



MELBOURNE **THE** **MINING**
CLUB



Issues

- Access to Land
- Attract / Retain Quality People
- Management / Workforce Relationship
- Resources for R&D
- Environment - Emissions



Problem

Industry Image

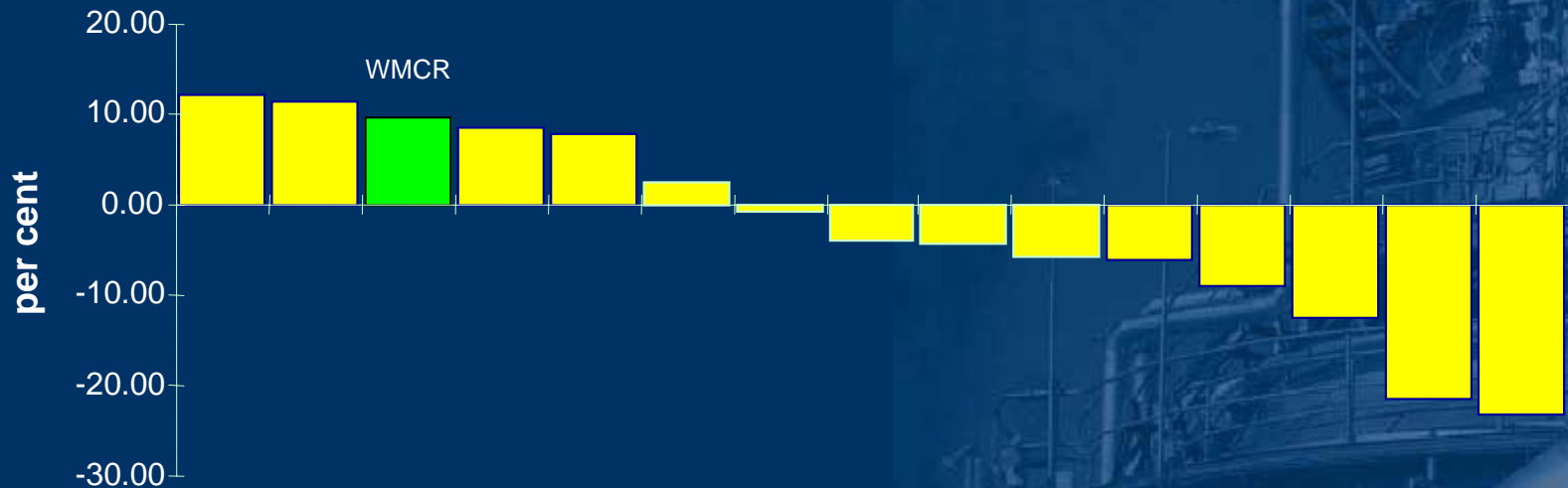
- Financial Performance
- Technology
- Environmental Performance
- Community Relations



Total Shareholder Returns

Our objective – deliver shareholder return in the top quartile of our peer group over any five-year time-frame

