

# 2010 Orica North America Minova Site Visit

Marion, Illinois  
July 21, 2010



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# Presentation Outline



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- Business Overview
- Our Past
- Our Change Program
- Our Growth Plan
- Our Future: Innovation

# **Business Overview**

## **Minova North America**

Jim Earl – President & CEO

# Business Overview

## Minova North America



### Expertise

- We offer solutions
- Our mining consultants average 26 years mining experience

### People

- 450 across US/Canada
- We recognize that talent is key to our success

### Locations

- Strategically located to serve our customers

Minova's mission is to be the global **leader in ground stabilisation and ventilation systems** to the underground mining and infrastructure markets through the provision of **distinctly superior products and services**

### Global Strength

- Leveraging global technology

### Products

- Ground Stabilisation Systems
- Ventilation systems
- Associated equipment and services

### Product Benefits

- Safety
- Efficiency
- Statutory compliance

### Industries

- Over 90% Coal
- Growing in Hardrock
- Some Tunneling

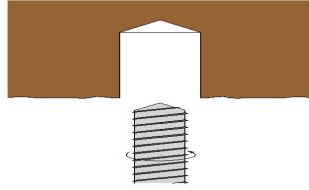
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# Business Overview

## Products in Process

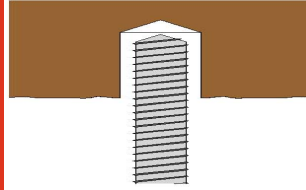


**Drilling**



**Hole**

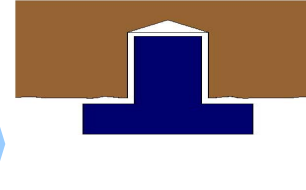
Drill bits/rods



**Fixing**

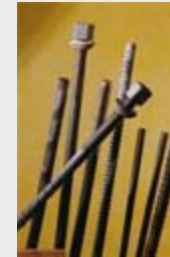
Mech Shells  
or Resin

**Resin capsules** along with steel bolts are used as primary roof support



**Anchors**

Bolts/plates/  
Truss systems



**Injection Chemicals & Mining Powders**

Organic injection chemicals are used to reinforce broken or weak strata and stop or prevent water ingress. Mining powders are used to support strata and in building ventilation seals.

### Application Services and Equipment

Minova offers a wide range of specialist application equipment and services mainly associates with resin injection and installation of ventilation seals.

