



2008 Analyst /  
Investor Tour  
Minova  
Sandy Arbuthnot

30 June 2008



# Presentation outline

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- Introduction

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- Financial Summary

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- Business Overview

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- Update on Excel Integration

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- Organic Growth

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- Tunnelling

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- Growth Strategy Summary



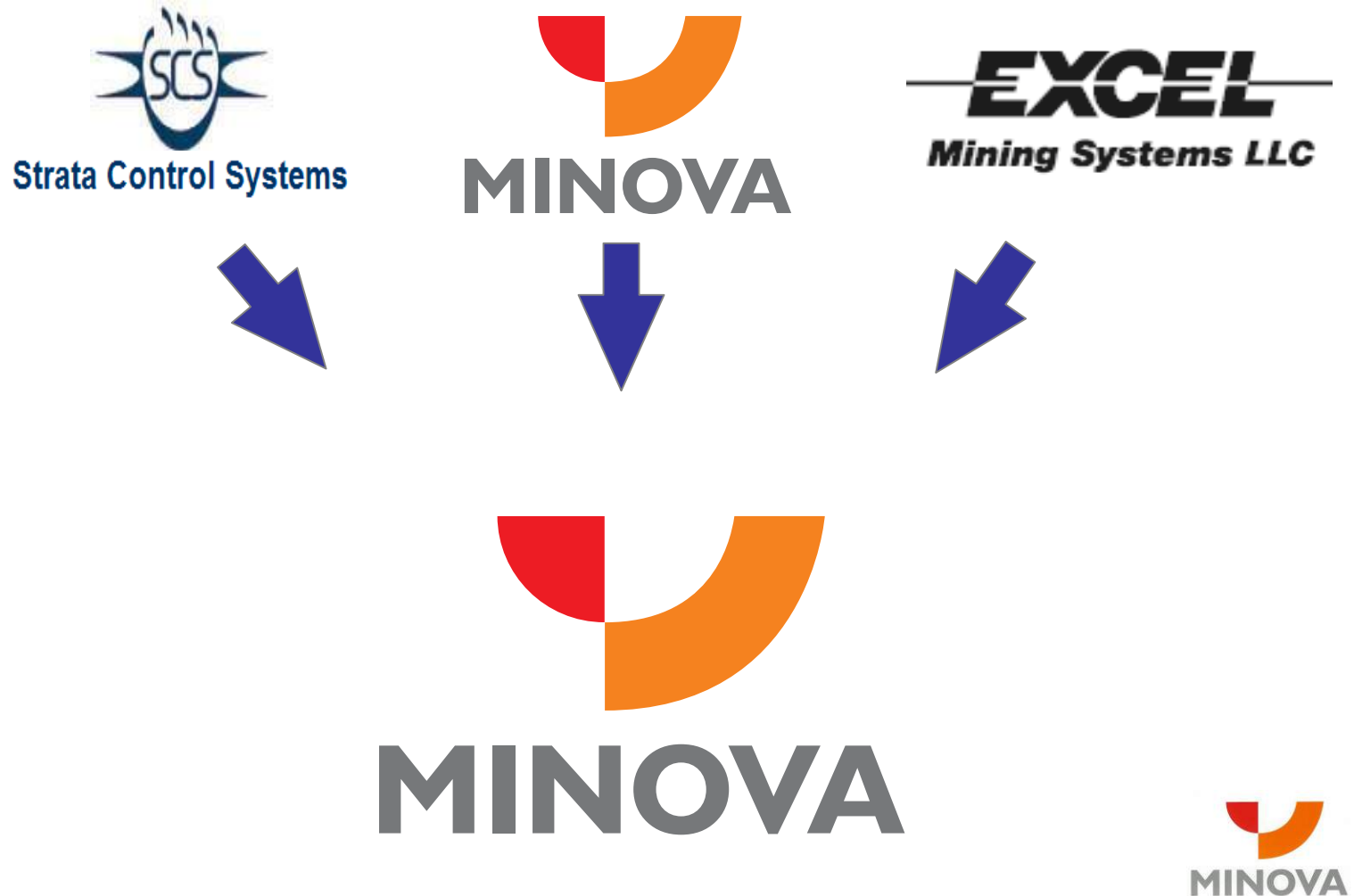


