



Citigroup

US Private Placement
Conference
17 March 2004

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Orica Limited



AGENDA

- Orica Background
- Business Overview
- Strategy
- Financials
- Questions

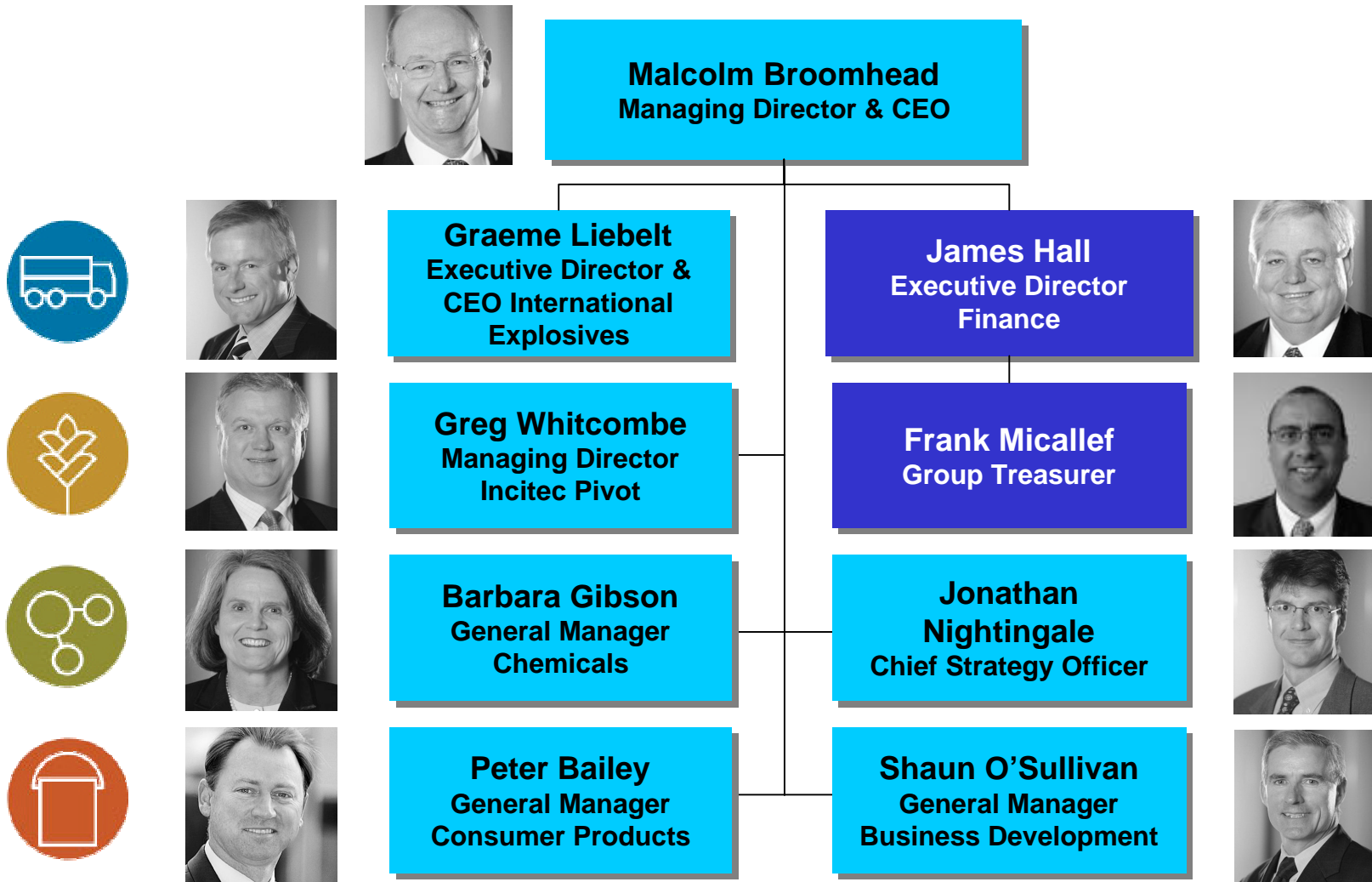
ORICA - BACKGROUND

Orica – snapshot

- Australian owned publicly listed company trading on the Australian Stock Exchange
- Market capitalisation of A\$3.8 bn (US\$2.5 bn)
- Ranked in top 50 Australian companies based on market capitalisation
- Operate in over 30 countries - 9000 employees
- Comprises 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 – management



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, handyman and premium consumer garden care products



