



Merrill Lynch Australian
International Investor Conference
30 January 2004

Malcom Broomhead MD & CEO
Orica Limited



AGENDA

- Orica Background
- Business Overview
- Approach since 2001
- Looking Forward
- Questions

ORICA - BACKGROUND

ORICA - SNAPSHOT

- Australian owned publicly listed company trading on the Australian Stock Exchange
- Ranked in top 50 Australian companies based on market capitalisation
- Operate in over 30 countries - 9000 employees
- Comprised of four business platforms - all leaders in their chosen markets
- Our products and services impact on every part of modern life

LARGE AUSTRALIAN DIVERSIFIED COMPANY

Orica - What we do



Mining Services

- Commercial explosives plus blast management



Chemicals

- Niche chemical manufacturing plus chemical trading, value add and distribution



Consumer Products

- Paint, paint preparation and premium consumer garden care products



Incitec Pivot

- Fertilisers

Businesses
united by
chemical
sciences

Market
Leadership

Leading
Brands

Strong assets

Capable
people

Technology

SATISFACTION OF BASIC HUMAN NEEDS

ORICA - 2003 FINANCIAL OVERVIEW

Profit and loss

- NPAT* A\$270M (up 13% from 2002)
- 3 of our 4 businesses delivered record results

Balance sheet and cash flow

- Gearing 37% (debt/(debt+equity))
- Interest cover 7.3 times
- Net debt A\$877M - Average tenor 9.2 years
- S&P Rating: BBB+ stable
- Strong cashflow: A\$500 million cashflow from operations (before investing and financing)

* pre-significant items

ORICA - 2003 FINANCIAL OVERVIEW

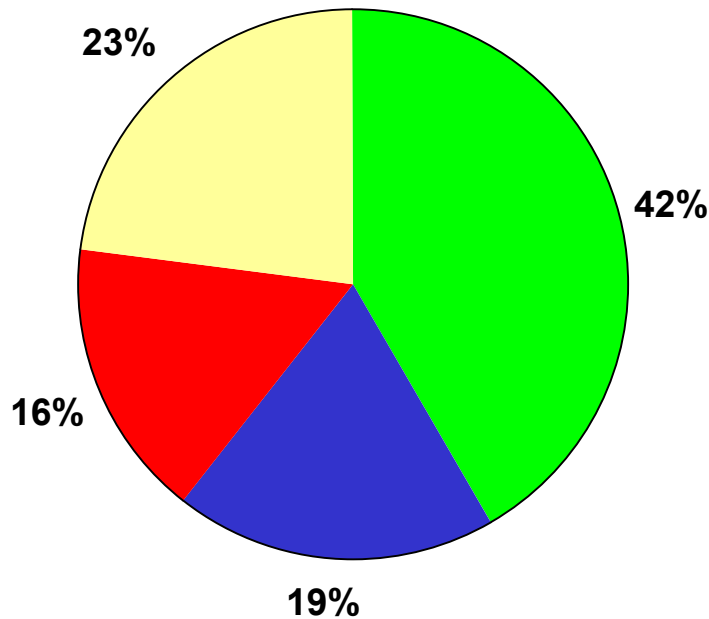
Shareholder returns

- EPS* 97.2 cents (up 13% from 2002)
- ROSF* 19.6%
- Dividend payout ratio 53%
- Franking 21%
- 5% share buyback program in progress

* pre-significant items

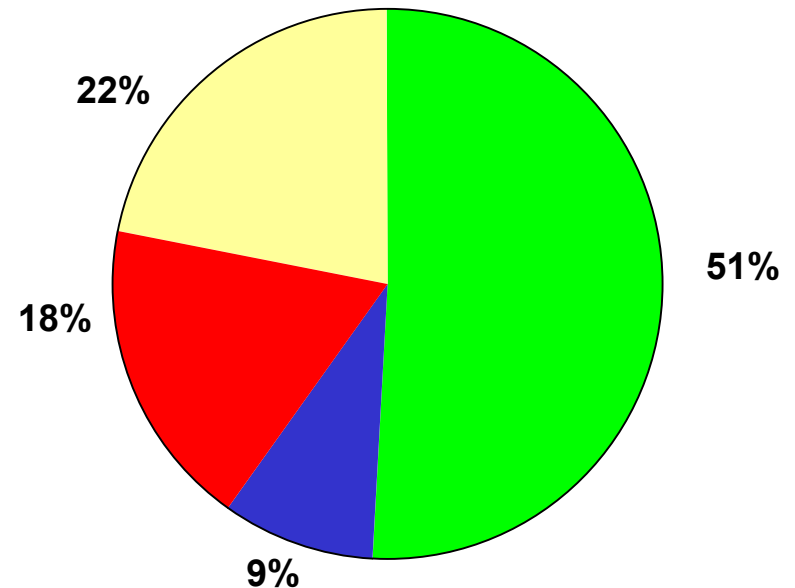
ORICA - OUR FOUR BUSINESSES IN 2003

Revenue - \$A\$4BN



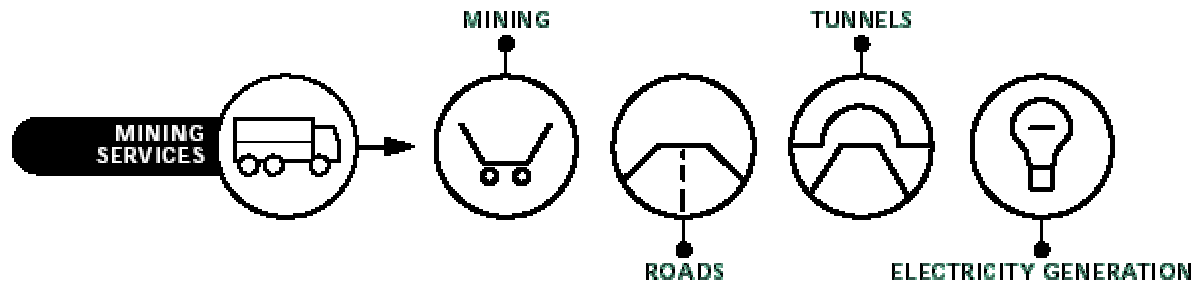
- Mining Services
- Fertilisers
- Consumer Products
- Chemicals

Business EBIT A\$442M



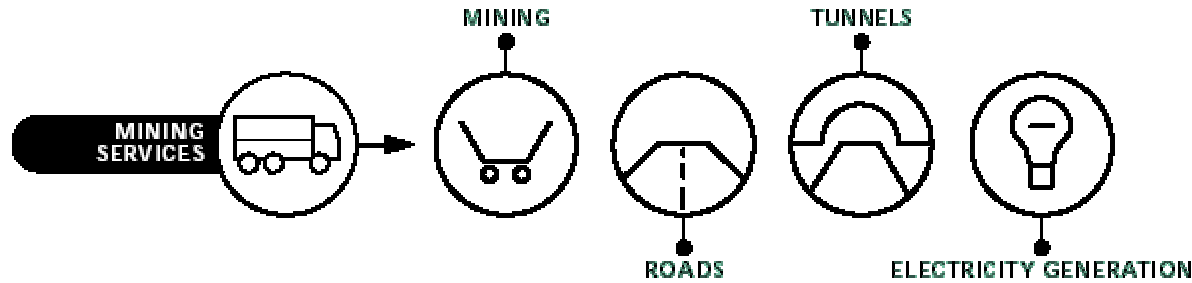
- Mining Services
- Fertilisers
- Consumer Products
- Chemicals

BUSINESS OVERVIEW



Business Characteristics

- Global business with leading presence in Australia, Asia, North America and Latin America
- Largest explosives business in the world
- Strong asset position
- Superior technology
- Complete product offering

