

A large white Ludowici roof panel is being lifted by two yellow cranes on a construction site. The panel is tilted upwards and has the Ludowici logo and website address printed on it. The background shows a blue sky with clouds and some greenery in the foreground.

**LUDOWICI**<sup>TM</sup>  
DRIVEN BY INNOVATION

**LUDOWICI**  
[WWW.LUDOWICI.COM.AU](http://WWW.LUDOWICI.COM.AU)

**Results Presentation for the  
year ended 31 December 2009**

# Presentation Outline

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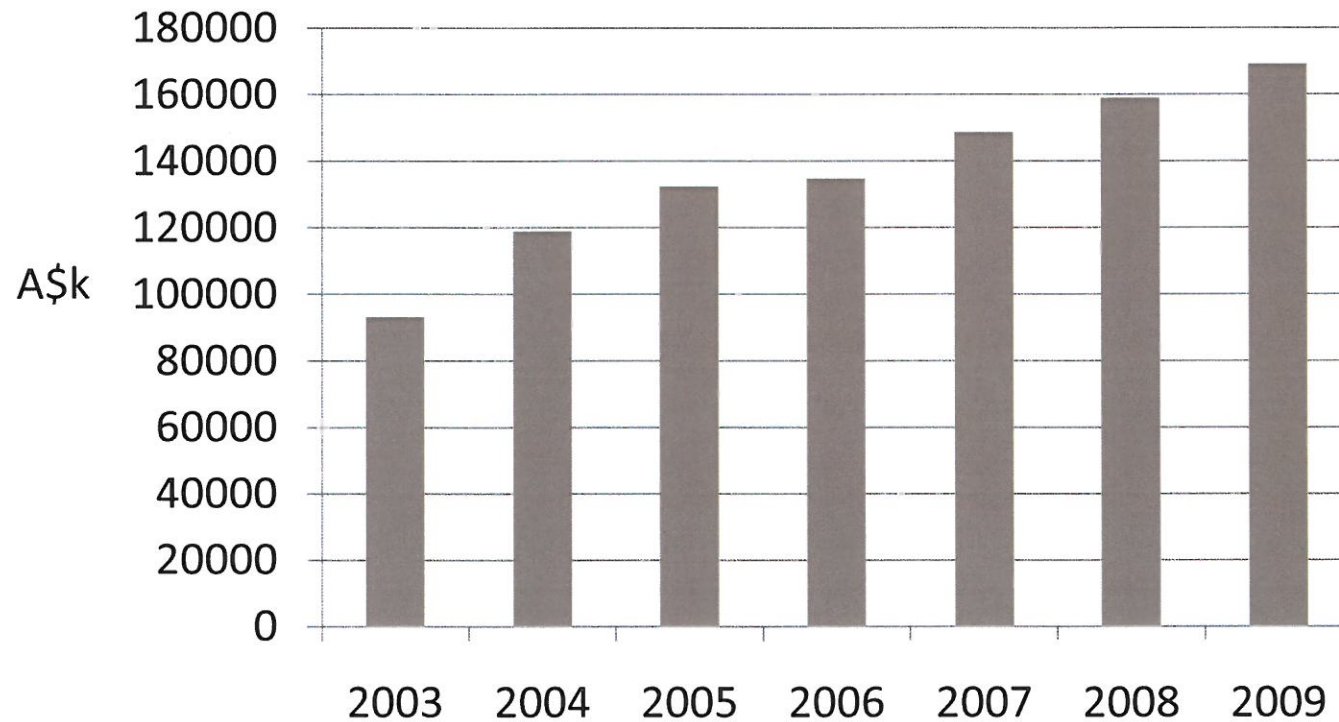
1. Key Points
2. Financial Results
3. Operational Overview
4. Strategy and Outlook