Incitec Pivot

- Fertilisers

Businesses
united by
chemical
sciences

Market
Leadership

Leading
Brands

Strong assets

Capable
people

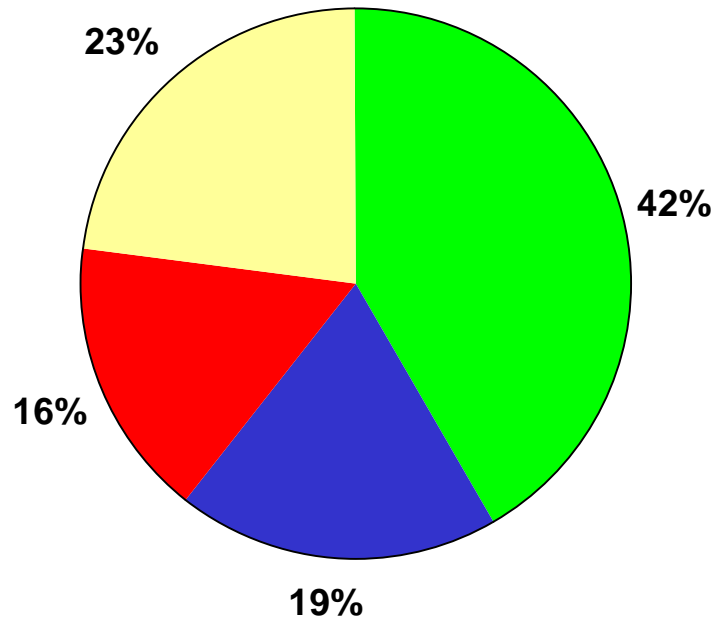
Technology

SATISFACTION OF BASIC HUMAN NEEDS

Orica – our business in 2003

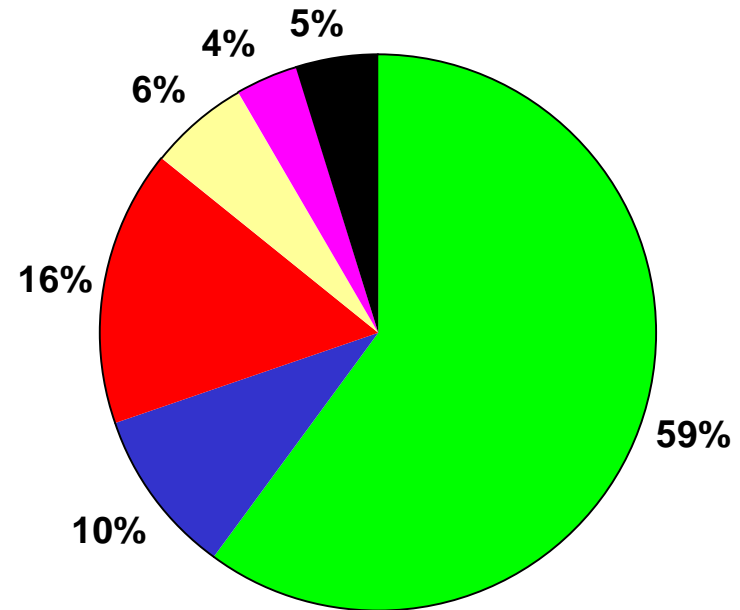
REVENUE- A\$4 BILLION

Business Split



- Mining Services
- Fertilisers
- Consumer Products
- Chemicals

Geographic Split



- Australia
- New Zealand
- North America
- Latin America
- Asia
- Europe

BUSINESS OVERVIEW

Orica – business characteristics

Mining Services

- Global business
- Largest commercial explosives company in the world
- Superior assets & technology
- Complete product offering

Consumer Products

- Largest paint and paint preparation business in Australia and NZ
- Market and brand leader
- Distribution strength and service excellence
- World class technology



Chemicals

- Largest Chemical business in Australia and New Zealand
- Strong asset positions
- Leading technology
- Cost and capital efficiency

Fertilisers

- Merger of Incitec Fertilizers and Pivot Limited on 1 June 2003
- Largest manufacturer and distributor of fertiliser in Australia
- Wide geographic spread across Australia's East Coast

Orica – business drivers

Mining Services

- Economic activity
- Country development
- Power generation
- Mining volumes

Chemicals

- GDP
- Weather
- International chemical prices



Consumer Products

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

Fertilisers

- Weather
- Agricultural commodity prices
- International fertiliser prices

Orica – business opportunities

Mining Services

- New geographies
- Plant expansions
- Organic growth

Consumer Products

- Further category expansion
- Geographic expansion
- Ongoing product development and innovation



Chemicals

- Leverage off new & existing acquisitions
- Organic growth
- Commercialisation of new technologies

