

JP Morgan Conference

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Managing Director & CEO



Orica – Snapshot



- Australian owned publicly listed company trading on the Australian Stock Exchange (ORI)
- Market capitalisation of A\$5.5bn/US\$4.1bn*
- Ranked ASX top 50 by size based on market capitalisation
- Operations in about 50 countries - 12,500 employees (post Dyno)
- Comprises four business platforms - all leaders in their chosen markets
- Financial Year end - 30 September

LARGE AUSTRALIAN DIVERSIFIED COMPANY

* based on noon 7 October 2005 share price of A\$20.16.

Orica – What We Do



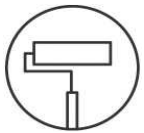
Mining Services

- Commercial explosives plus blast management



Chemicals

- Niche chemical distribution, value add and niche manufacturing



Consumer Products

- Paint, paint preparation, handyman and premium consumer garden care products



Incitec Pivot

- Fertilisers

Businesses
united by
chemical
sciences

Market
Leadership

Leading
Brands

Privileged
Assets

Capable
People

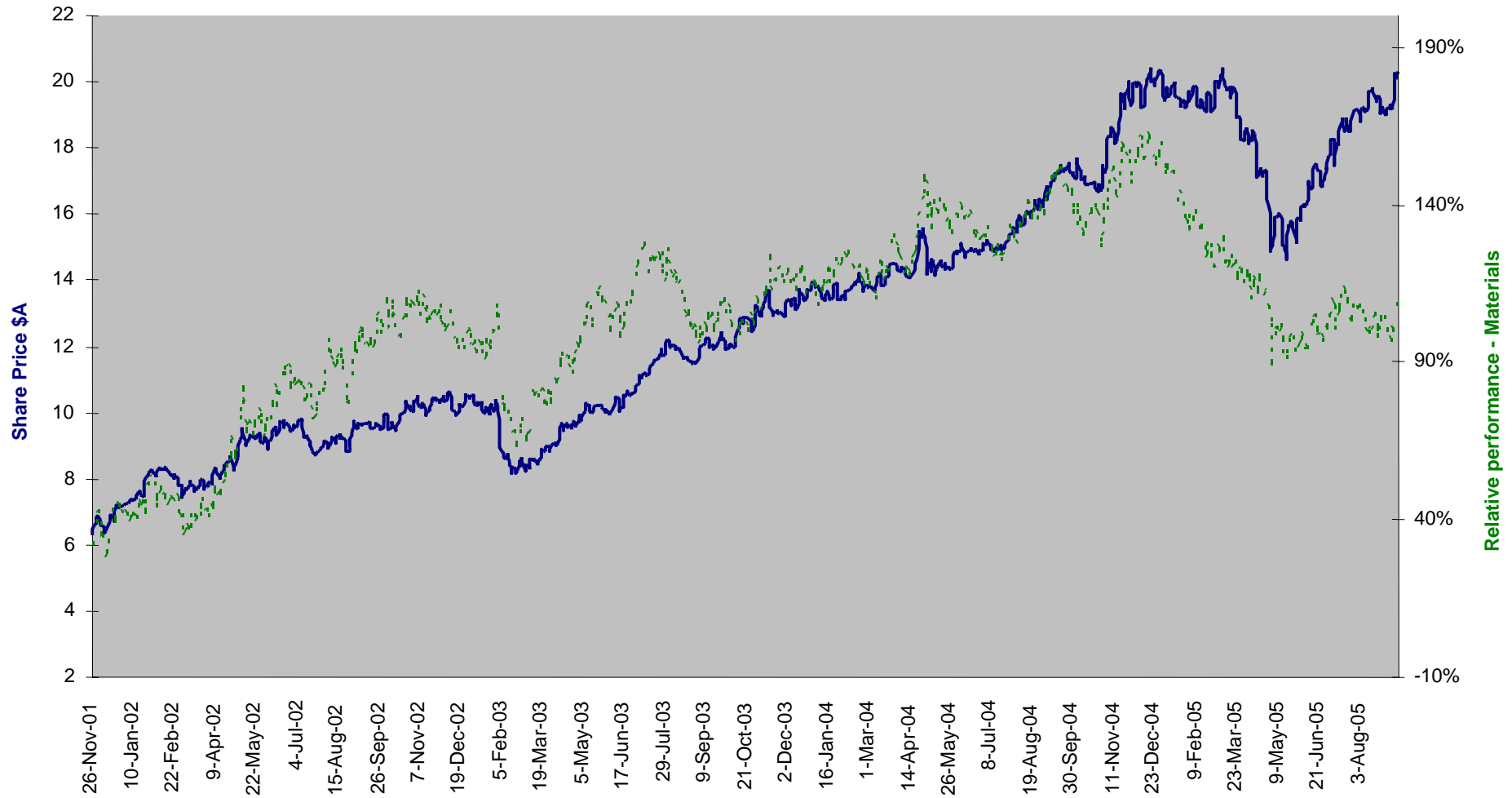
Technology

Strong &
Disciplined Culture

SATISFACTION OF BASIC HUMAN NEEDS BY

“TURNING SCIENCE INTO SOLUTIONS”

