



Half Year Results
Roadshow Slide Pack

23 May – 2 June 2006

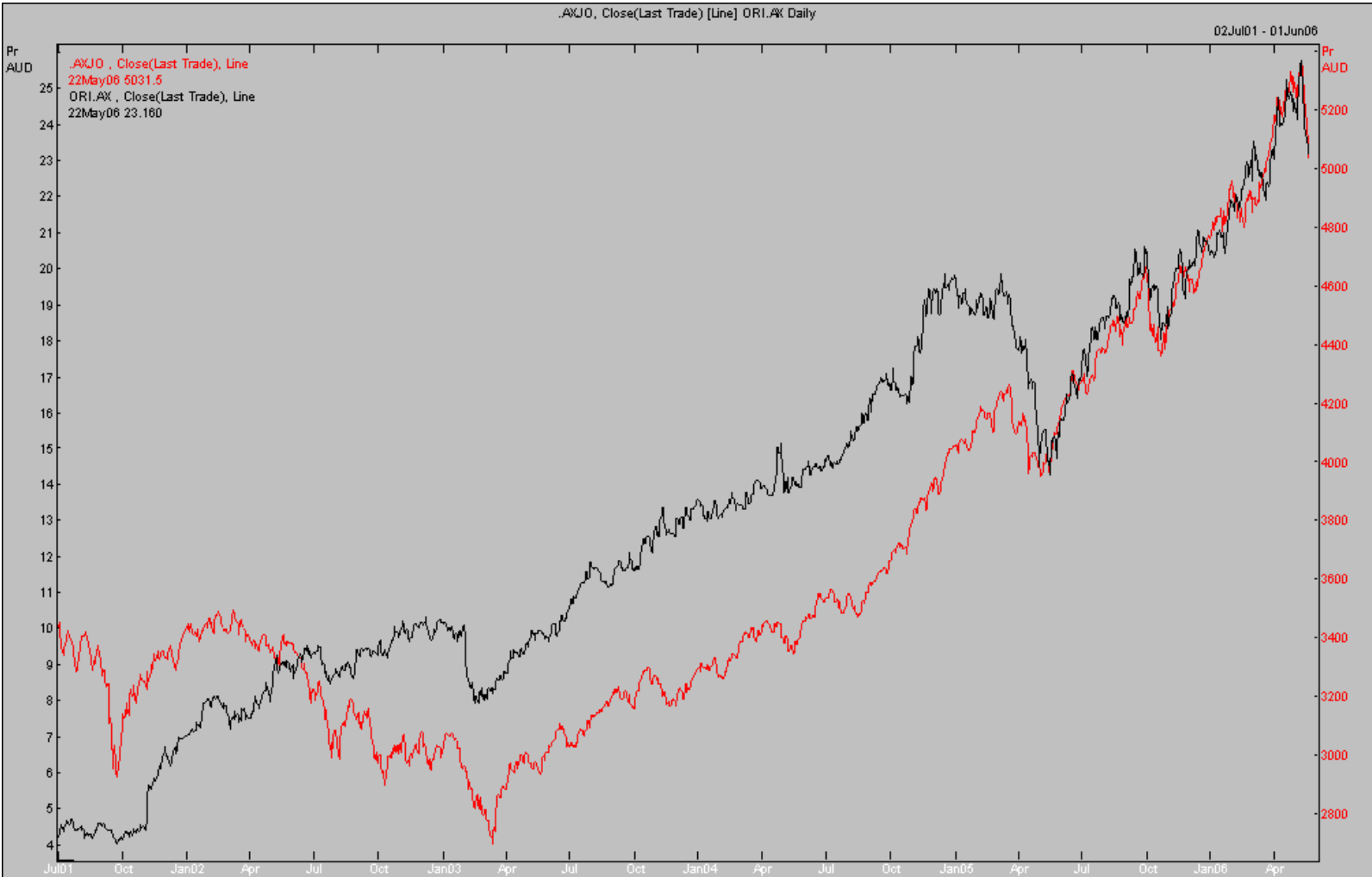
Orica – snapshot

- Australian owned publicly listed company trading on the Australian Stock Exchange (ORI)
- Market capitalisation of approximately A\$7.3bn*
- Ranked in top 50 Australian companies based on market capitalisation
- Operates in about 40 countries - 11,000 employees
- Comprises four business platforms - all leaders in their chosen markets
- Financial Year end - 30 September