# Introduction

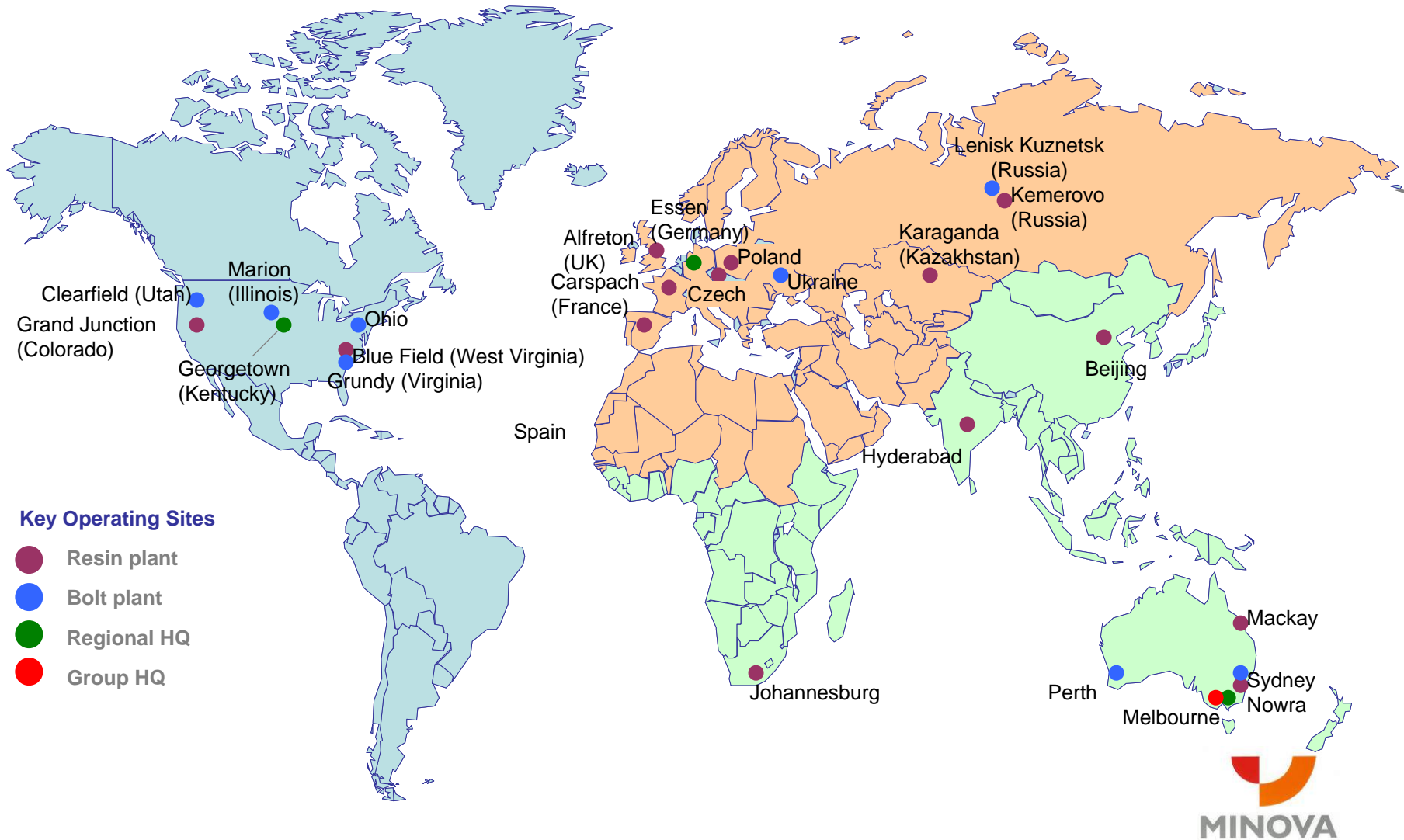


# When we are talking about Minova...

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# Minova's global reach



# Minova overview

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- Global leader in roof control products and geotechnical solutions
  - Mining
  - Underground civil engineering (Tunnelling)
- Key attributes
  - Chemicals, specialty powders and steel products
  - Application expertise and equipment enhance the Minova offer
  - Strong customer/supplier relationships
  - Global footprint
  - Recent acquisitions consolidated under Minova brand
    - Common customers
    - Same market drivers and technical approval process