Orica – Share Price



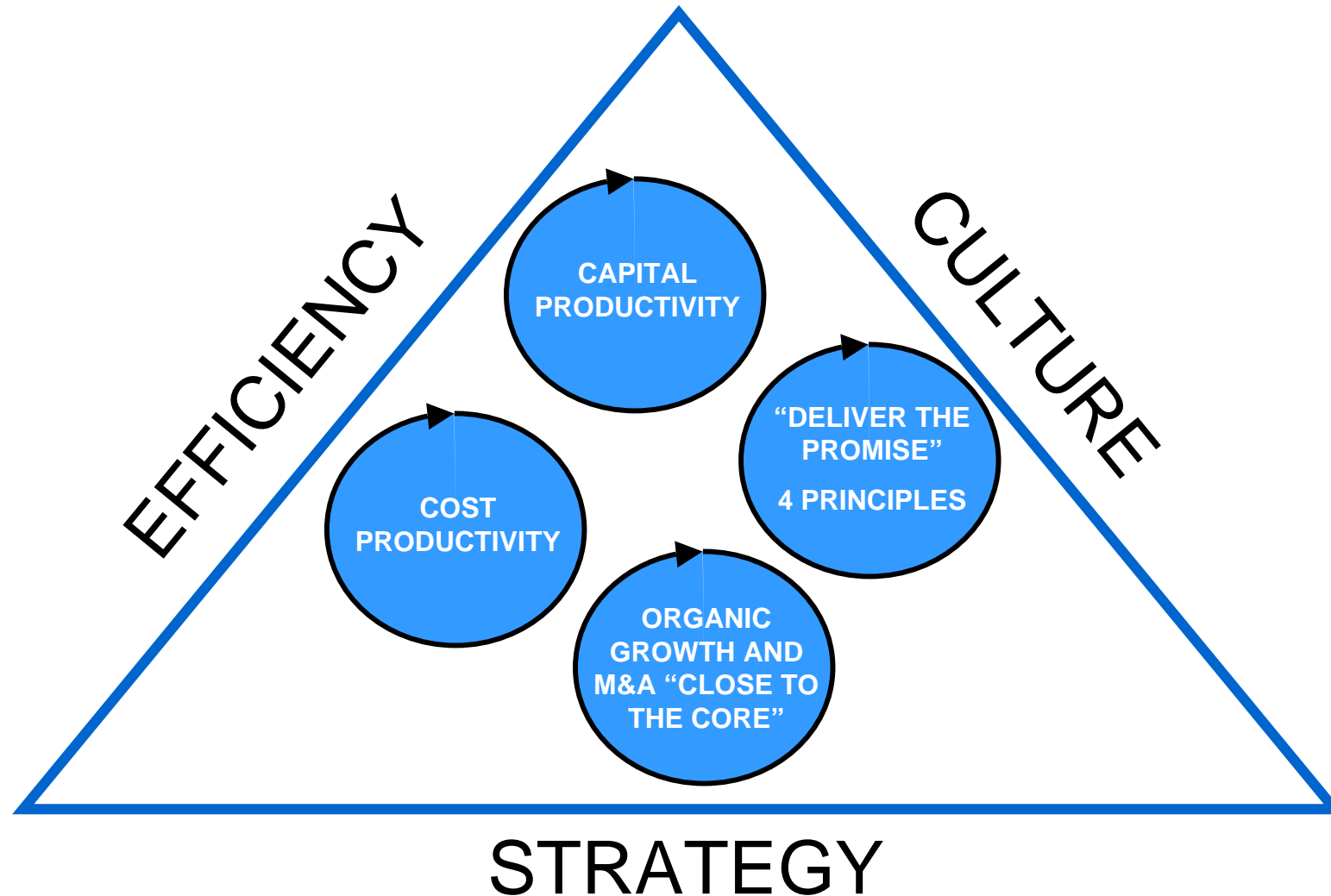
Orica – Key Performances Metrics



	FY2004	FY2003	FY2002
NPAT (Pre Significant Items)	\$325.6m	\$270.3m	\$239.1m
NPAT (Post Significant Items)	\$327.8m	\$100.7m	\$213.6m
EPS (Pre Significant Items)	119.0 cents	97.2 cents	86.0 cents
EPS (Post Significant Items)	119.8 cents	36.2 cents	76.8 cents
Dividend Per Share	68 cents	52 cents	44 cents
Return On Average Shareholders' Funds	23.1%	19.6%	18.0%
Total Shareholder Returns	50%	31%	133%

“STRONG EARNINGS MOMENTUM”

Value Drivers - Orica's Approach



CULTURE – “Deliver The Promise”



At Orica we have implemented a performance-based culture driven by personal accountability for delivering results.

- Safety, Health & Environment
 - *No injuries to anyone ever*
 - *Value people and the environment*
- Commercial Ownership
 - *Run the business as if it is your own*
- Creative Customer Solutions
 - *Think differently, deliver swiftly and capture the value*
- Working Together
 - *Success as a team and success as an individual*

STRATEGY – Sustainable Bottom Line Growth



- Market leadership
- Rigorous financial targets – 18% RONA
- Growing only value adding businesses
“earn the right to grow”
- Related growth - “close to the core”

EFFICIENCY AND GROWTH - Driving the Profit Engine



Cost & Capital
Productivity

**Working Capital,
Manufacturing Efficiency,
Procurement, Supply
Chain, Terra**

Growth

**Mining Industry Growth, Dyno,
Yarwun, Chemical Industry
Manufacturing Rationalisation,
New Product/Technology
Development**