# Key Points

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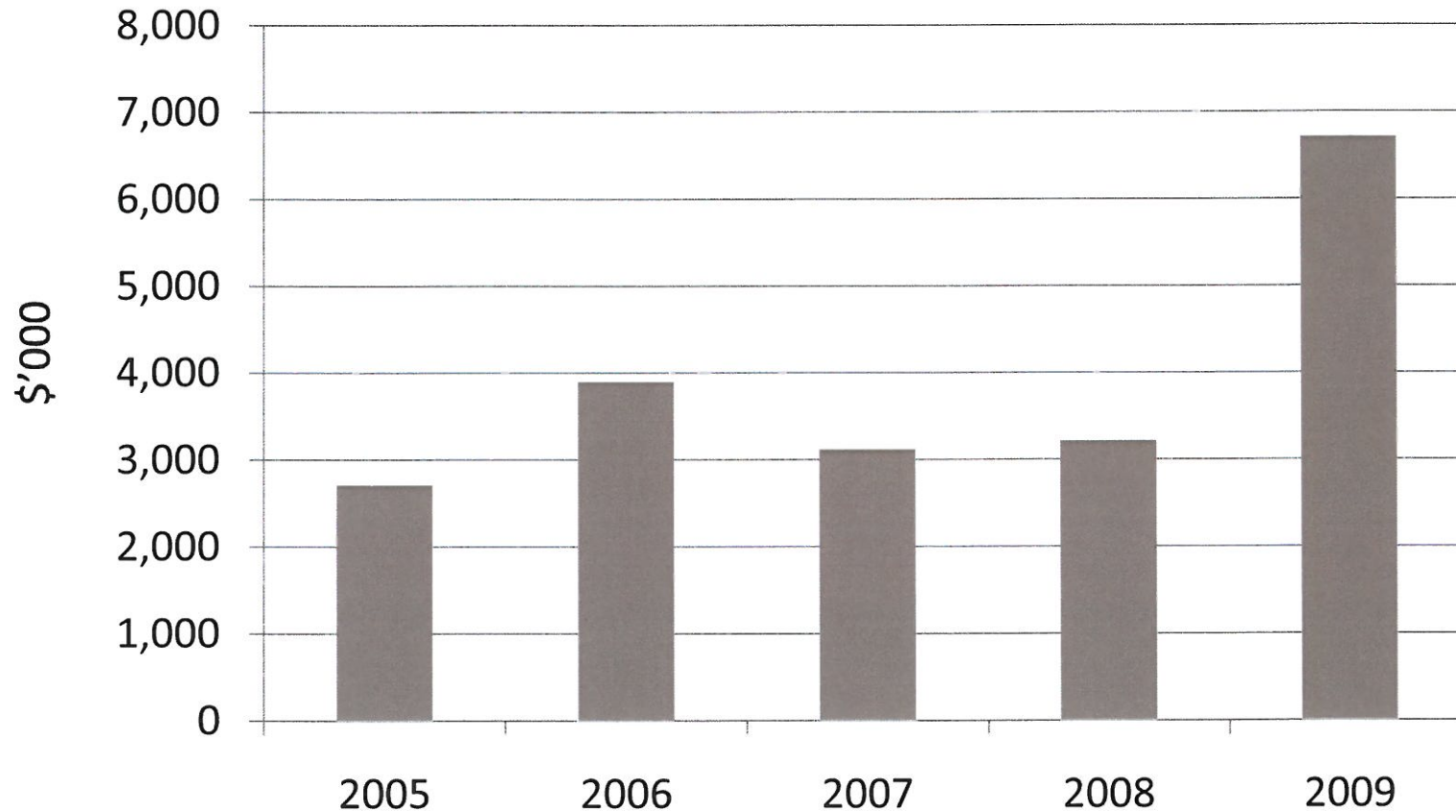
- ✓ Revenue growth: up 8.5% to record \$163m
- ✓ Operational EBIT (excl JS Mining Transaction costs): up 104% to record \$11.4m
- ✓ Operational NPAT: up 286% to \$5.4m
- ✗ Profit after tax: down 59% to \$1.9m
- ✓ Underlying EPS: up 100% to record 34.7 cps
- ✓ Operational cash flow: up 7% to \$5.2m
- ✓ Net debt: down 11% to \$35.6m
- ✓ Long term debt refinanced until 2012
- ✓ Safety: Recordable case rate down 28%
- ✓ “Non core” NZ Packaging business sold
- ✓ “Core” JS Mining businesses acquired

## Ludowici sales revenue\* has grown continuously over the last 7 years.



\* Reported revenue including combined revenue from continuing & discontinued operations