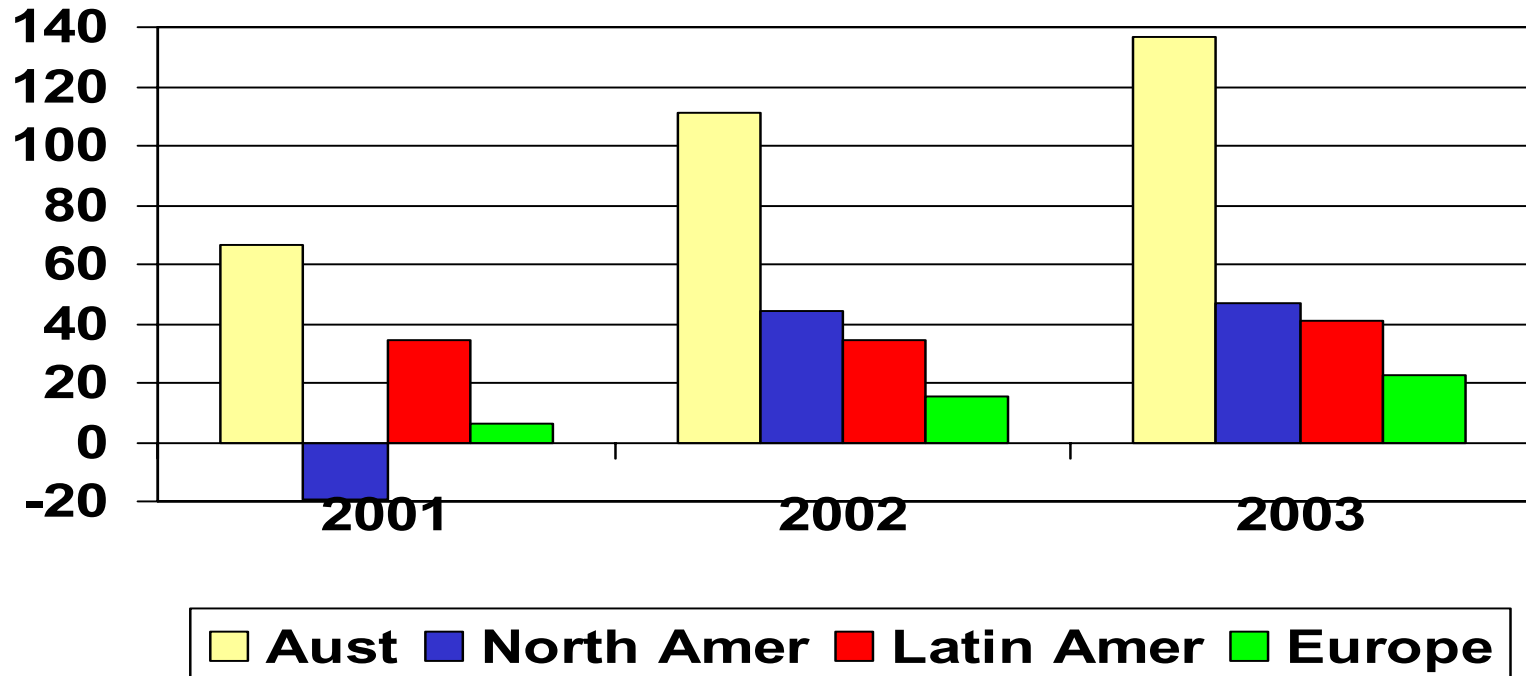


Business Drivers

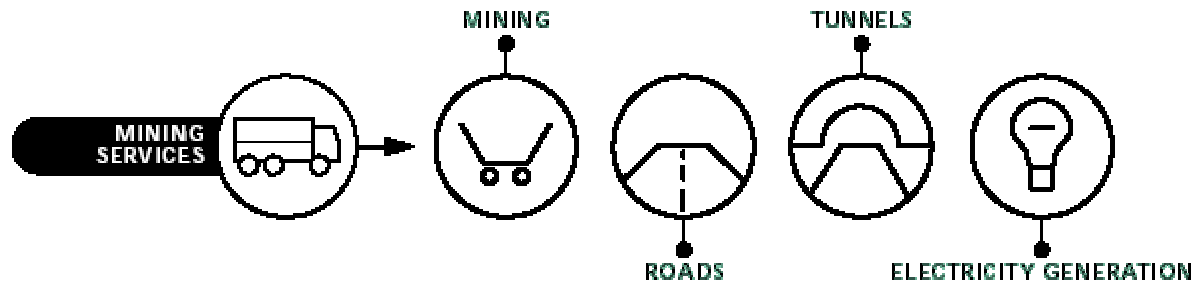
- Economic activity
- Country development
- Power generation
- Mining volumes and new minerals exploration

Mining Services

EBIT TREND (A\$M)

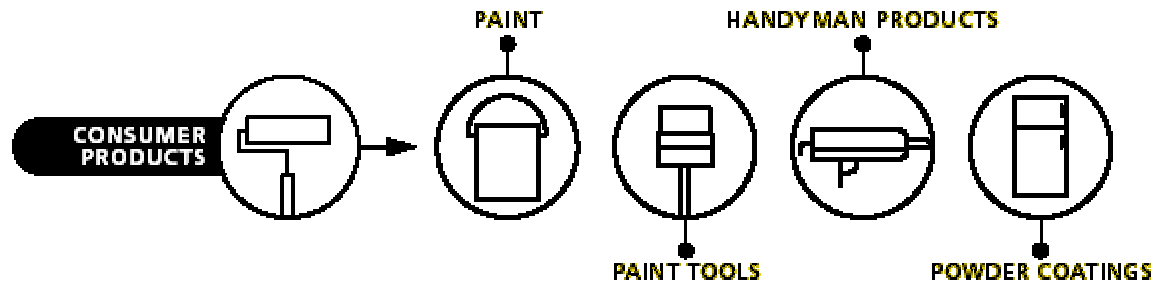


- Improvement across all regions
- Dramatic turnaround in North American business - more still to do
- Excellent growth in Australia/Asia and Europe
- Consistent strong returns from Latin America



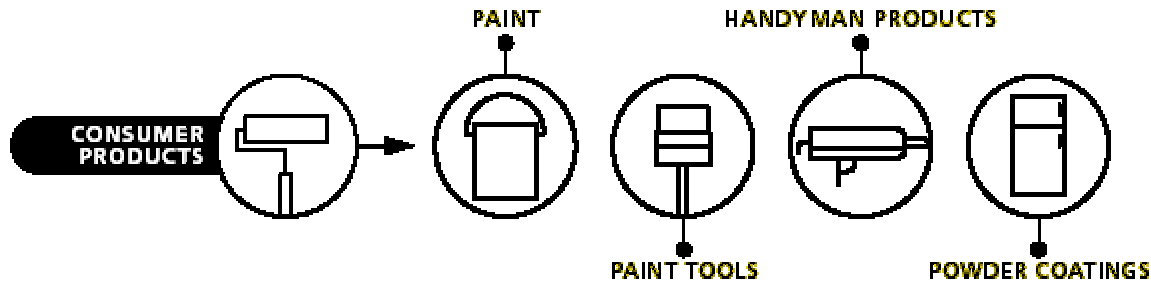
Business Opportunities

- Organic growth
- Plant expansions
- Geographic expansion
 - Eastern Europe
 - Asia
 - Latin America



Business Characteristics

- Largest paint and paint preparation business in Australia and New Zealand
- Market and Brand leader
- Distribution strength
- Service excellence
- World class technology