DYNO Transaction

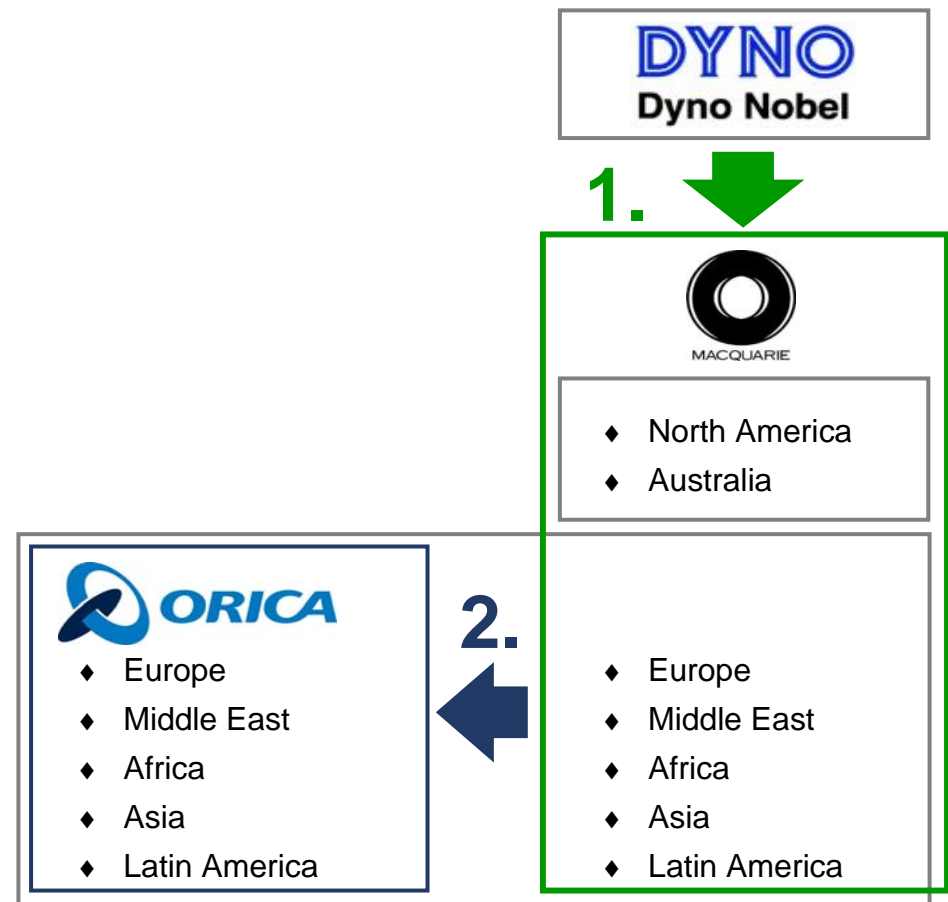


Creative structure used to secure key growth assets

1. Macquarie acquires 100% of Dyno Nobel in the first instance

2. Macquarie on-sells European, Middle Eastern, African, Asian and Latin American businesses to Orica

- Macquarie retains North American and Australian businesses,



Overview



An outstanding opportunity to grow Orica Mining Services

- Purchase for US\$685 (A\$901 million) on a debt free basis
 - Approx 11.1 times 2005¹ EBITDA
