



ARPA Over 50's  
Investment Discussion  
Group  
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Greg Slade  
Investor Relations Manager

# Orica – snapshot

- Australian owned publicly listed company trading on the Australian Stock Exchange (ORI)
- Market capitalisation of approximately A\$7.5bn\*
- Ranked in top 50 Australian companies based on market capitalisation
- Operates in approximately 40 countries - 11,000 employees
- Comprises four business platforms - all leaders in their chosen markets
- Financial Year end - 30 September



**An Australian based global company**

\* based on share price close 30 June 2006

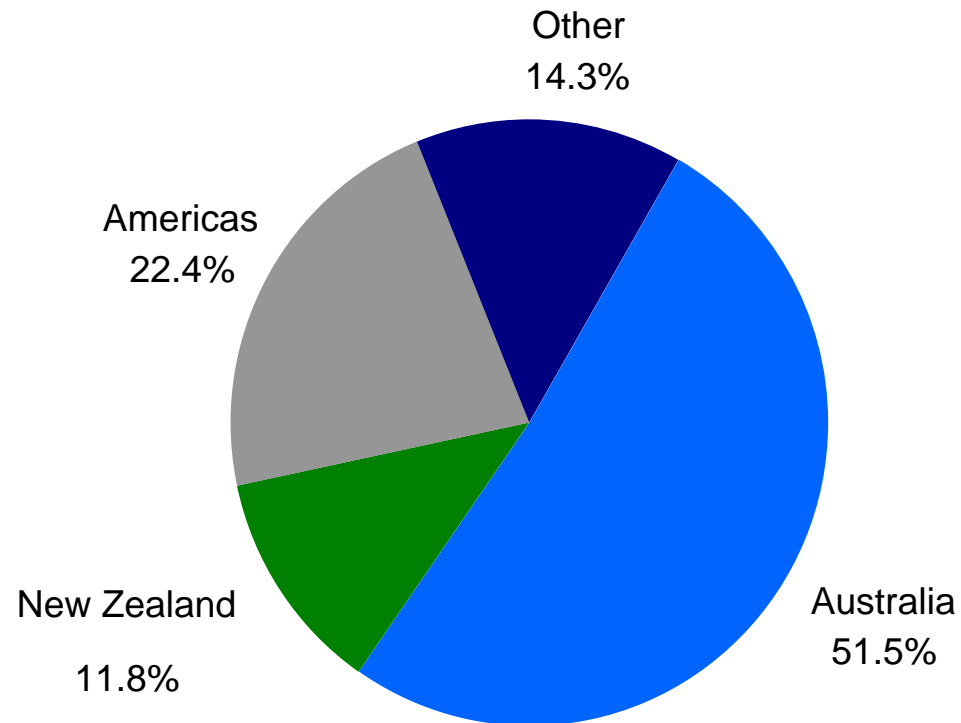
# Orica – countries in which we operate



## Key

-  Countries of operation
-  Research and Development Centres

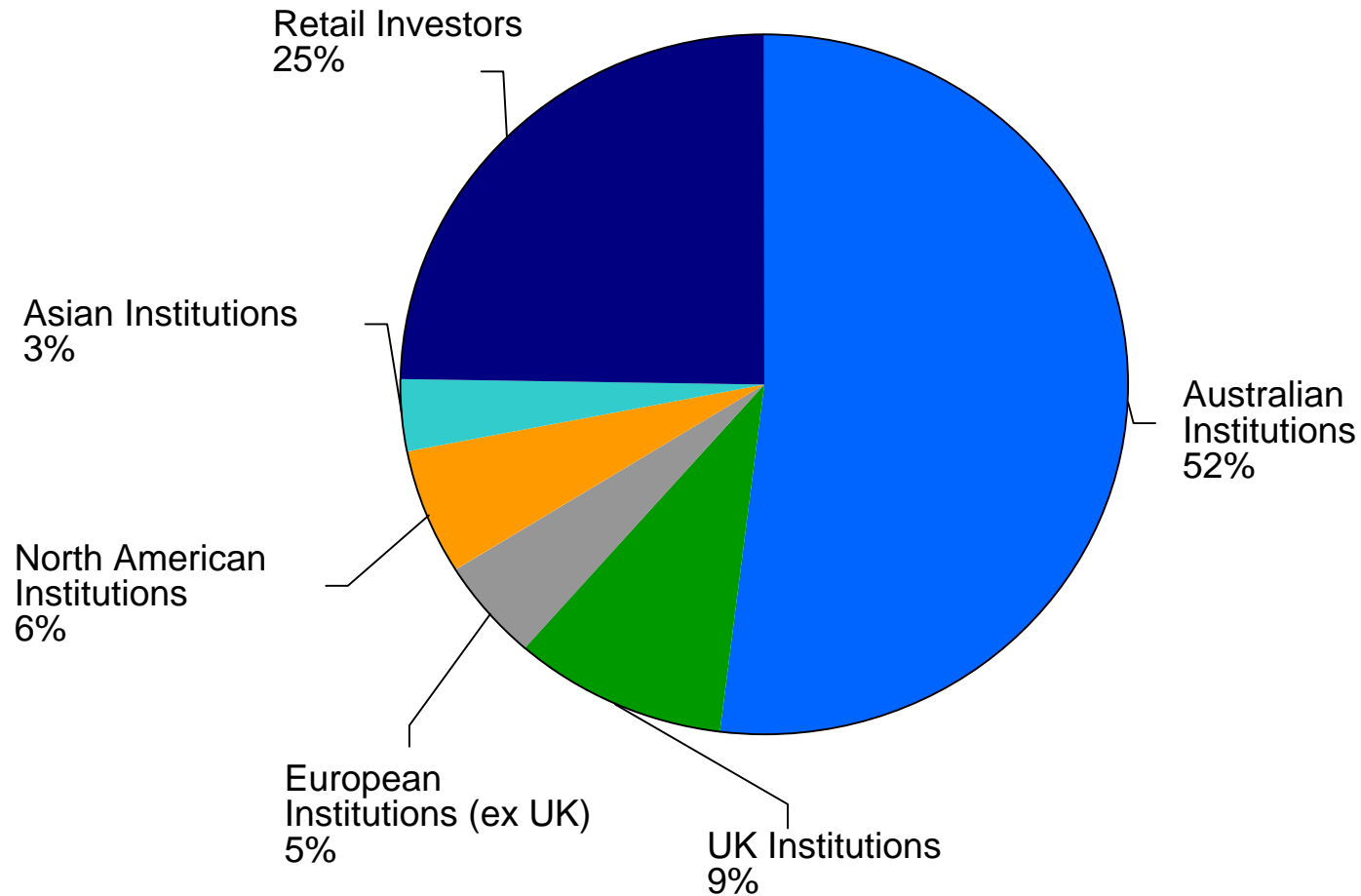
# Gross sales by geography 2005



**Continuing the “internationalisation” of Orica**

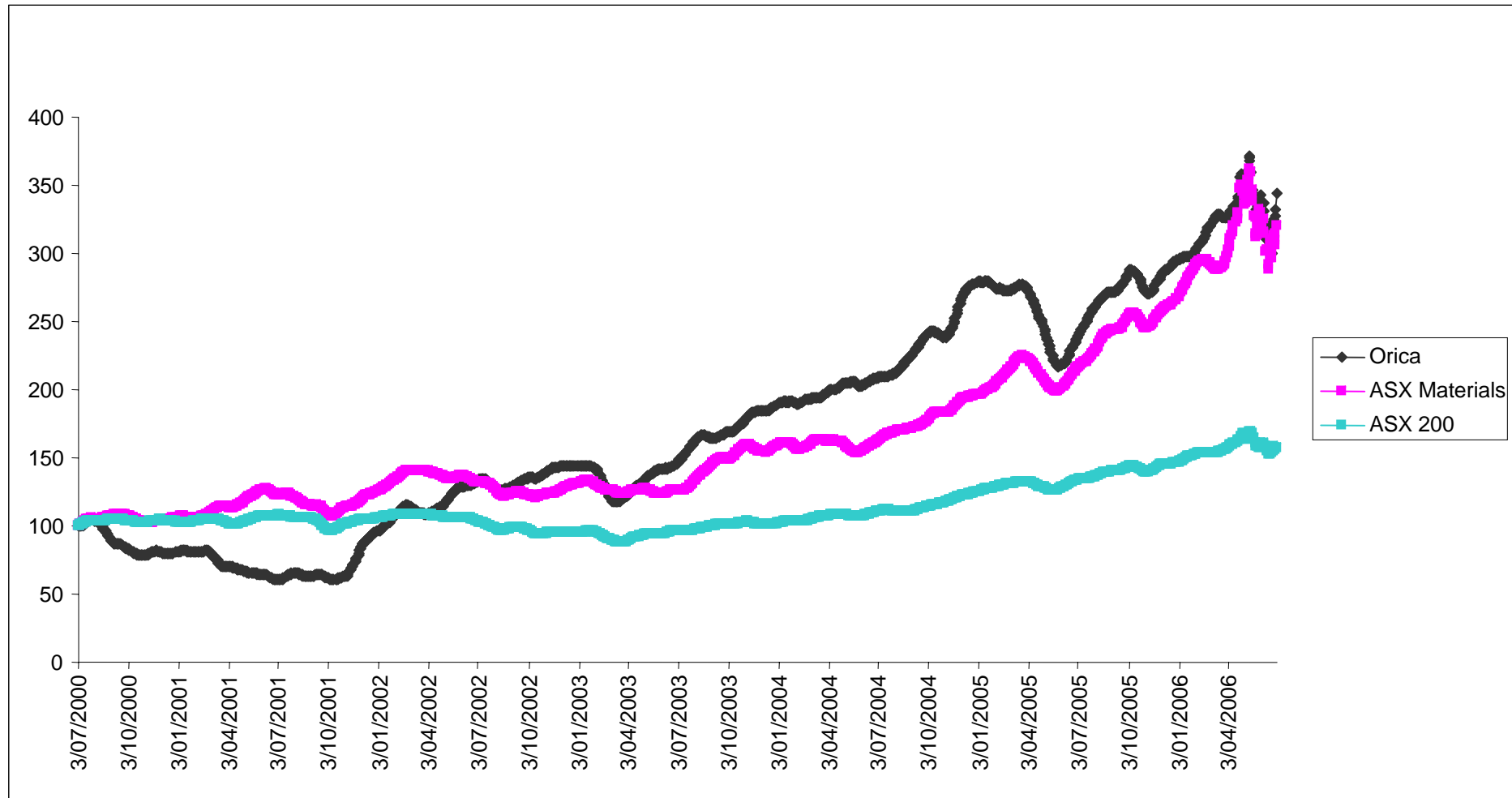
# Who are our investors?

As at 10 May 2006



**Majority Australian owned with significant offshore investment**

# How have Orica shares performed?



**Continued growth in shareholder value**

# Orica's strategy

## Three Key Principles:

- Market leadership
- Earning the “Right to Grow”
- Growing “Close to the Core”

**No change to existing strategy**

# Orica – business platforms



## **Mining Services**

Global leader in commercial blasting solutions offering commercial explosives, initiating systems and advanced mining solutions to the mining, quarrying and construction industries.



## **Consumer Products**

Orica's Consumer Products business is Australia's and New Zealand's leader in decorative paint, paint preparation, and lawn and garden care products.



## **Chemnet**

Chemnet is Australasia's leading chemical distributor, servicing more than 40 key industries.