Fertilisers

- Capturing synergy benefits
- Supply chain optimisation

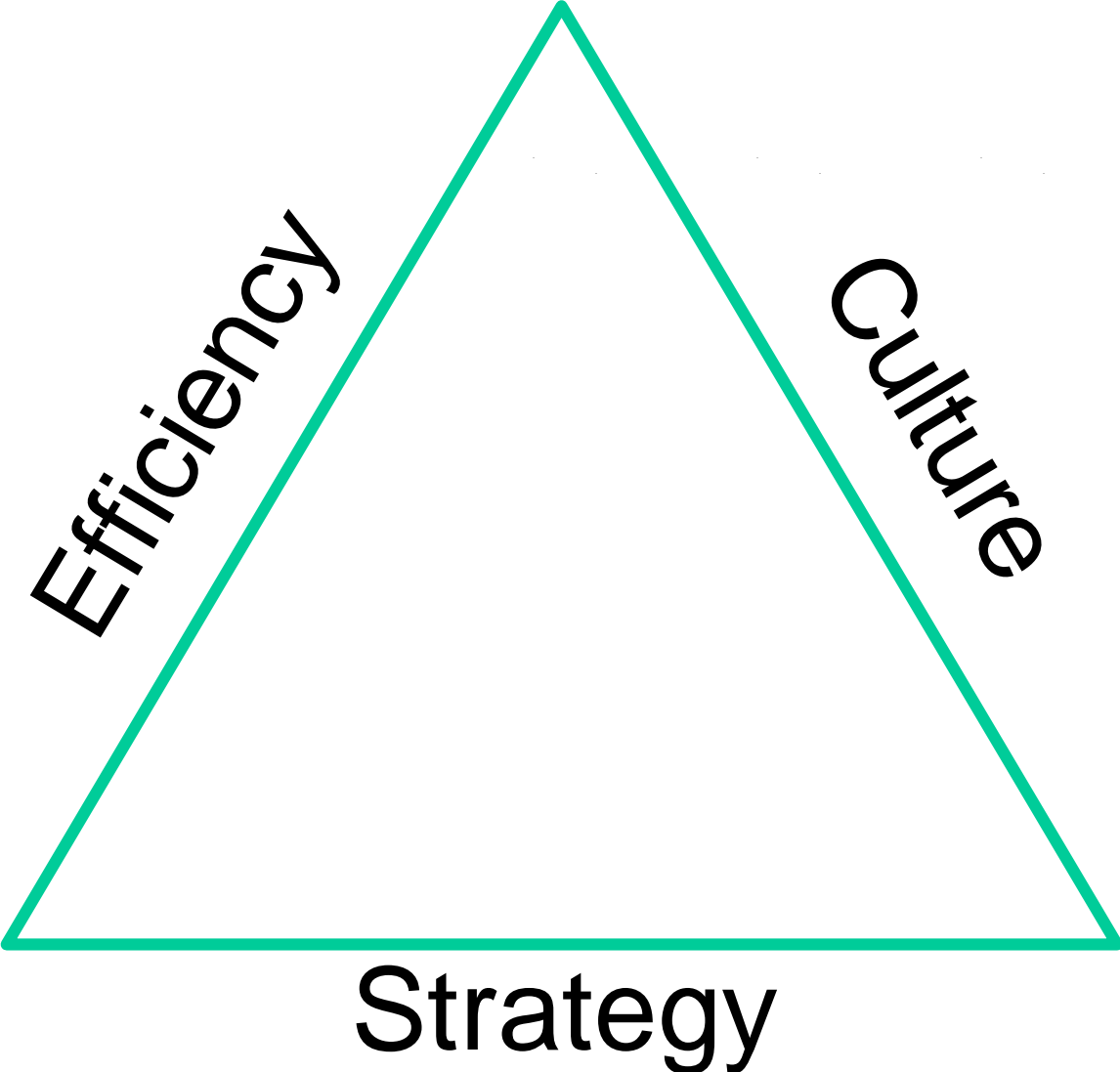
Orica – what makes our business attractive

- Our businesses operate largely in good industry structures
- Our businesses have a record of delivering consistent returns
- We have privileged asset positions in Australia and overseas
- Our businesses are market leaders – strong brands and technology