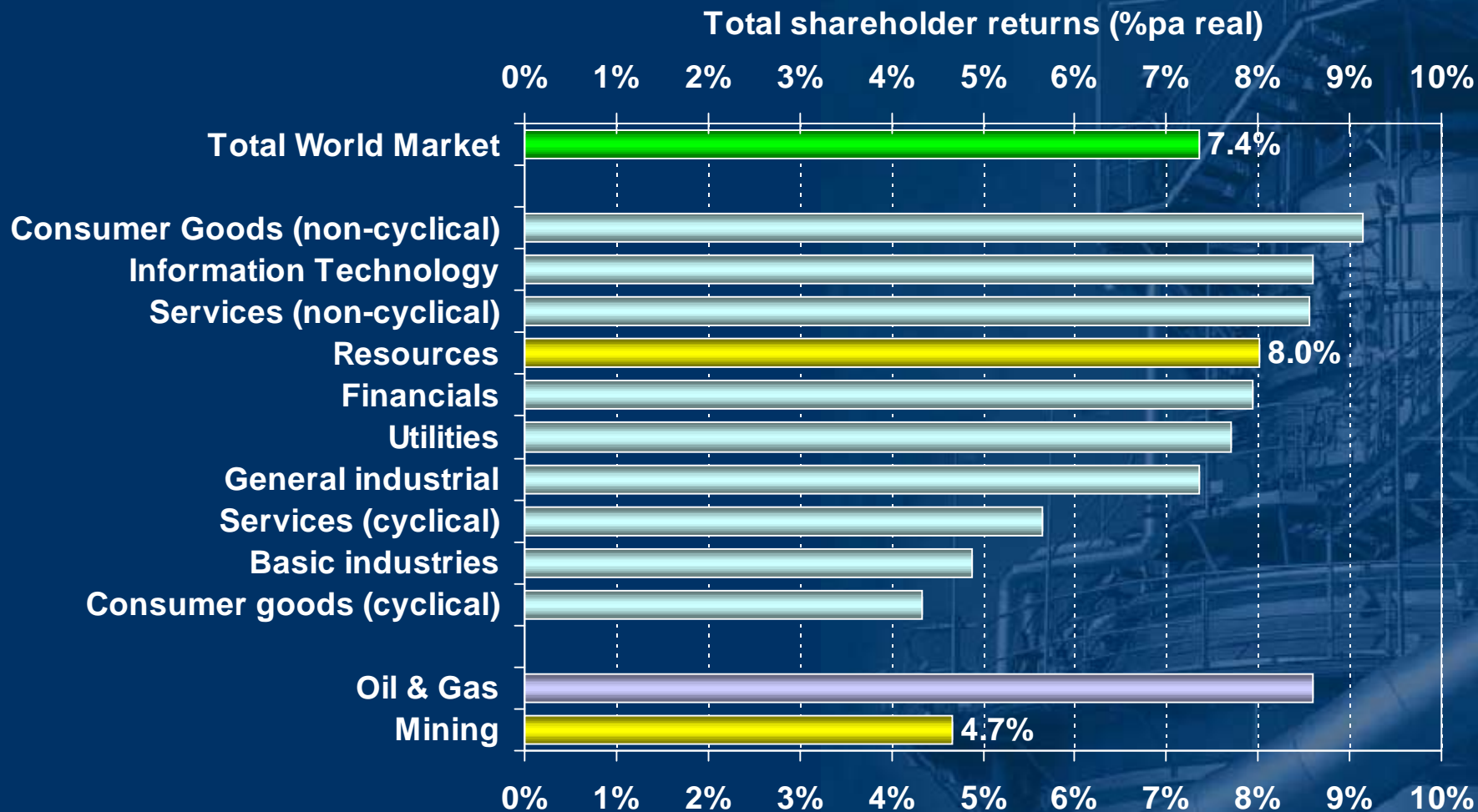
Five year - percentage change



Source: Bloomberg LP



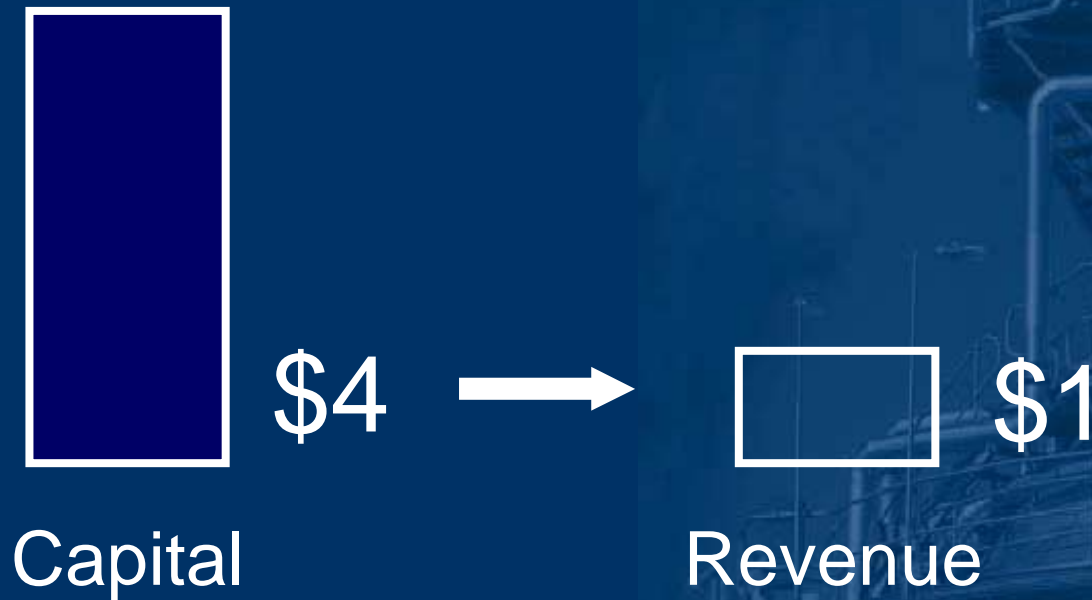