Large Australian diversified company

* based on 19 May, 2006 share price close

Orica - creating value for shareholders

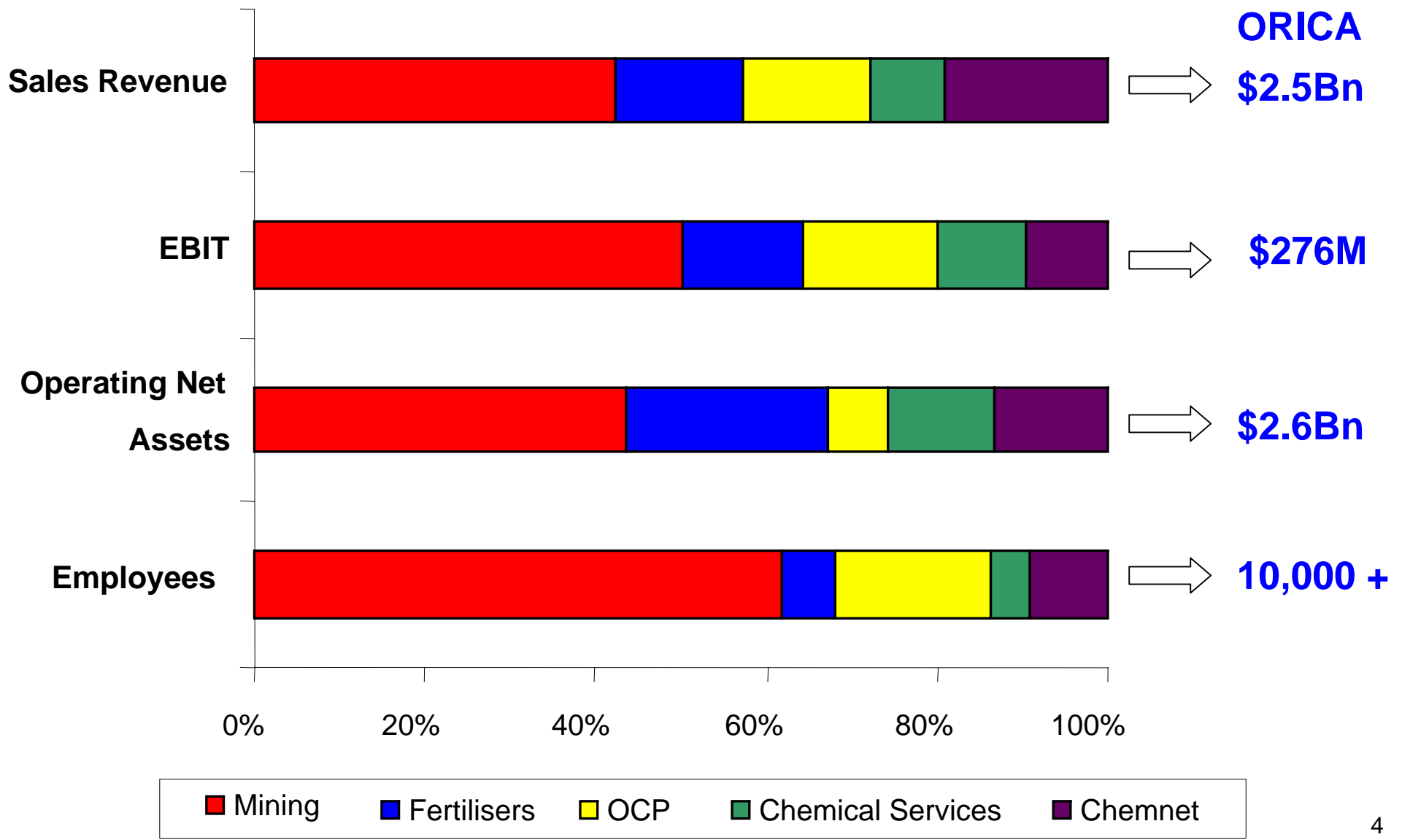


— ORI — ASX 200

Fix up, clean up, grow

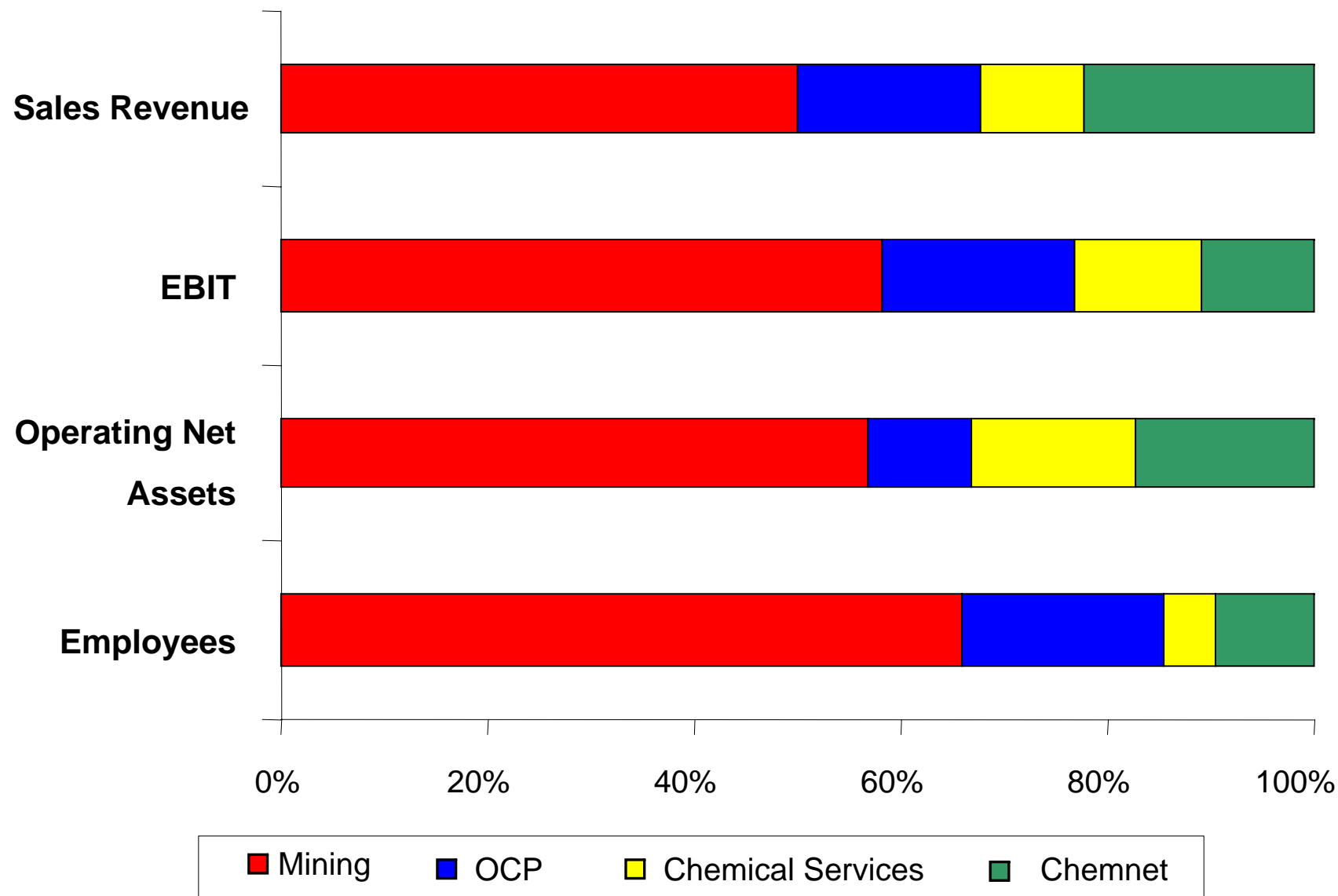
Half year ended 31 March 2006

Orica – business dimensions (inc. IPL)



Half year ended 31 March 2006

Orica – business dimensions (exc. IPL)



Half year ended 31 March 2006

Financial summary

		2006	2005	% Change
Results including significant items:				
NPAT including significant items	A\$M	123	125	(1)
Significant items after tax	A\$M	(23)	(3)	
Underlying Results:				
Sales Revenue	A\$M	2,599	2,384	9
EBIT (excluding significant items)	A\$M	276	245	13
NPAT (excluding significant items)	A\$M	146	128	14
Coverage Ratios:				
Gearing (book)	%	35.2	49.0	
Gearing (adjusted)*	%	41.3	49.0	
Interest cover	x	5.0	5.2	

A solid result

* Hybrid shares notionally reclassified as 50% equity and 50% debt

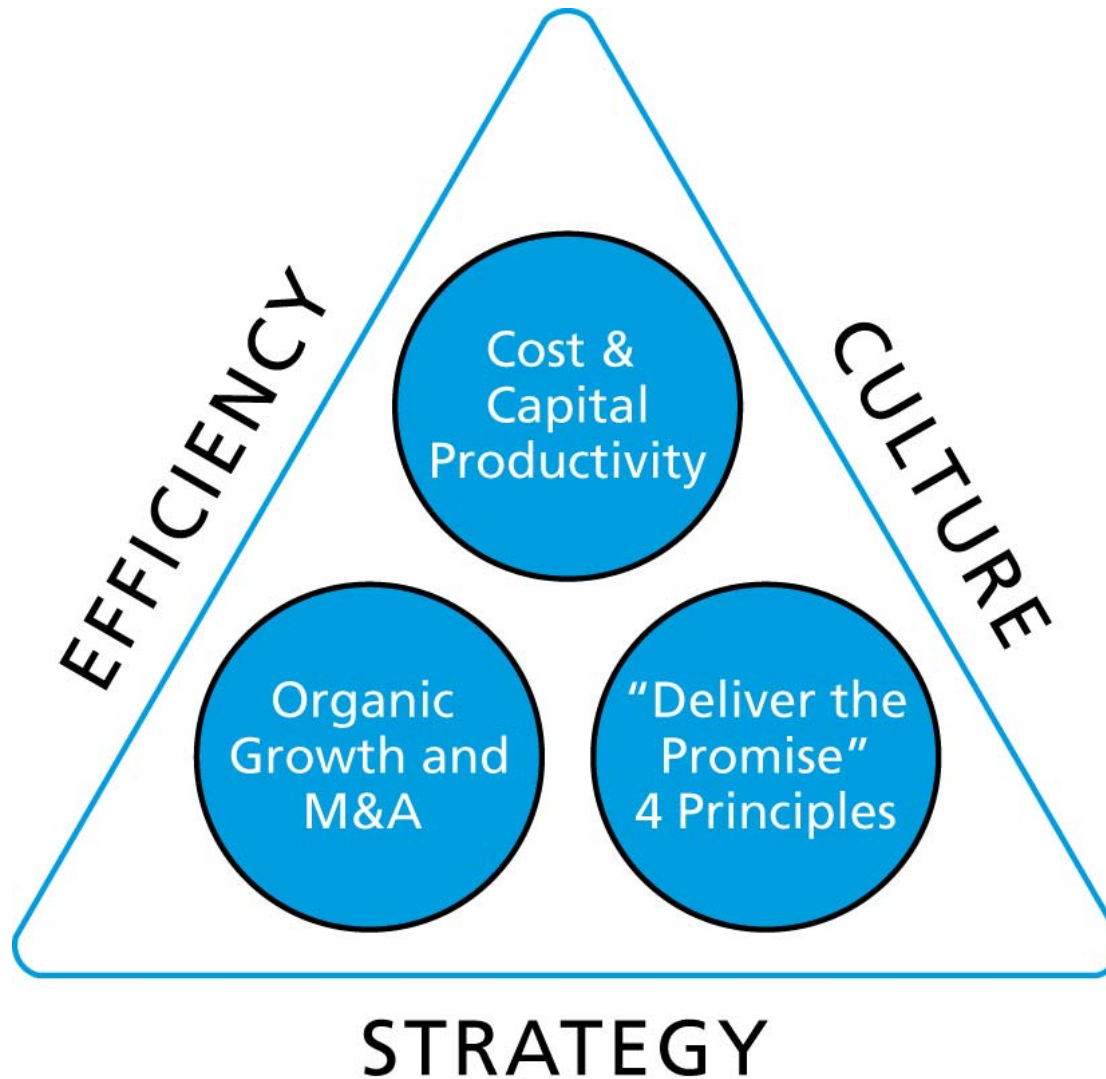
Six months ended 31 March

Shareholder scorecard

		<u>2006</u>	<u>2005</u>	<u>Change</u>
Underlying Results				
Earnings per share	cents	49.5	46.9	6%
Returns to Shareholders				
Dividends - interim	cents	26	25	4%
Franking per share	cents	9	8	-
Payout ratio	%	52.5	53.3	(1%)

Increased returns for shareholders

Orica's approach – value drivers



Orica's strategy

Three Key Principles:

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

No change to existing strategy

Half year ended 31 March 2006

Cost productivity

	<u>2006</u>	<u>2005</u>	<u>Increase</u>	
	\$M	\$M	\$M	%
Sales revenue	2,599	2,384	215	9
Variable costs	1,589	1,442	147	10
Gross margin	1,010	942	68	7
<i>Gross margin/sales</i>	<i>38.9%</i>	<i>39.5%</i>		
Cash fixed costs	692	644	48	7
<i>Cash fixed costs/gross margin</i>	<i>68.5%</i>	<i>68.4%</i>		
Depn and amortisation	74	68	7	10
Whole of cost bar	2,355	2,154	201	9
<i>WOCB/sales</i>	<i>90.6%</i>	<i>90.3%</i>		

More work to do on productivity

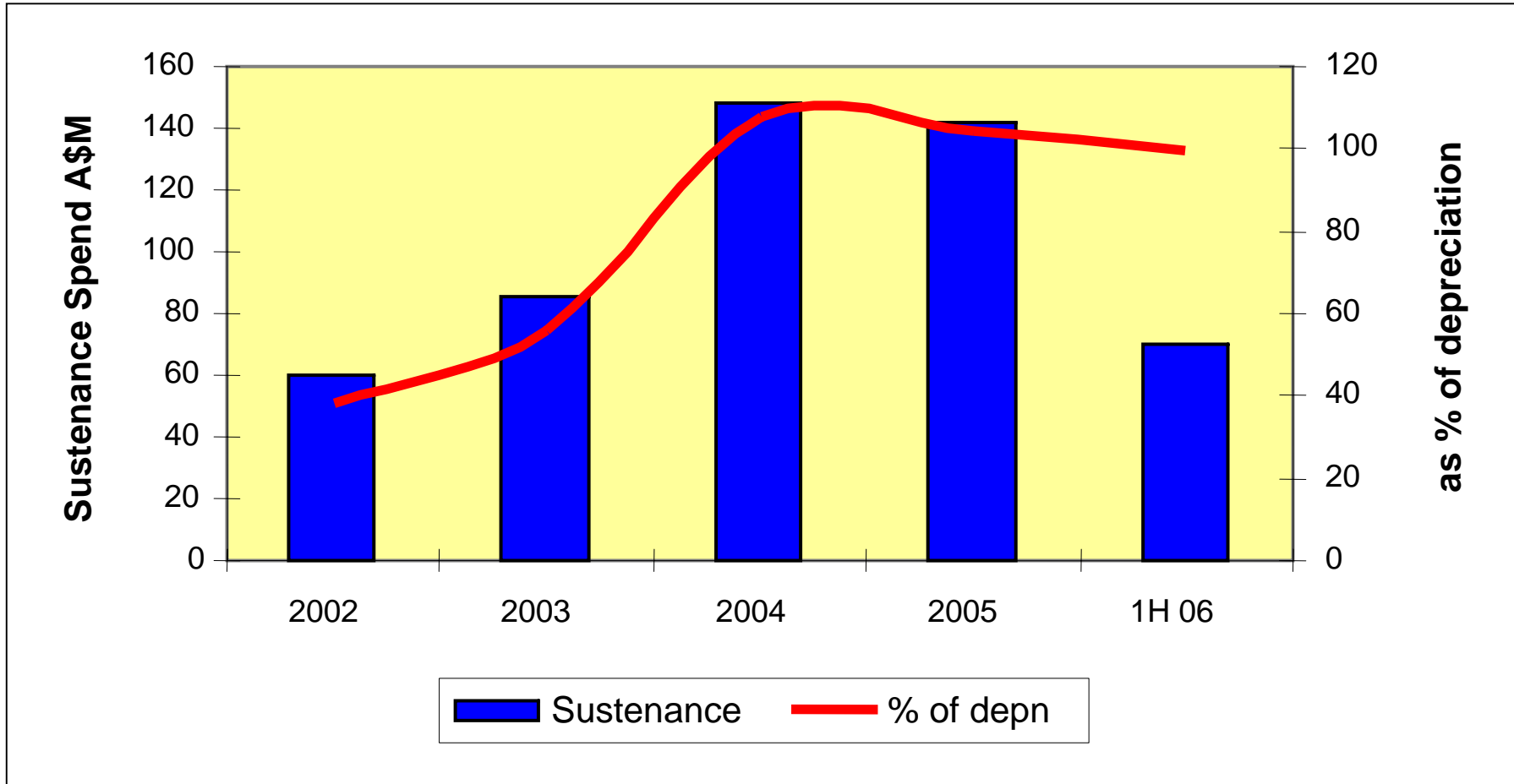
Half year ended 31 March 2006

Capital productivity

	1H 2006	FY 2005	FY 2004
Major Plant Capacity - ktpa			
Yarwun AN	295	295	275
Yarwun Sodium Cyanide	60	60	50
Kooragang Island	430 *	400	290
Expansion Capex - \$M	178	207	53
Sustenance Capex - \$M	103	147	146
Active Capital Management - \$M			
Share Buy-Back	N/A	54	128