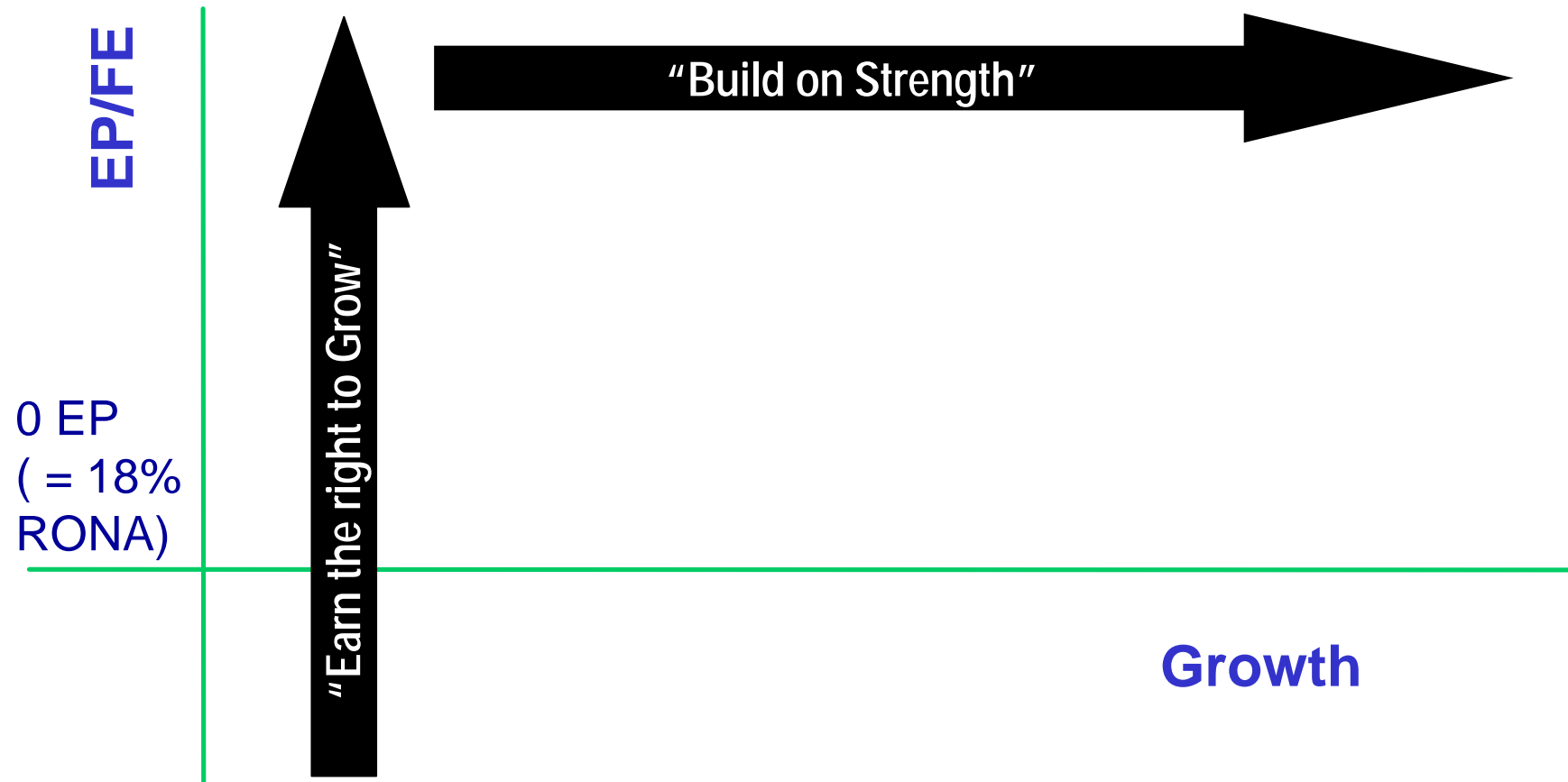
COMPETITIVE ADVANTAGE

STRATEGY

Orica – our approach

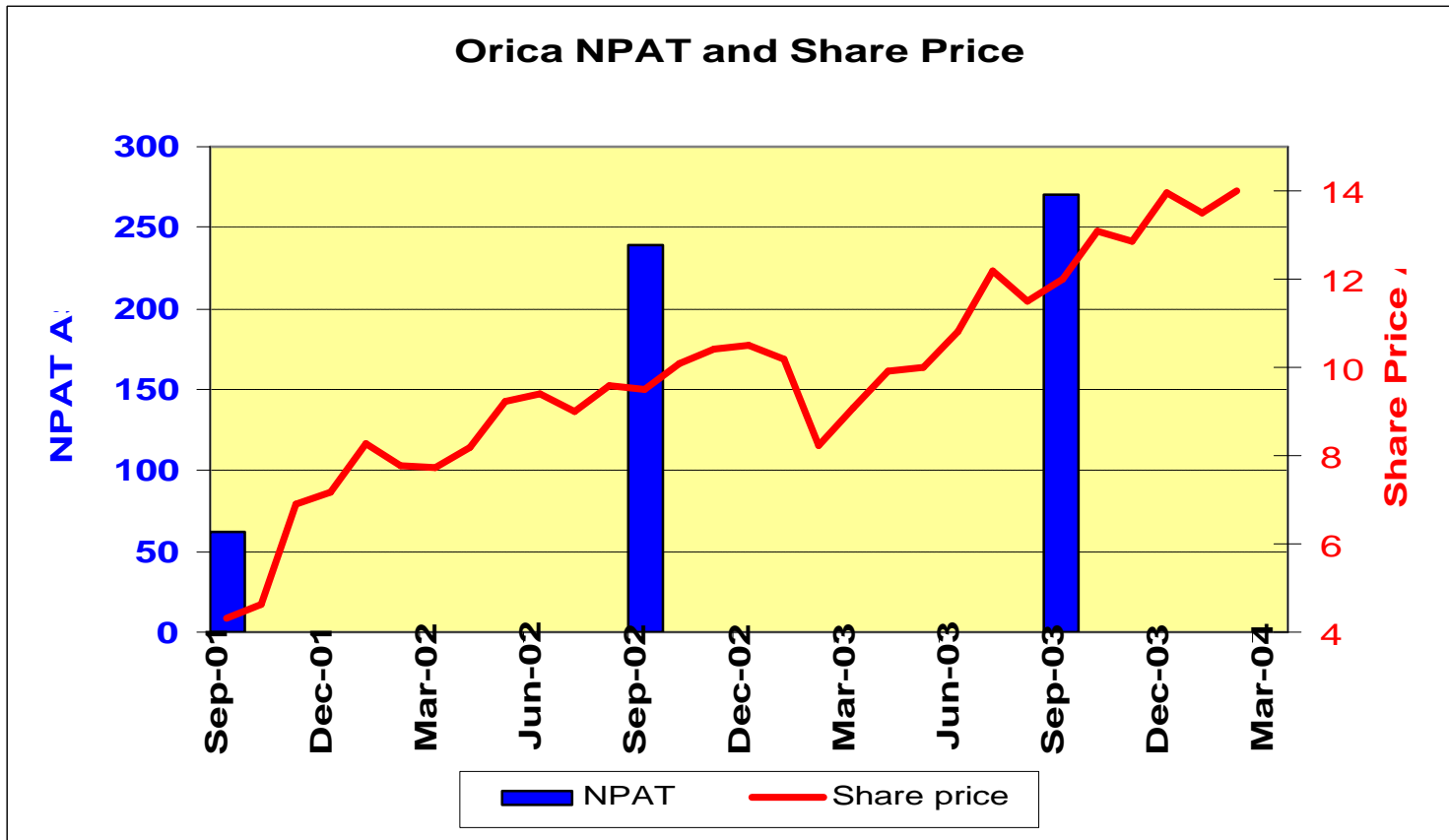


Orica – strategy and execution



EFFICIENCY IMPROVEMENT AND GROWTH

Orica – what our approach has delivered



FIX UP, CLEAN UP AND GROW

Orica – culture

- Safety, Health and Environment
- Commercial Ownership
- Creative Customer Solutions
- Working Together

