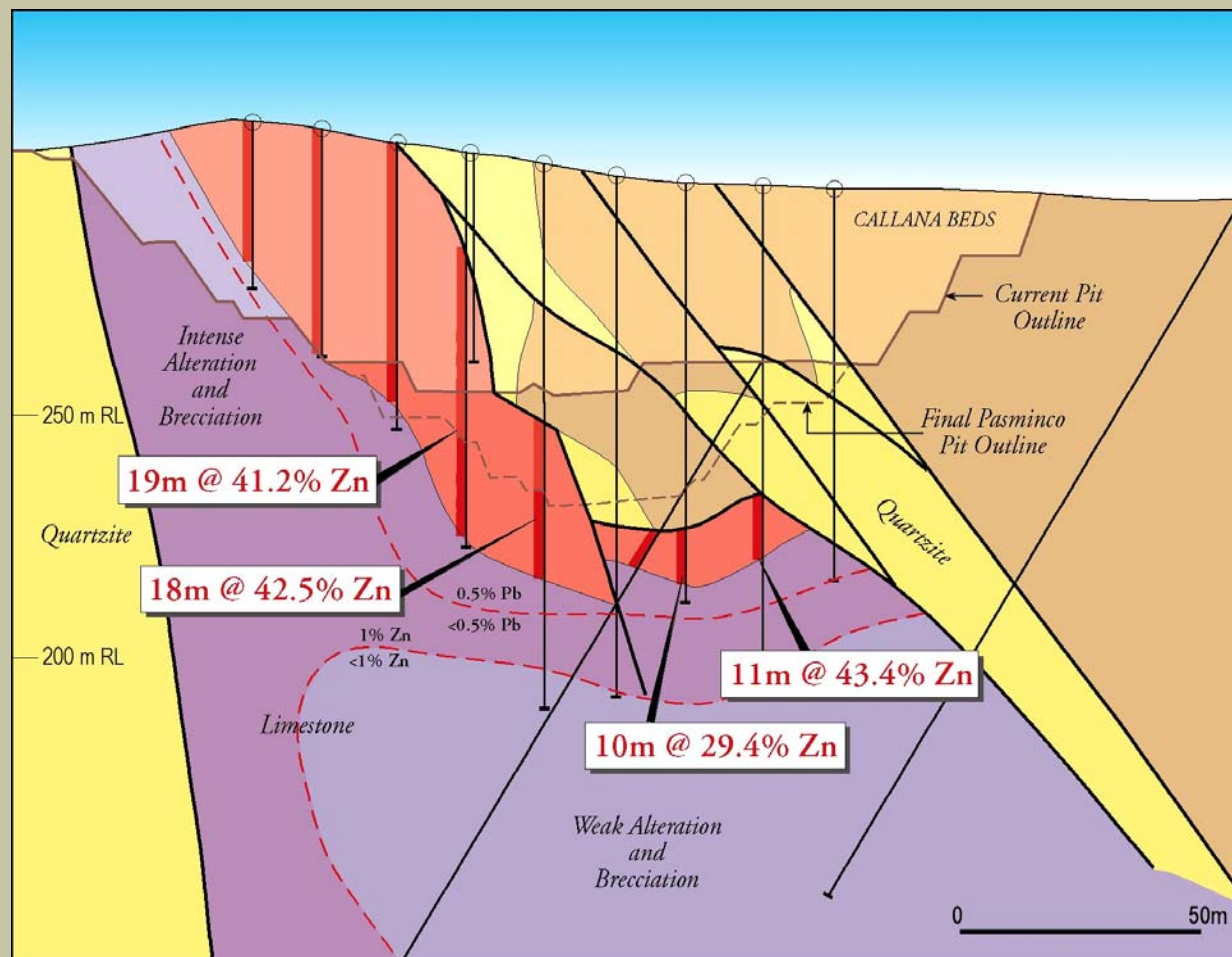


Direct Ore Shipping

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

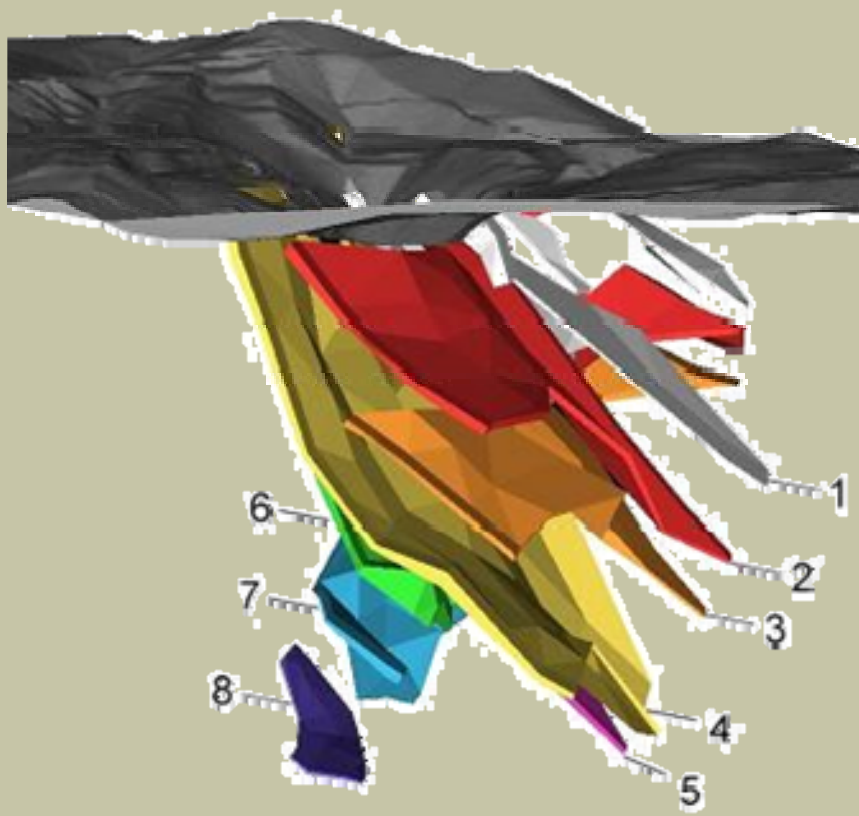
September Quarter

- 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



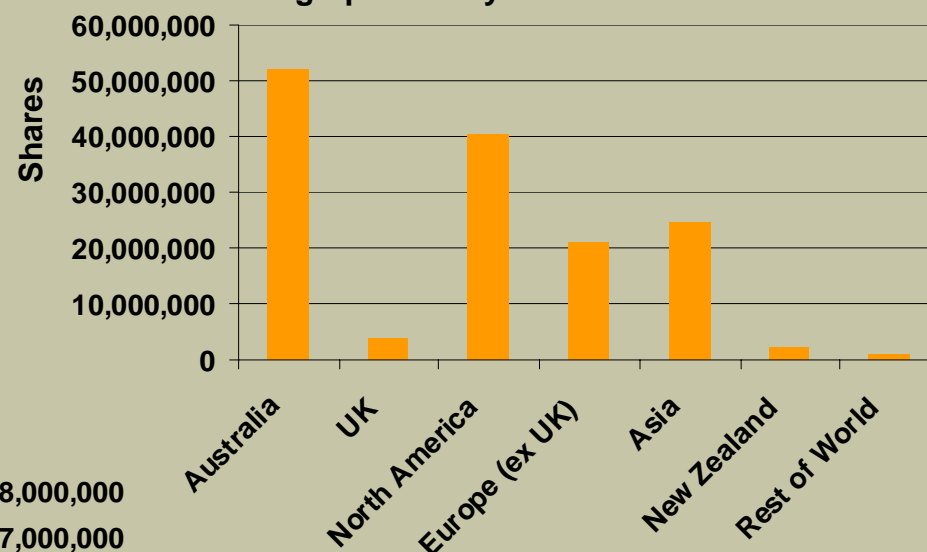
- Strong balance sheet including ~ \$160M cash and receivables and \$7M debt
- Strong operating cash flow - \$166M
- Sustainable dividend policy
- Extended Broken Hill mine life and growth potential
- Good development pipeline
- Exploration potential