 - Approx 5.3 times pro forma 2005¹ EBITDA including est. year 3 cost savings (before significant items)
- Expected completion of Macquarie transaction is late November 2005
- Businesses transferred to Orica progressively following completion

Note:

1. 12 months ended 30 June 2005, excluding transaction costs.

Strategic & Financial Rationale



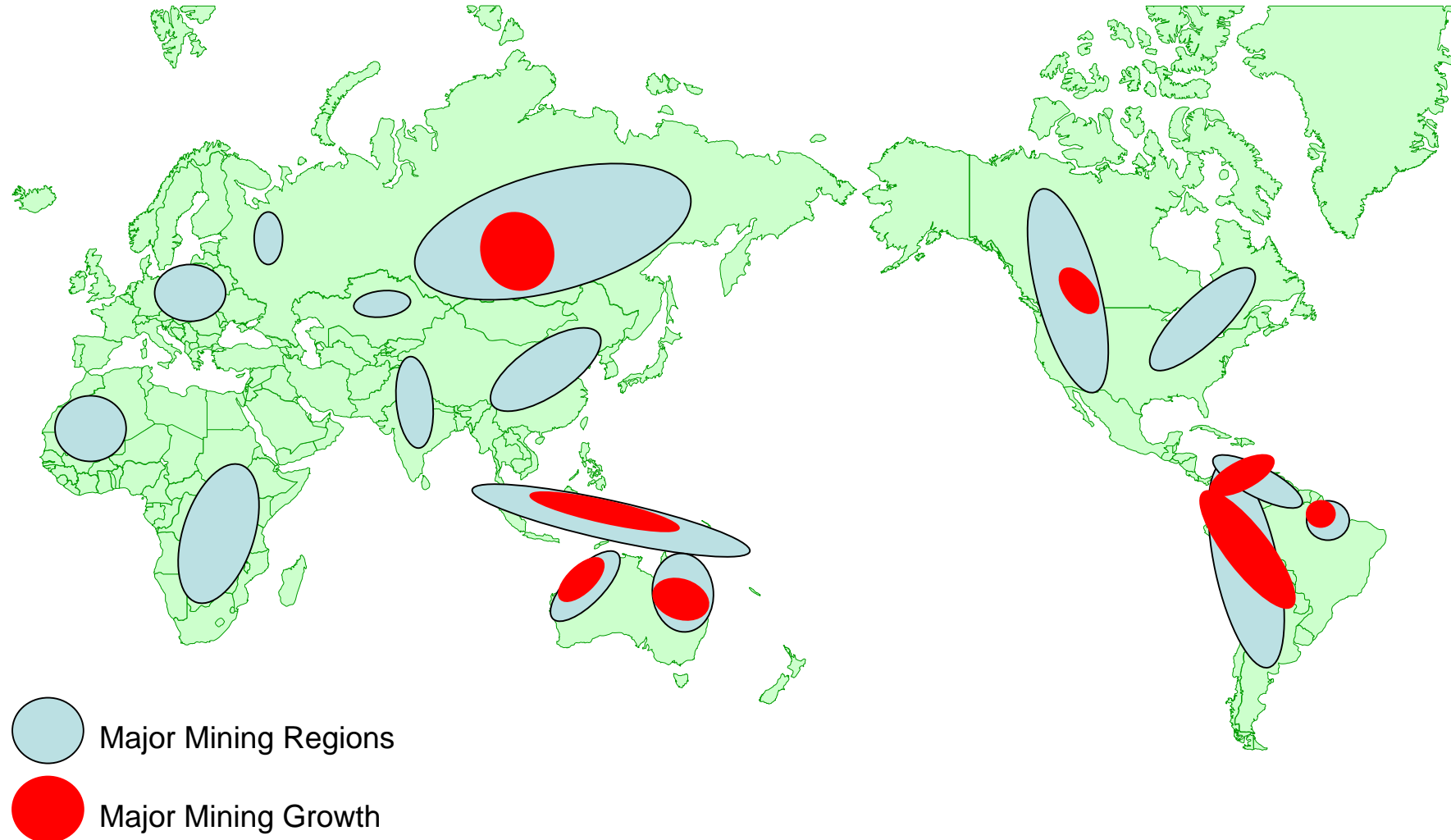
A clear and unique strategic fit for Orica Mining Services and a financially compelling case