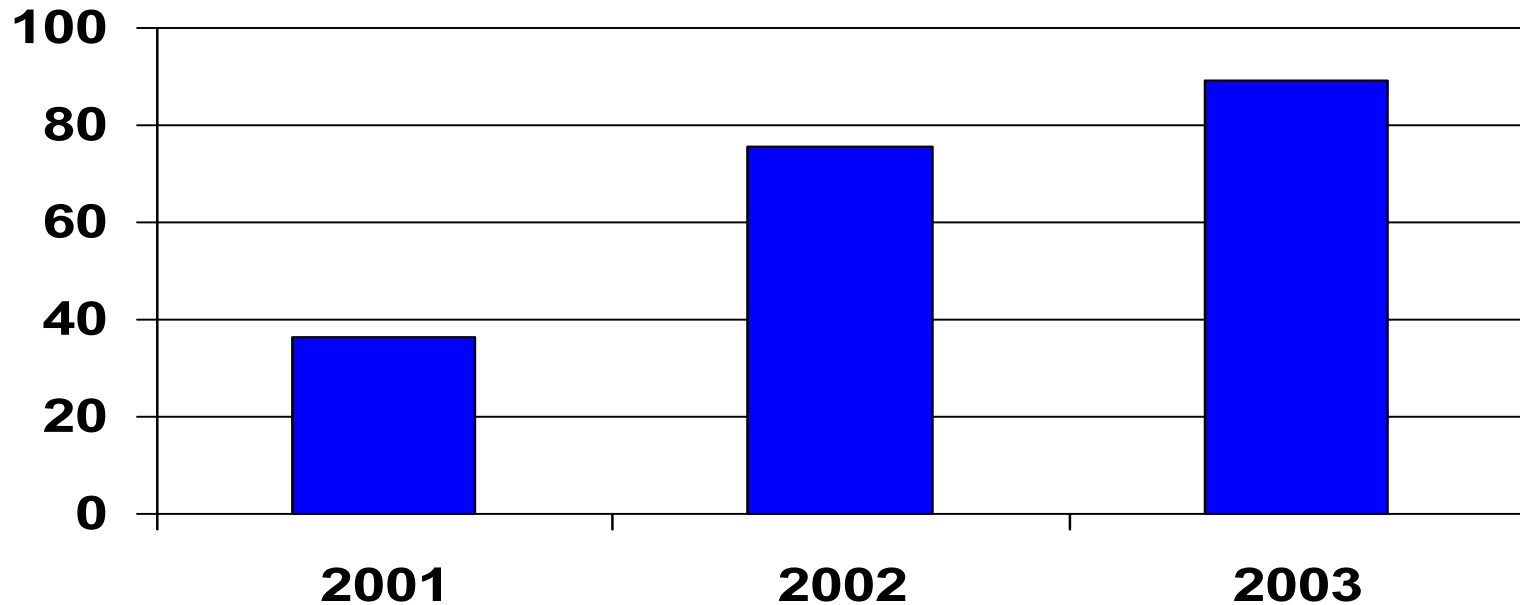


Business Drivers

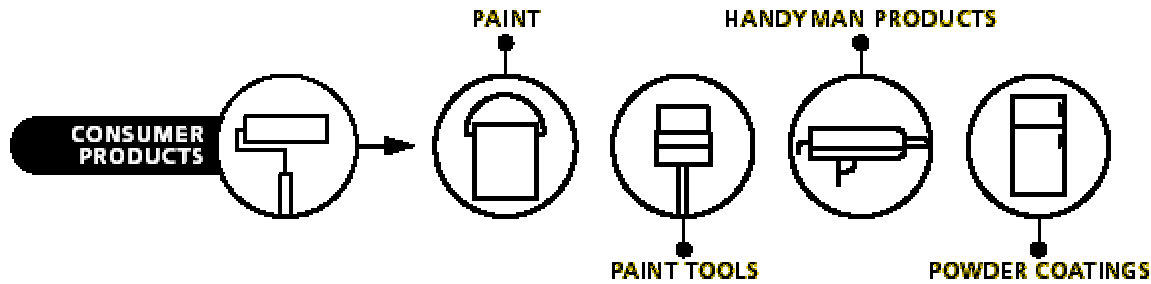
- Discretionary income
- GDP
- Building and construction
- Housing renovation and turnover

Consumer Products

EBIT Trend (A\$M)

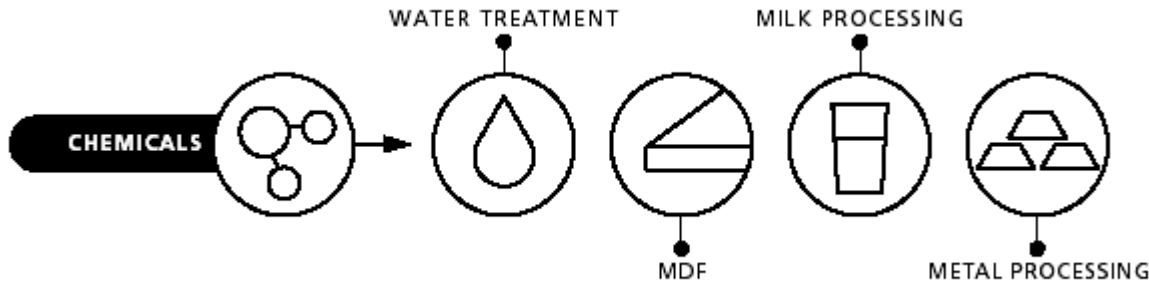


- Step change in cost base
- Improved product mix
- Record profitability in 2003
- Strong consumer confidence over the period