**Minova Product Range**

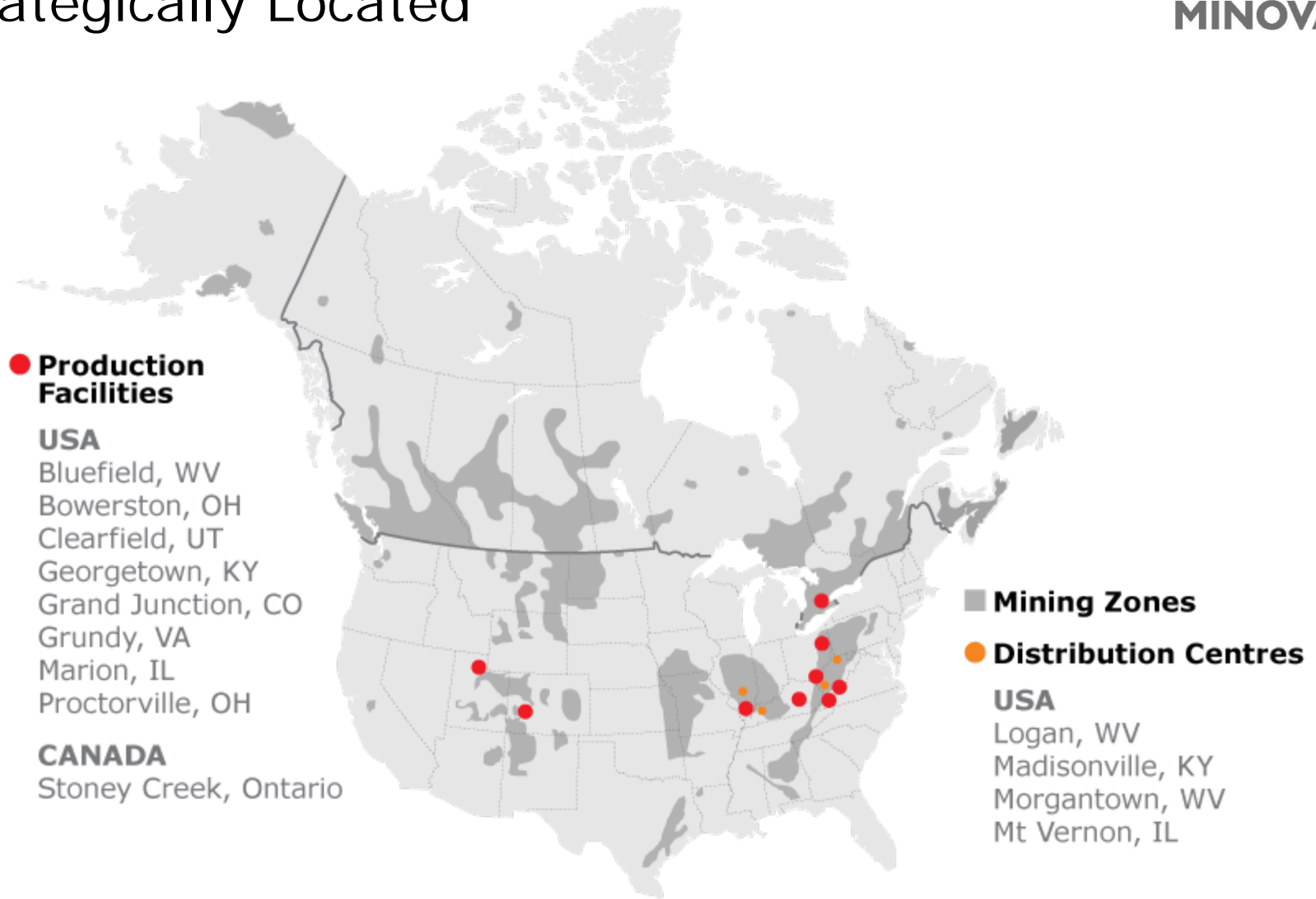
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Business Overview