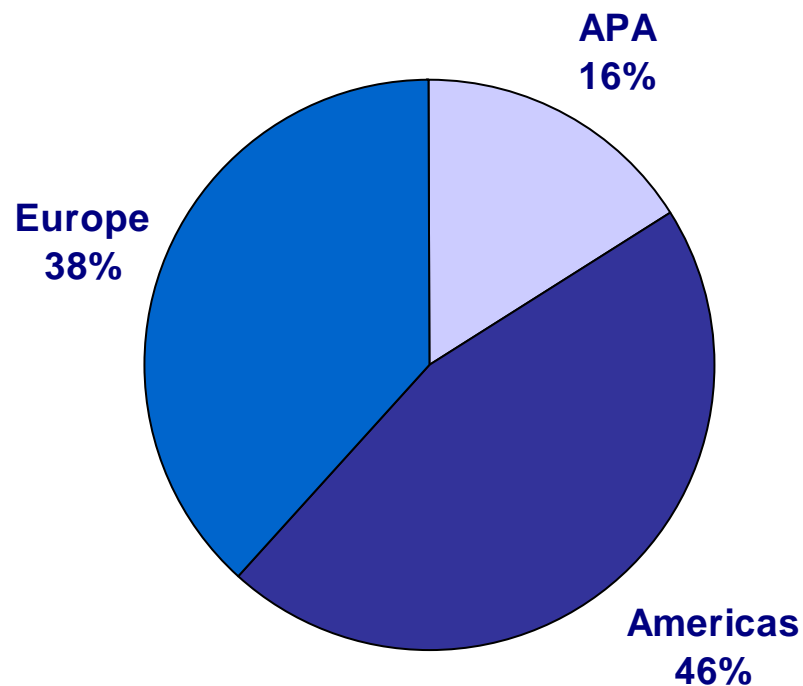


# Financial Summary



# Revenue by geography – HY March 08

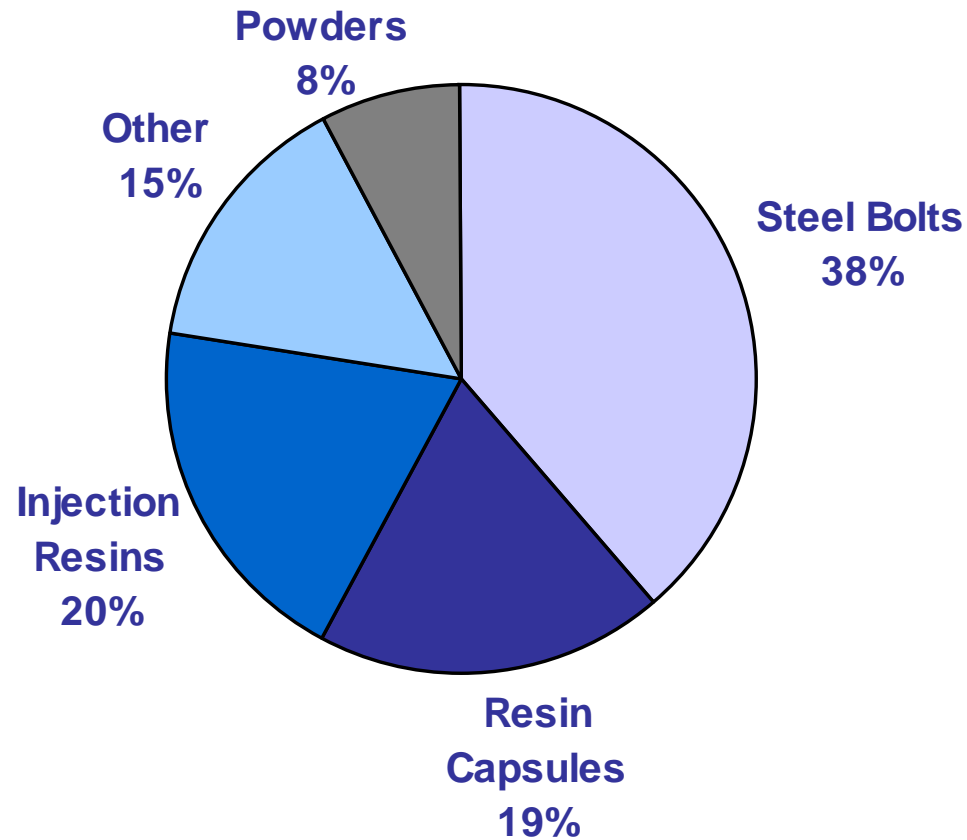
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APA - Asia Pacific and Africa, Americas includes North and Latin America

