



**Kingsgate**

Consolidated Limited

ABN 42 000 837 472

**MEDIA RELEASE**

30 August 2010

## **KINGSGATE – BIGGEST PROFIT EVER - UP 125% PLUS STRONG DIVIDEND**

Gold producer Kingsgate Consolidated Ltd (ASX: KCN) has reported its largest ever profit after tax of \$73 million for the year ending 30 June 2010. This profit is up 125% on last year's \$33 million profit.

Kingsgate declared a 20 cent per share final dividend, bringing the full year dividend to 35 cents per share or a 3.5% yield, the highest this year for gold producers. Prudent fiscal management, an expectation of future strong cash flow and the ability to gain debt support, underpin the declaration of the final dividend.

Total revenue for the year was \$176 million, up 54% compared to last year's revenue of \$114 million. This year's pre-tax profit was \$82 million. The company has a cash position of \$49 million and no debt.

At its Chatree mine in central Thailand 132,628 ounces of gold were poured during the year at a cash cost of US\$335 an ounce gold, or US\$257 an ounce before paying Thai royalties. Managing Director Gavin Thomas said this maintains the company in the lowest 20% of global gold producers.

"A plant expansion plan is underway to double ore processing capacity to five million tonnes per annum by mid 2011. This is one of the largest increases in gold production of any current gold producer on the ASX" he said.

Since November 2001 more than one million ounces of gold has been produced at Chatree which is the safest gold mine in the world.

"This has been a very successful year and in keeping with Kingsgate's policy we can once again reward our shareholders with an appropriate dividend", Mr Thomas said. "Our results were right on target. After the June quarterly, the market upgraded our forecast profit".

Most analysts have a BUY on Kingsgate and the stock has been trading at \$1.50 -\$2.50 below the analyst's consensus target price. Kingsgate is the largest gold producer on the ASX, by market capitalisation, after the merged Newcrest/Lihir gold company.

### **Media Enquiries:**

Suzanne Blake

0414 233 500

suzblake@optusnet.com.au

For further information:

<http://www.kingsgate.com.au/news-desk>