Business Opportunities

- Category expansion
- Geographic expansion
- Product development and innovation

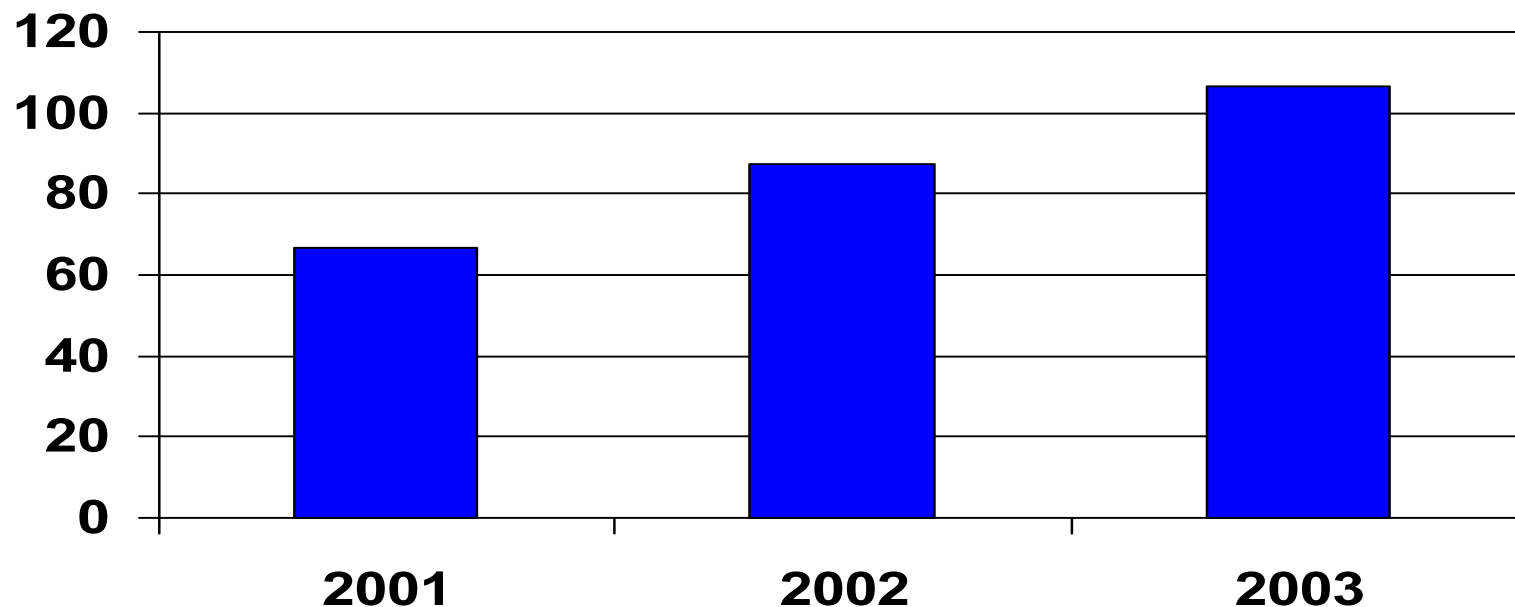


Business Characteristics

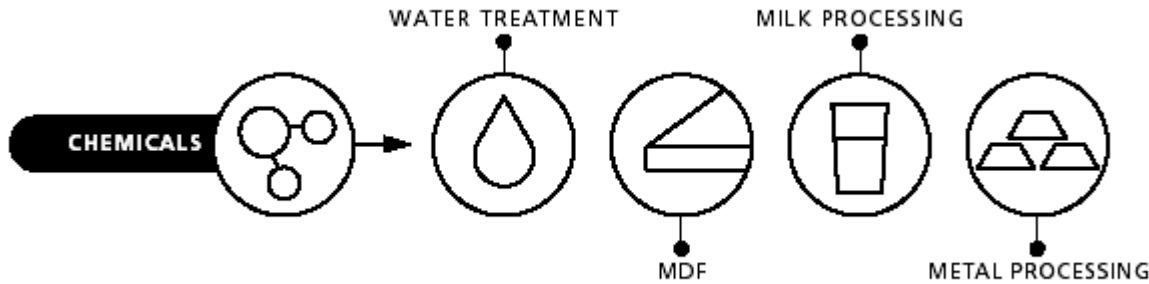
- Largest Chemical business in Australia and New Zealand comprising 4 businesses
 - Chemnet
 - ChlorAlkali
 - Mining & Speciality Chemicals
 - Adhesives
- } Trading, distribution and value add
- } Niche Manufacturing
- Strong asset positions
 - Leading technology
 - Excellent cost and capital efficiency

Chemicals

EBIT Trend (A\$M)

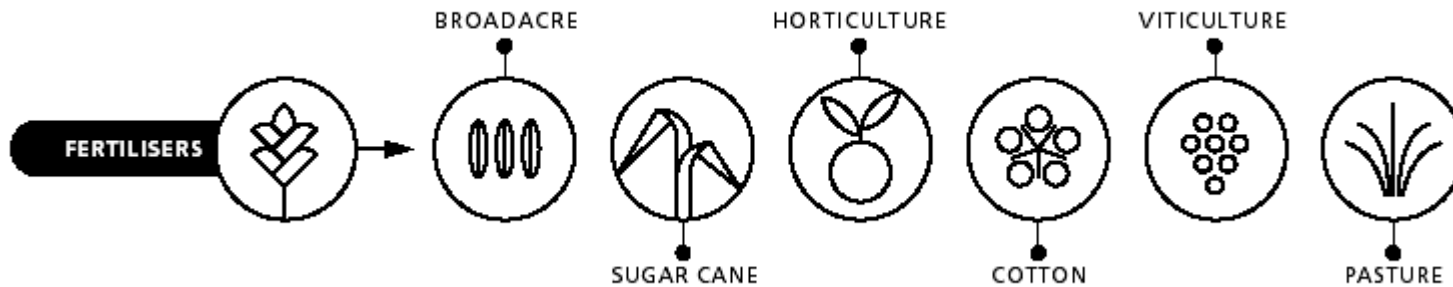


- Six consecutive years of profit improvement
- Productivity improvement
- Record profitability in 2003
- Capital reinvestment
- Commercialisation of new technologies



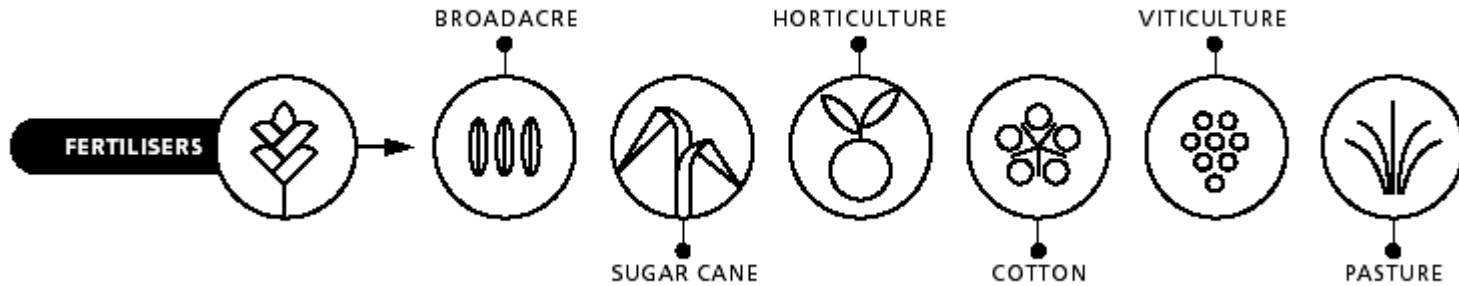
Business Opportunities

- Focus on organic growth
- Leveraging existing acquisitions
- Further acquisitions within Chemnet
- Commercialising MIEX[®] and other new technologies



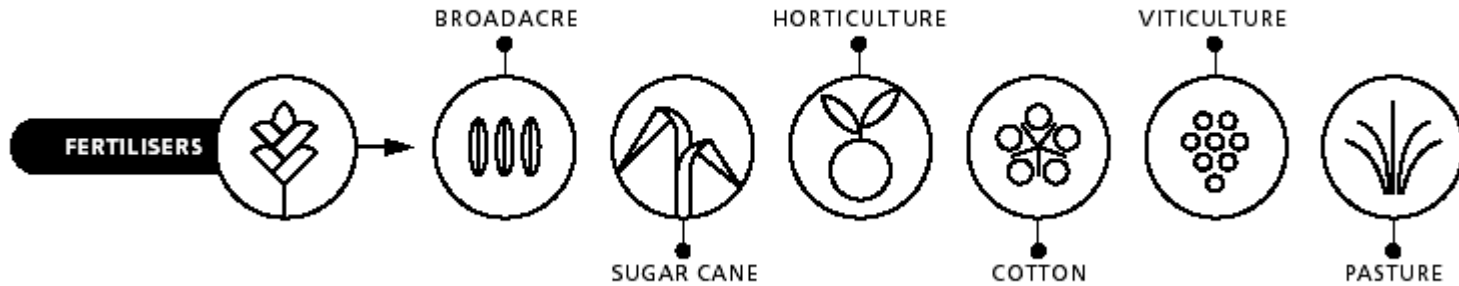
Business Characteristics

- Merger of Incitec Fertilizers and Pivot Limited on 1 June 2003 - Orica shareholding 70%
- Largest manufacturer and distributor of fertiliser in Australia
- Wide geographic spread across Australia' East Coast
- Industry's lowest delivered cost position



Business Drivers

- Weather
- Agricultural commodity prices
- International fertiliser prices
- AUD/USD exchange rate