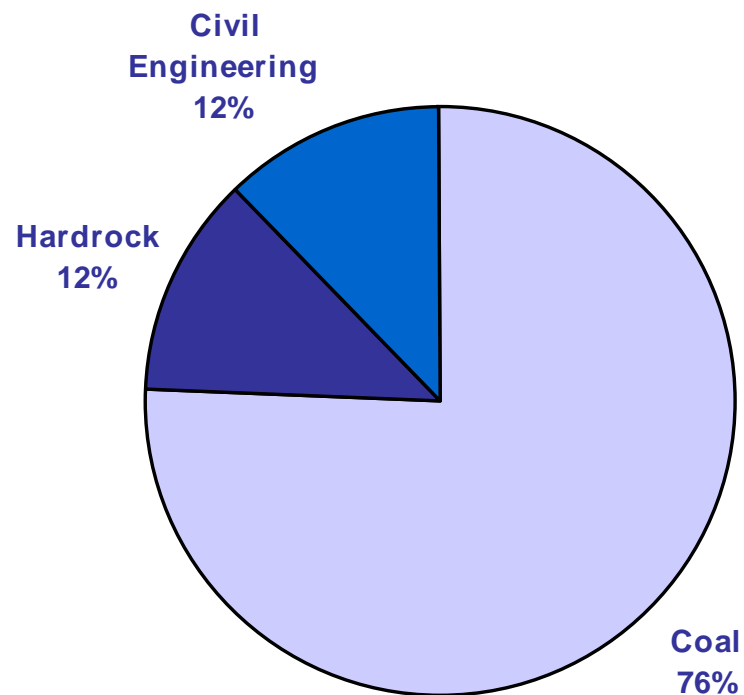
# Revenue by product – March HY 08

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# Revenue by end market – March HY 08

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# Business Overview



# Minova International – Global Management Team

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- **Michael Reich** – Chief Executive Officer
- **Bruce Cassidy** – President & CEO USA
- **Jan Petzold** – General Manager Europe
- **Karen Stoffels** – General Manager New Business & Integration
- **Marek Grocholewski** – General Manager Tunnelling
- **David McKinnon** – General Manager HR
- **Mark Piper / Stuart Hutton** – General Manager Finance & IT
- **Sandy Arbuthnot** – Outgoing CEO



# Industry drivers

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- **Underground coal production**
  - Open cut to underground
  - Accessing deeper coal seams
  - Increase of coal production in emerging markets such as Russia and China
  - Coal in future energy mix
- **Underground metal mine production**
  - Open cut to underground
  - Base metal and gold price
- **Increased regulatory and cultural focus on safety**
- **Global infrastructure investment**
- **Minova's products key to safe and economic mining**



# Market size and market share

Product	Estimated Market Size (A\$M)	Estimated Market Position/Share 	Major competitors
Steel bolts	1,200	Leader	Jennmar, DSI
Resin capsules	300	Leader	Jennmar, DSI
Injection grouts	350	Leader	Weber, BASF
Specialist cements	300	15%	BASF

Note: Excludes China  
Steel bolts covers resin anchoring only



# Competitive Advantage

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- Only global player
- Brand and reputation
- Combined technology offering of resin capsules, steel bolts and products and services for ground consolidation and ventilation works
- Customer / supplier relationships
- Lowest cost manufacturer
- Minova is well positioned in emerging markets
- Strong R&D facilities in Europe (chemicals) and the US (Steel bolts)



