

Excel Mining Systems Acquisition



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1. Transaction Overview



- Orica has agreed to acquire Excel Mining Systems LLC
 - US leader in support systems for underground coal and hard rock mining
- Purchased for approximately US\$670m (~A\$775m) subject to closing adjustments
 - 9.9 times LTM¹ EBITDA (pre-synergies)
 - 7.3 times LTM¹ EBITDA (post synergies)
 - Funded by existing debt facilities and underwritten DRP
- Expect to close in 4th Quarter 2007
 - Subject to regulatory approvals
- Transaction meets Orica's financial criteria
 - Strongly EPS accretive in first year
- Very strong EBITDA to cash conversion²
- Retention arrangements in place with senior management team

1. LTM EBITDA ~US\$67.5m (A\$78m), excluding transaction costs (~US\$3m)

2. EBITDA to operating free cash flow

2. Strategic Rationale



1 Strong link to both Minova and Orica Mining Services

- Significant mining presence
- Common customers
- Strong regional overlap
- Both Minova & Excel are USA leaders

2 Large market with solid growth

- N American market >\$700M and growing at >3% pa
- Global market ~\$1.7B and growing at 7 – 9% pa
- Driven by trend to underground mining and greater safety regulations

3 Base for global expansion

- Opportunity to expand via Minova's global network
- Further acquisition opportunities

4 Bolts & resin are highly complementary

- Common customers
- Same market drivers & technical approval process
- Resin is used in combination with bolts

5 Strong acquisition metrics

- Very strong cash flow
- EPS accretive in year 1
- Significant synergy opportunities

“One stop shop” supplier of stabilisation systems in underground mining

3. Overview of Excel Mining Systems

Business Snapshot



- USA leader in support systems for underground coal and hard rock mining
 - World's largest roof bolt company
 - Over 45% share of USA sales
- Complete product range and regional coverage
 - Core products include roof bolts, anchors & plates
 - 6 manufacturing facilities close to customers & steel suppliers
 - Strong sales & technical support team
 - Long standing customer & supplier relationships
- History of strong financial performance
 - Experienced and committed management team with an excellent track record
 - Outstanding cash flow business
- Excel provides a strong base to capitalise on global expansion opportunities

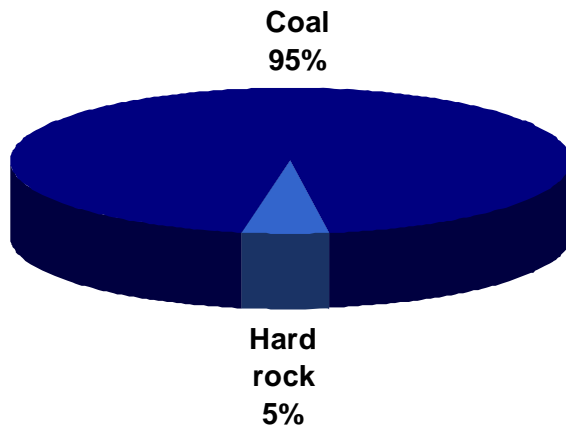
3. Overview of Excel Mining Systems

Business Snapshot

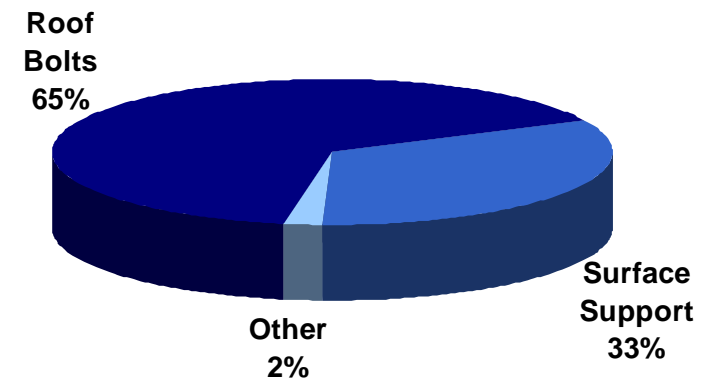


- Major end market is underground coal mining, although also has a presence in hard rock mining
- Sells to all USA regions, including Appalachian, Interior and Western regions
- Roof bolts make up the majority of Excel Mining Systems' product sales, followed by surface support systems