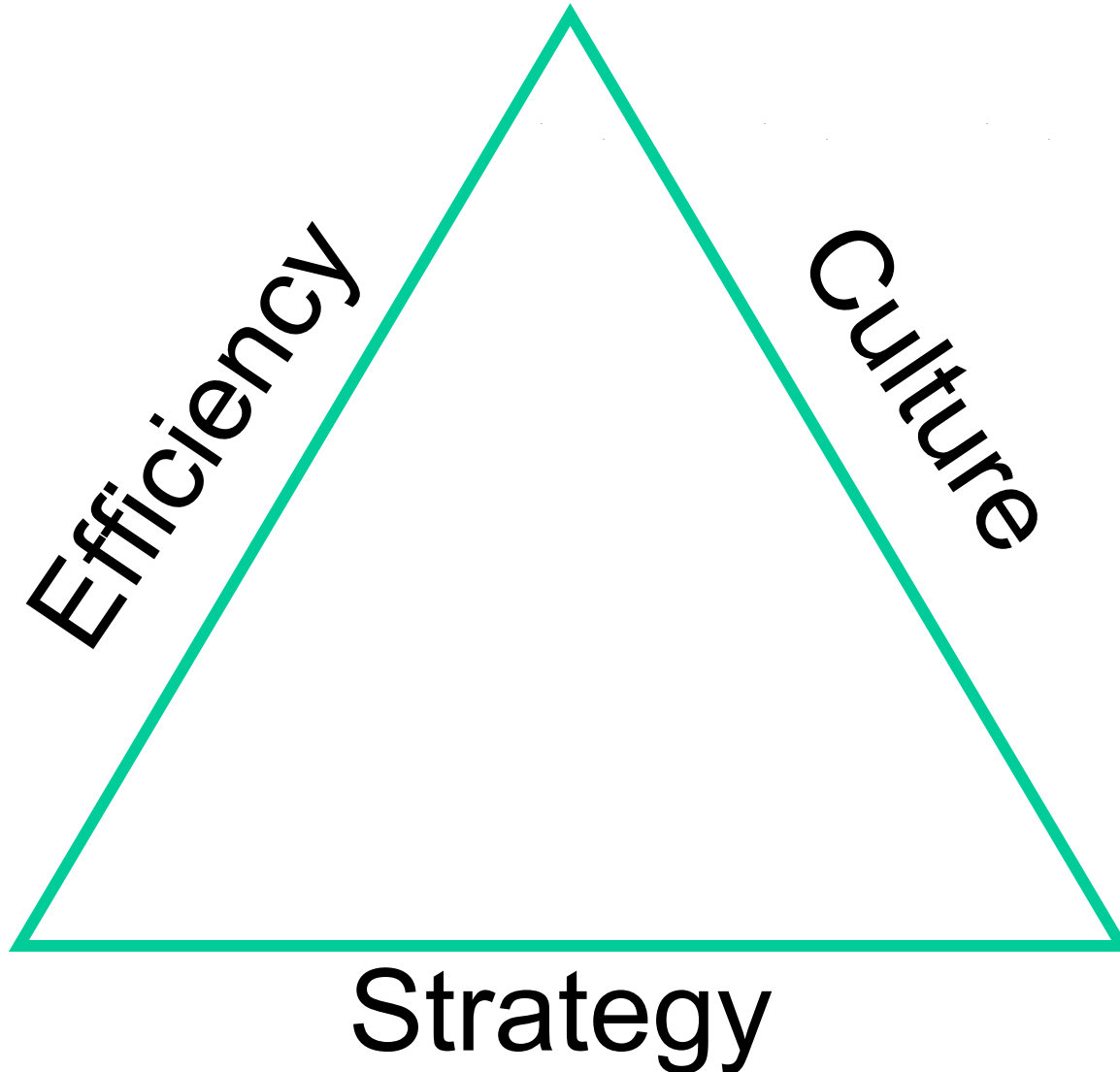


Business Opportunities

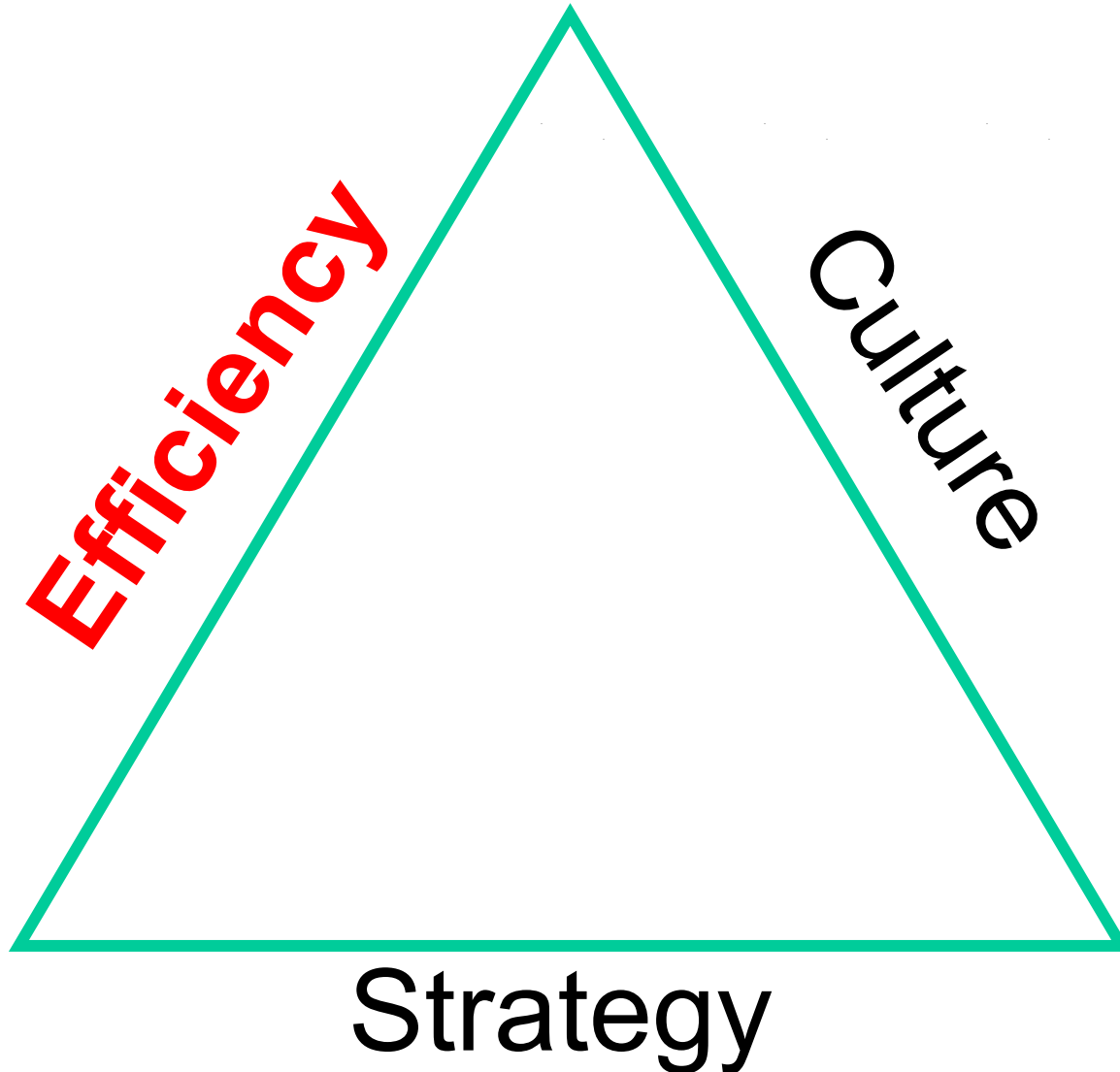
- Delivering merger synergies
- Supply chain optimisation
- Partial recovery from drought
- Growing demand for fertilisers in Australian agricultural industry