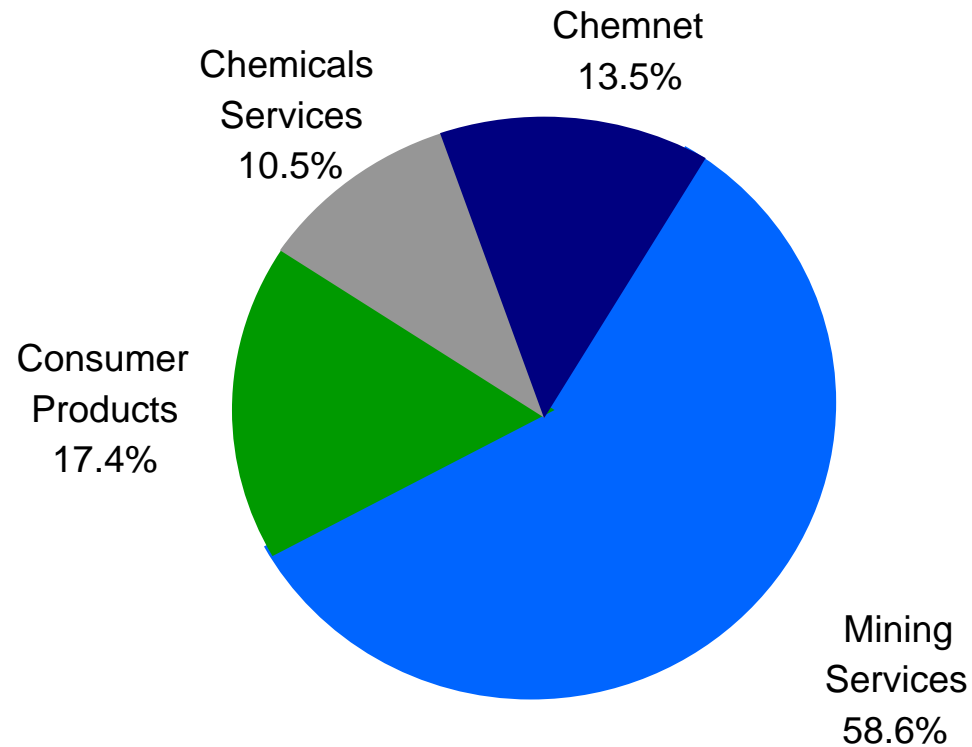


## **Chemical Services**

Orica Chemical Services is a major supplier of chemicals, services and technology to the water treatment, mining chemical and industrial chemical markets.

**Businesses united by chemical sciences**

# EBIT by business platform 2005



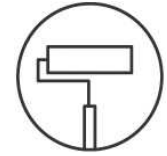
**Mining Services approaches 60% of EBIT**

# Orica Mining Services



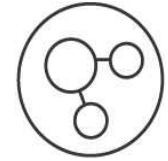
- Offers commercial explosives, initiating systems and advanced mining solutions to the mining quarrying and construction industries in Australia, Asia, Europe, North America, Africa and Latin America
- The global Explosives market is currently estimated at ~\$9.5bn
- The market is becoming more global in response to rationalisation and consolidation of its customer base
- Orica has completed the acquisition of essentially all the European, Middle Eastern, African, Asian and Latin American businesses of Dyno Nobel. The acquisition is highly complementary to the existing operations and provides significant opportunities for synergies and growth.
- 1H 2006 EBIT \$151m (+15%)

# Orica Consumer Products



- Leading marketer of branded and private label paints and stains, dry powder coatings, paint preparation and associated hardware products, sealants and adhesives, car care and garden care products
- The business operates in Australia, New Zealand, Papua New Guinea, Hong Kong, Singapore, Malaysia and China
- Distribution strength - Retail and Trade
- World class technology
- 1H 2006 EBIT \$48m (-3%)

# Orica Chemnet



- Orica's chemical trading solutions business, supplying the market from all sources including:
  - own manufacture
  - external manufacture
  - as a distributor or agent
- Largest chemical trading business in Australasia
- Strong asset position with manufacturing plants and supply chain infrastructure
- 1H 2006 EBIT \$29m (-25%)

# Orica Chemical Services



- Divided into three business units:
  - Watercare – products used by municipal customers for creating safe drinking water and treating sewage
  - Industrial Chemicals – Adhesives & Resins, specialty chemicals
  - Mining Chemicals – Sodium cyanide used in gold production
- Strong asset position including state-of-the-art operating plants and a flexible manufacturing capability
- Leading technology including MIEX® water treatment
- 1H 2006 EBIT \$32m (+27%)