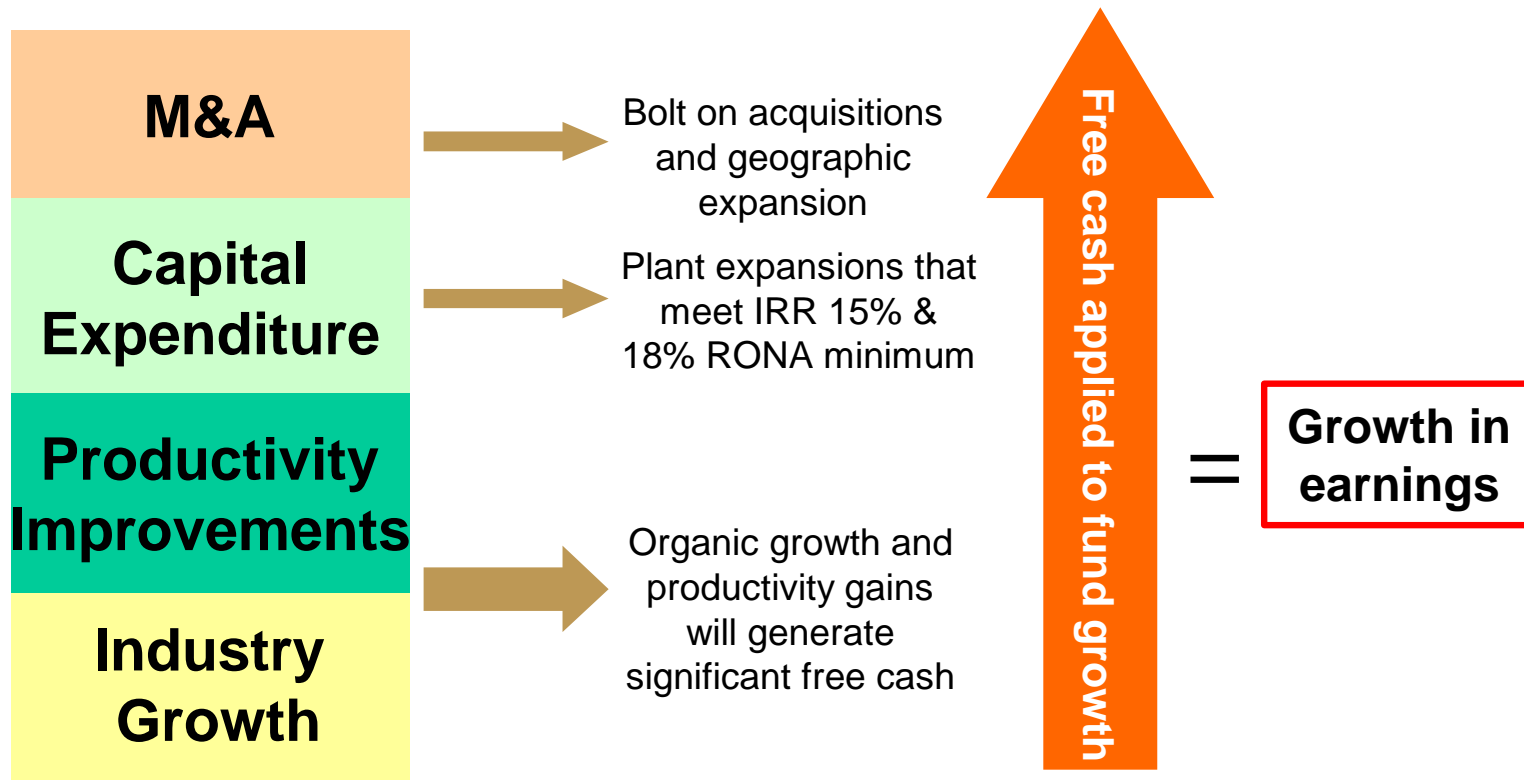
PRINCIPLES DEVELOPED AND OWNED BY EMPLOYEES

Orica – strategic 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

Orica – simple strategy, superior results



ABOVE AVERAGE MARKET RETURNS

Orica – looking forward

- Excellent businesses that provide sound footing for growth
- Strategy for growth is low risk
- Portfolio is no longer deeply cyclical
- AN capacity increases at Kooragang Island (Dec 04) and Yarwun (Mar 05)