# Strategically Located



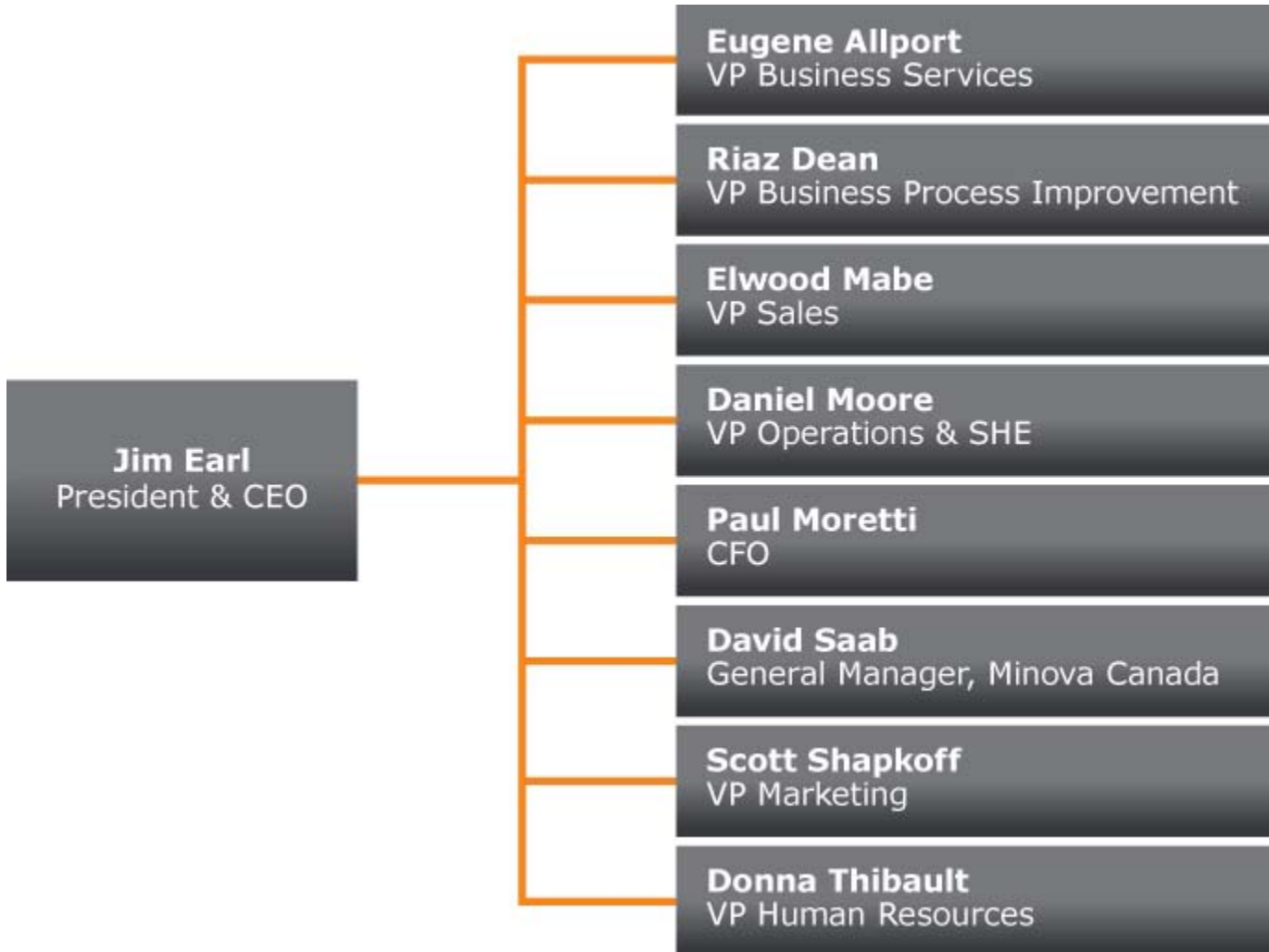
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Business Overview  
**Our Team**



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- Underground coal production
  - Currently approx 1/3 of North American production is underground
  - Accessing deeper coal seams
  - Long-term gradual trend to underground mining
- Products key to safe and economic mining
- Hard Rock mining
  - Demand growing with economic recovery
  - Gold, Trona, Potash
- Infrastructure investment

# Industry Changes



- The US mining industry is experiencing increasing mine safety regulations and scrutiny of safe mining practices
- Coal companies heightened focus on efficiency gains
- Our customers need solutions that support safe and efficient operations, now, more than ever

# Minova: Your Safety Partner



- All of our products are safety-related and/or contribute to the efficiency of our customer's operations.
- We are well positioned to support our customer's needs.

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A photograph of a mining truck in a dark tunnel, illuminated by its headlights. Two workers wearing hard hats and safety gear are standing on the truck. The scene is dimly lit, with the primary light source being the truck's headlights.

**Safety That Surrounds You.**

These are just a few of the many products in the Minova family of innovative safety solutions:

- Tekseal®
- Tekpak®
- Tekflex® PM
- Tekfoam
- Lokset® Toospeedie
- FiReP® GRP Bolts

**Safety First.** Minova has been serving the people of the mining industry for more than 30 years. Our mission is always *safety first* – by responding to the ground control and ventilation needs of our customers with a wide range of products and services.

Coupled with a strategic network of manufacturing facilities, warehouses, distributors and field support staff, quality customer service is the driving force behind everything we do.

The logo for Minova, featuring a stylized 'U' shape composed of two curved segments, one red and one orange, positioned above the word 'MINOVA' in a bold, sans-serif font.

