

# Franco-Nevada Corporation

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## Franco-Nevada posts wider Q4 loss on impairment; bumps up dividend

Franco-Nevada Corporation (TSE:FNV) (NYSE:FNV) posted a wider net loss in the fourth quarter, but the gold-focused royalty and streaming company still increased its dividend.

For the fourth quarter, the company posted a net loss of \$80.6 million, wider than the \$33.1 million net loss in the year ago period. The latest results included after-tax impairment charges of \$108.1 million, the bulk of which was tied to Franco's McCreedy precious metal stream in Sudbury as KGHM International announced plans to cease production of contact nickel ores as its off-take contract had been cancelled.

The company also took a hit from its interest in Falcondo, a ferronickel operation in the Dominican Republic, with operator Glencore Xstrata placing the mine on care and maintenance.

On an adjusted basis, net income for the quarter was \$30.5 million, or 21 cents per share, the company said.

"In 2013, Franco-Nevada's portfolio performed very well despite lower gold prices," said president and CEO, David Harquail.

Net income for 2013 was \$11.7 million, or 8 cents per share, realizing 241,402 ounces of gold equivalent and \$67 million in revenue for its oil and gas assets. Adjusted profit was 94 cents per share.

In the final quarter, gold equivalent ounces jumped 17.5% from the same period in 2012, despite a 26% lower average gold price and a 13% lower average platinum price for the quarter. The company said it saw higher output from its international and Canadian gold assets, somewhat offset by lower production from its U.S. gold assets.

"We exceeded guidance for both our projected GEOs and oil & gas revenues. We expect our existing portfolio will continue to generate a growing number of ounces over the next five years.

"Franco-Nevada remains financially strong and debt-free and we expect to continue to grow with further investments."

The company, which paid out more than \$100 million in dividends to shareholders last year, said it would increase its dividend by 11% to 20 cents per share, beginning in the second quarter of this year.

Franco-Nevada is expecting its existing portfolio to generate by 2018 between 300,000 to 325,000 gold equivalent ounces and \$65 to \$75 million in oil & gas revenues.

Shares of the company declined 1.3% to C\$53.27 in Toronto on Thursday afternoon.

**Price:** 181.22

**Market Cap:** \$34.54 billion

### Share Information

**Code:** FNV

**Listing:** TSX

<b>52 week</b>	<b>High</b>	<b>Low</b>
	222.15	105.93

**Sector:** Gold & silver

**Website:** [www.franco-nevada.com](http://www.franco-nevada.com)

### Company Synopsis:

*Franco-Nevada Corporation (TSX:FNV) is a gold focused royalty company with additional interests in platinum metals, oil & gas and other assets. The majority of revenues are generated from a diversified portfolio of royalty properties in the United States, Canada and Australia.*

[action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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