# Minova know-how – currently 68 patents

**22 patents**

**Formulation**

Resin capsules  
Injection grouts  
Powders

**16 patents**

**Application**

Resin capsules  
Rockbolting  
Ventilation walls

**7 patents**

**Manufacture**

Resin capsules  
Chemical blending & packaging  
Steel bolts

**23 patents**

**Equipment**

Bolts  
Pumps  
Drill machines

**IP**

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graph TD; IP((IP)) <--> Formulation((Formulation)); IP <--> Application((Application)); IP <--> Manufacture((Manufacture)); IP <--> Equipment((Equipment));
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# Current priorities

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## Management

- Build new senior Management Team and full implementation of the new regional structure
- Focus on resourcing the support roles new business and tunnelling

## Operations

- Lowest cost manufacturer



# Current priorities

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## Growth

- Integration of recent acquisitions e.g. Excel, SCS
- Unifying branding - MINOVA
- Combined technology offering, this including the integration of the expanded product offer (recent acquisitions) into the existing Minova offer
- Customer / supplier relationships
- Ongoing focus on R&D and product innovation
- Continuing to grow in existing markets
- Entering new geographies

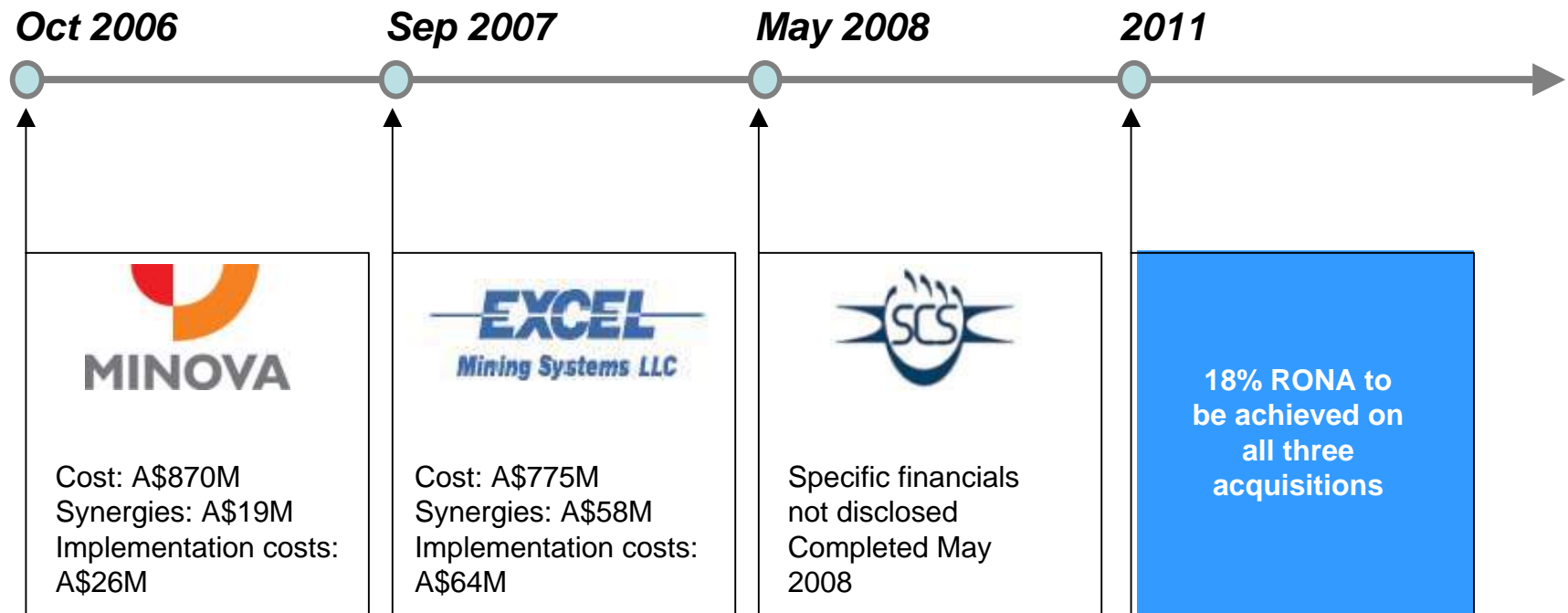




# Update on Excel Integration



# Acquisition timeline - recap



# Financial targets

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Financial Year 30 Sep	Total (A\$M)
<b>Synergies</b> <sup>(1)</sup>	<b>45</b>
• Efficiency	24
• Growth	21
<b>Integration Costs</b>	<b>90</b>
• Expense	59
• Capital	31
<b>EPS Positive</b> (after transaction costs)	Yr 2008