APPROACH SINCE 2001

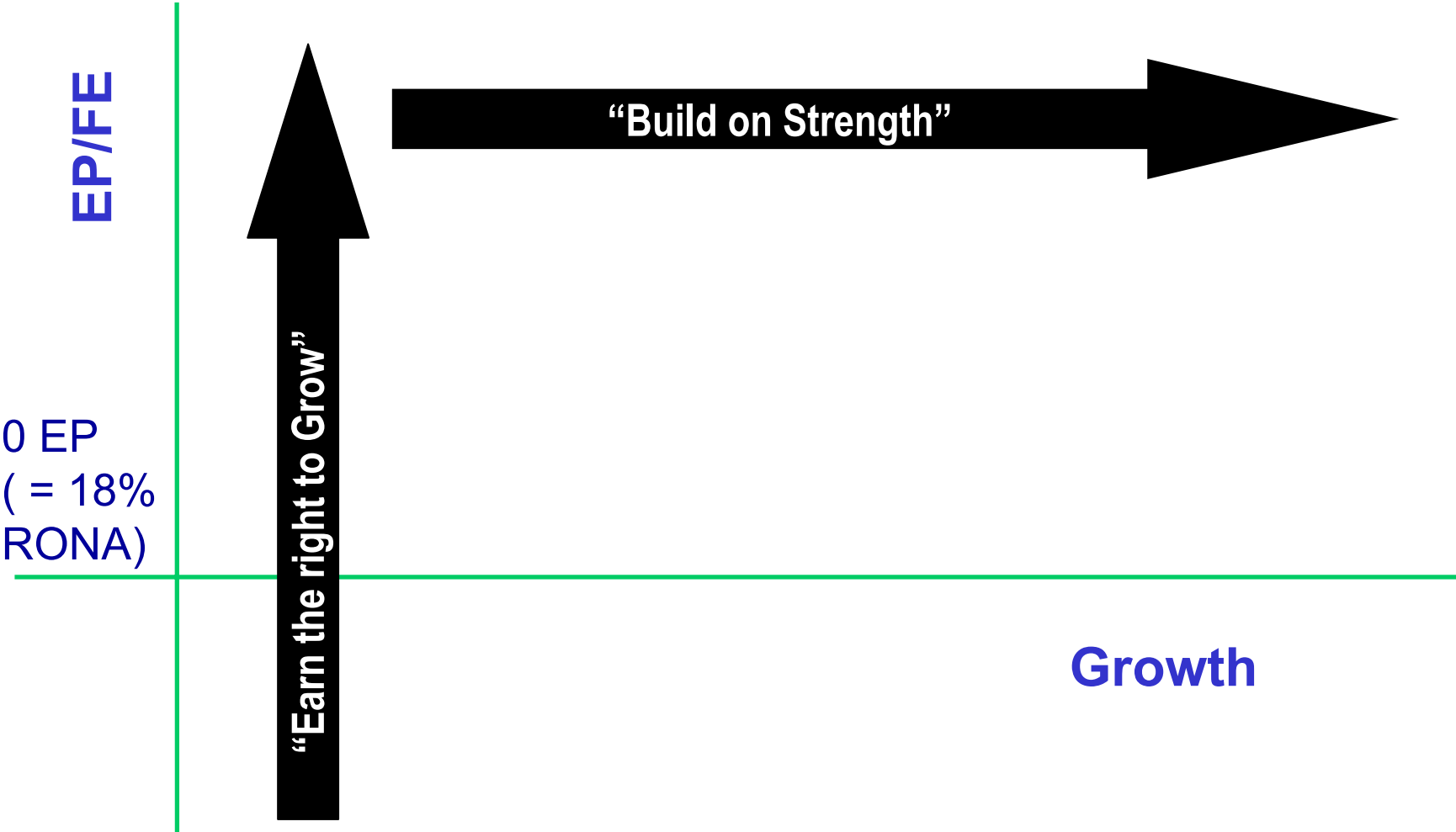
ORICA'S APPROACH



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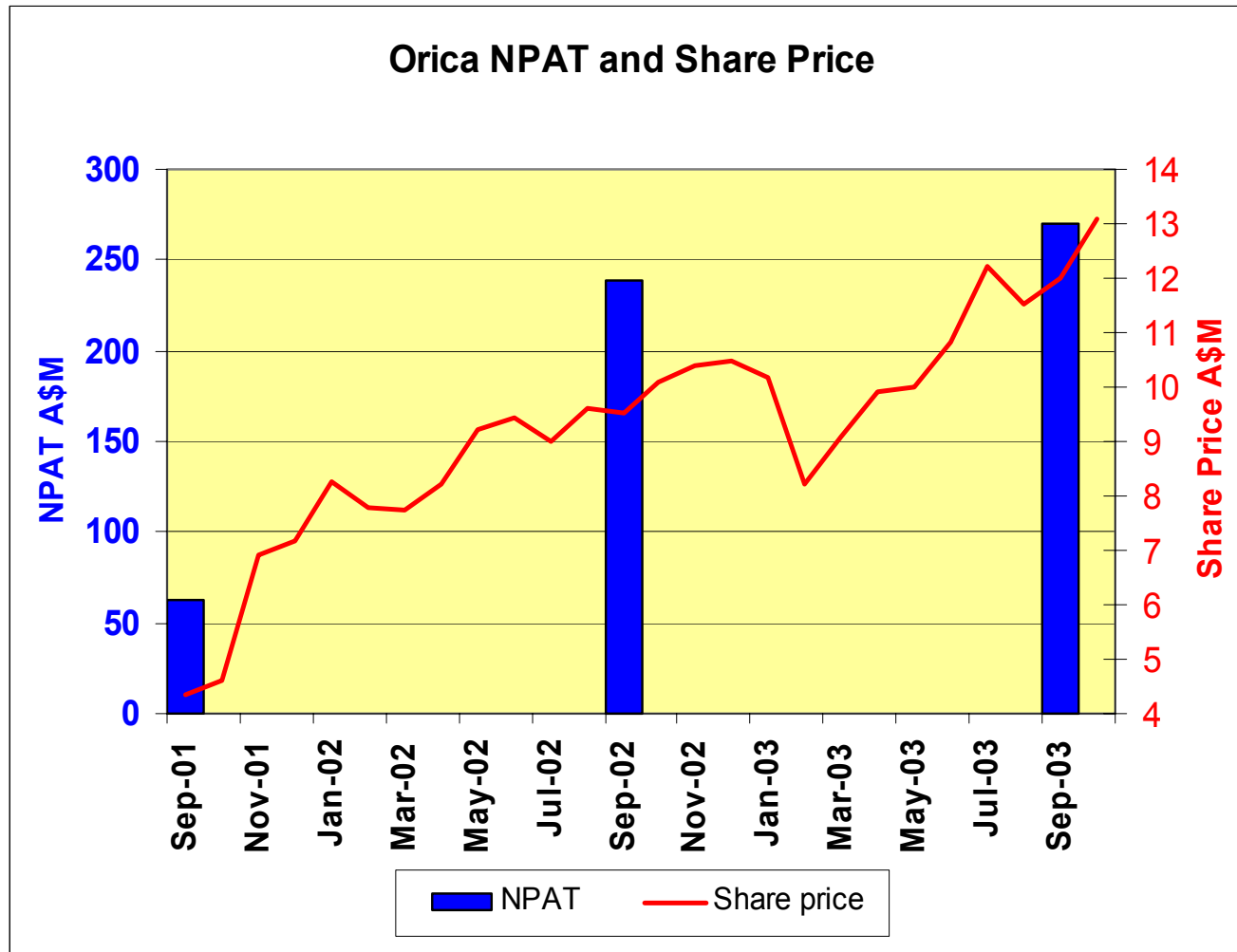