2006 Sales by End Market

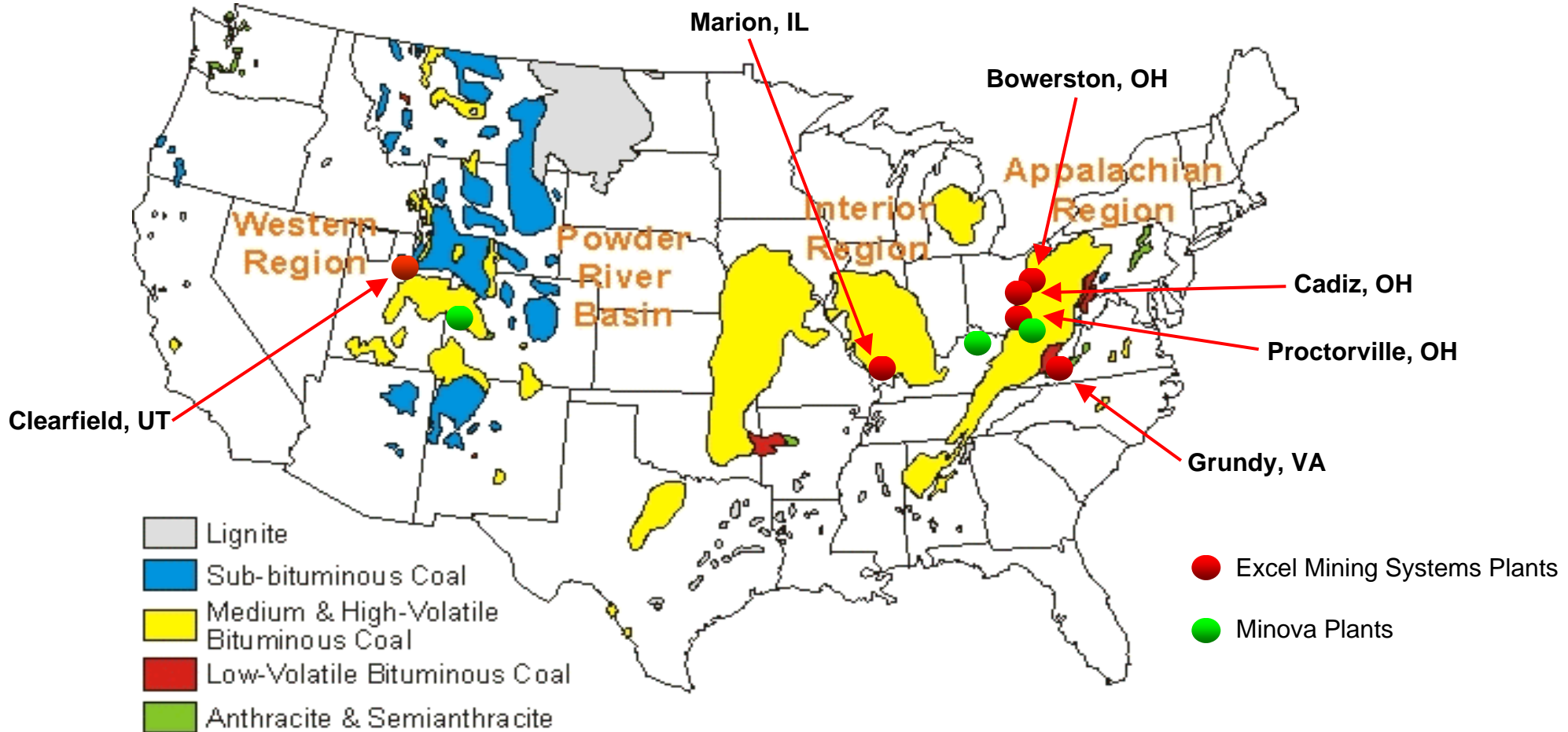


2006 Sales by Product



3. Overview of Excel Mining Systems

Regional coverage



Strategically located near customers. Good geographic overlap with Minova.

