

# REPORT TO EMPLOYEES ON 1985 PERFORMANCE

## 1985 PROFITS DOWN — BUT 1986 LOOKS GOOD!



Peter Leane, General Manager

### Profit Fall of 60% in 1985

We made a profit of \$2.8 million during 1985, a 60% drop from the \$7.0 million profit posted in 1984.

The graph below shows that 1985 was only a very average year. The upward trend of 1983 and 1984 was not sustained — Why?

Our major problem was a 14% drop in production. We produced 62 795 tonnes of ISF zinc in 1985, compared to 72 699 tonnes in 1984.

About half of this shortfall was from the thirty-one day campaign shutdown during September. The other half was caused by difficult furnace conditions early in the year, and problems with the continuous tapper trials late in the year.

The continuing fall in the overseas price of zinc is worrying. It averaged US\$994 in 1984, US\$853 in 1985, and was down to

US\$670 in March 1986. However, in 1985 the fall in the Australian dollar exchange rate offset the falling zinc price. Without the fall in the exchange rate, we would have run at a loss in 1985.

### The Outlook for 1986 is Promising

Our efforts in 1985 have laid the foundation for a much better 1986.

Our achievements at campaign shutdown were impressive. The construction and proving of the continuous tapper, and the new immersion cooled launder were even more impressive.

We now have a plant capable of producing 80 000 tonnes per annum of ISF zinc.

If metal prices recover and the plant continues to perform well, we will have a very good year.

### 1986 A Special Year at Sulphide

This year is a very significant one at Sulphide.

The 25th Anniversary of continuous smelting operations takes place on 6 August. The first zinc from the present complex was cast on 6 August 1961.

Our celebrations for the anniversary will involve every employee. Planning is well underway and recommendations are coming forward from our 25 Years' Anniversary Steering Committee.

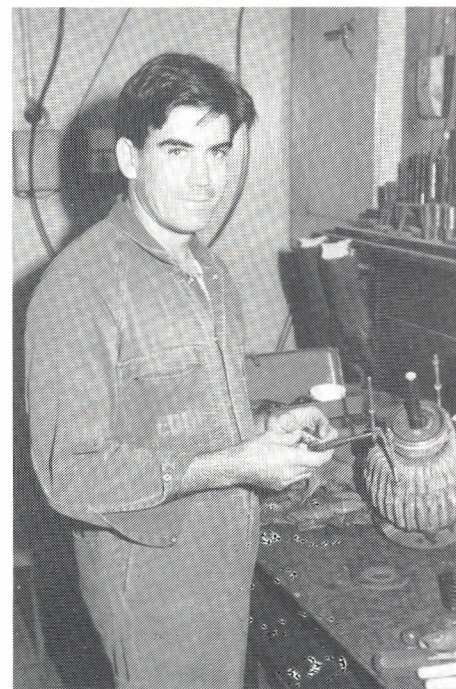
Thank you for your efforts in 1985. I'm sure that 1986, our Anniversary Year, will be one to remember.

*Peter Leane*

## MEMBERS OF THE TEAM



Communications Supervisor, Helen O'Brien operating a word processing terminal.



Electrician, Eddie Lange repairing an electric motor.

### PROFIT/LOSS (\$ MILLIONS)