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502-863-6800  
[www.minovausa.com](http://www.minovausa.com)

ORICA  
A member of the Orica Group

# Our Past

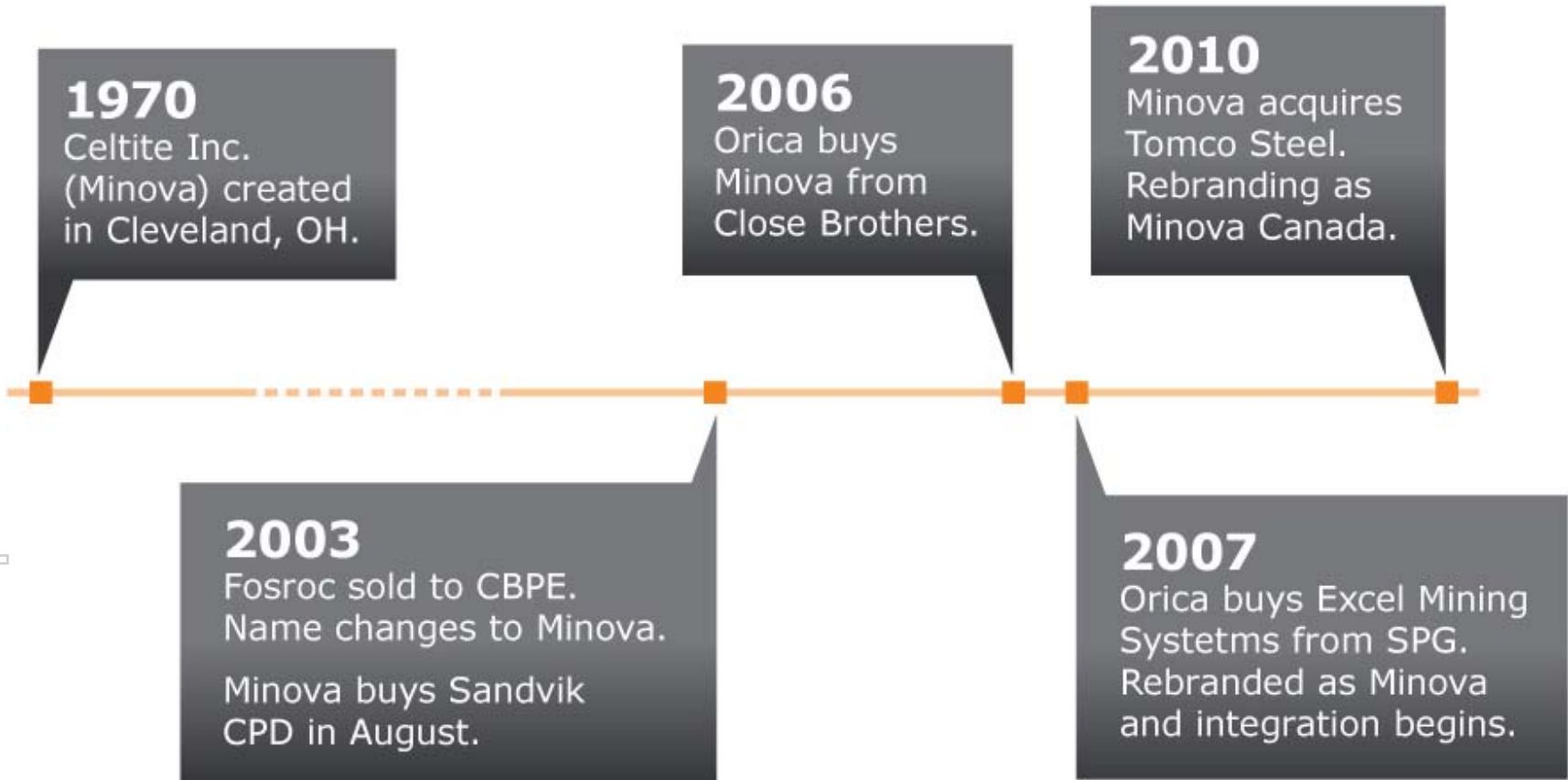
Jim Earl – President & CEO

Our Past

# Minova North America Company Timeline



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*Years refer to calendar years*

Our Past

## Market conditions



- Improved margins from better management of steel lag in 2010
- Negative impact on translated earnings of a stronger Australian Dollar
- Global financial crisis
  - 2009 total coal consumption ↓10.7%
  - Coal stocks ↑16.4%
- Recovery of US Coal volumes is still ahead
- Active competition