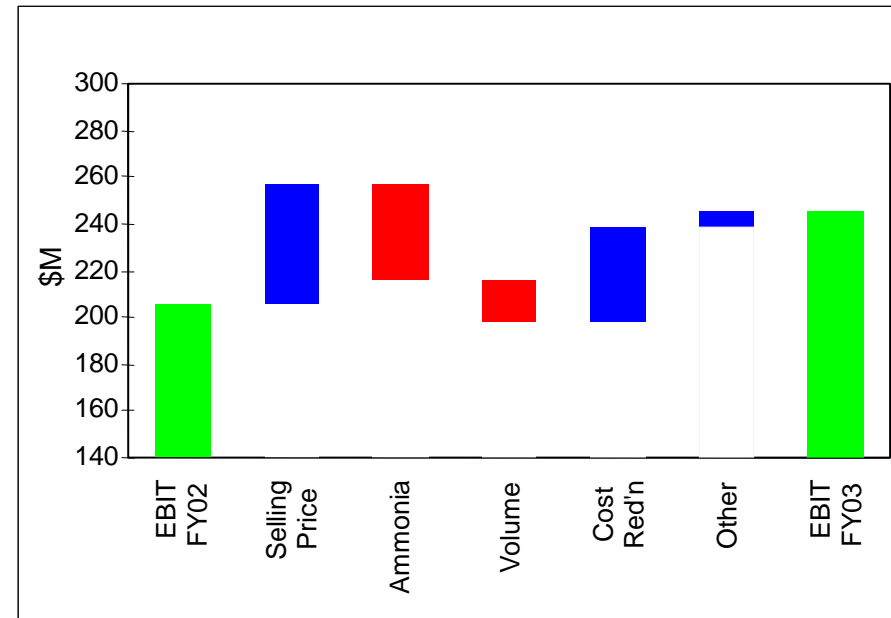
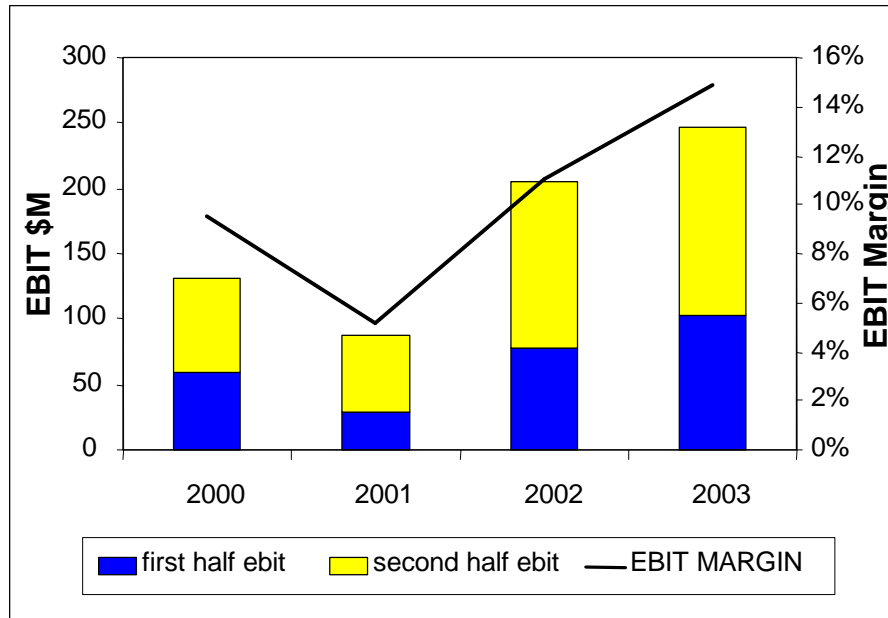
FINANCIALS

Orica – full year financial summary

<i>Year ended 30 Sep (A\$million)</i>	<u>2003</u>	<u>2002</u>	<u>Change</u>
Underlying Results:			
NPAT (excluding significant items)	270	239	31
Cost efficiencies after tax	51	80	(29)
EBIT (excluding significant items)	442	410	32
Results including significant items:			
Significant items after tax	(170)	(25)	(145)
NPAT including significant items	100	214	(114)