3. Overview of Excel Mining Systems

Ground Stabilisation Products



Bolts & Anchors

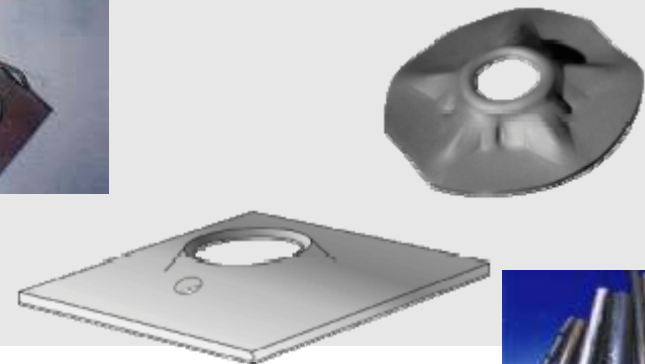
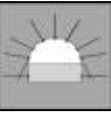
- Rebar resin bolts
- Tension bolts
- Mechanical bolts
- HyTec bolts
- Cable Bolts

Accessories

- Steel mine ties
- Cable truss
- Wire mesh

Surface Support Systems

- Bearing plates
- Dimple plates
- Spider plates
- Roof channel
- Monster mat
- Header plate

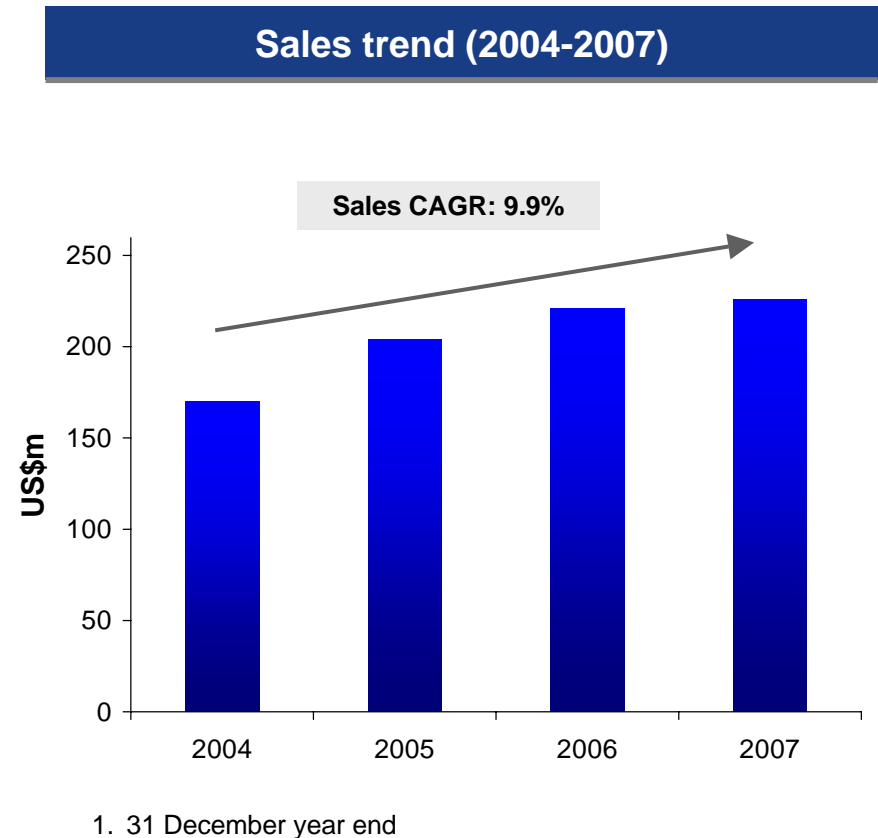


3. Overview of Excel Mining Systems

Strong Earnings



- Excel has a track record of growing earnings both through organic growth and acquisitions
 - 9.9% Sales CAGR (2004 – 2007)
 - 14% EBITDA CAGR (2004 – 2007)
 - Outstanding operating margins
- Solid outlook for underlying earnings growth in FY2008 and beyond
- Very strong cash flow conversion
 - >95% EBITDA conversion
 - Low Trade Working Capital
 - Low capex requirements