* As of June 2006

Sustenance capex



Sustenance capex steady (excluding major turnarounds)

Orica's culture

Safety, Health & Environment

“Ensure our future - No injuries”

- Take care of yourself & others
- Meet the needs of our customers and community
- Continuous improvement

Commercial Ownership

“Run the business as if its your own”

- Achieve great financial results
- Relentless pursuit of best business outcomes
- Vigorous approach to costs

Creative Customer Solutions

“Think differently & deliver swiftly”

- Help your customer succeed
- Deliver the best solution
- Rapidly respond to opportunities

Working Together

“Success as a team & as an individual”

- Communicate expectations
- Recognise & reward achievements
- No silos
- Be part of the solution

Deliver the Promise

Business performance

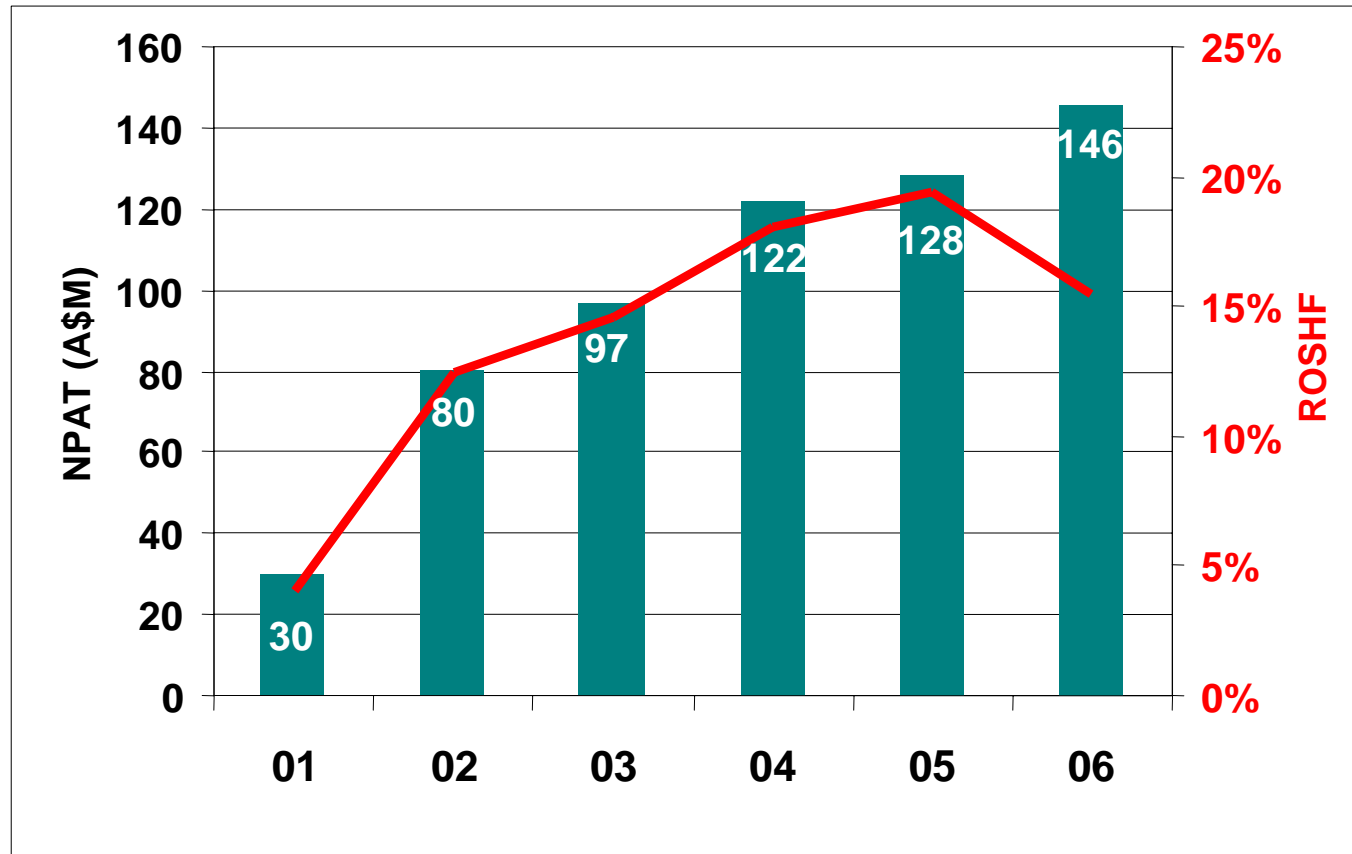