- Increased exposure to the resources & infrastructure sectors
- Expansion of global footprint
- OMS transforming acquisition with manageable risk
- Earnings diversification for Orica Mining Services
- Scale benefits for research and development / sales and marketing
- Increased capability to service customers, global and local
- Satisfies our strategic principles:
 - Market leadership
 - Grow only value adding business who have “earned the right to grow”
 - Related growth - build on our best businesses
- Achieves an 18% RONA in third full year of acquisition (FY2009)
- EPS accretive (before significant items) in first full year (FY2007)

Global Mining Regions



OMS will be well positioned to capture growth opportunities



Significant Cost Savings

To be achieved over three years



Expected cost savings

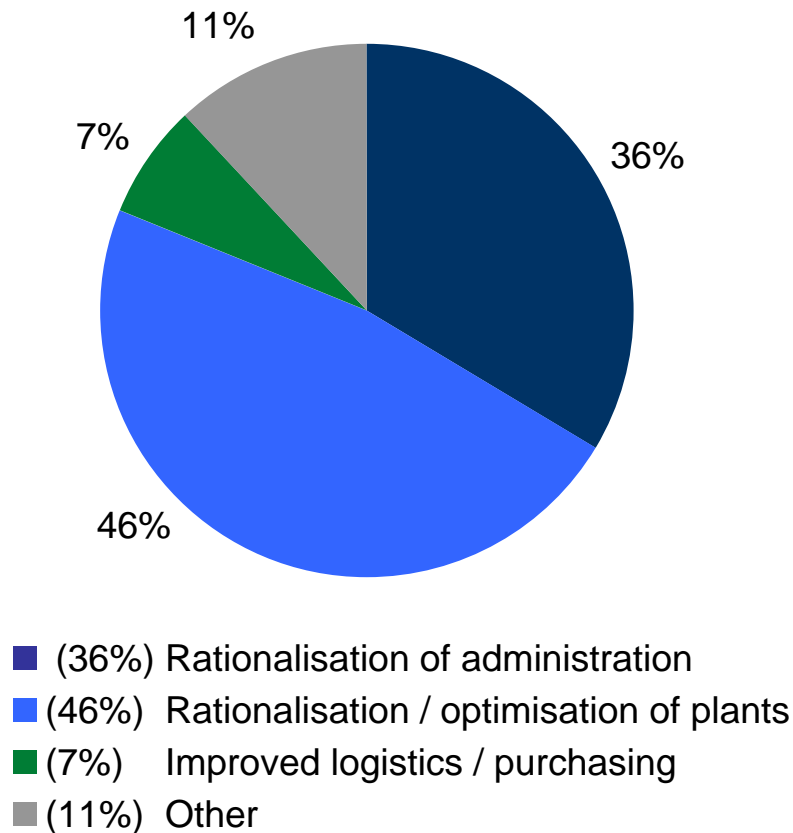
- Orica has conducted a detailed review of potential cost savings
- Annualised cost savings of A\$90 million are achievable by the end of the third year following the acquisition
 - Progressively achieved over 3 years
 - Most expected to be achieved in second and third years
- Associated implementation cost of approximately A\$150 million
 - ~80% expected to be incurred within first two years of ownership
 - Implementation costs will be predominantly expensed