Our Past

## Our Response



- ✓ Achieve synergy targets
- ✓ Develop a regional strategic plan
- ✓ Reach out to Minova International & Orica
- ✓ Support the establishment of Minova Latin America
- ✓ Establish a base in Canada

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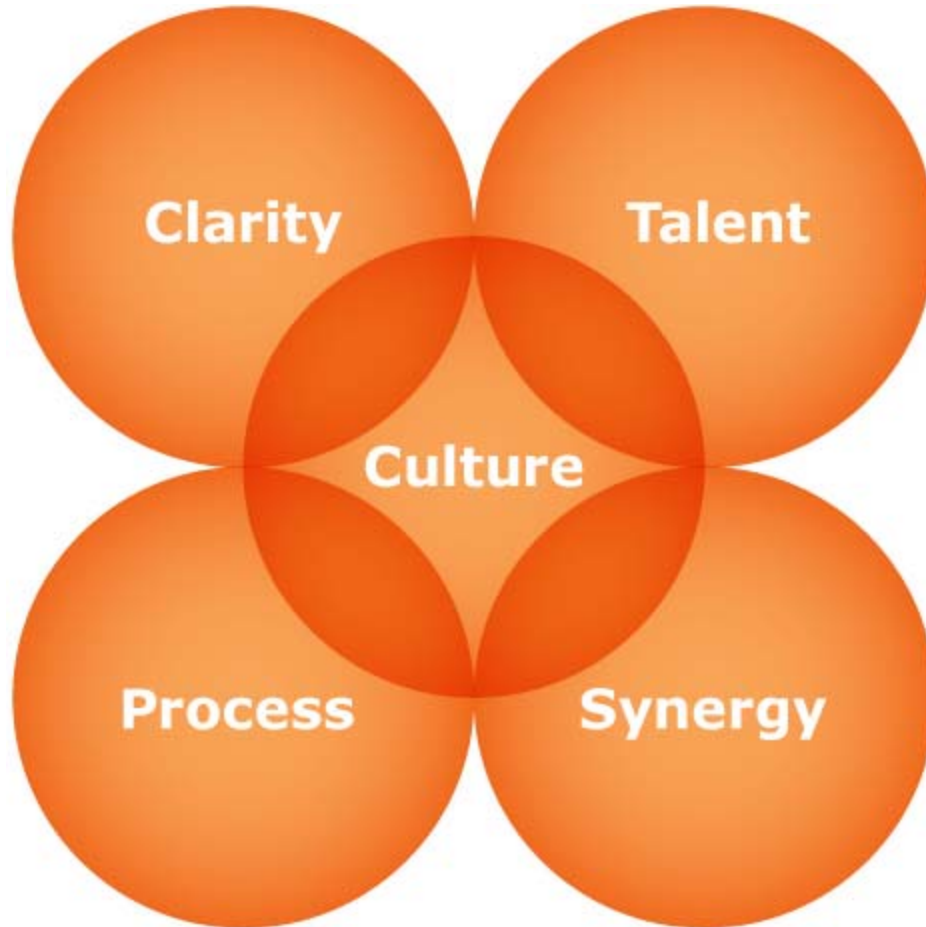
# Our Change Program

Daniel Moore – VP Operations & SH&E

Paul Moretti – CFO

Donna Thibault – VP Human Resources

Our Change Program  
Elements



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Our Change Program

# Clarity



- Strategic Planning Cycle
- Goal setting – individual contributions measured
- Structure – Management Team and beyond
- Teamwork – Regional and International

Clarity

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Our Change Program

# Talent



- Graduate Program
- Resourcing for growth
- Recruitment of new talent
- Succession planning – maximizing potential, closing gaps
- Skill development

Talent

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## Our Change Program

# Synergy



- Leverage resources of Orica
- Centralize activities: customer service, logistics, demand planning, purchasing
- Global R&D centers combined with other business intelligence to develop creative customer solutions
- Standardization of business systems, e.g. ERP/Mapics expansion

**Synergy**

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# Our Change Program Process



- Improvement in customer driven processes, e.g. Customer Service
- Operations efficiency and utilization e.g. TWC reduction
- Project Planning & Management
- Business Process Improvement (Lean & Six Sigma)

