

# ASX Announcement/Media Release

22 May 2008

## **Dyno Nobel enters south east Europe with a 50 per cent stake in Nitro Mak**

Dyno Nobel Limited (ASX: DXL) today announced that it had signed an agreement to acquire a 50 percent stake in Nitro Mak, a Turkish manufacturer and supplier of bulk and packaged explosives and initiation systems. The consideration is US\$37.5 million, US\$4 million of which is payable on closure, with potential for a US\$2.5 million earn out based on 2008 earnings. The balance of committed capital, US\$33.5 million, will be paid by December 2008.

Dyno Nobel Limited Chief Executive Officer, Mr Peter Richards said, "The joint venture with Nitro Mak is aligned to our strategy of selectively re-entering previously exited markets which provide opportunities to leverage our technology. With Nitro Mak's operations in Albania and Romania, this stake will provide direct access to the fast growing eastern European market and a platform to the broader European market. The investment expands Dyno Nobel's manufacturing capabilities and initiations systems global footprint and demonstrates management's commitment to pursuing value-enhancing growth."

Commenting on the regional market, Mr Richards said, "With a growth rate of five to seven per cent, eastern and south eastern Europe are the key growth areas in the European explosives market, driven primarily by a combination of mining, construction and quarrying. The potential for further growth exists from investment in large infrastructure projects in the region."

According to Mr Richards, an additional advantage of the investment is being able to leverage the working relationship with Nitro Mak, a well-respected and reputable local partner.

Dyno Nobel previously owned a 25 percent stake in Nitro Mak prior to Industri Kapital selling the Dyno Nobel Group, including all joint venture interests, to the Macquarie Bank-led consortium in December 2005.

The acquisition is subject to regulatory approval by the Competition Authority of the Republic of Turkey as well as satisfactory resolution of due diligence-related conditions.

The acquisition will be EPS accretive immediately. Significant cost reduction synergies have been identified, and increased revenue opportunities exist with the introduction of Dyno Nobel technology.

On 11 March 2008, Dyno Nobel announced that it had entered into a Scheme Implementation Agreement ("SIA") with Incitec Pivot Limited ("IPL") under which IPL proposes to acquire all of the shares in Dyno Nobel which IPL does not already own ("IPL Scheme") (please refer to Dyno Nobel's

**Dyno Nobel Limited**  
ABN 44 117 733 463  
Level 24, 111 Pacific Highway  
North Sydney NSW 2060 Australia

**DYNO**  
Dyno Nobel

Groundbreaking Performance

# ASX Announcement/Media Release

ASX announcement released on 11 March 2008 for further details regarding the IPL Scheme). The acquisition of the stake in Nitro Mak is permitted under the SIA.

-ENDS-

For media enquires contact:

**Sonja Kukec, Dyno Nobel 0437 766 483**

## **Background**

### **Dyno Nobel**

Dyno Nobel (ASX – DXL) is a leading supplier of industrial explosives and blasting services to the mining, quarrying, seismic and construction industries. Dyno Nobel is the market leader in North America - the largest explosives market in the world - and the second largest supplier in Australia - the third largest explosives market in the world.

Dyno Nobel employs more than 3,500 people and has 36 manufacturing facilities in Australia, Canada, the US, Indonesia, Mexico and Papua New Guinea. Dyno Nobel is renowned for its excellent safety performance and as a provider of innovative explosive products and services, which together deliver groundbreaking performance for its customers.

**Dyno Nobel Limited**  
ABN 44 117 733 463  
Level 24, 111 Pacific Highway  
North Sydney NSW 2060 Australia

**DYNO**  
Dyno Nobel

Groundbreaking Performance