

Half Year Financial Results

for the six months ending 31 December 2006

Highlights

- \$76.1 million half year net profit after tax
- 39.8 cents earnings per share
- Fully franked interim dividend of 10 cents per share (DH 2005 : 1 cent per share)
- \$238.3 million cash and receivables. Debt of \$9.6 million
- Pre tax cash flow from operating activities \$107.9 million
- Admitted to S&P/ASX 200 Index in November
- Best performing company in the S&P/ASX 200 Index during 2006

Summary

	Dec Half 2006	Jun Half 2006	% Var	Dec Half 2005	% Var
Revenue (A\$m) #	261.4	221.6	18.0	123.4	111.8
EBITDA (A\$m)	128.2	93.9	36.5	39.1	227.9
NPAT (A\$m)	76.1	50.1	51.7	16.9	350.3
EPS (¢/share)	39.8	26.4	50.8	9.1	337.4
Dividend (¢/share)	10.0	4.0	150	1.0	900
Zinc (kt) *	58.2	73.4	(20.7)	70.7	(17.7)
Lead (kt) *	37.6	38.4	(2.1)	36.4	3.3
Silver (Moz)	1.04	1.08	(3.5)	1.05	(0.9)
Contained Gold (oz)	17,922	12,588	42.4	14,710	21.8

Net of concentrate treatment charges

* Contained metal

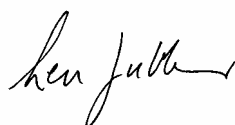
CEO comments

Perilya (ASX: PEM) today announced a record \$76.1 million net profit after tax, or 39.8 cents earnings per share for the first half of the 2006/07 financial year. This represents a \$59.2 million or 350 per cent increase over the corresponding period in the previous financial year and a \$26.0 million or 52 per cent increase over the prior half year.

Perilya's CEO, Len Jubber, said "the first half result has reflected continued consistency of operations at Broken Hill coupled with a further increase in zinc and lead prices. The significant increase in earnings has further strengthened the balance sheet, with cash and receivables up 47 per cent to \$238.3 million."

"The past six months has seen substantial progress in positioning Perilya for sustainable growth. The Board approved both the development of an exploration decline at Potosi to assess the potential for a third ore source at Broken Hill and the development of the Flinders zinc project in South Australia. Furthermore, resource drilling at the Mount Oxide copper project has confirmed the geological interpretation and continuity of mineralisation, as well as indicating the potential for extending the known mineralisation. All of these bode well for additional metal production in future years," said Mr Jubber.

Perilya announced a 10 cent interim fully franked dividend to be paid out of the 39.8 cents earnings per share for the half year. The company continues to evaluate organic growth and acquisition opportunities in the current buoyant commodities market.



Len Jubber
Chief Executive Officer
14 February 2007

Profit

A record \$76.1 million net profit after tax, or 39.8 cents per share for the half year ending 31 December 2006.

EBITDA of \$128.2 million, up 36 per cent on the 2006 half year.

Cash Flow

Perilya generated \$107.9 million pre tax cash flow from operating activities in the half year. Significant capital expenditure included \$14.7 million on mine development, \$5.5 million on plant and equipment and \$5.9 million on exploration. Additional payments included 2005/06 tax of \$26.7 million and dividends of \$7.5 million.

Operations

Broken Hill

Zinc production was down 20.71 per cent to 58,200 tonnes and lead production was down 2.1 per cent to 37,576 tonnes compared to the June half year.

High metal prices during the period provided the opportunity to mine lower grade material excluded from the ore reserves.

Cash operating margin increased 52 per cent to US\$0.93 per pound.

The annual production forecast was revised to 110,000 – 120,000 tonnes of zinc and 65,000 – 70,000 tonnes of lead in the December quarterly report following the tragic fatality at the Broken Hill mine in January.

The phased reintroduction of remote loading operations has proceeded to plan with full production expected to return during mid to late February 2007.

Daisy Milano

A total of 72,135 tonnes of ore were mined at an estimated grade of 7.73 grams per tonne containing 17,922 ounces.

Closing run of mine stock pile at 31 December 2006, contained an estimated 9,250 ounces of gold, equating to approximately \$5.4 million in pre tax cash flow (assuming US\$625 per ounce of gold).

Project Development

Potosi

Following Board approval in October 2006 the exploration decline has progressed over 80 metres beyond the portal entrance.

North Mine Deeps

Pre feasibility study into the re-opening of the North Mine below Level 26 is due in April 2007.

Flinders

The project is on track to commence mining at Beltana in March 2007 following Board approval in December 2006.

Exploration

Mount Oxide

Drilling at Mount Oxide confirmed the recent geological re-interpretation and the continuity of mineralisation, which is open along strike and at depth. The Mount Oxide inferred mineral resource contains 100,000 tonnes of copper.

Drilling will recommence in April 2007.

Corporate

Perilya was admitted to the S&P/ASX 200 Index in November 2006.

Dividends

The Board has declared a fully franked interim dividend of 10 cents per share. The distribution follows the total dividend of five cents per share in 2005/06.

The record date for determining entitlements to the interim dividend is 28 February 2007. The company's Dividend Reinvestment Plan (DRP) will be available for eligible shareholders to reinvest all or part of their dividends. Details on the DRP will be provided shortly to shareholders.

FOR FURTHER INFORMATION:

Investors

Len Jubber, Chief Executive Officer

Media

Peter Eggleston, GM Sustainable Development

Perilya Limited

ABN: 85 009 193 695

Phone: +61 8 6210 2000

Website: www.perilya.com.au