Significant Cost Savings

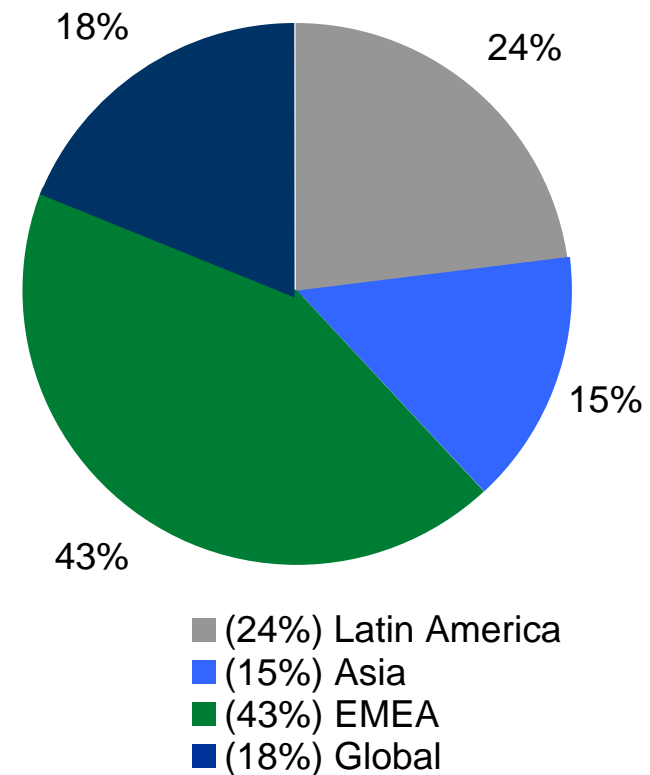


To be achieved from...

EBIT cost savings by type



EBIT cost savings by geography



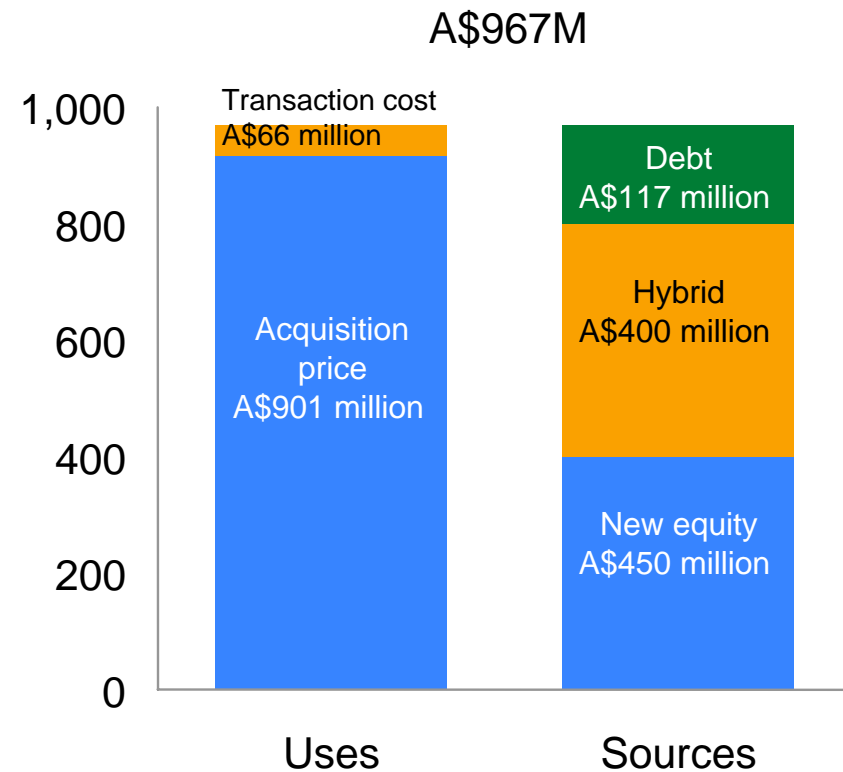
Detailed internal analysis of sources and timing of cost savings

Funding



Overview

- Total acquisition cost A\$967 million (including transaction costs)
- Funded by mix of equity (pro-rata entitlement), the issue of a hybrid security and existing debt facilities
- Designed to support BBB+ credit rating
- Target gearing range of 35% to 45%
 - Restored by FY2007



Why Invest in Orica?



- Market leader in chosen markets
- Exposure to resources sector
- Strong financial discipline
- Strong share price momentum and progressive dividend policy

Strong focus on shareholder value

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