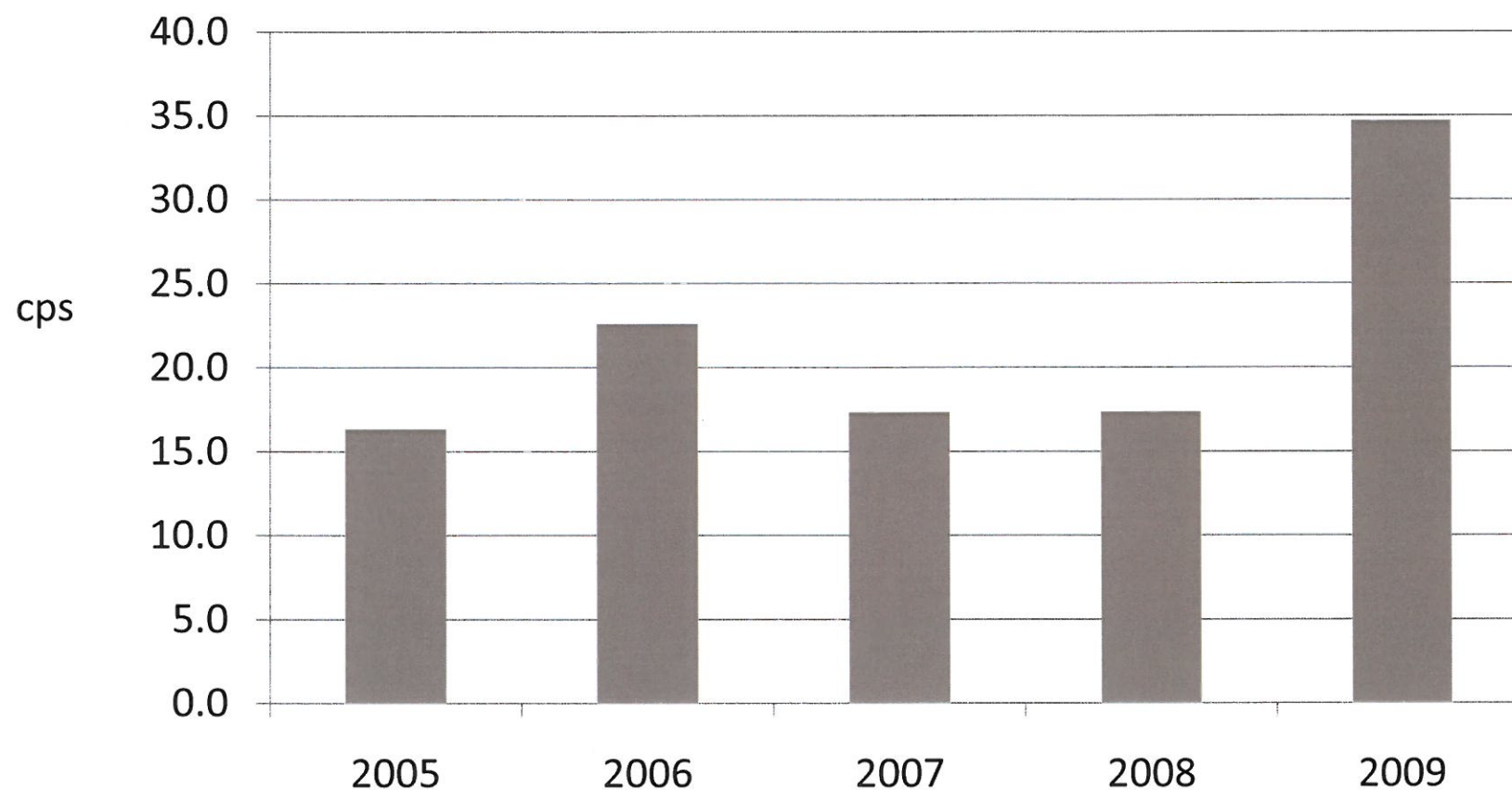
## Ludowici Normalised Operational NPAT (2005 to 2007 include profit from discontinued Plastics & NZ Packaging operations) \*



\* Earnings exclude impairment items, FX gains/losses, insurance claim proceeds, capitalised R&D and profits on sale of discontinued businesses & property

## Ludowici Operational EPS after interest & tax (2005 to 2007

include profit from discontinued Plastics & NZ Packaging operations) \*



\* Earnings exclude impairment items, FX gains/losses, insurance claim proceeds, capitalised R&D and profits on sale of discontinued businesses & property

# Financial Results -2009

year on year change		CY2009	CY2008	% change
<b>Continuing operations</b>		A\$000	A\$000	
Revenue	↑	163,245	150,438	8.5%
Margin	↑	51,993	42,473	22.4%
EBITDA	↑	14,163	9,830	44.1%
EBITDA - underlying*	↑	15,785	9,830	60.6%
EBIT	↑	9,826	5,639	74.3%
EBIT - underlying*	↑	11,448	5,639	103.0%
PBT	↑	6,729	2,206	205.0%
NPAT	↑	5,380	1,395	285.7%
NPAT including discontinued operations	↓	1,871	4,571	-59.1%