Profitability by Industry Sector (1973 – 2001)





Why?

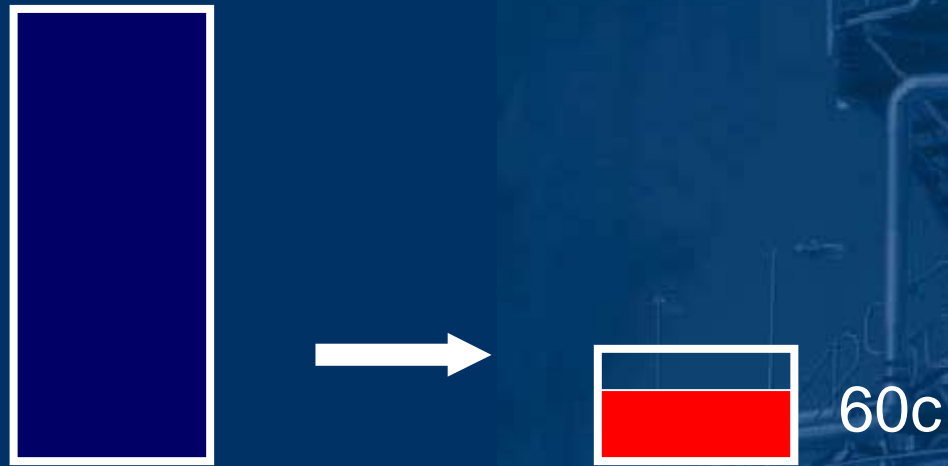
Fundamentals





Why?