**Process**

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Our Change Program

# Culture



- Safety, Health & Environment (SH&E)  
“No harm to people or the environment”
- “Deliver The Promise” - values based decision-making
- A culture of improvement – Lean & Six Sigma integrated into every aspect of the business

Culture



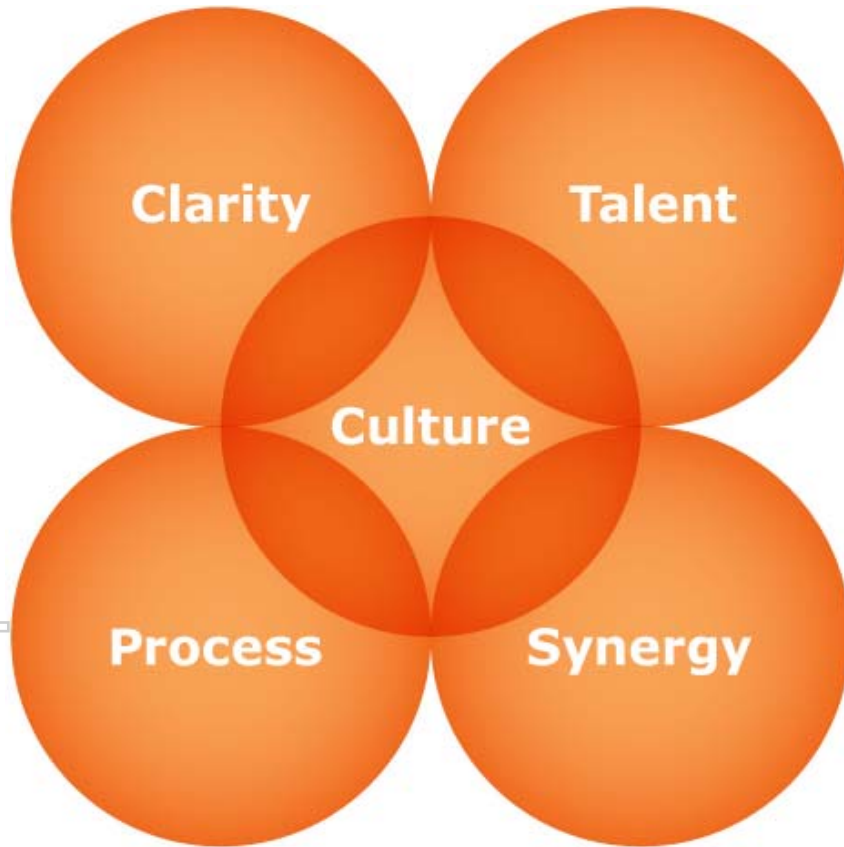
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Our Change Program

As we stand today



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## Minova North America

- A change ready organization
- Continuously improving
- Equipped to achieve our strategic objectives
- Looking to the future

# Our Growth Plan

Scott Shapkoff – VP Marketing

David Saab – GM Minova Canada

# Our Growth Plan Elements



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Our Growth Plan

## Grow the Core



- Maintain and improve our level of quality control.
- Continue to improve our processes.
- Provide a full range of products – complete solution.
- Leverage our association with Orica (globally recognized mining service company).

**Grow  
the Core**

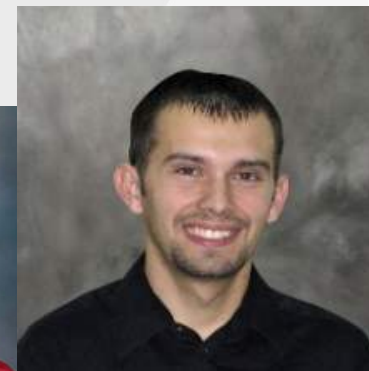
Our Growth Plan

## Leverage our Expertise



- Our field technical account managers have an average of 20 years in Mining, typically working with mine operators.
- Strengthen our services offer to be the premier technical provider.
- Ensure customer service is our first priority.

