



KOCH Transporttechnik

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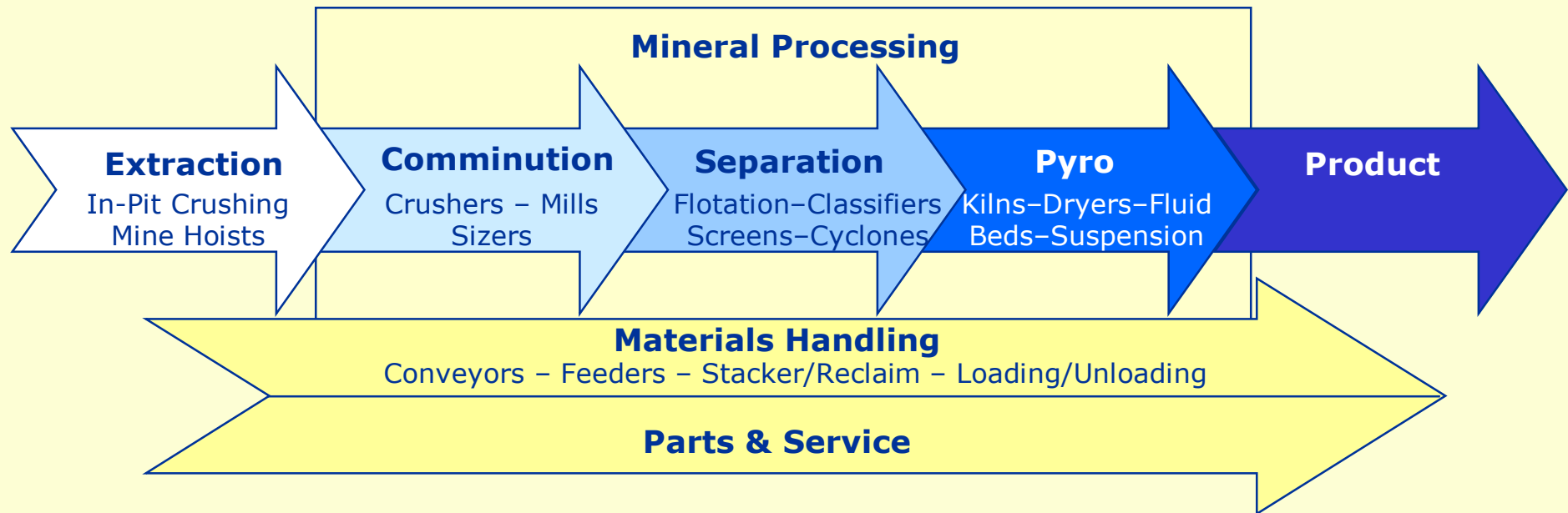


AGENDA

- How Materials Handling Fits the FFE Minerals' Business Model
- Acquisition of KOCH Transporttechnik
 - Highlights
 - Acquisition Summary
- Conclusions