Half year ended 31 March 2006

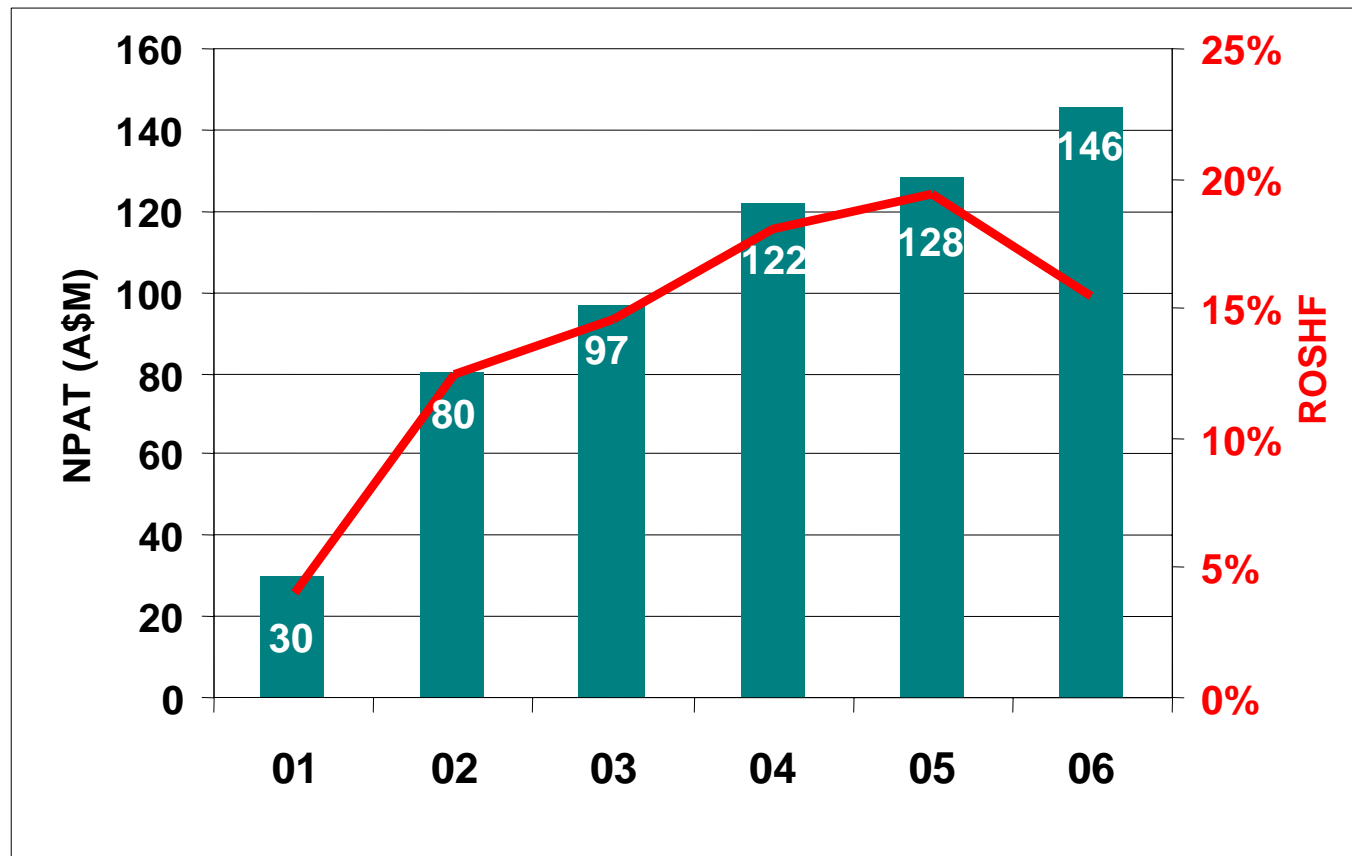
# Financial highlights

- Sales revenue +9%
- EBIT +13%
- NPAT +14%
- EPS +6%
- Interim dividend 26cps (pcp 25cps)
- Record result in Mining Services & Chemical Services
- Improving cashflow performance
- Successful capital raisings to fund Dyno acquisition