- Financial forecasts consistent with original acquisition objectives
- Tax synergy benefits are being delivered
- On target to deliver expected synergies

Note: (1) Expected synergies in 2011. Additional tax and financial structuring synergies of A\$35M are being delivered from completion of acquisitions

# Integration update

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- Integration is “on-track”
- Implementation of Orica’s core procedures and policies will be completed by end of calendar year
- SH&E risk assessments performed for all major sites within Minova and confirmed high Minova standards
- IT Standard Operating Environment on track for completion by July 2008
- Relocation of the Minova International office to Melbourne completed by July 2008
- US Manufacturing optimisation plan nearing completion

# Integration - identified risks

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- Growth – geographies / priorities
- Growth – appropriate resources
- Competitor response
- Employee retention
- Culture integration
- Steel supply



# Organic Growth



# Minova – success in new markets

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	<b>Year started</b>	<b>Compound Annual growth rate <sup>(1)</sup></b>
<b>Russia</b>	<b>2000</b>	<b>40%</b>
<b>China</b>	<b>2006</b>	<b>200%+</b>
<b>Kazakhstan</b>	<b>2007</b>	<b>150%+</b>

Minova has a proven track record of successfully entering new markets



<sup>(1)</sup> Last three years or since inception

# Minova – success in new markets

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## Key points for entering new markets

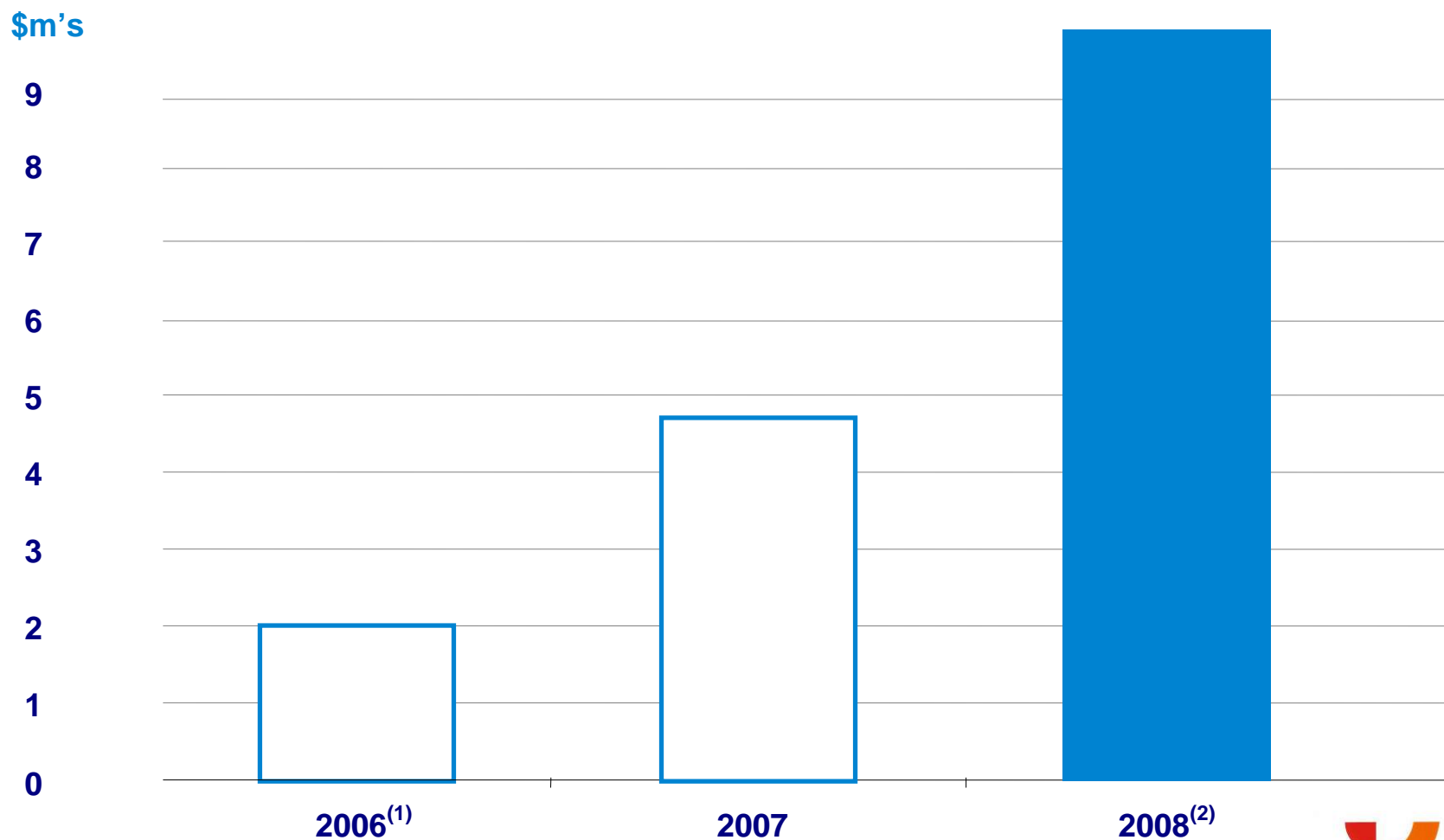
- Tailored approach
- Flexibility, consider joint venture
- Close co-operation with regulatory bodies and mining companies
- Local management
- Careful market research
- Strong technical support