FFE Minerals – Value Chain





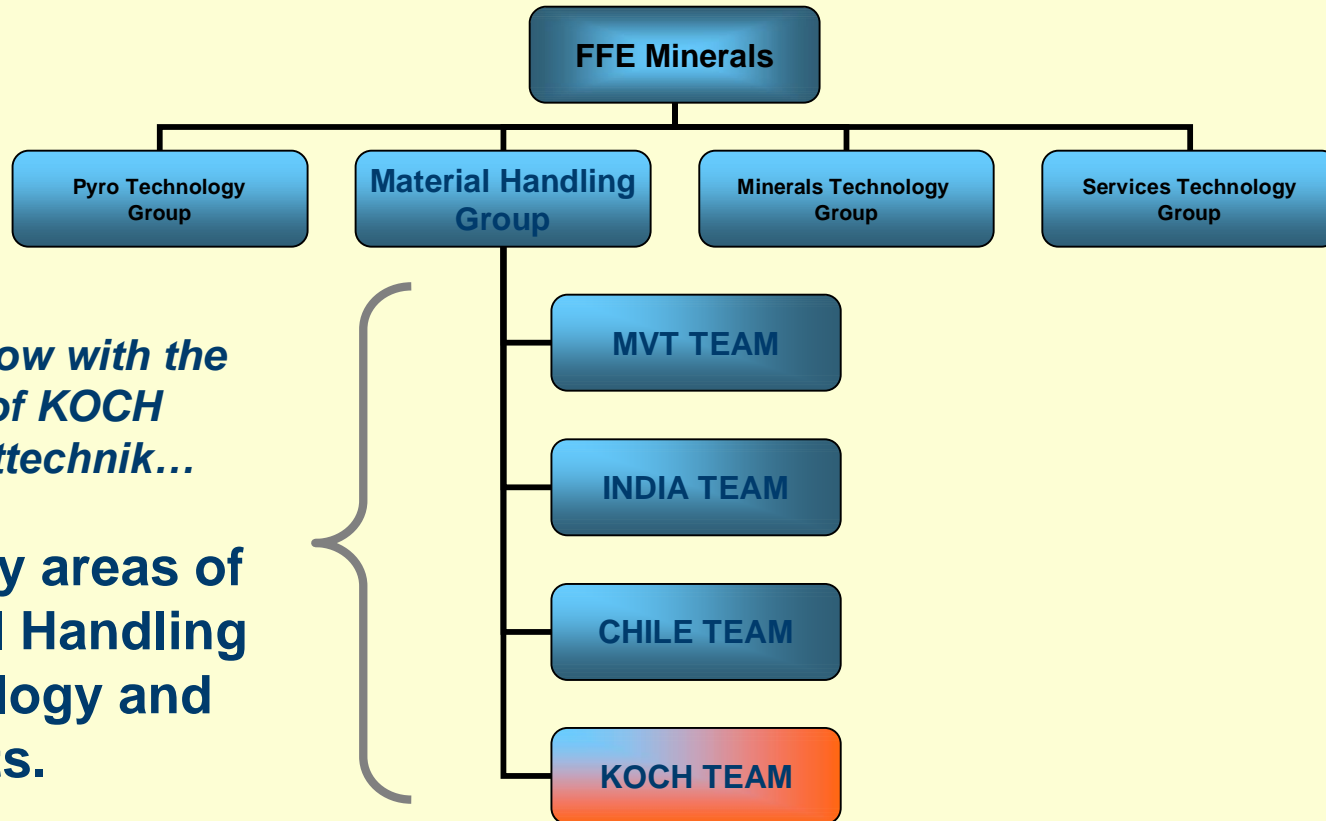
Materials Handling Acquisition Strategy

Building a Sustainable and Greater Business via Acquisitions of 'Technology and Great People'
(e.g., Sandvik and Voest/Alpine)

- **Balanced Additions to the Equipment Portfolio**
- **Additions that might be Nominal but Successful**
- **With the Potential to be Significant**
- **Combining Their Technology with our Industry Stature, Global Reputation and Local Game**



Materials Handling Group



.... And now with the addition of KOCH Transporttechnik...

Four key areas of Material Handling Technology and products.



Acquisition of Koch Transporttechnik

The acquisition of **KOCH Transporttechnik** will seriously **increase our applications experience and capabilities** within specialized areas of Material Handling that dovetails well with our existing technology and product lines. It is that match which will **enhance the solutions** we currently provide to our clients and the business growth it will fuel.



KOCH Transporttechnik

- **Global reputation** for Materials Handling capability
- **+200 References** for Pipe Conveyors
- Supplier of conveying solutions to Phosphate, Coal, Petcoke, Ash, Iron Ore Industries
- **Established player** in markets unique to FFE Minerals
- Coking Plant, Rolling Mill and Conveyor Machinery Technology
- **Turnkey Bulk Handling Systems**
- No 'Workshop' Liabilities, **Engineering Only**
- Recent separation of MH Division and **for sale.**





KOCH Highlights (1)

- **World Wide market leader** in Pipe Conveyors throughout all industries with over 150 installations and new technological developments and applications pending.
- **Mature and successful business** in Materials handling market areas that are unique to FFE Minerals. Complete ore beneficiation plants, waste handling, concentrate storage facilities, complete coal handling stations, limestone and gypsum storage and reclaim installation, enclosed conveyor systems.
- The capability and reputation for providing objective **conceptual engineering services** as assistance to clients in modelling solutions and systems in the design, operation and maintenance of industrial plants and material handling facilities.





KOCH Highlights (2)

- **Established and proprietary technology** and products for coking coal applications, complete rolling mill systems for the steel industry and design, engineering and fabrication of hydro mechanical equipment used by port facilities.
- **Recognized team and technology provider** for minerals projects within developing countries (i.e., North Africa, Russia, China, etc)
- **Extensive engineering talent and project management resources** for material handling applications from design through to installation supervision and commissioning leadership.
- A developed **spare parts and services** business as well as an established **R&D** department with a proven track record.





Acquisition Summary (1)

- **Only** that fraction of the KOCH Transporttechnik business that was focused for over 45 years on **material handling**.
- Includes **engineering, project management, services and administrative talent, intellectual property** and ongoing related material handling system **supply contracts**.
- Includes some **light manufacturing** that is fully booked in the manufacture of proprietary products which are specific to the material handling equipment line.





Acquisition Summary (2)

- Total **sales** are expected to surpass **EUR 80m** in **2007**
- Koch's historical **profitability** within the material handling group has been satisfactory and lives up to FLSmidth Group Profitability Targets
- **Synergies** between KOCH and FFE Minerals' existing MH Group will offer streamlining opportunities which are expected to translate into a combination of lower operating costs and increased sales due to our combined larger global footprint.