\* excludes JS Mining acquisition costs

➤ Revenue growth in a tough market

➤ Improved margins driven by operational efficiencies, supply chain cost reductions partially offset by price reductions to customers

➤ Record growth in underlying EBIT

# Financial Results -2009

Year on year change		CY2009	CY2008	% change	
<b>Continuing operations</b>		A\$000	A\$000		➤ Increased Operational cash flows
Cash flow from operations	↑	5,188	4,835	7.3%	➤ 50% increase in dividends on 2008
Basic earnings per share (cents) **	↑	27.8	7.5	271%	➤ Dividends unfranked
Final dividend (cents)	↑	6	2	300%	
Total dividend (cents)	↑	12	8	50%	
Underlying EBITDA / Revenue	↑	9.7%	6.5%	49%	
Underlying EBIT / Revenue	↑	7.0%	3.7%	89%	


\*\* Excluding discontinued operations but including JS Mining transaction costs



# Financial Results -2009

year on year change		CY2009	CY2008	% change
<b>Continuing operations</b>		<b>A\$000</b>	<b>A\$000</b>	

## Revenue by Country

- Australia		117,875	117,765	0.1%
- North America		18,531	19,161	-3.3%
- Latin America		13,002	10,809	20.3%
- Asia		5,988	1,334	348.9%
- Other		7,849	1,369	473.3%
Total Revenue		163,245	150,438	8.5%

➤ Australia revenue flat in tough market

➤ Strong growth in targeted offshore markets

# Financial Results -2009

year on year change		CY2009	CY2008	% change
<b>Continuing operations</b>		<b>A\$000</b>	<b>A\$000</b>	

<b>EBITDA by Country</b>				
- Australia	↑	7,744	5,052	53.3%
- North America	↑	1,949	1,158	68.3%
- Latin America	↓	2,604	3,134	-16.9%
- Asia	↑	1,176	1,001	17.5%
- Other (Africa & New Zealand)	↑	690	-515	
<b>Total EBITDA</b>	↑	<b>14,163</b>	<b>9,830</b>	<b>44.1%</b>

➤ Efficiencies & Cost reductions drive Australian & USA profitability improvement

➤ Chilean sales mix changed yielding lower margin

# Operational Overview - Australia

- Successfully maintained constant sales in a depressed market
- Challenging year for Seals business as demand dropped with GFC
- First sales of new design of reflux classifier 2020 model
- Transition into new site at Pinkenba completed and site brought to full productive capacity
- Three leased sites vacated (end 2008 and in 2009) as businesses moved to Pinkenba
- Project undertaken to review and improve core business processes
- Manufacturing efficiency improved and costs lowered.
- On-time deliveries improved for capital equipment but still further work required for consumables deliveries
- Focus on procurement and supply chain has delivered significant benefits
- New woven wire product lines added with JS Mining acquisition

## Operational Overview - North America

- Market for coal processing capital equipment effectively ceased for the first nine months of 2009 due to GFC.
- Spares and repair business performed strongly
- Costs tightly controlled
- Increasing business servicing the copper industry in Arizona
- JS Mining acquisition will add polyurethane and wedge wire consumables business complementing LDW's existing capital, spares & repair businesses

# Operational Overview - Latin America

- 20% sales increase (over 2008)
- Peruvian company set up
- Sampling system product line introduced and first sales orders received
- Good enquiry levels
- Brazilian business development activities close to yielding results
- JS Mining acquisition will nearly double size of business and add wide range of mineral consumables products to complement LDW existing capital equipment business.