Cash flow

Balance sheet

A-IFRS

Half year ended 31 March 2006

Financial results

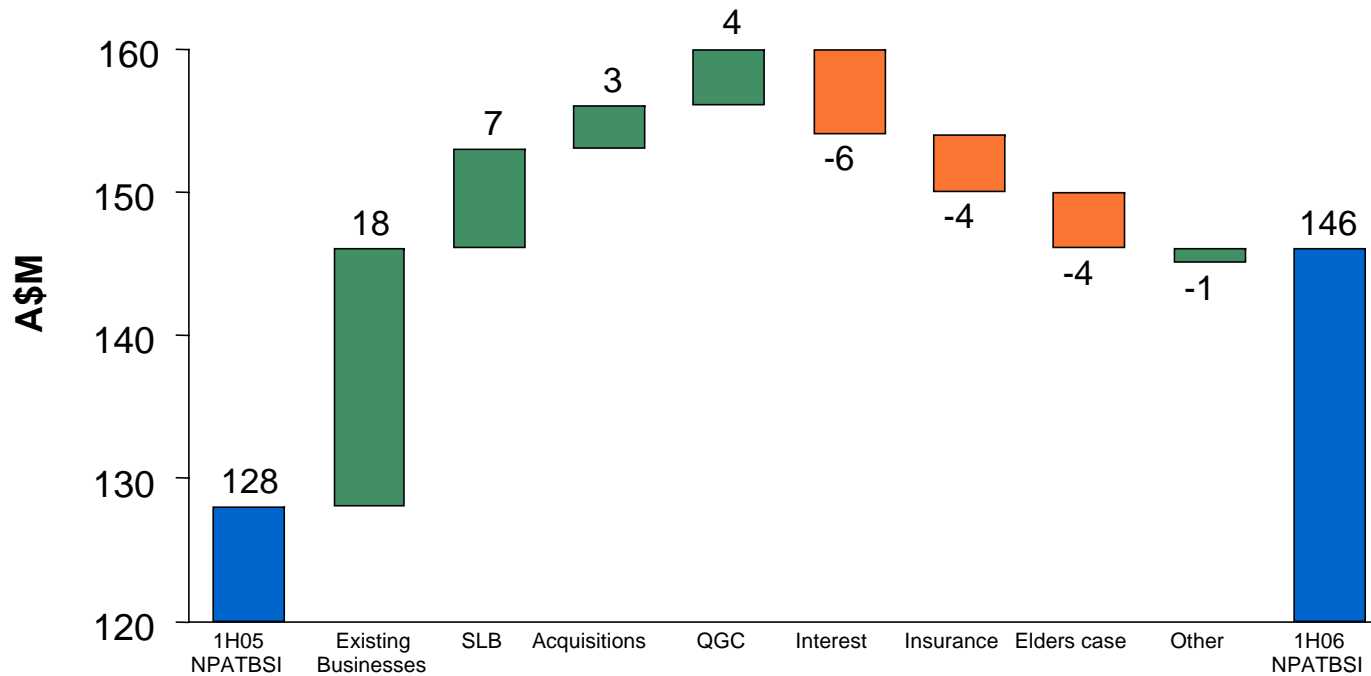


Expanded capital base impacted ROSHF

- pre significant items
- pre 2005 not AIFRS adjusted

Half year ended 31 March

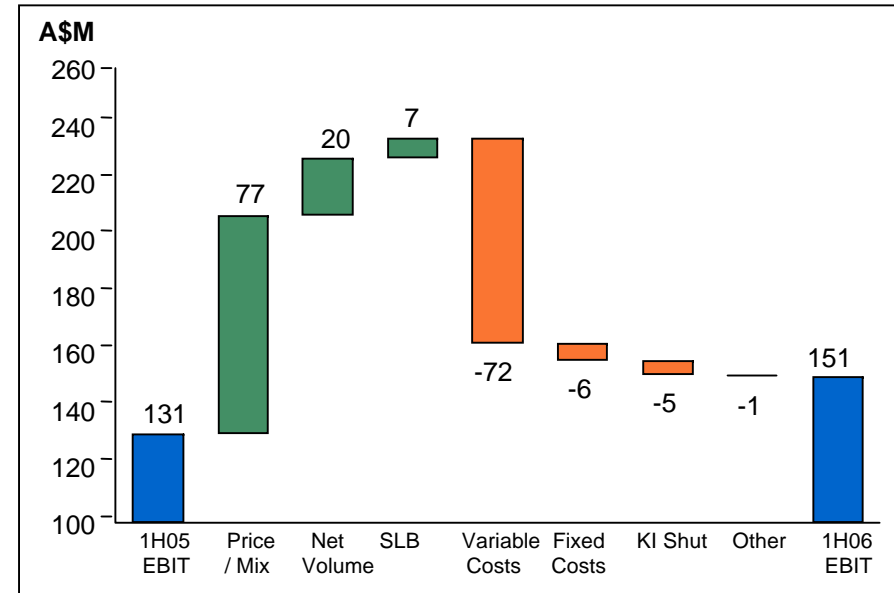
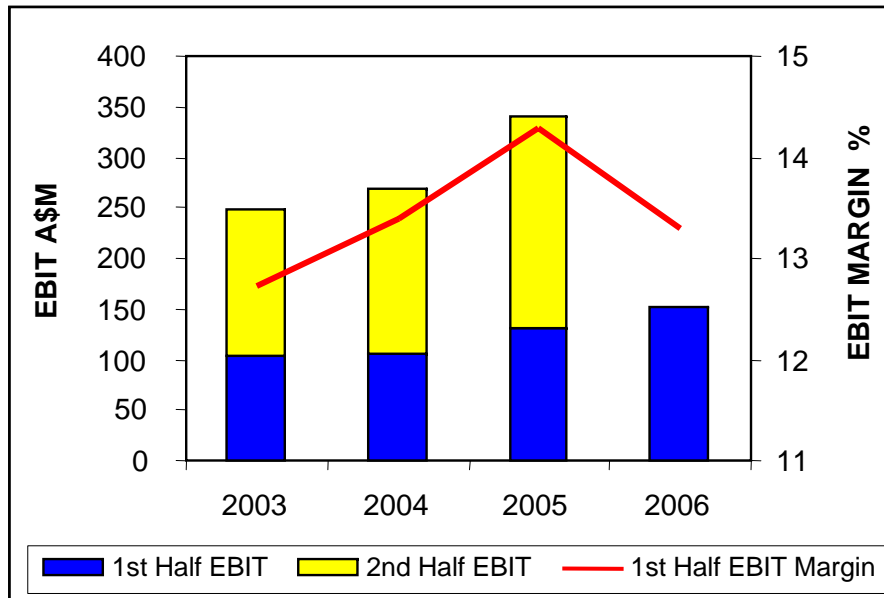
NPAT analysis



- ✓ 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

Mining Services

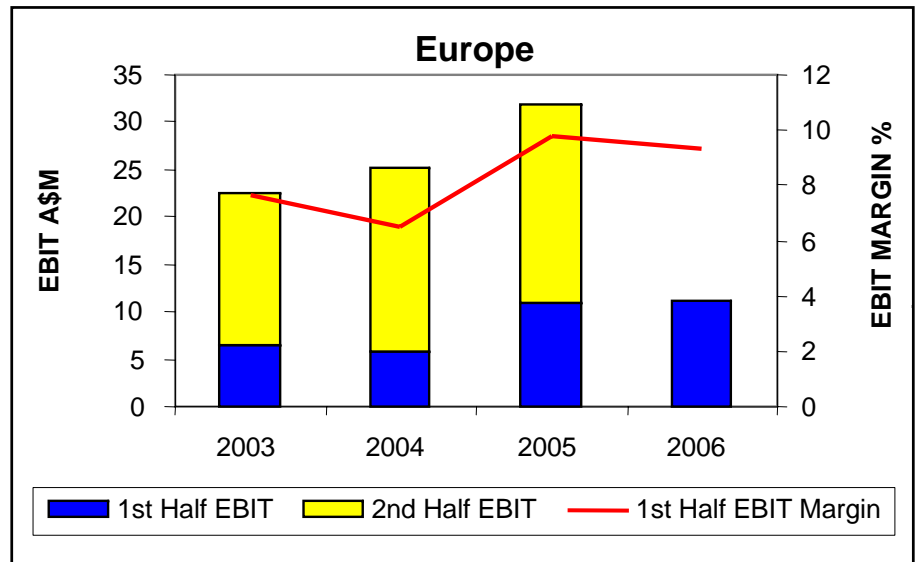
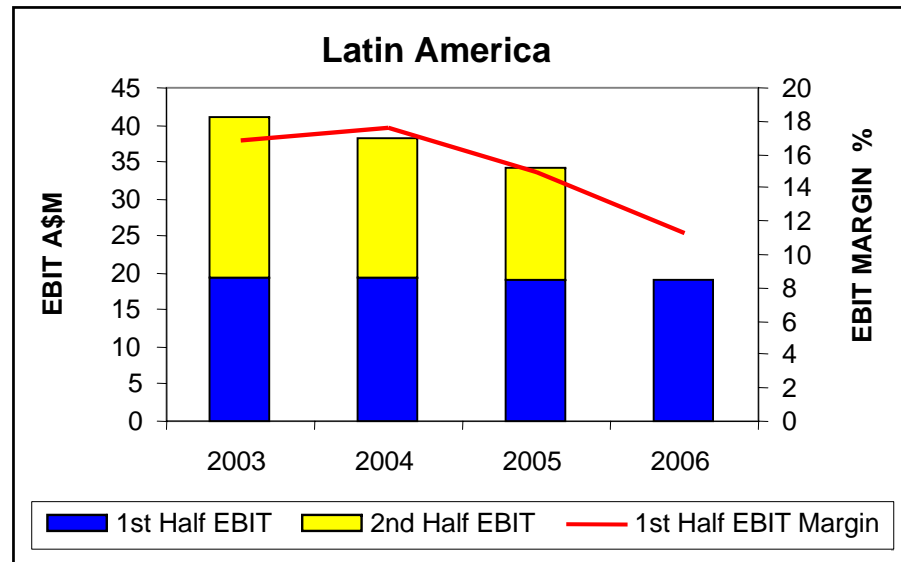
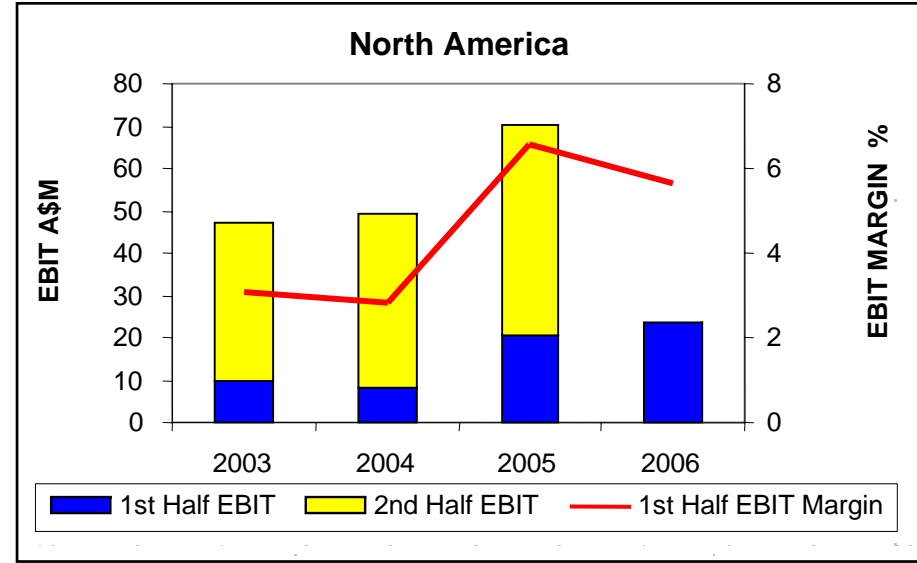
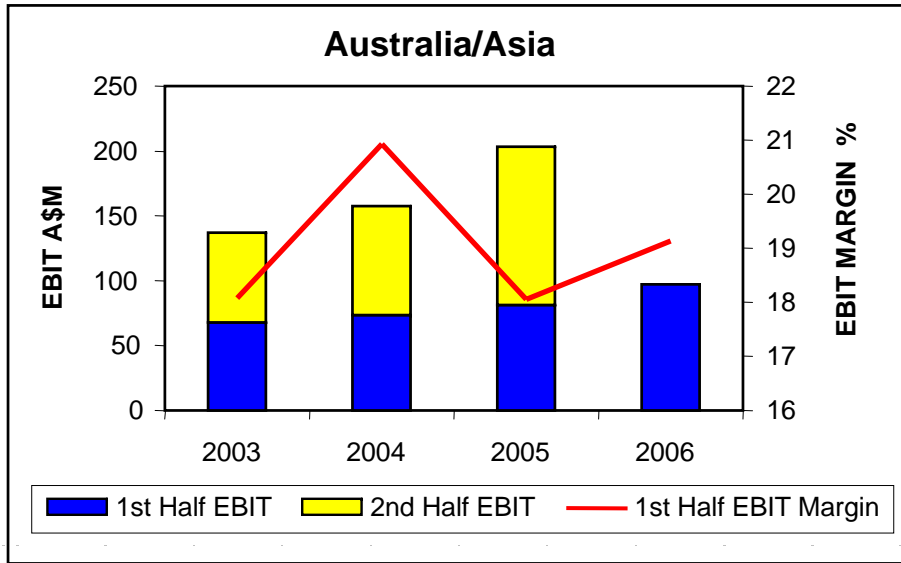
Sales \$1,134M, EBIT \$151M, Net Assets \$1,387M



- ✓ Record half year result
- ✓ Robust Australia/Asia & North American markets
- ✓ Strong earnings from Joint Ventures
- ✓ Recovering cost increases through price
- ✓ Volume growth across all regions