# Minova China – establishing in emerging markets



# Minova China – success in emerging markets



**Cumulative average growth rate in excess of 200% since 2006**

<sup>(1)</sup> Annualised based on 8 months actual

<sup>(2)</sup> Annualised based on March '08 half year



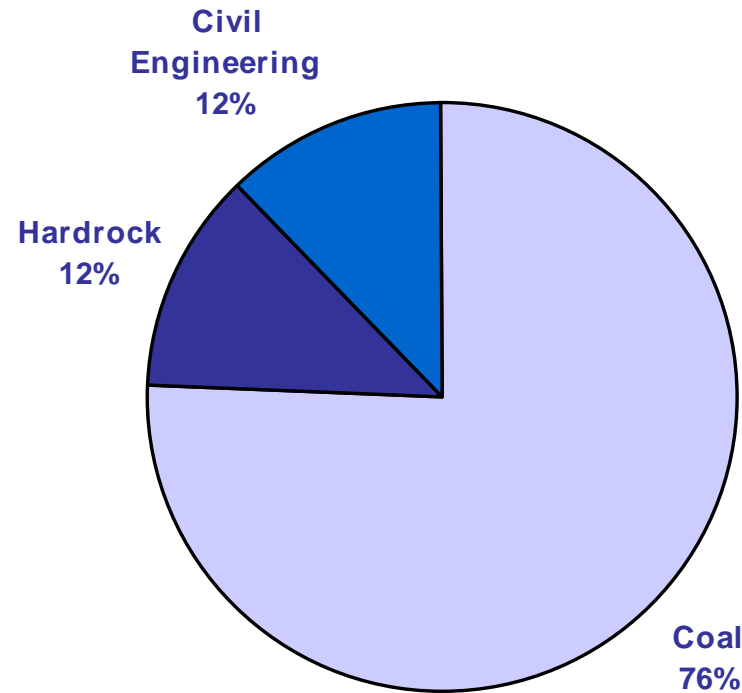


# Tunnelling



# Revenue by end market

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Tunnelling is currently 12%



# Tunnelling business - characteristics

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- Higher margin potential
  - Mission critical for project progress
  - Cost of product minimal v cost of downtime
- Historically focussed in Europe
- Targeting growth in other regions such as North America, LATAM and rapidly growing Asian market
- Experienced team is being assembled under leadership of recently appointed GM Tunnelling
- Global infrastructure investment is increasing
  - 7,000+ kms of tunnels per year for next three years – a growing market segment