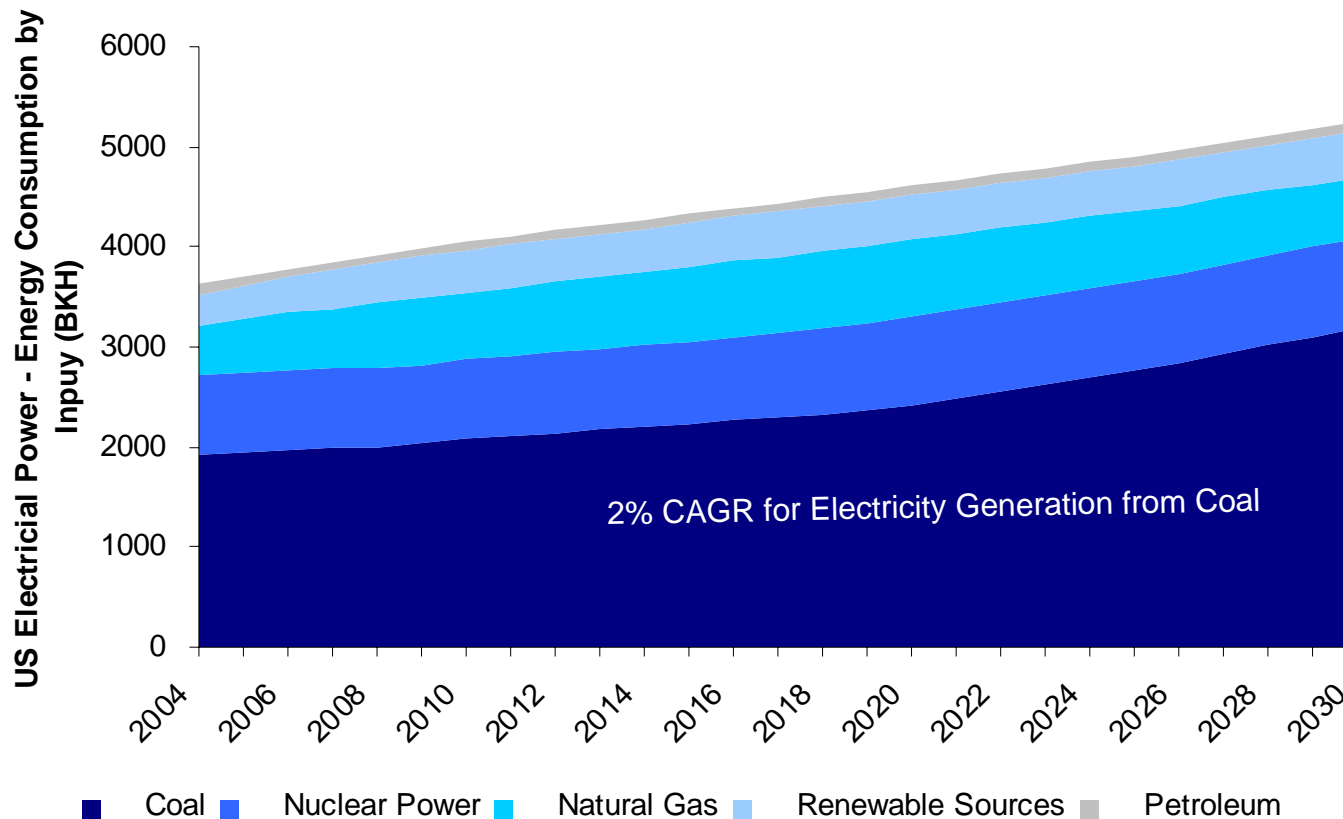


4. Industry Drivers

Coal will continue to power US electricity



- Backbone of US electricity production accounting for >50% of electricity generation
- Shift to alternate sources not expected
- ~150 new coal fired power plants planned