Fundamentals



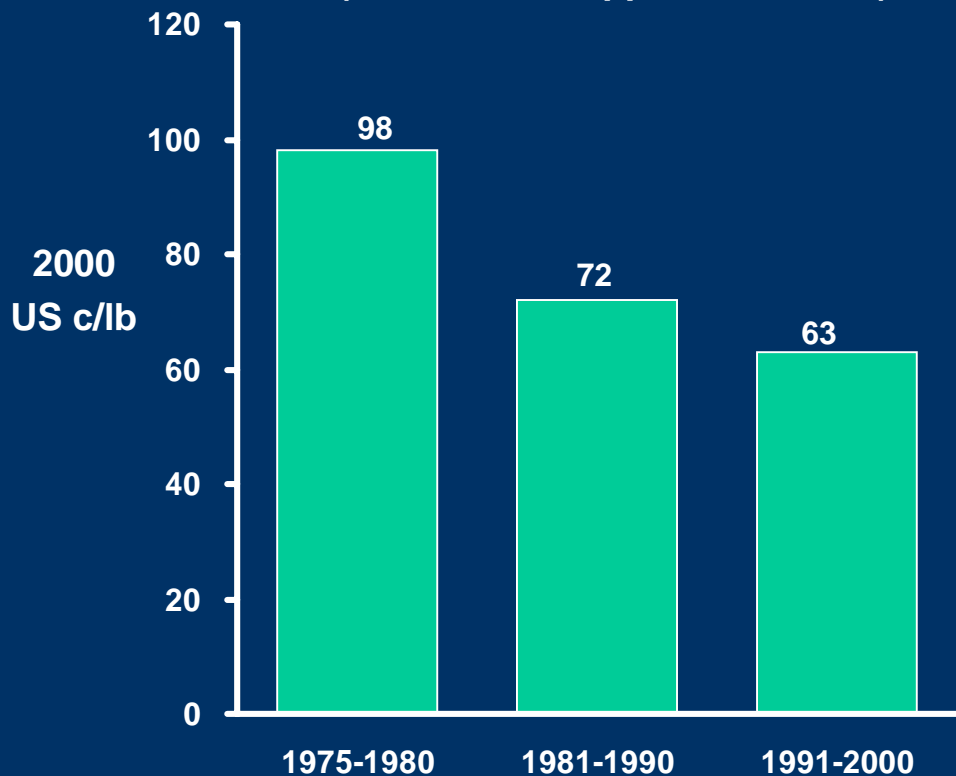
15% Return



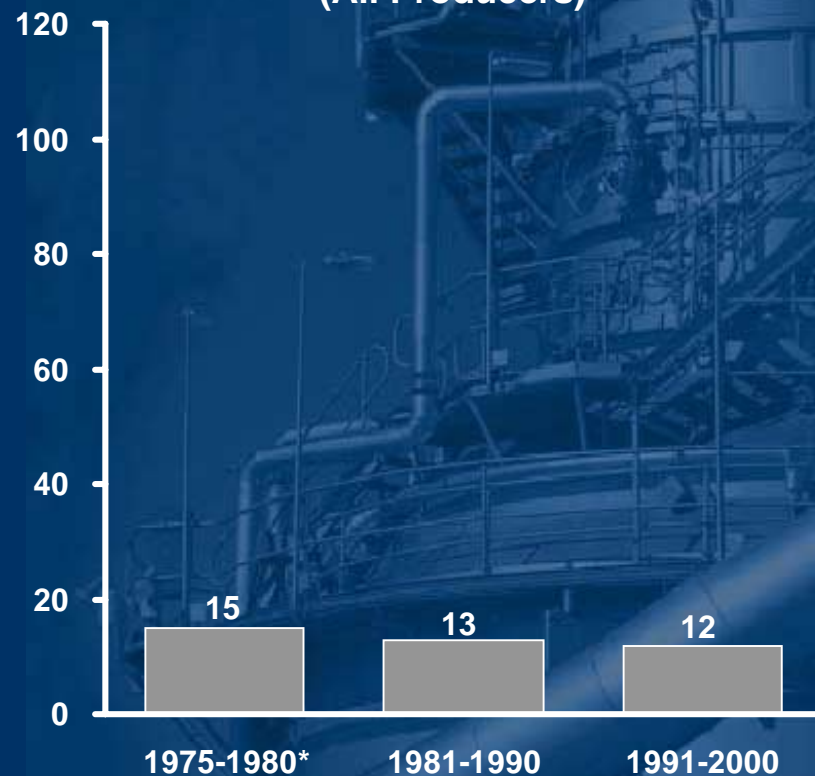
Why?

Behaviour – Give it Away

Cash Margins – Copper (1st Quartile Copper Producers)



D&A Cost - Copper (All Producers)