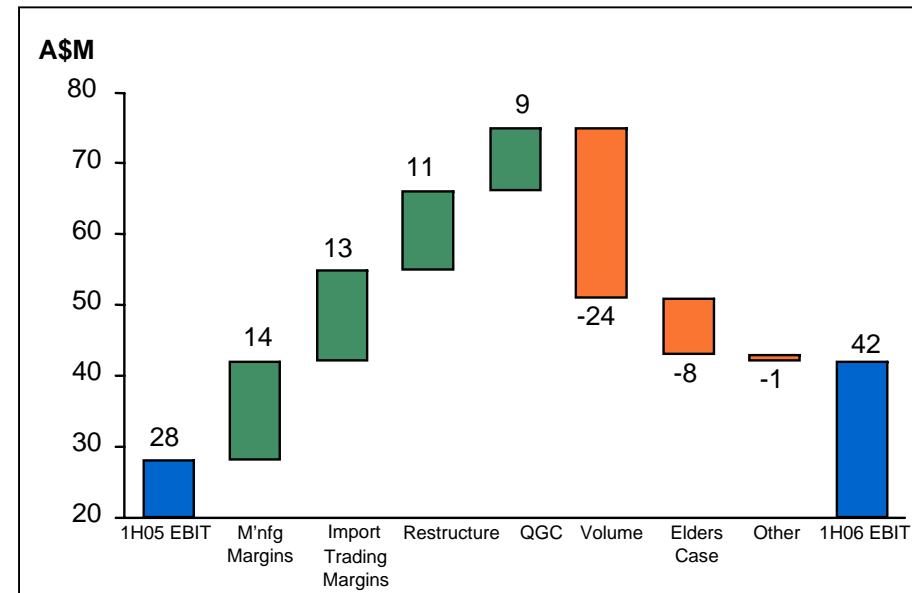
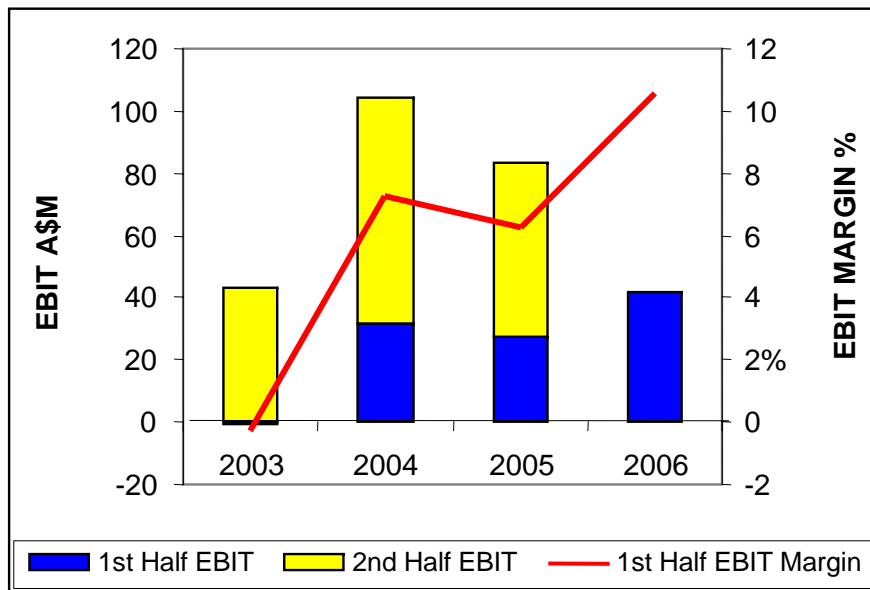
- ✓ Sale & Leaseback
- ✗ Rapidly rising gas, ammonia and AN input costs impact margins
- ✗ Higher fixed costs
- ✗ Kooragang Island shutdown impact

Mining Services by geography



Fertilisers (now divested)

Sales \$396M, EBIT \$42M, Net Assets \$745M

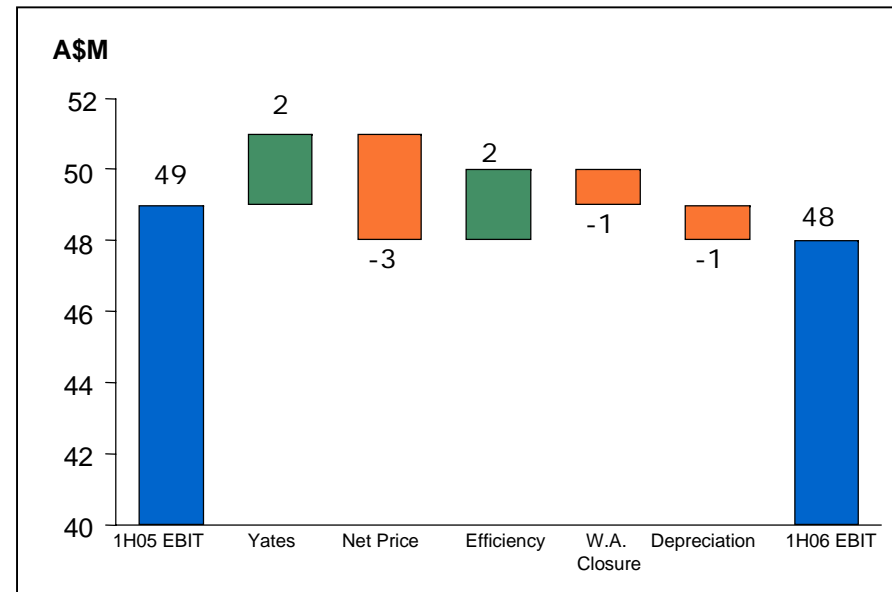
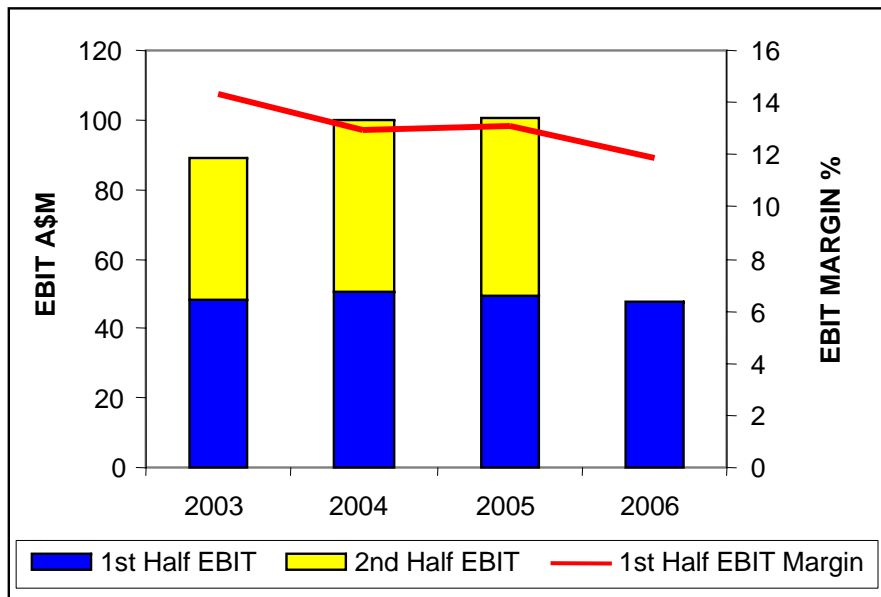


- ✓ Higher selling prices
- ✓ Improved manufacturing margins
- ✓ Restructuring savings exceeding initial targets
- ✓ Queensland Gas Company

- ✗ Lower pasture volumes
- ✗ Lower ELF volumes
- ✗ Elders rebate case

Consumer Products

Sales \$402M, EBIT \$48M, Net Assets \$236M

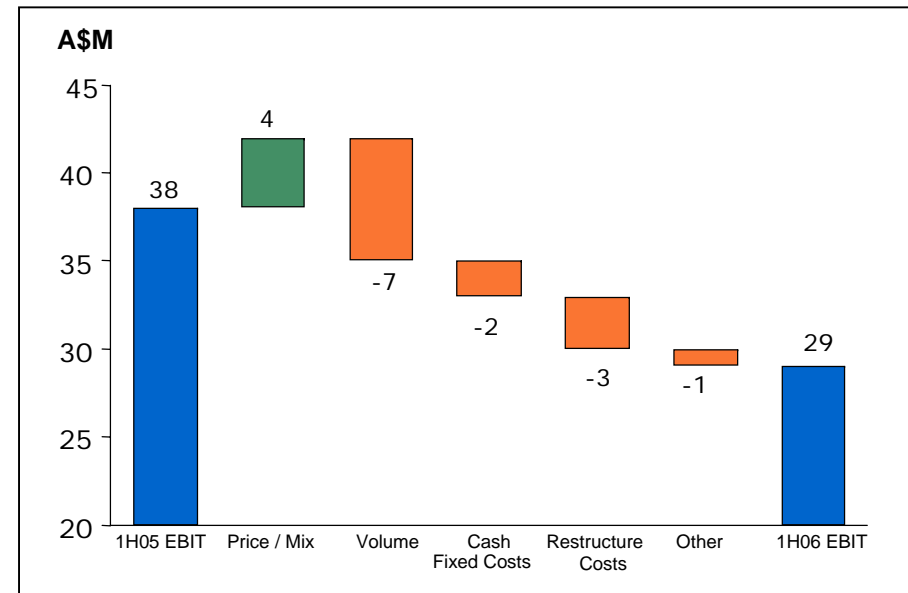
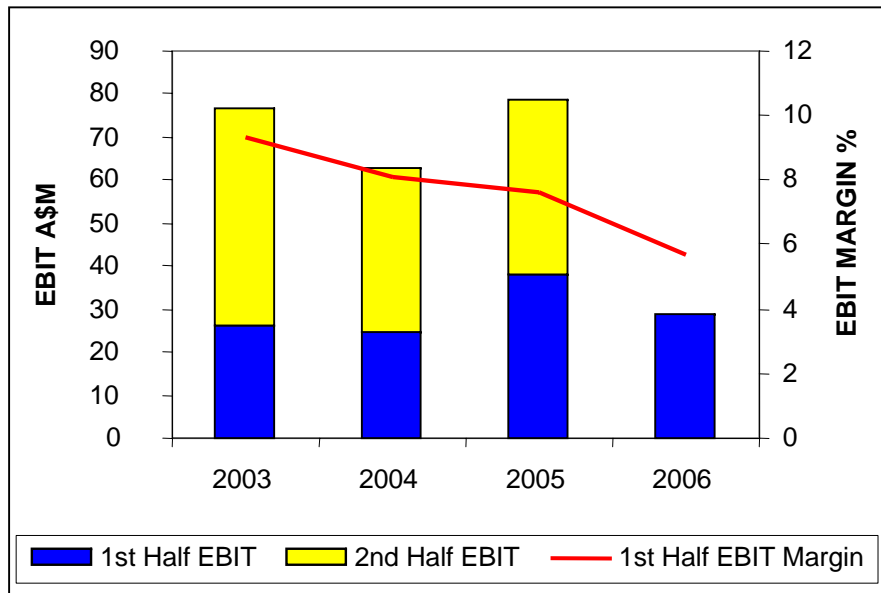


- ✓ Market share increase
- ✗ Australian retail market soft
- ✓ Woodcare, protective coatings, texture coatings and trade
- ✗ Powder Coatings

- ✓ Yates improvement
- ✗ Raw material cost increases not fully passed on
- ✓ Efficiency improvement
- ✗ WA plant closure
- ✗ Higher depreciation