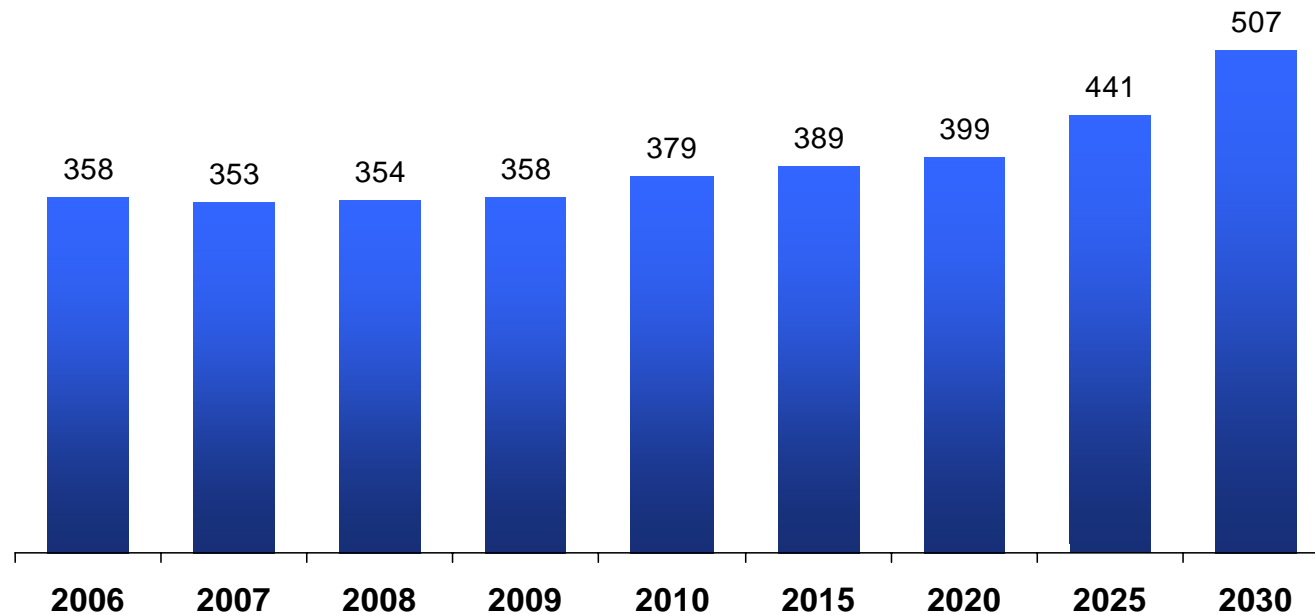
4. Industry Drivers

Underground Coal Growth



- Coal production growth of 1.5% CAGR (2006 – 2030)

Total US Underground Coal Growth



Source: EIA 2007

Production in million tons

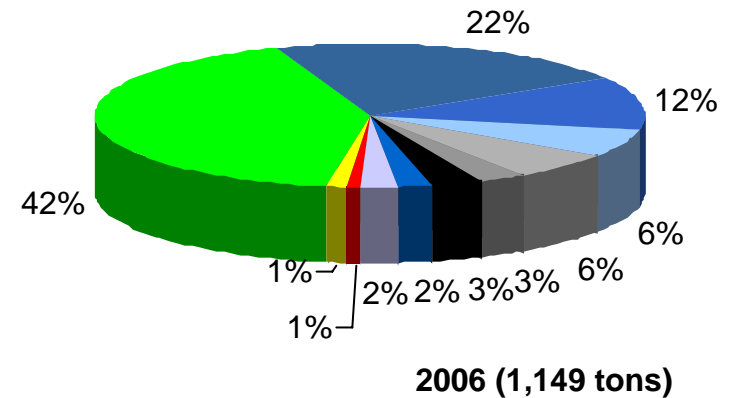
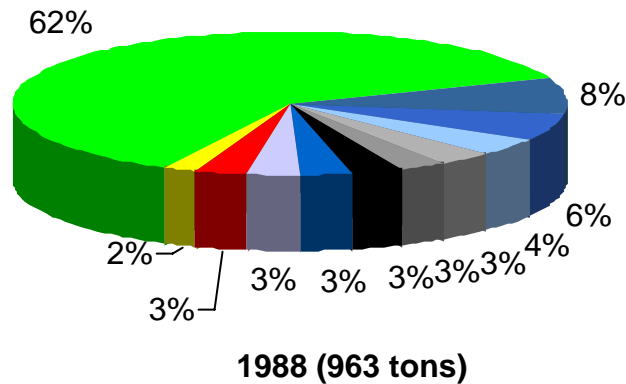
4. Industry Drivers

Consolidation of US Coal Companies



- Substantial consolidation over last 10 years with the top 4 companies now accounting for over 45% of the market
- Overall profitability of the industry has significantly improved
- Coal production and prices have increased