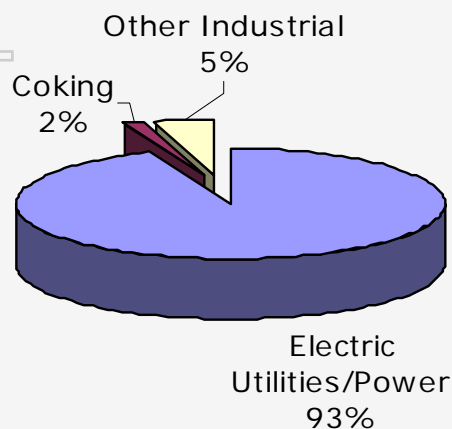
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## Coal in Future US Energy Mix

- 1 billion + tons of coal produced pa.
- Most affordable power fuel, averaging <math>< 1/4 \\$</math> petroleum & natural gas.
- 50% electricity coal generated.
- 2010 production anticipated ↓ 1% (11 million tons).
- Underground coal production 2010-15 projected ↑ 1.7% pa.

US Coal Consumption by Sector



Source: National Mining Association and Energy Information Administration

## Our Growth Plan

# New Products



- New product development
- Focus on higher technology products to solve customer needs
- Marketing
- Product pipeline

**New  
Products**

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Our Growth Plan

# Tek Products Platform



## Ventilation Products

Tekseal® withstands blasts up to 120 psi



## Thin Spray Liner

Tekflex® PM



## Resin Injection Systems

Geoflex U-S Injection in Coal Mines

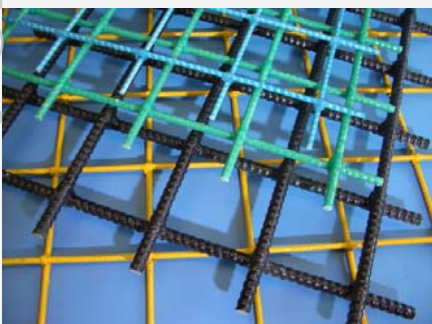
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Our Growth Plan  
New Products



## Fiber Reinforced Polymer (FiReP®) Bolts, Plates & Mesh

- High corrosion resistance
- Excellent cuttability
- Continuous threaded profile
- High tensile strength
- Flexibility
- Low weight



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Our Growth Plan

## Canada



- Acquisition of Tomco May 1, 2010 brings a Canadian manufacturing base
- Established in 1985 to supply the Canadian hardrock metals mining industry with steel plates
- Leverage strengths from Minova North America, Minova International and Orica Mining Services
- Novel plate technology

**New  
Markets**

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## Our Growth Plan

# Canadian Opportunity



- North American hard rock market ~50% size of Australian hard rock markets.
- Greatest concentration in Canada, although a number of mines in western US.
- Canada accounts for 23% of the world's Uranium production, 16% of Nickel, and 13% of Cobalt.