Chemnet

Sales \$505M; EBIT \$29M; Net Assets \$425M

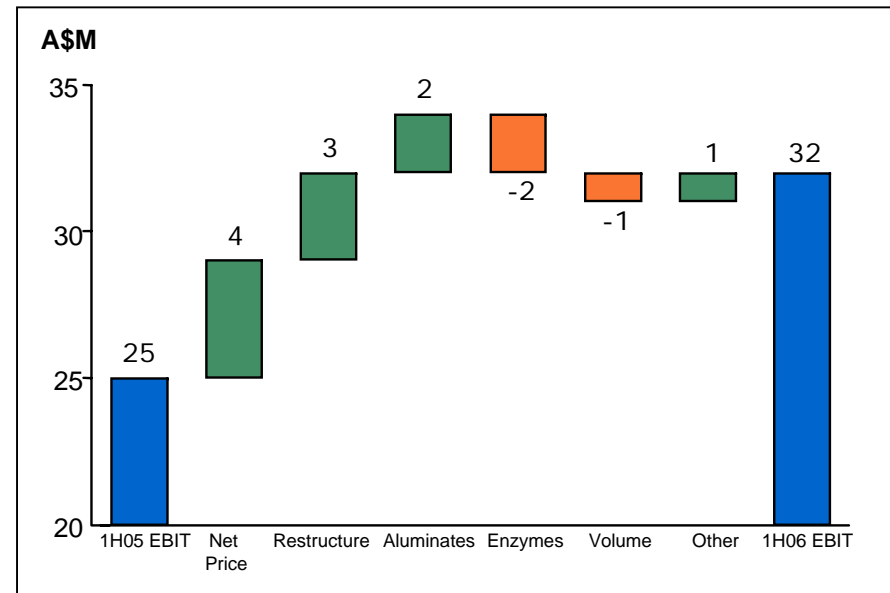
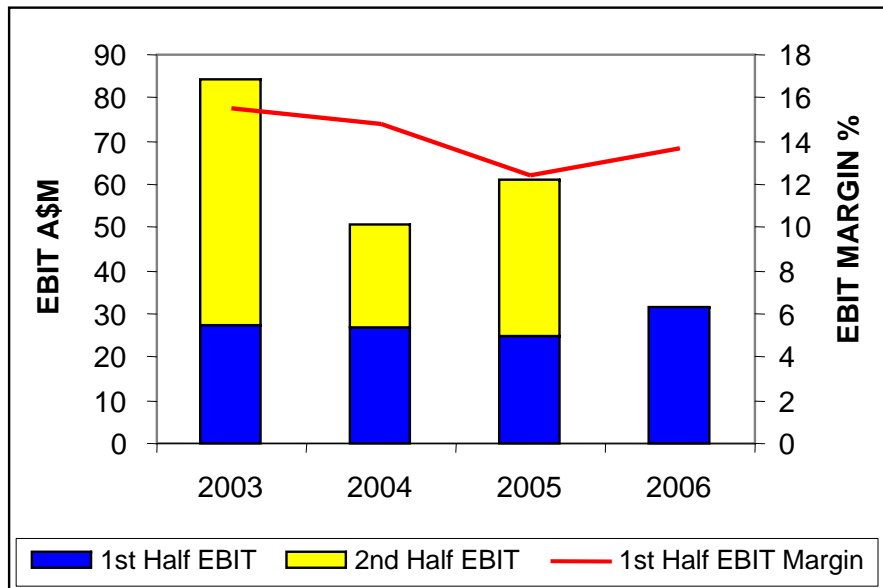


- ✓ Pass through of input costs
- ✓ Improved product mix
- ✗ Volumes down (inc. Marplex)
- ✗ Cash fixed costs up

- ✗ B&J integration issues
- ✗ Restructure costs up

Chemical Services

Sales \$231M; EBIT \$32M; Net Assets \$387M



- ✓ Record half year result
- ✓ Revenue up 15%
(10% ex aluminates)
- ✓ Strong global alumina and sodium cyanide pricing
- ✓ Restructuring benefits

- ✓ Aluminates acquisition
- ✗ Enzyme bioremediation
- ✗ Volume – Mining Chemicals up, Industrial Chemicals down

Corporate centre and other support services (A\$M)

	2006	2005	\$ Change
Corporate Centre	(17.7)	(19.9)	2.2
Other Support Costs	<u>(6.8)</u>	<u>(6.7)</u>	<u>(0.1)</u>
	<u>(24.5)</u>	<u>(26.6)</u>	<u>2.2</u>

Corporate Centre

- ✓ Lower head count

Other Support Services

- ✗ Higher insurance costs
- ✓ Lower corporate initiative spend

Half year ended 31 March 2006

Cashflow A\$M

	<u>2006</u>	<u>2005</u>	<u>Change</u>
EBITDA	350	312	38
Net interest paid	(49)	(44)	(5)
Net tax paid	(52)	(154)	102
Trade working capital	(223)	(170)	(53)
Non-trade working capital	(44)	(76)	32
Net operating cash flows	<u>(17)</u>	<u>(133)</u>	<u>116</u>
Net investing cash flows	<u>(1,151)</u>	<u>(166)</u>	<u>(985)</u>
Net financing cash flows	<u>1,112</u>	<u>322</u>	<u>790</u>
	(56)	23	(79)

Half year ended 31 March 2006

Balance sheet (A\$M)

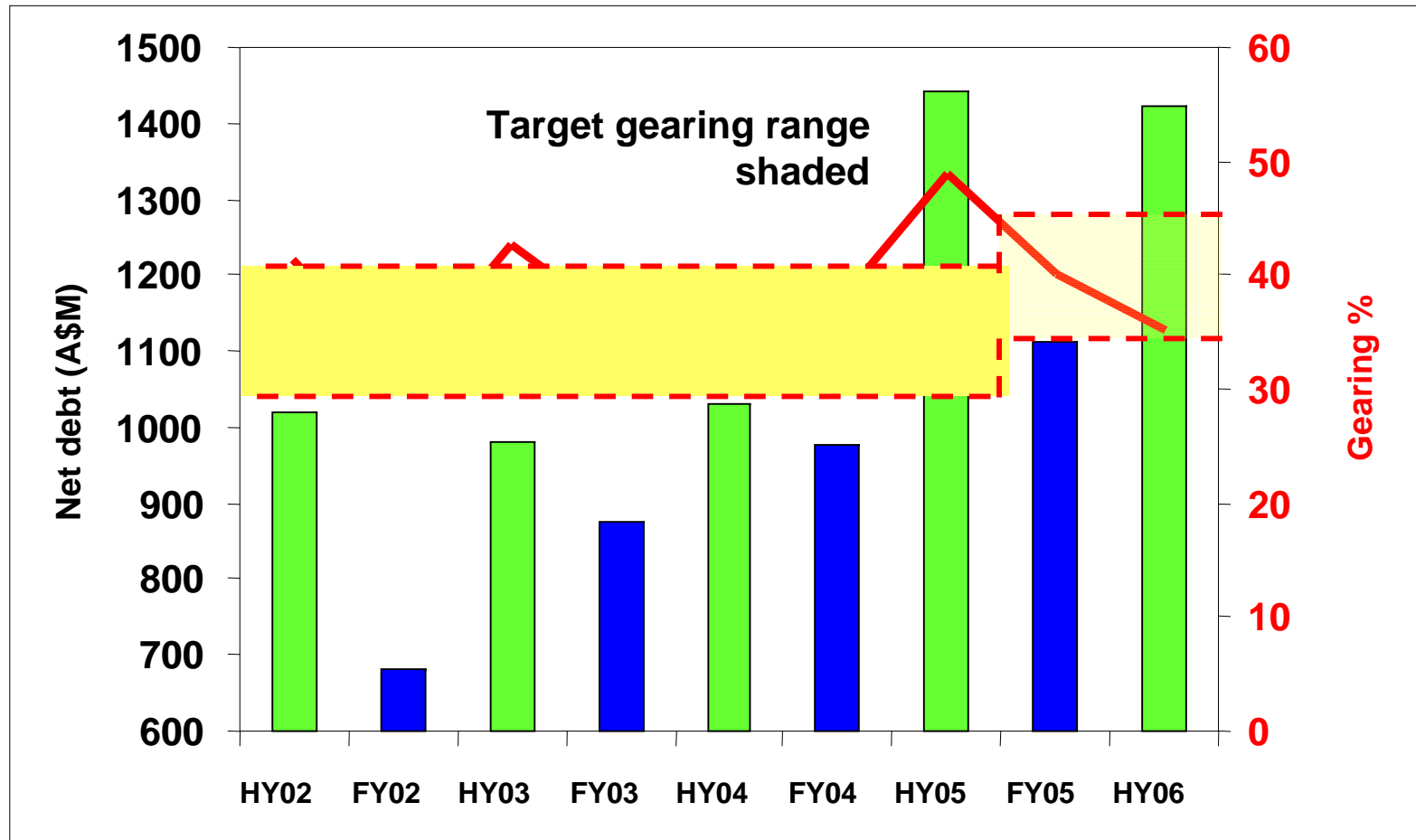
	March 2006	Sept 2005	March 2005
Trade working capital	875	604	949
Net property, plant & equipment	1,774	1,606	1,560
Net other assets	1,392	422	433
Net debt	(1,423)	(1,112)	(1,441)
Net Assets	2,618	1,520	1,501
Orica shareholders' equity	2,432	1,328	1,306
Outside equity interests	187	192	195
Equity	2,618	1,520	1,501

Capital raisings 1H 2006

▪ Renounceable Rights Issue	\$508M
<i>1 for 8 renounceable share issue at \$15</i>	
▪ Hybrid Equity	\$491M
<i>Priced at 135 bp over 6 month BBSW</i>	
▪ Other	\$113M
<i>DRP and executive share options exercise</i>	
TOTAL	\$1,112M

Capital raisings successfully completed

Net debt and gearing



- Book Gearing 35.2%
- Adjusted Gearing 41.3% (hybrids notionally 50/50 debt & equity split)
- Interest cover 5.0 times

Environmental provisions update

- Carrying amount 30 September 2005 \$186M
- Provisions made 1H 2006 \$31M
 - Cockle Creek \$28M
 - Botany Ground Water \$3M
- Cash Payments made 1H 2006 \$24M
 - Botany Ground Water \$16M
 - HCB Management \$3M
 - Other \$5M
- Carrying amount 31 March 2006 \$193M

\$48M of \$193M carrying value relates to IPL

A-IFRS 1H 2005 (pcp) reconciliation

Year Ended 31 March 2005	<u>AGAAP</u>	<u>Adjustments</u>	<u>A-IFRS</u>
Sales Revenue	2,384M	-	2,384M
Share Based Payments		(9.8M)	
Goodwill Amortisation		17.8M	
EBIT	236.9M	8.0M	244.9M
Tax Expense		(9.2M)	
Minority Interests		(1.4M)	
NPAT before significant items	130.7M	(2.6M)	128.1M
Significant Items		(3.4M)	(3.4M)
NPAT after significant items	130.7M	(6.0M)	124.7M