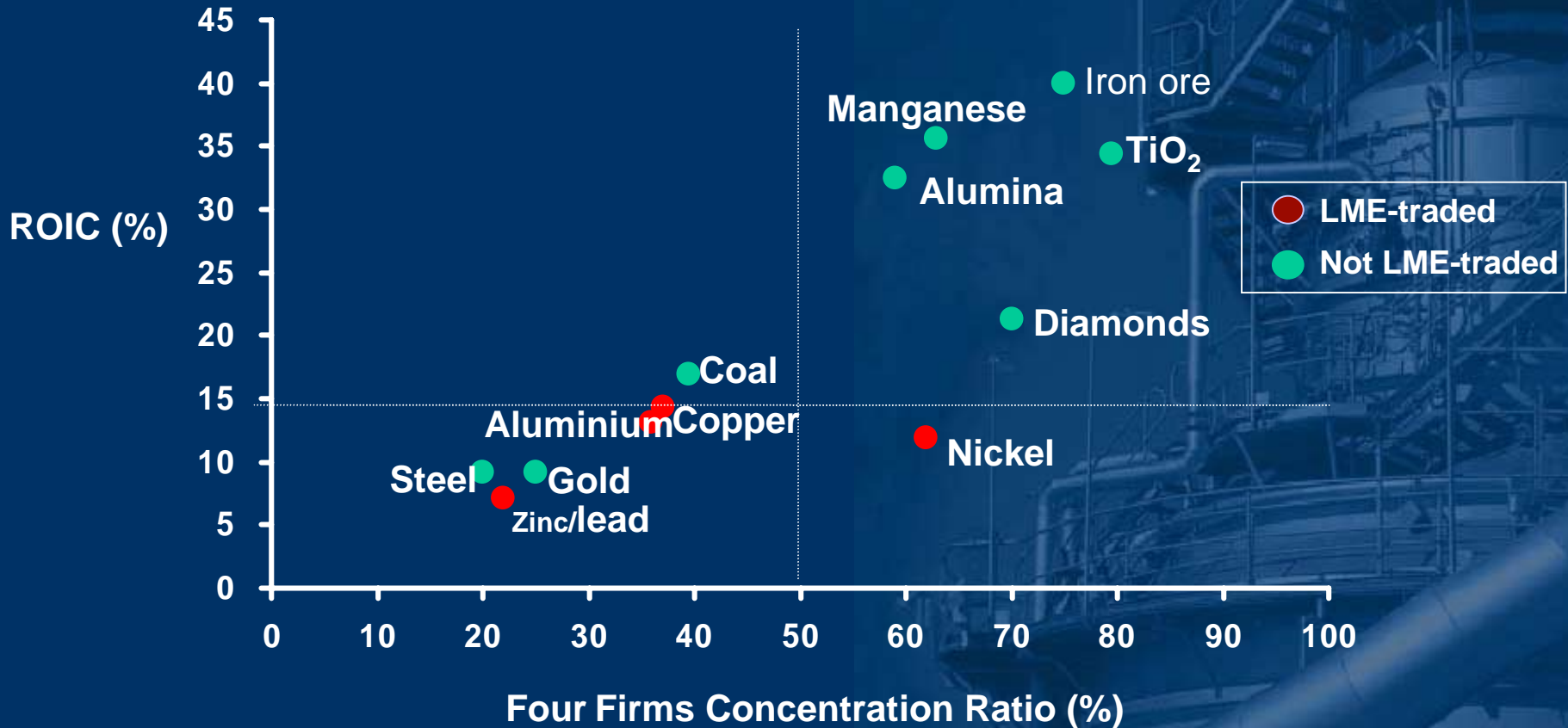


* Based on 1980 only
Source: L.E.K. Analysis



Size or Behaviour

ROIC vs Four Firms Ratio
(2001)





Technology

- Smoke Stack
- Dumb & Dirty
- Gov't – not sexy
(Biotech, ITC etc)



Environmental Performance

“Polluter”

- Scars, Salt Lakes
- Tailings Leakage
- “Anti Kyoto”
- Dare to Question





Community Relations

“Arrogant”

- Disturbance / Displacement
- Taxes / Employment enough
- “Anti Native Title”
- Dare to Question



Uncertainty



Image

- Financial - Real
- Technology - Perceived
- Environment - Perceived
- Community - Perceived



Change Perceptions

- Who's Accountable
 - Us
- Who's the Focus
 - The Electorate
- How to Address
 - United Approach
 - MCA, ICMM



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