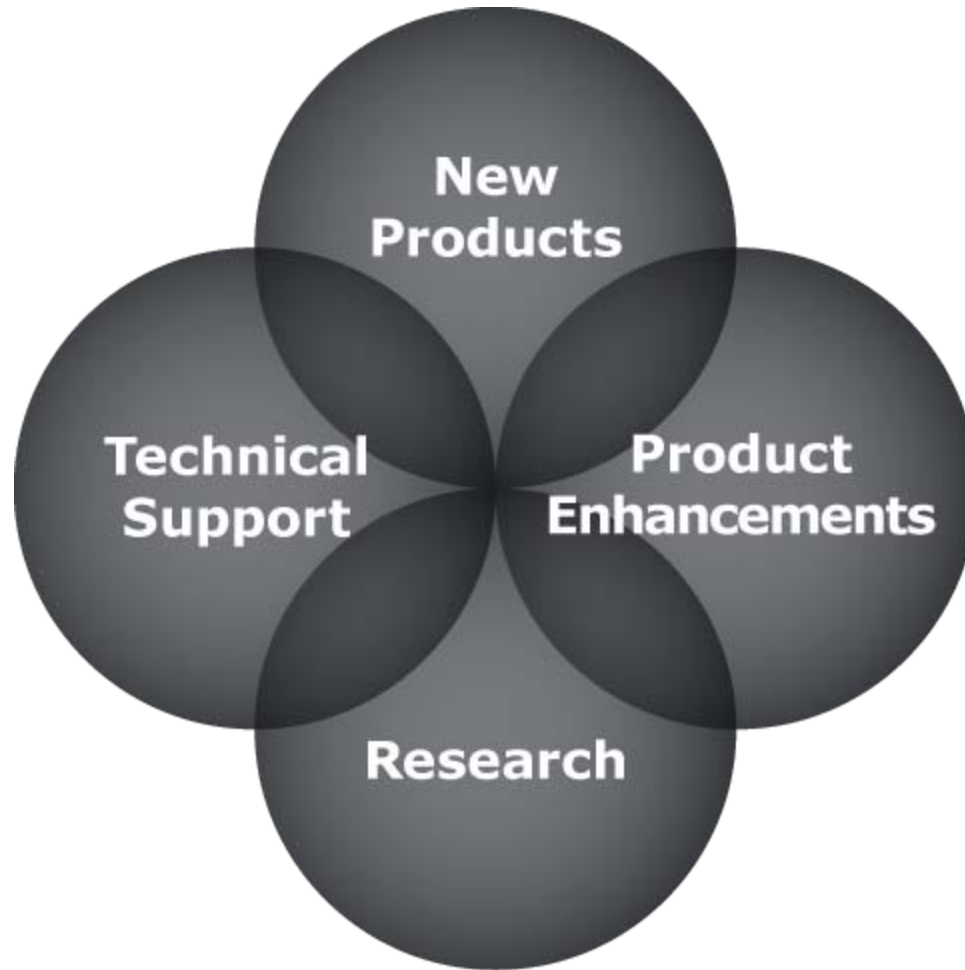
**Sources: 2008 Canadian Minerals Yearbook and National Mining Association**

# Our Future: Innovation

Jim Earl – President & CEO

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Our Future: Innovation  
Elements



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Our Future: Innovation

# Minova Global Innovation Program



## Global Technology

**Cement  
Products**  
Poland

**Resin  
Cartridges**  
Poland

**Steel  
Products**  
USA

**Chemical  
Products**  
Germany

**Mining/Civil  
Applications**  
Singapore

*Innovation distinguishes between a leader and a follower*

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# Our Future: Innovation Global Steel R&D Center



- Center of Innovation in Steel Products
- Located in Bowerston, Ohio
- Capability & Resources
- Expected Completion 4th Quarter 2010

***November 10, 2009***

***The Lexington Herald Leader***

*Georgetown-based Minova Americas has announced plans to build a global research and development center in Bowerston, Ohio. The company works in the underground mining, tunnelling and civil engineering industries.*

*"We expect this to be a place devoted to developing solutions not just for today's problems but for the unforeseen problems of tomorrow," then Minova Americas' President and CEO Bruce Cassidy.*

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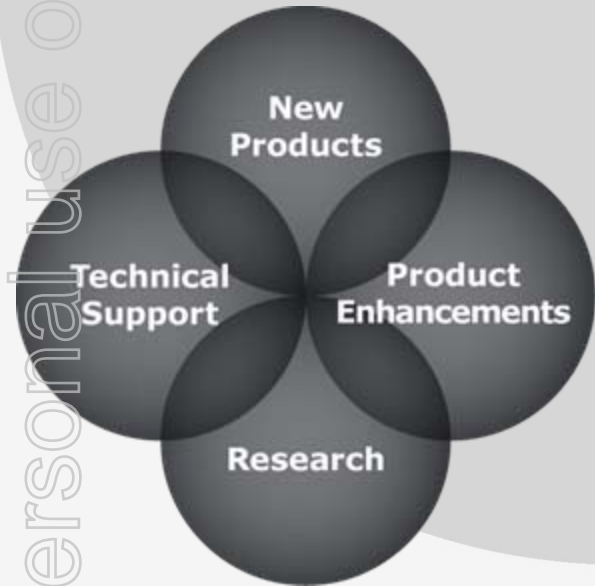


Our Future: Innovation

# 2009 Minova Investor Relations Day



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- ✓ Invest in the development of new technologies
- ✓ License new technologies from third parties
- ✓ Acquire companies that have novel technology

# Questions



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