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

IPL divestment
Chemnet restructure
Dyno acquisition
Outlook

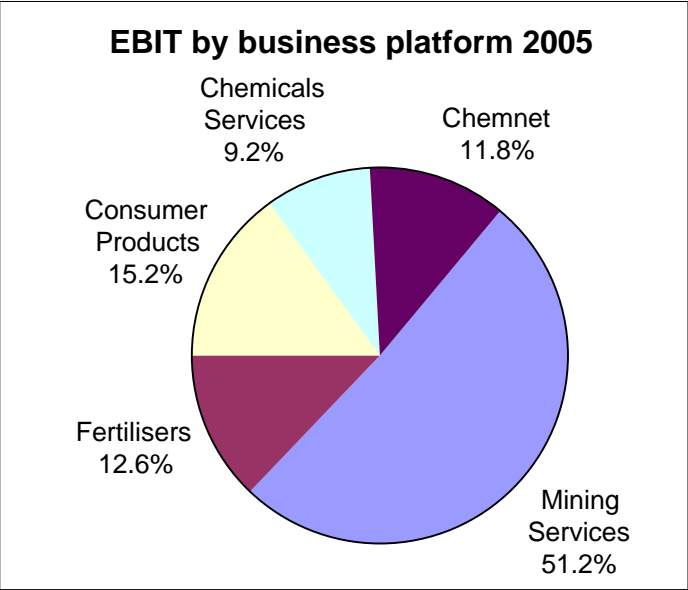
IPL divestment

- 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)

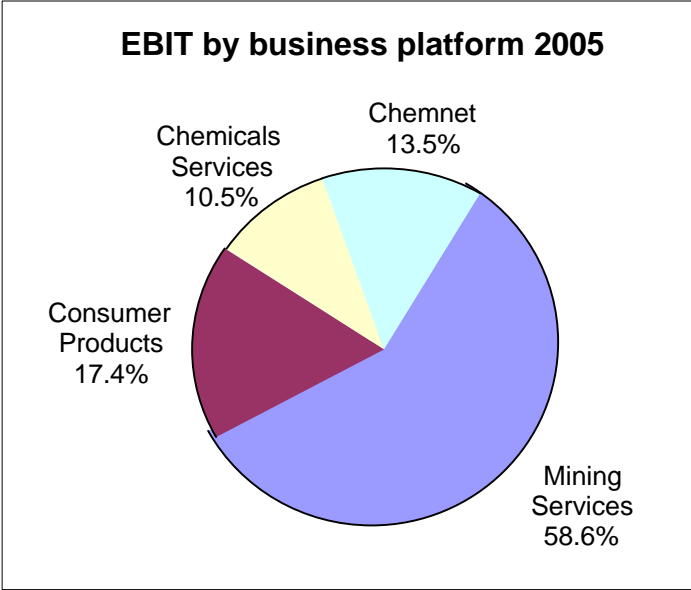
Orica's earnings will be less volatile post IPL

EBIT contribution by business platform

Including IPL



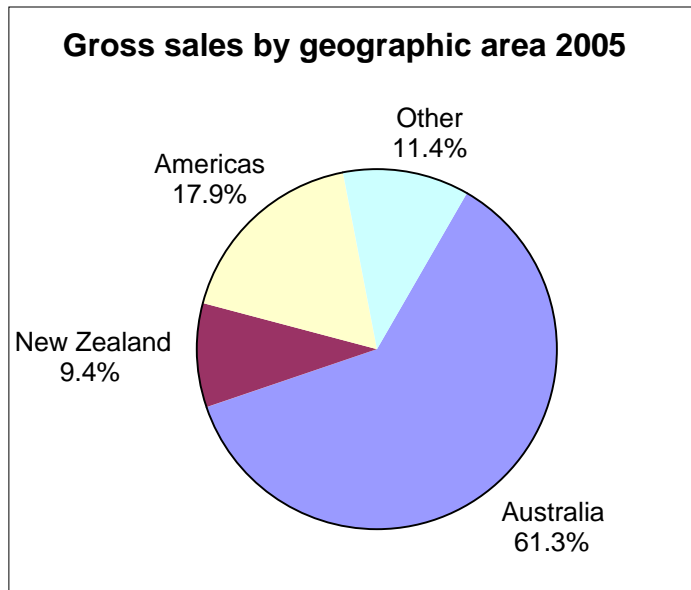
Excluding IPL



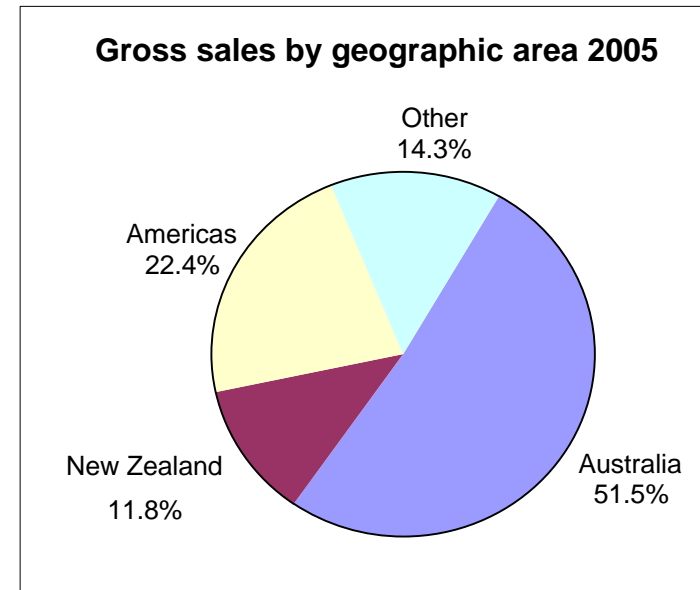
Mining Services approaches 60% of EBIT

Gross sales by geography

Including IPL

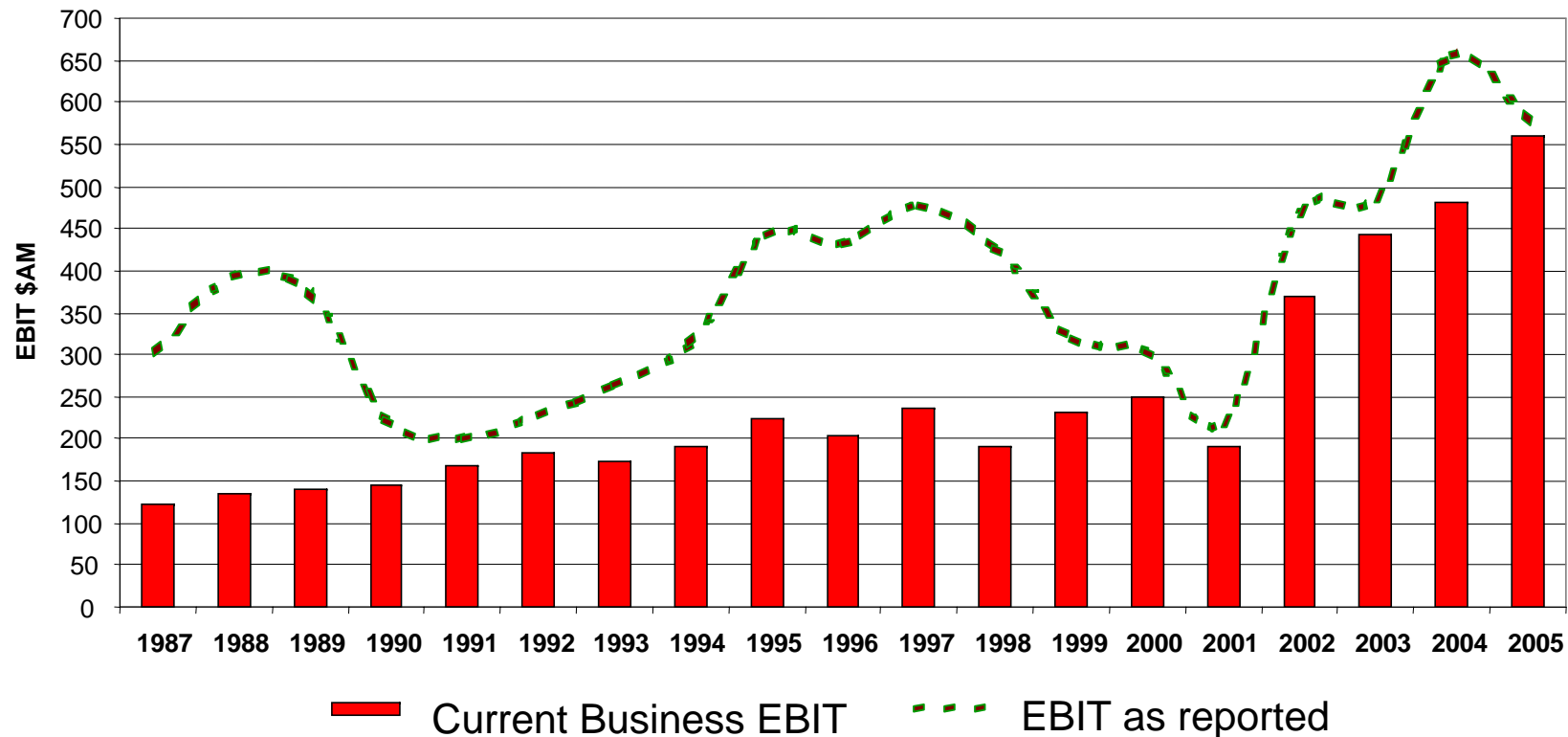


Excluding IPL



Continuing the “internationalisation” of Orica

EBIT* performance (exc. IPL)



Earnings less cyclical going forward

* excluding corporate costs

Chemnet restructure costs

A\$ millions (before tax)	notes	Cash	Non Cash	Total Cost
Redundancies		10		10
Asset Rationalisation	1	3	30	33
General transition costs		5		5
Total Restructuring costs	2	18	30	48

1. Includes warehouse and site rationalisation, and product line exits

2. Will be disclosed as individually material item for year ending 30 September 2006

Chemnet post restructuring:

- Headcount reduction in excess of 100 employees from 30 September 2005
- More efficient supply chain
- Better focus on customers and suppliers
- Business capable of delivering sustainable 18% RONA

Dyno acquisition - update

- Dyno businesses already transferred to Orica:
 - Venezuela
 - Thailand
 - Slovakia
 - Switzerland
 - Philippines
 - Papua New Guinea
 - Indonesia
 - Chile
- Transferred businesses represent 16% of Dyno revenue

We remain confident of achieving synergy targets

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

Outlook

After the divestment of Incitec Pivot Limited, and excluding earnings from newly acquired Dyno Nobel businesses, earning growth in 2006 compared with 2005, influenced by general economic conditions.