Consolidation Trends in the US Coal Industry



Many coal companies are also customers of Minova and/or Orica Mining Services

5. Financial Impact and Funding



- Purchased for approximately US\$670m (~A\$775m) subject to closing adjustments
 - 10.1 times LTM EBITA
 - 9.9 times LTM EBITDA
- Immediately EPS accretive after all costs
- Very strong cash flow
- Achieves Orica's financial targets
- Funded by existing debt facilities and underwritten DRP
- Funding designed to support BBB+ credit rating
- Efficient use of balance sheet capacity
 - Gearing ~44% post acquisition
 - Adjusted Gearing increased to ~49.5% post acquisition
 - Expect to be back within target range (35% - 45%) within 12 months

6. Minova & Excel Post Acquisition Transaction Strengths

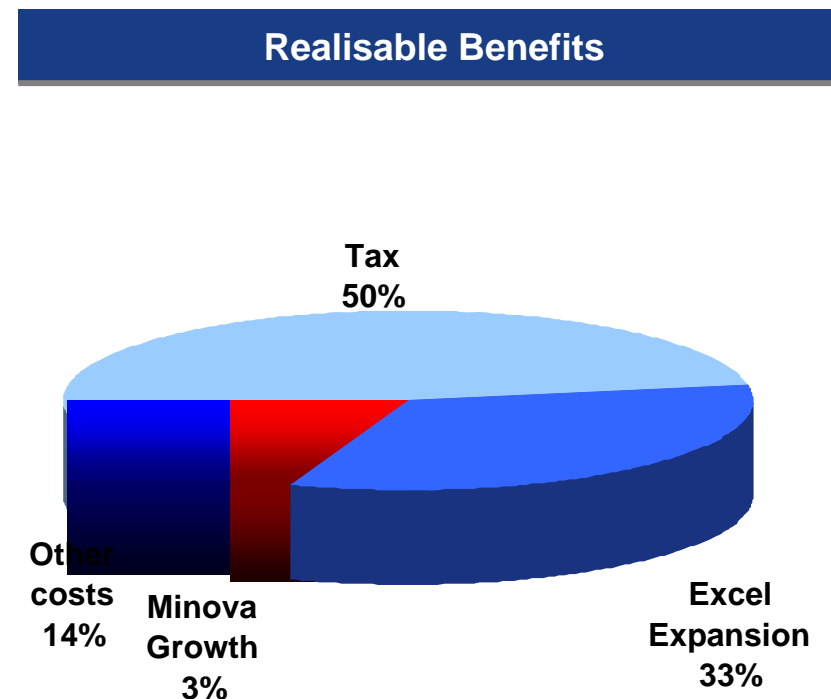


- Customer
 - Excel Mining Systems and Minova are both leaders and share many common customers
 - Both have long standing relationships with customers
 - Both businesses have reputations for quality, service and reliability of supply
 - Expands the breadth of offering to customers
 - Provides “one stop shop” for customers
- Scale and cost benefits
 - Excel Mining Systems and Minova are the most efficient and lowest cost producers in North America
 - Both Minova and Excel Mining Systems plants are located close to customers and to each other
 - Combining Excel and Minova will further enhance this position
- Global Expansion
 - Minova’s global network will enable Excel to expand internationally over time