Mining Services

Sales \$1,663m, EBIT \$247m, Assets \$1,049m, RONA 24%

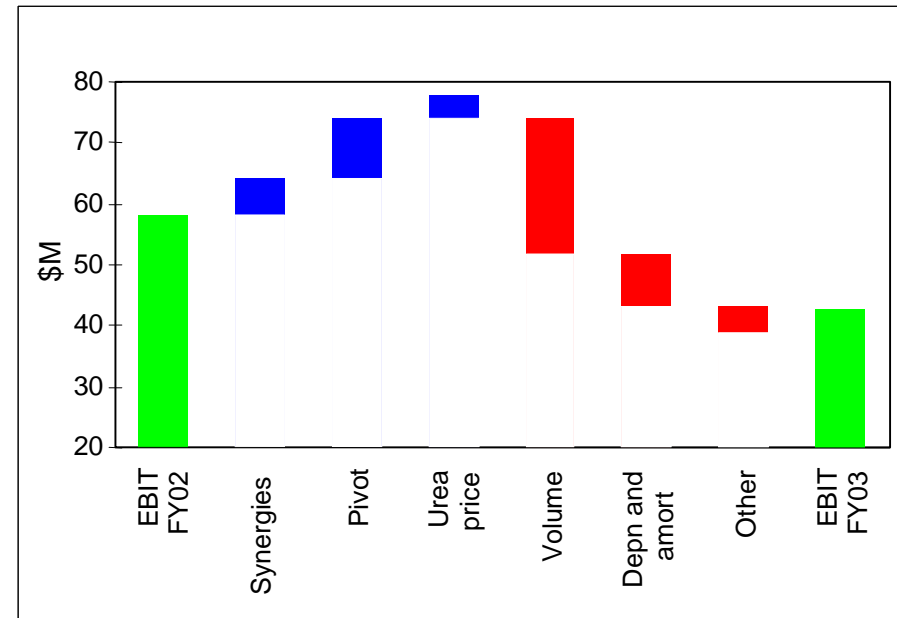
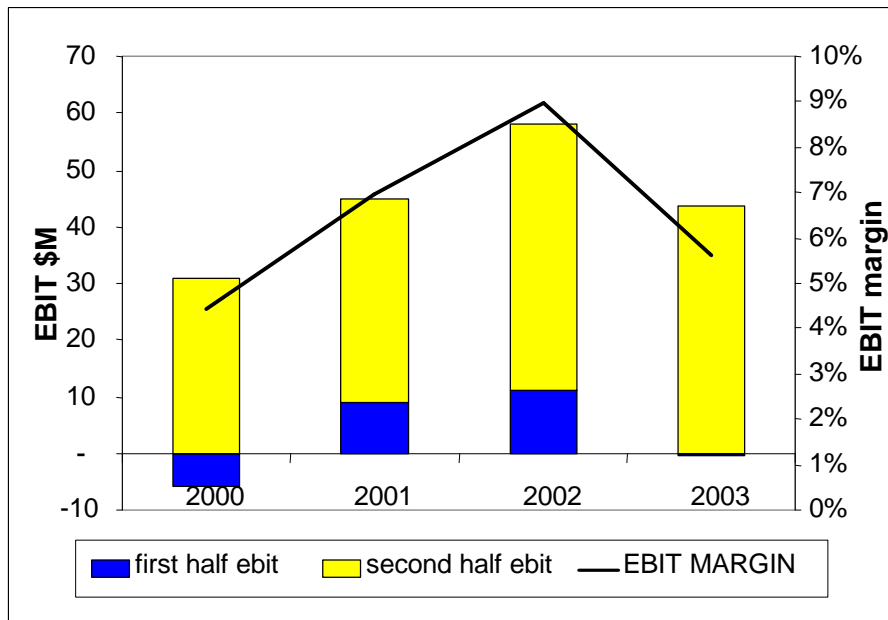


- ✍ Record result in Australia/Asia
- ✍ Some gains in selling prices
- ✍ High gas and ammonia prices in North America

- ✍ Reduced coal demand in North America
- ✍ Cost savings of \$41M
- ✍ Sale and leaseback of MMU's