Supplementary information

Half year ended 31 March 2006

Balance sheet – excluding IPL*

	March 2006	Sale of IPL	Proceeds	Orica excl IPL
Trade working capital	875M	(263M)		612M
Net property, plant & equipment	1,774M	(312M)		1,462M
Net other assets	1,392M	15M		1,407M
Net debt	(1,423M)	0	799M	(624M)
Net Assets	2,618M	(560M)	799M	2,857M
Orica shareholders' equity	2,431M	(400M)	799M	2,830M
Outside equity interests	187M	(160M)		27M
Equity	2,618M	(560M)		2,857M
Gearing	35.2%			17.9%

*Estimate subject to final accounting adjustments

Half year ended 31 March 2006

Profit & Loss – excluding IPL*

	March 2006	Sale of IPL	Orica excl IPL
Sales Revenue	2,599M	(396M)	2,203M
<i>Underlying Results</i>			
EBIT	276M	(42M)	234M
Net Interest	(56M)	4M	(51M)
Tax	(61M)	8M	(53M)
Minority interests	(13M)	9M	(5M)
NPAT and minority interests	146M	(21M)	125M
<i>Results incl significant items</i>			
Significant items after tax	(23M)	14M	(9M)
NPAT and minority interests	123M	(7M)	116M

*Estimate subject to final accounting adjustments

Mining Services - overview



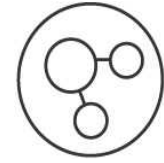
- Offers commercial explosives, initiating systems and advanced mining solutions to the mining quarrying and construction industries
- The global Explosives market is currently estimated at ~\$9.5bn
- The market displays a mix of global and regional characteristics but directionally is becoming more global in response to rationalisation and consolidation of its customer base
- Orica is in the process of acquiring essentially all the European, Middle Eastern, African, Asian and Latin American businesses of Dyno Nobel. The acquisition, which is subject to regulatory approval, is highly complementary to the existing operations and provides significant opportunities for synergy and growth.

Consumer Products - overview



- World class technology
- 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
- Category development through innovation
- Distribution strength - Retail and Trade
- Service excellence
 - > 7,000 products
 - > 40,000 customers

Chemical Services - overview



- Divided into three business units:
 - Watercare
 - Industrial Chemicals
 - Mining Chemicals
- Strong asset position including state-of-the-art operating plants and a flexible manufacturing capability
- Leading technology including MIEX® water treatment
- Strong focus on Safety, health & Environment with particular attention to Product Stewardship

Chemnet - overview

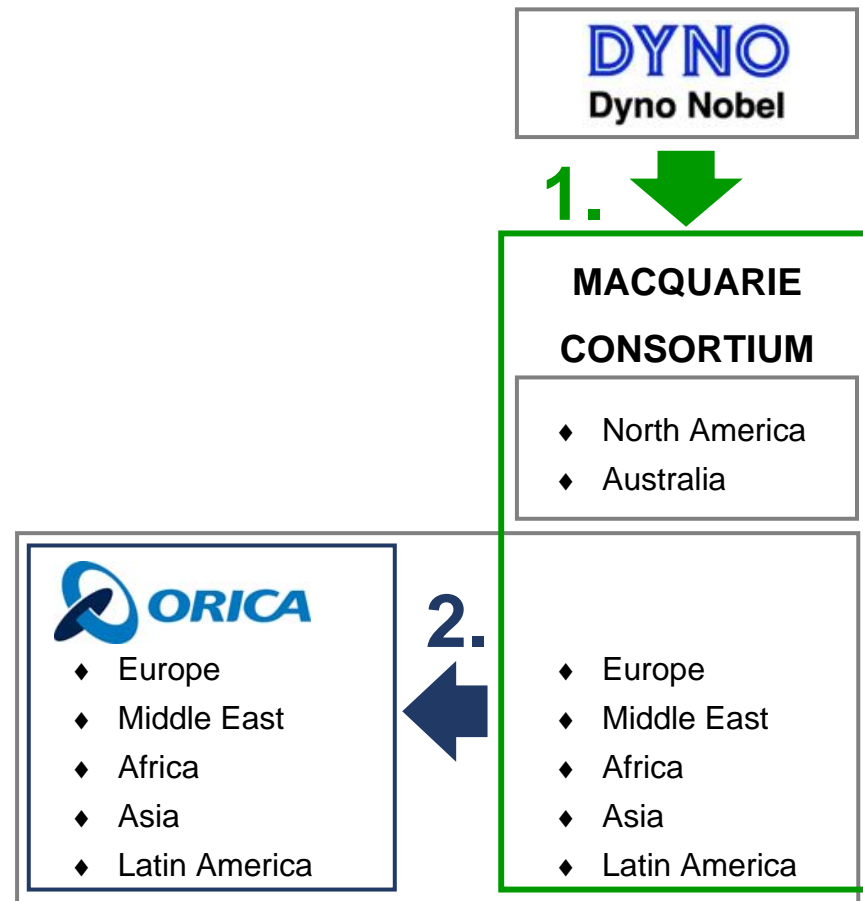


- Orica's chemical trading solutions business, supplying the market from all sources including:
 - own manufacture
 - external manufacture
 - as a distributor or agent
- Largest chemical trading business in Australasia
- Strong asset position with manufacturing plants and supply chain infrastructure

Dyno transaction structure

Creative structure used to secure key growth assets

1. Macquarie consortium acquires 100% of Dyno Nobel in the first instance
2. Macquarie consortium on-sells European, Middle Eastern, African, Asian and Latin American businesses to Orica
 - Macquarie consortium retains North American and Australian businesses, Mexican IS plant and DetNet JV



Strategic & financial rationale

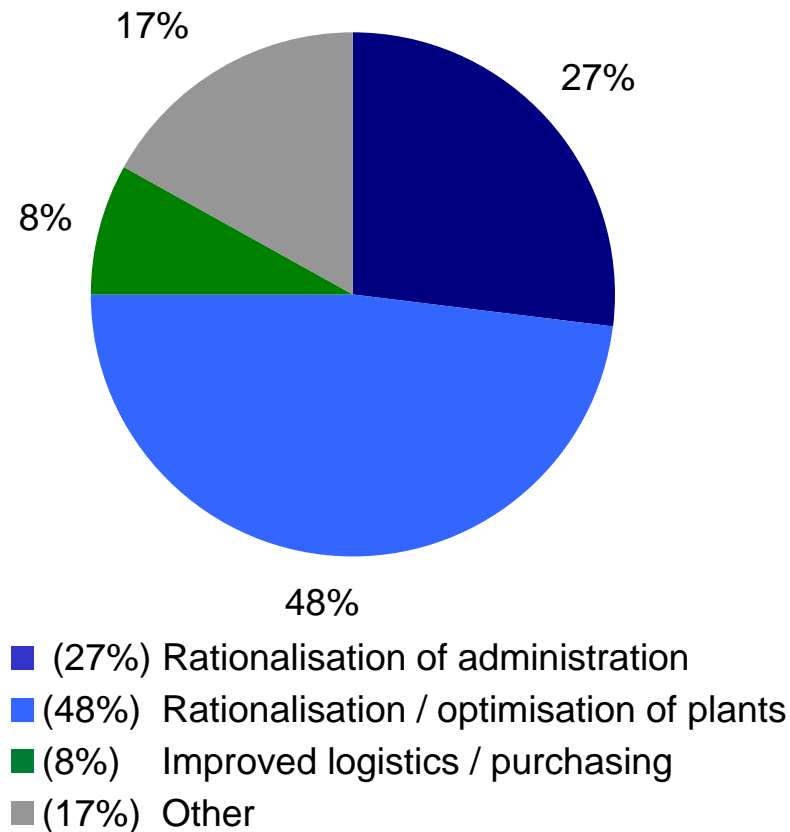
A clear and unique strategic fit for Orica Mining Services and a financially compelling case

- 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)

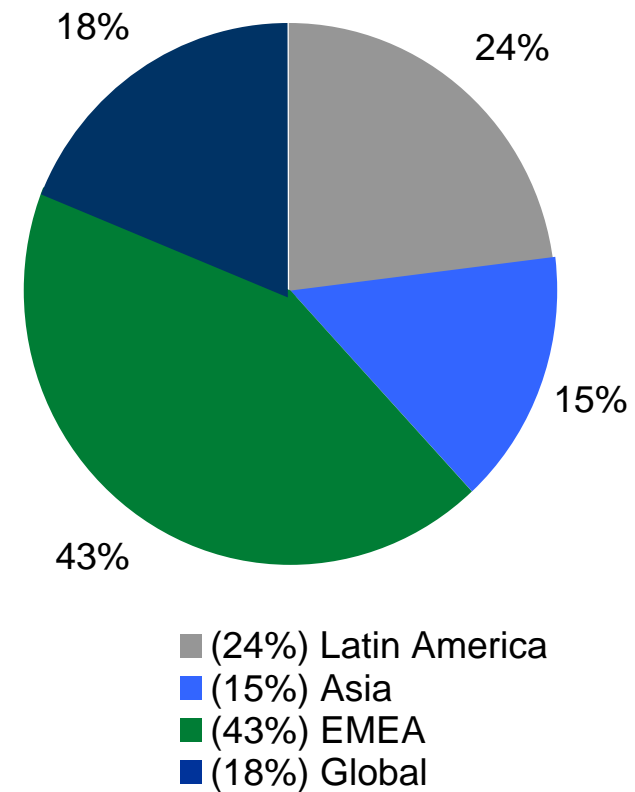
Significant cost savings

To be achieved from...

EBIT cost savings by type



EBIT cost savings by geography



Detailed internal analysis of sources and timing of cost savings

Foreign currency - snapshot

\$A Call Options: Hedging of USD exposure as at 31 March 2006

Year	Offshore Business Sales		Manufactured Nitrogen Product		Hedge Premium expense A\$M
	Cover A\$M	Strike Rate	Cover A\$M	Strike Rate	
2006	54	67 cents	44	68 cents	4.5
2007*	-	-	22	68 cents	0.8

No further hedging of overseas earnings

* Pertains to IPL

Foreign currency - sensitivity

(Excluding IPL)

Every one cent movement in the USD/AUD exchange rate will impact EBIT:

2006	+/- \$0.5M
2007	+/- \$1.0M

50% of Orica's AUD/USD exposure came from IPL

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