**A solid result in line with market expectations**

Half year ended 31 March 2006

# Financial results

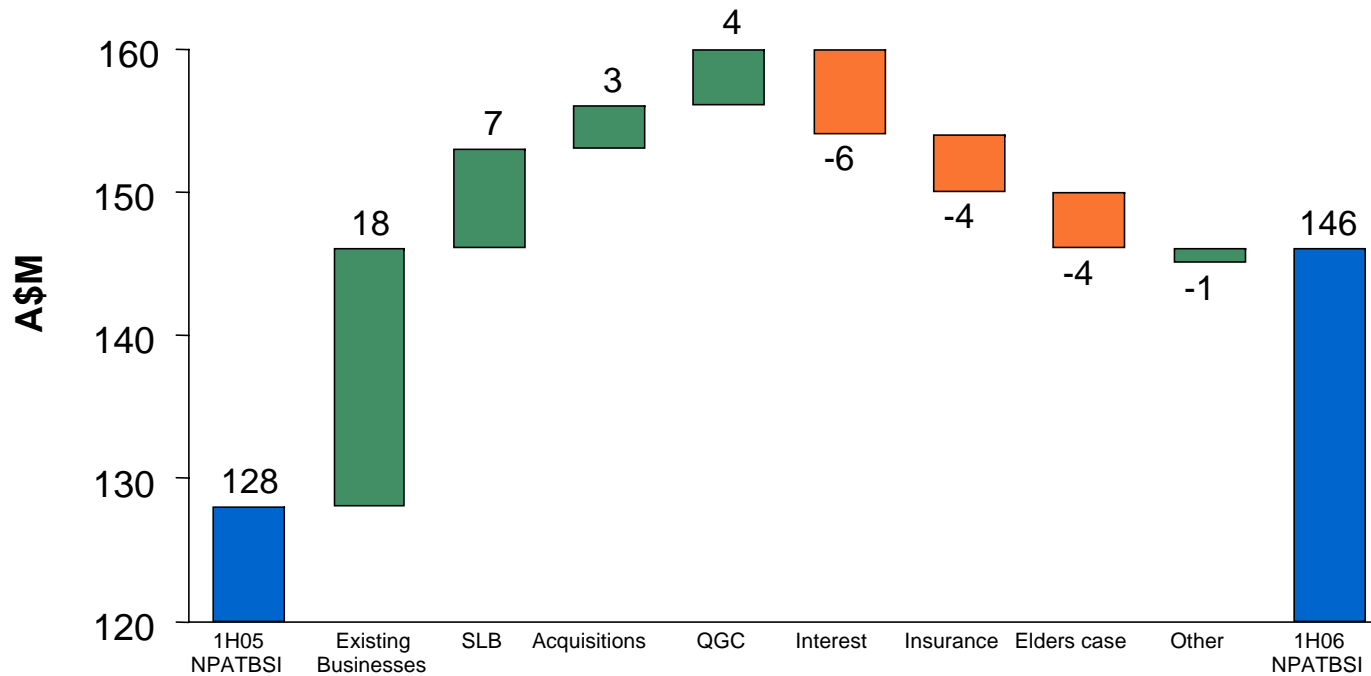


**Expanded capital base impacted ROSHF**

- pre significant items
- pre 2005 not AIFRS adjusted

Half year ended 31 March 2006

# NPAT analysis



- ✓ EBIT up 13%
- ✓ Record result for Mining Services and Chemical Services
- ✓ Fertilisers EBIT up significantly
- ✗ OCP down marginally
- ✗ Chemnet down 25%
- ✓ Sale and Leaseback
- ✓ Contribution from acquisitions
- ✓ Sale of QGC shares
- ✗ Higher interest on higher debt levels
- ✗ Insurance costs
- ✗ Elders Rebate & Botany Ground Water 16

# IPL divestment

- Rationale
  - less earnings volatility going forward
  - allows each entity to pursue an independent strategy
- Orica capital management
  - capital projects relating to existing businesses
  - M&A across remaining businesses
- Gross proceeds from sale \$857M
- After tax gain \$399M (to be booked as a significant item in FY2006 results)

**Orica's earnings will be less volatile post IPL**

# Dyno acquisition - update

## Integration progress to date:

- 10 person integration team based in London
- Appointed MD's of EMEA & Latin America
- No loss of customers from Dyno businesses
- Safety performance maintained

**We remain confident of achieving synergy targets**

# Environmental issues – Botany Park



**Boundary marked by red border represents BIP site boundary**  
**Boundary marked in blue represents Southlands Block 1**  
**Boundary marked in green represents Southlands Block 2**

## Site Information

- 100 hectare site, 10 km south of Sydney CBD
- 3rd largest complex of its type in Australia
- Site built in 1942
- Orica owns considerable surplus land at Botany including Southlands Blocks 1&2 (over 20 hectares)

# Summary

- Strong half year result despite weakness in some business platforms
- Record Mining Services and Chemical Services result
- Resilience to cost increases
- Financial discipline and improved cashflow performance
- Strong balance sheet capable of funding future growth

**A disciplined and consistent approach to growing shareholder value**



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