The KOCH Group History

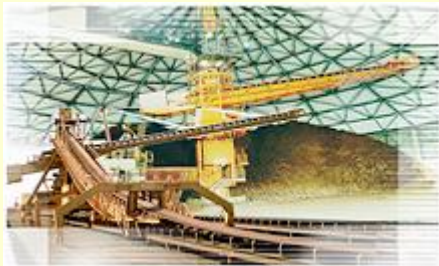


KOCH has performed as general contractor all around the globe

- Founded in 1945 by Ms. Emilie Koch
- 100 % Family business
- Head Office in Wadgassen, Germany
- Average annual group turnover in Material Handling: approx. 80 mill. US \$
- Export rate > 85 %



The KOCH Products



- Materials Handling
- Rolling Mill Systems
- Coking Technology
- Enclosed conveying systems
- Service and spares



KOCH Materials Handling and Processing Systems



- Bulk Material Handling Systems
- Stacking- and Reclaiming Systems
- Pipe Conveyor Systems
- More than 60 years of experience



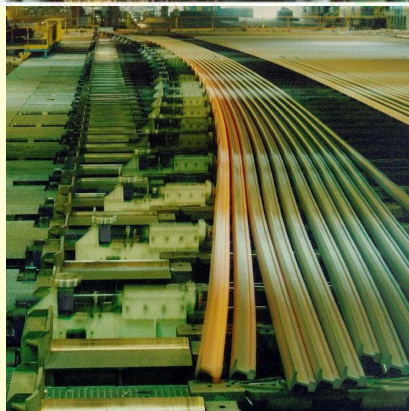
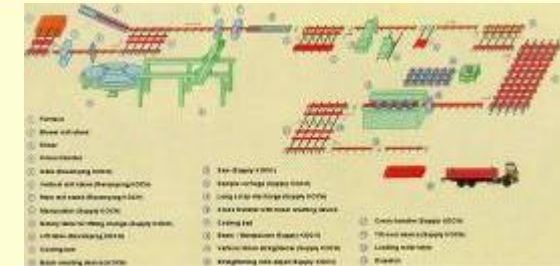
Typical KOCH Material Handling Projects



- **Iron Ore beneficiation plant** with primary and secondary crushing stations, stacking and reclaiming equipment, grinding system, wet screening station, ore beneficiation plant, concentrate storage building, wagon loading station, railway facilities
- Petrozuata **Shiploading Terminal**
- Iskenderun Bulk Material Handling System for a **Coal-fired Power Plant**
- Lippendorf Transport & Processing of Residual Materials
- Manjung Jetty Delivery System and **Coal Handling System**



KOCH H&K Rolling Mill Systems



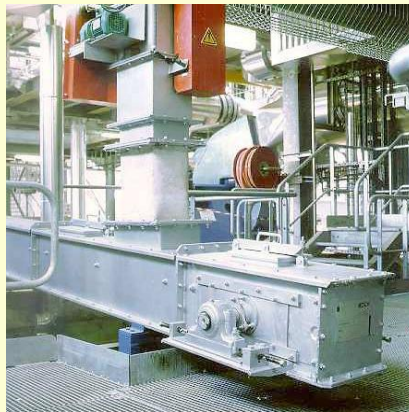
Examples:

- Modernization of heavy beam rolling mill
- Extension of the continuous casting plant
- Abrasive cutting machine
- Billet shear
- Grip tilter
- Cooling bed





KOCH Enclosed Conveying Systems



Planning, design, manufacture, erection, and maintenance of

- Drag chain conveyors
- Storage and discharging systems
- Sludge piston pumps
- Bulk fuel spreaders
- Conveyor chains
- Turnkey bulk material handling systems including enclosed conveying systems



KOCH Coking Technology



- Patented stamp charging technology
- Coal-preparation
- Feeders for coke ovens



KOCH Services



- Spare Parts
- Site inspection
- Replacement and/or re-commissioning of the equipment
- Overhaul of plants or machines
- Revamping



KOCH Acquisition Summary

- Over **200 world class materials handling engineers** and a proven track record of technical, project and business performance
- The value added to group's Material Handling **Sales will exceed EUR 80m for 2007**
- Established business **track record** and a case for sales and margin improvement attributable to the **synergies** that will be generated by the KOCH becoming an integral part of the FFE Minerals organization.
- Intellectual property, technologies and products that will expand FFE Minerals' historical product line and **enhance our solutions and service platform to our clients.**



Conclusions

- FFE Minerals will greatly benefit from the experience of Koch, and together they will build a very strong position in the marketplace by creating a **new materials handling technology centre** in the FFE Minerals group
- Its all about **expanding our technology and service platform** and the **solutions** that expansion will provide our clients and the material handling challenges they face



THANK YOU

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