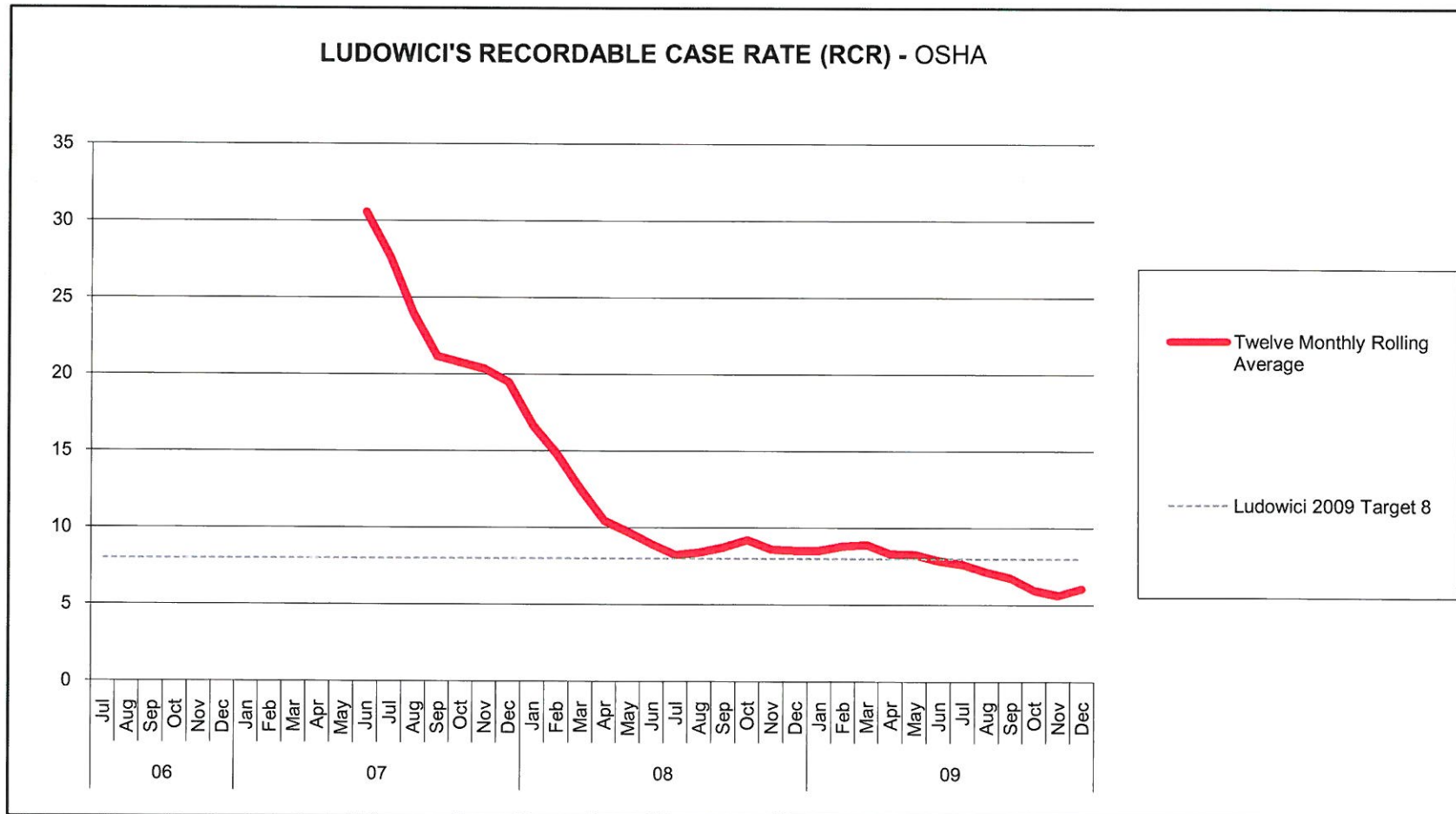
## Operational Overview - China

- Beijing sales office fully established and generating repeat business
- Good growth in sales revenue and profitability
- Expanded sales team
- Yantai manufacturing facility has built first locally assembled vibrating screens for the Chinese market.
- Current strong order book for Yantai assembled Ludowici vibrating screens

# Operational Overview - Africa

- Significant revenue increase from Moatize contract
- “Wear resist” Pipe lining business growing
- First sales of polyurethane screen panels by Ludowici in the African market

Ludowici's injury rate has improved by a factor of 5 since mid 2007.  
The company's improving injury performance has mirrored improved financial performance





- Last significant “non core” business sold in 2009
- JS Mining acquisition complete
- Integration of JS Mining businesses:
  - Highest priority for 2010
  - Proceeding to date without any major problems
  - First month business performance on budget
  - Balancing of work load between LDW & JS Mining factories commenced
  - Scheduled Australian transition to LDW IT system at end March with USA one month later.
- Continue to look for complementary organic and M&A growth opportunities
- Continue to drive structural improvements to operating efficiencies

# Outlook

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- Strengthening mining industry
- Strong capital equipment order book
- JS acquisition on budget for first month of ownership
- Expect at least 30% revenue growth in 2010
- To date acquired JS Mining businesses on track to deliver budget profit

# Summary

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- Significant strategic & operational progress in 2009
- 2010 will see LDW focus on:
  - Integrating acquisition & driving further operational improvement
  - Looking for further growth opportunities