# Tunnelling business – recent examples

## Photos of recent tunnelling projects

- Japan
- Iceland
- Spain



# Tunnelling business – current projects

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- Switzerland
- Iceland
- Spain
- Czech
- Austria



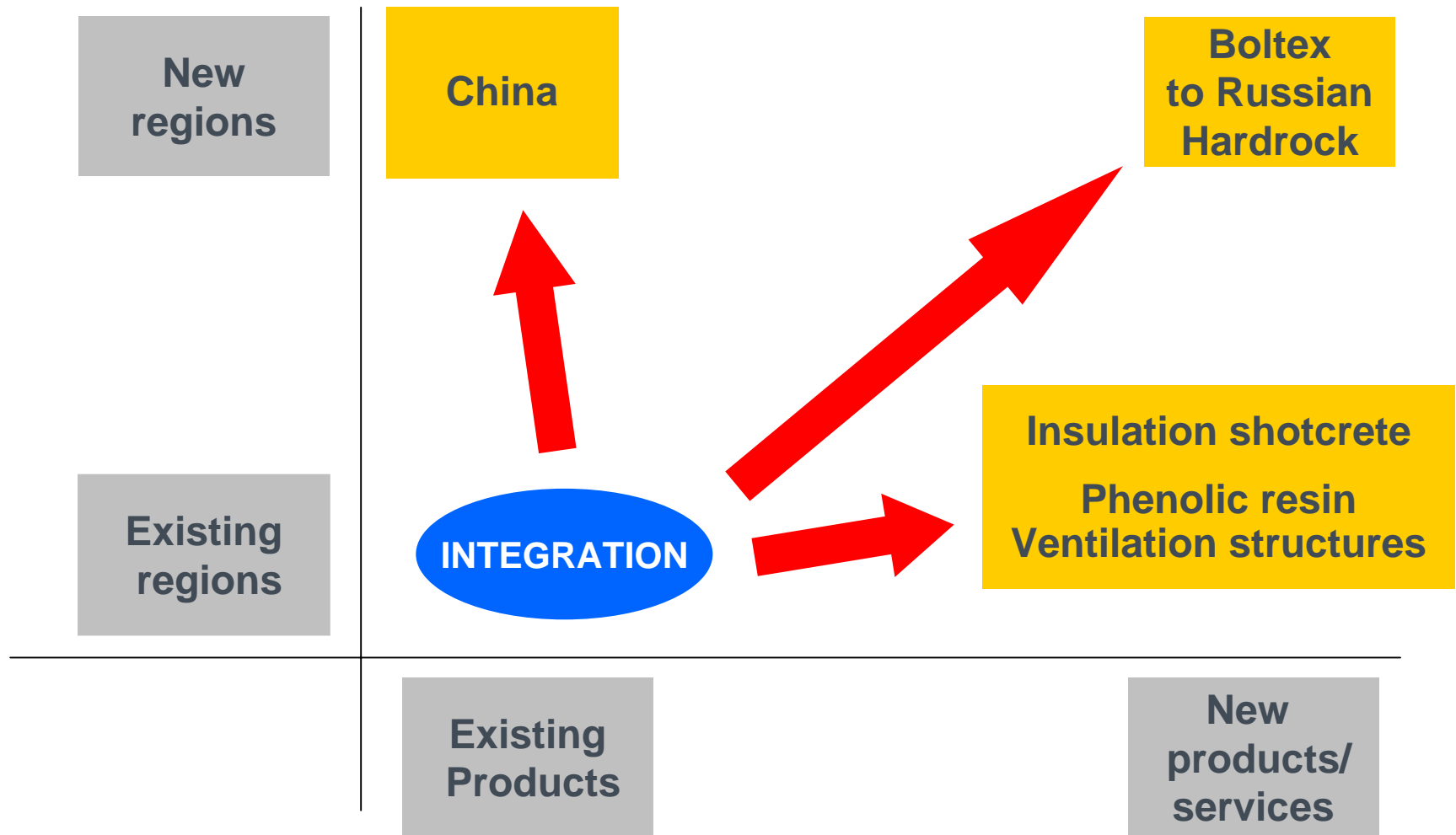


# Growth Strategy Summary



# Growth strategy - summary

Low productivity markets will swing to high productivity markets





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