6. Minova & Excel Post Acquisition Transaction Benefits

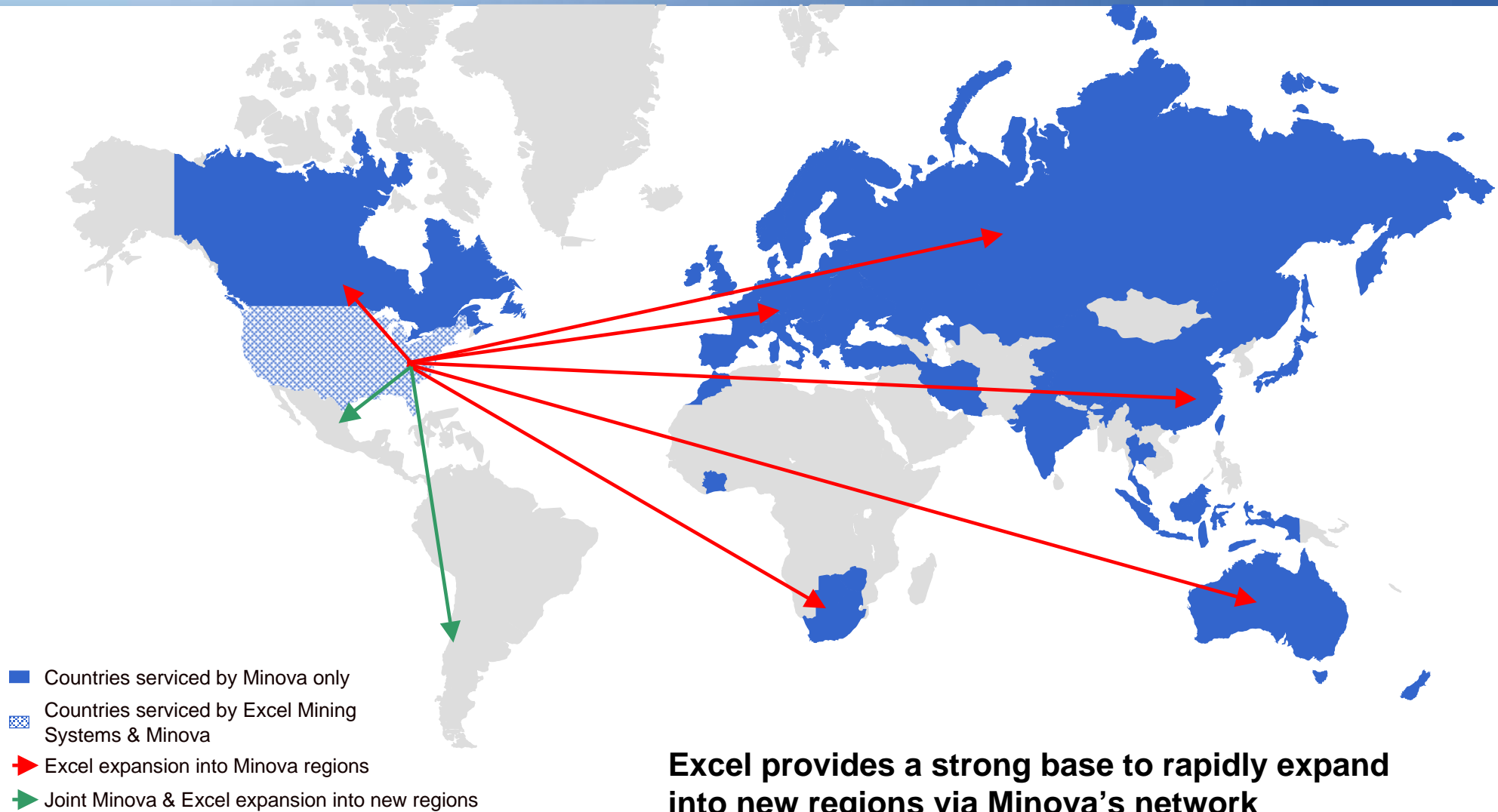


- Orica has conducted a detailed review of potential transaction benefits
- Annualised benefits of ~A\$58 million are achievable following the acquisition
 - Tax benefits realised from year 1
 - Others progressively achieved over 3 years, however, most expected in 2nd & 3rd years
- Opportunities include;
 - Improved administrative, operational & logistics efficiencies
 - Expansion of Excel's USA offering
 - Global expansion via Minova's network
- Associated implementation cost of ~A\$64 million
 - ~80% expected to be incurred within first two years of ownership
 - ~55% implementation costs will be expensed, remaining associated with capex



6. Minova & Excel Post Acquisition

Global Expansion Opportunities



7. Conclusion

Acquisition is strategically & financially compelling



- North American leader in underground consolidation
 - Excel and Minova both have leadership positions in the US
 - Provides “one stop shop” to customers for both chemicals and bolts
 - Provides Orica with a very strong strategic position
- Further enhances Orica’s global position in Mining Services
- Natural strategic fit for Orica
 - Common customers & complementary products
 - Meets Orica’s strategic principles
- Excellent growth opportunity
 - Growth underpinned by ongoing demand for coal, a shift to value add products and increase usage as a result of more demanding safety requirements
 - Combined businesses provides an excellent platform for global expansion
- Outstanding Financials
 - Immediately EPS accretive
 - Achieves Orica’s financial targets
 - Effective use of balance sheet capacity

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