Capital Structure as at August 2006

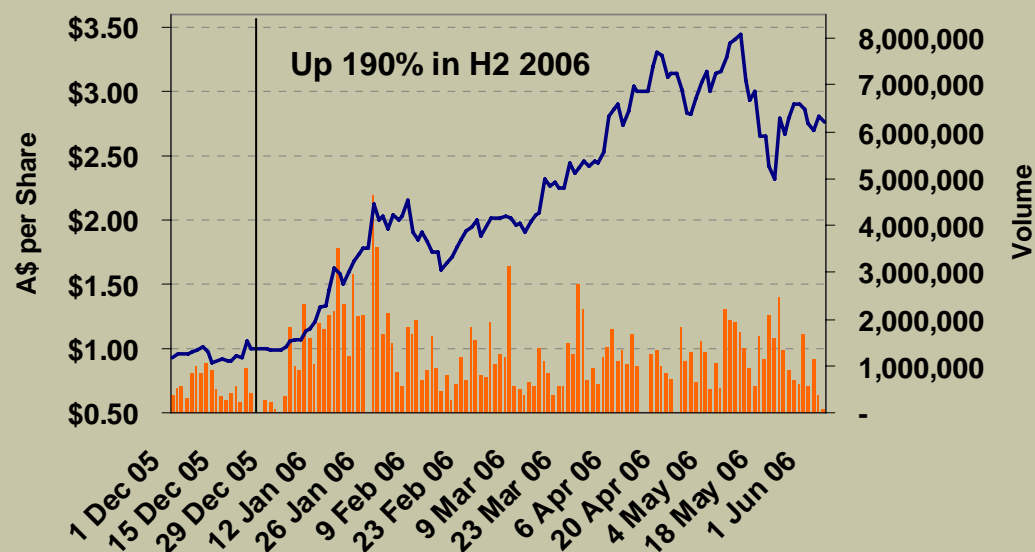


ASX Code	PEM
Shares on Issue	191.0 m
Unlisted Options	8.0 m
Share Price	A\$3.00
Market Capitalisation	A\$573m
Average Daily Turn-over	928,000 shares

Geographic analysis of investors – 31 Jul 2006



Perilya – Share Price Performance



Source: IRESS

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

Disclaimer



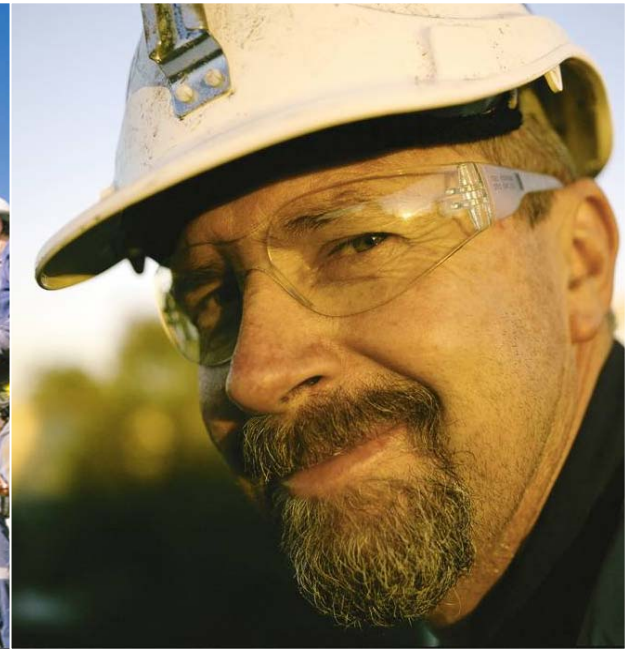
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All figures are expressed in Australian Dollars unless stated.



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Questions