Strategy and Execution



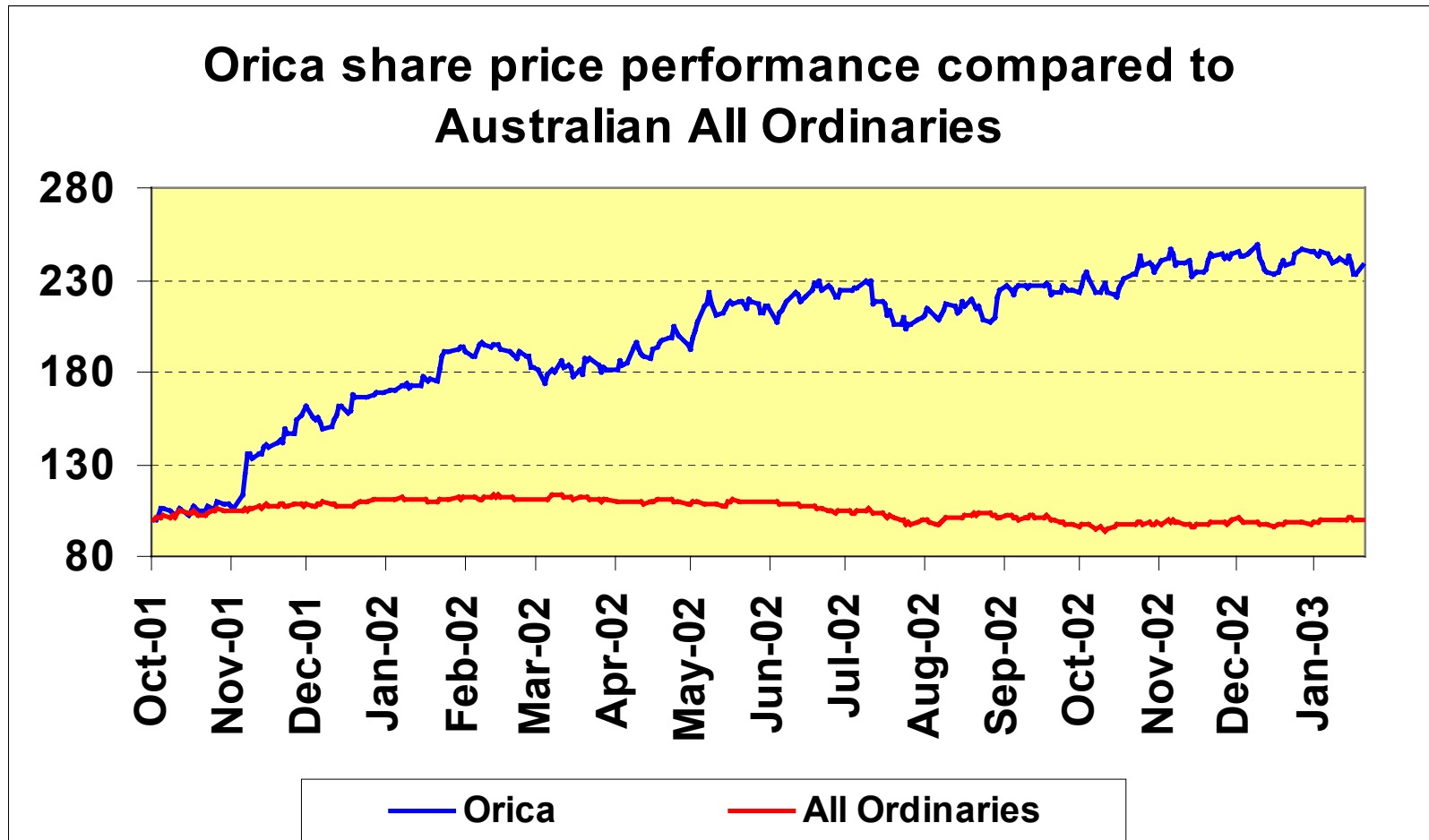
EFFICIENCY IMPROVEMENT AND GROWTH

CREATING VALUE FOR SHAREHOLDERS



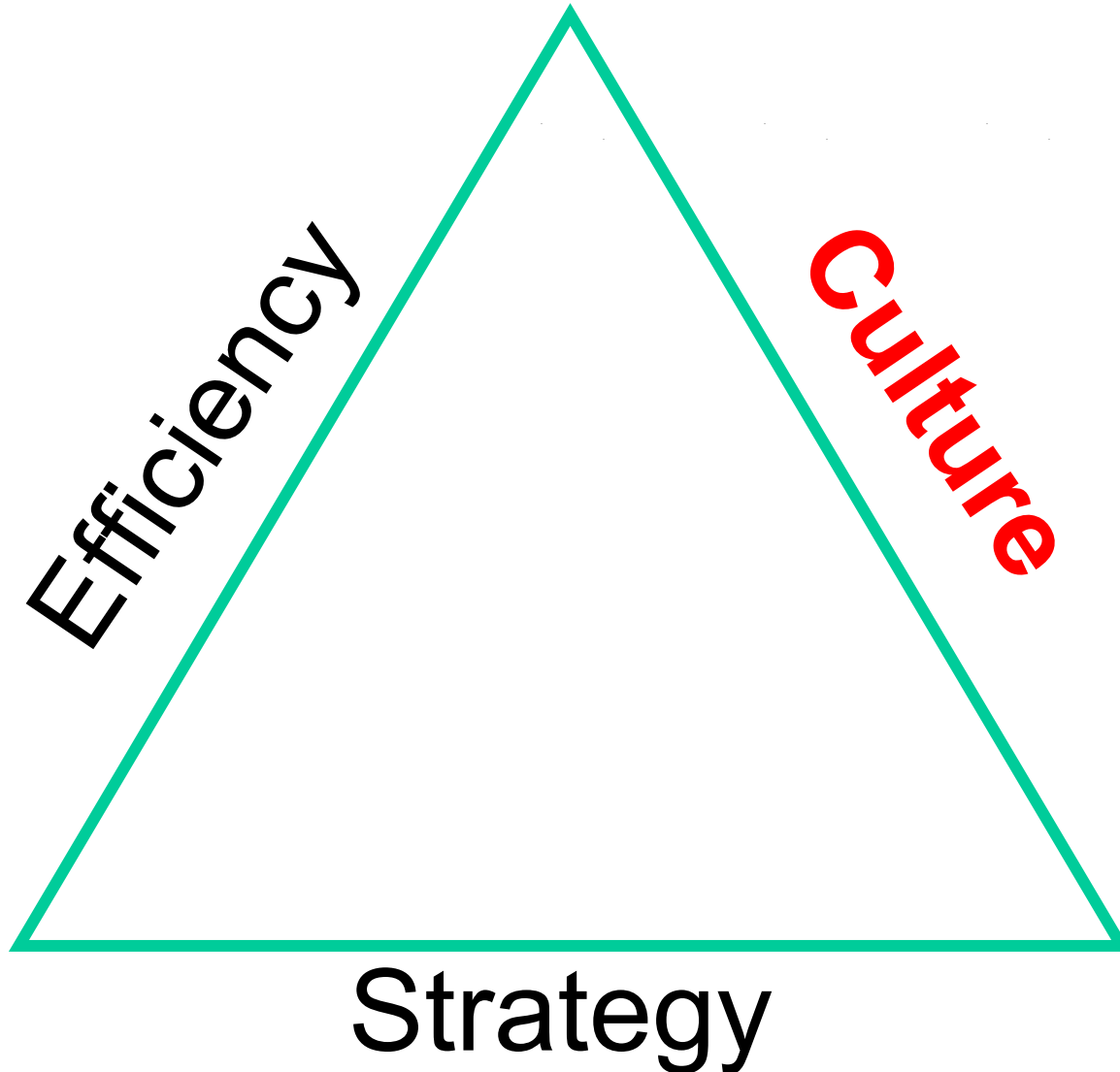
FIX UP, CLEAN UP, GROW

CREATING VALUE FOR SHAREHOLDERS

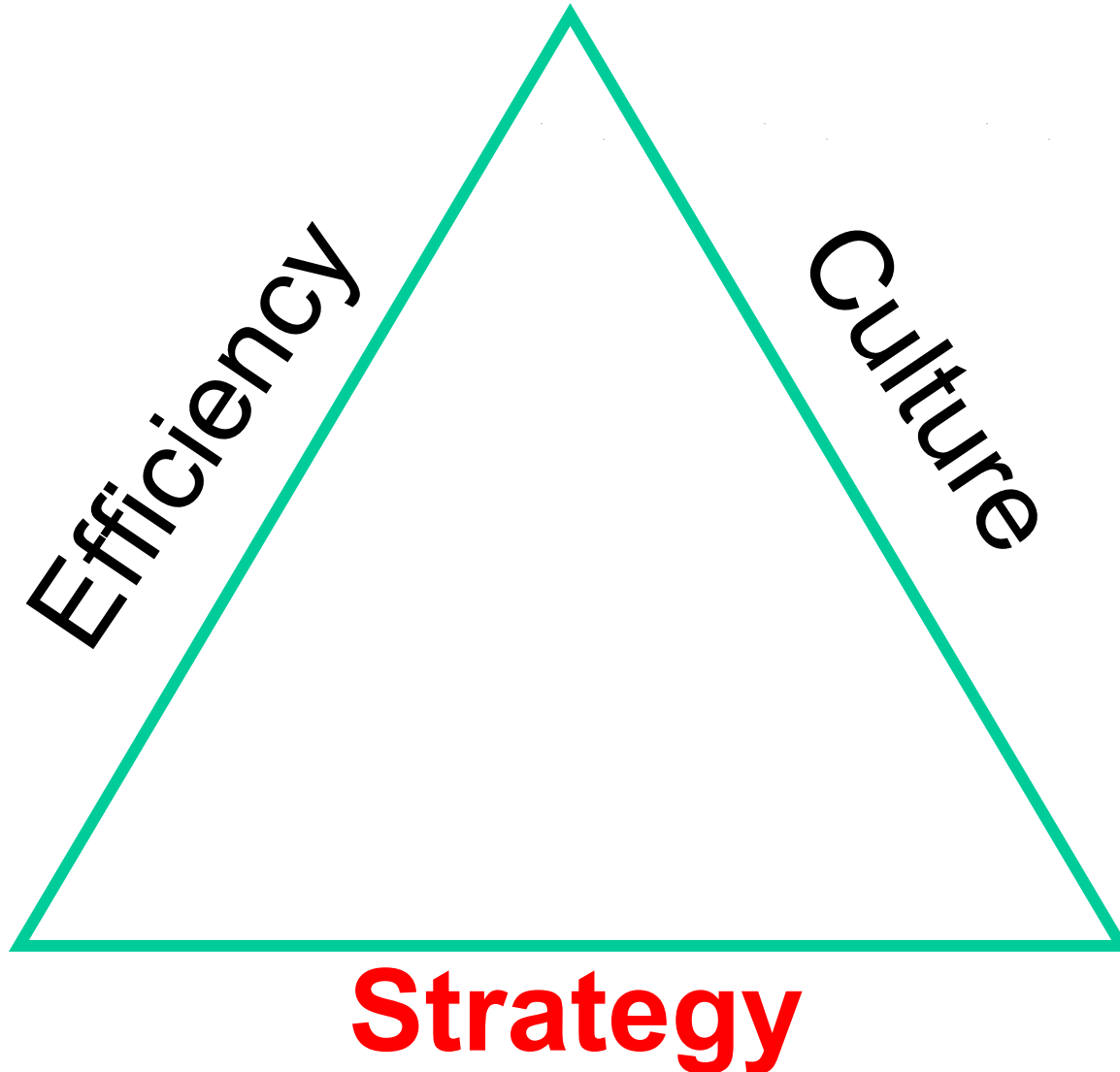


ABOVE AVERAGE MARKET RETURNS

ORICA'S APPROACH



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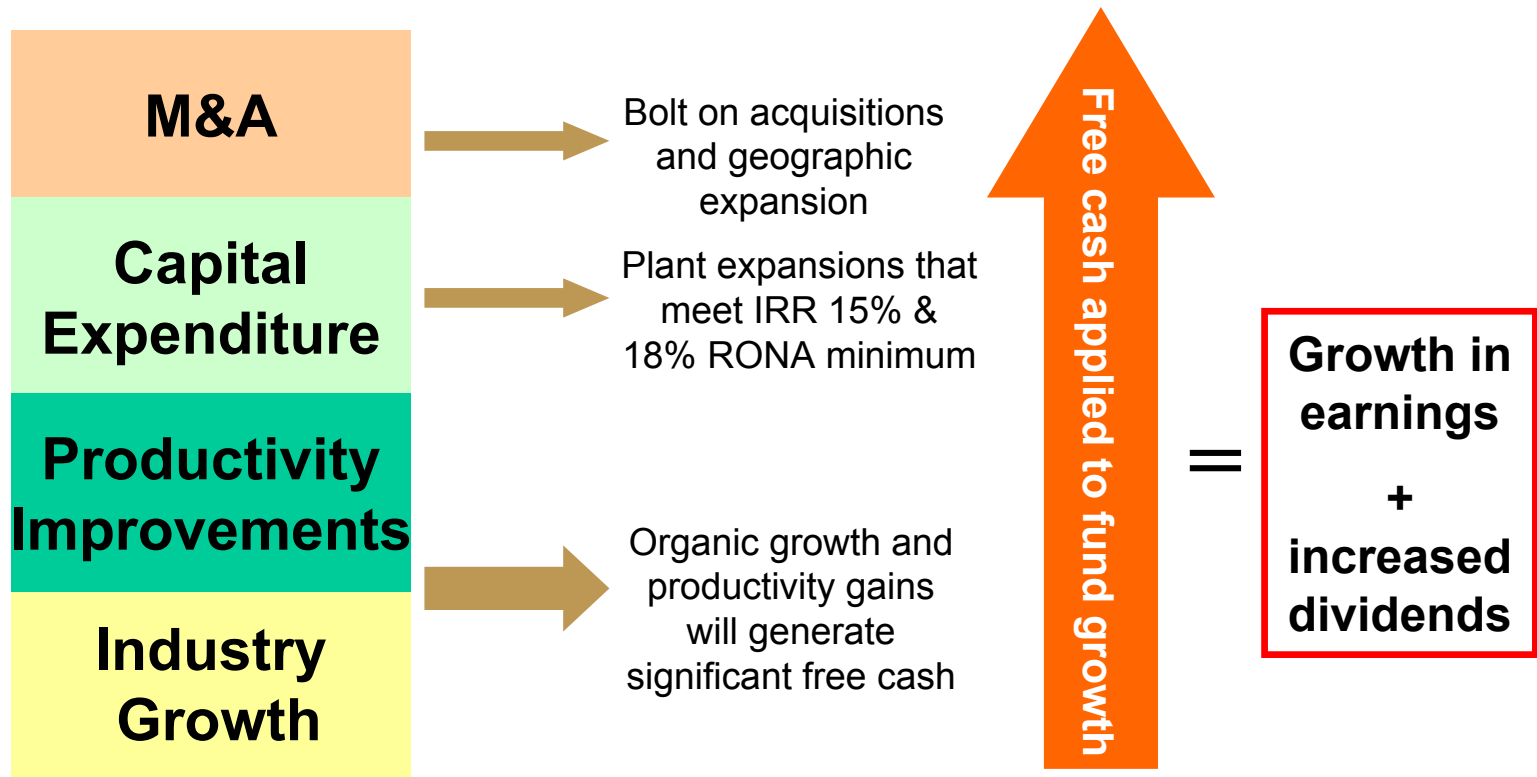


STRATEGY PRINCIPLES:

1. Market leadership - “profitable niches”
2. Growing only value adding businesses -
“earn the right to grow”
3. Related growth -
“building on our best businesses”

LOW RISK VALUE CREATION

SIMPLE STRATEGY - SUPERIOR RESULTS



ABOVE AVERAGE MARKET RETURNS

LOOKING FORWARD

- Continued earnings momentum in 2004
- 1st quarter results have been encouraging
- Integration of acquisitions are all on track
- Recent rains in Australia are a good sign, albeit early in the season

Looking Forward

- Excellent businesses that provide sound footing for growth
- Strategy for growth is low risk
- Portfolio is no longer deeply cyclical
- Continued focus on efficiency

“DELIVER THE PROMISE”



Questions



Disclaimer

In addition to historical information, this report contains forward-looking statements. Such statements include those concerning Orica Limited's ("the Company") expected financial performance and its strategic and operational plans, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties that could cause actual results to differ materially from those stated in the forward-looking statements such as, but not limited to, economic factors, regulatory changes, management changes, investment risks and competition risks. All information set forth in this presentation is as of 30 January, 2004, and the Company undertakes no duty to update this information.