Fertilisers*

Sales \$760m, EBIT \$43m, Assets \$686m, RONA 9%



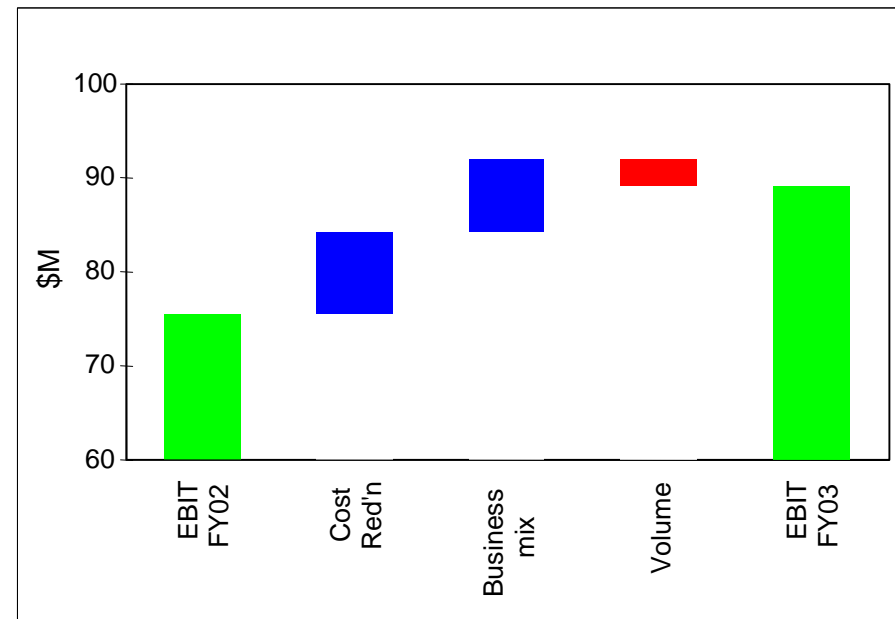
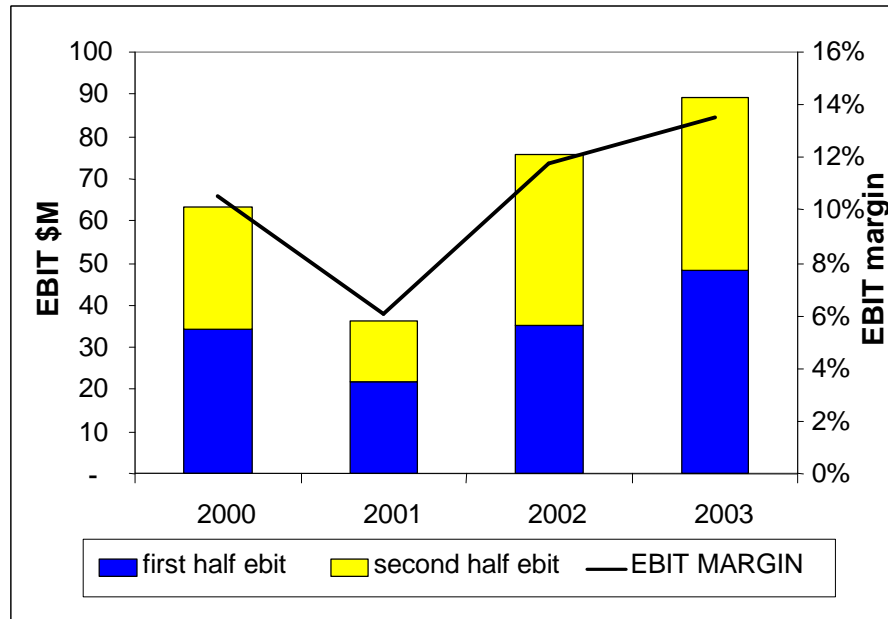
- ✍ Initial merger benefits captured
- ✍ Merger on track, market share retained

- ✍ Prices up in A\$ - Urea
- ✍ Worst drought on record impacting fertiliser volumes
- ✍ Goodwill amortisation

* Includes 8 months Incitec Fertilizers and 4 months Incitec Pivot

Consumer Products

Sales \$568m, EBIT \$89m, Assets \$184m, RONA 44%

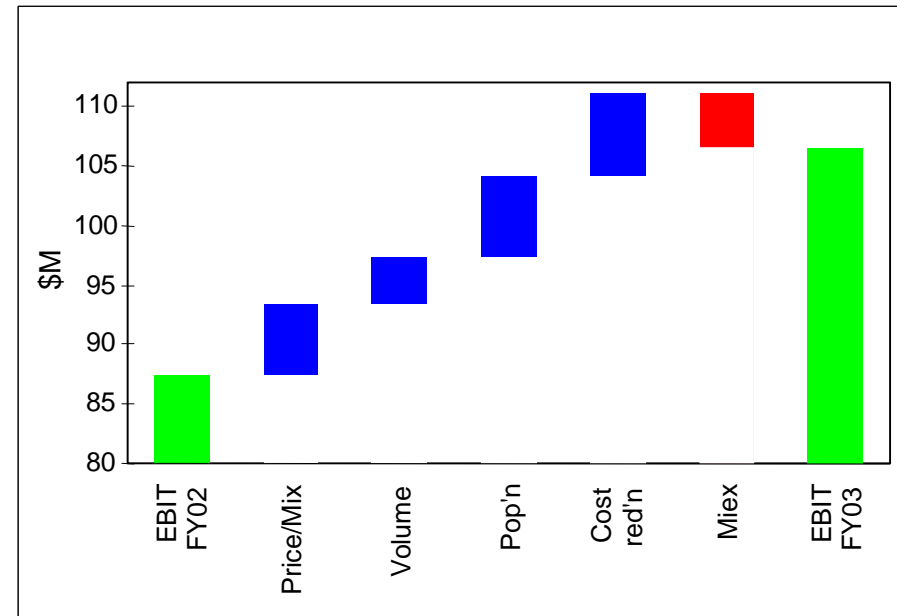
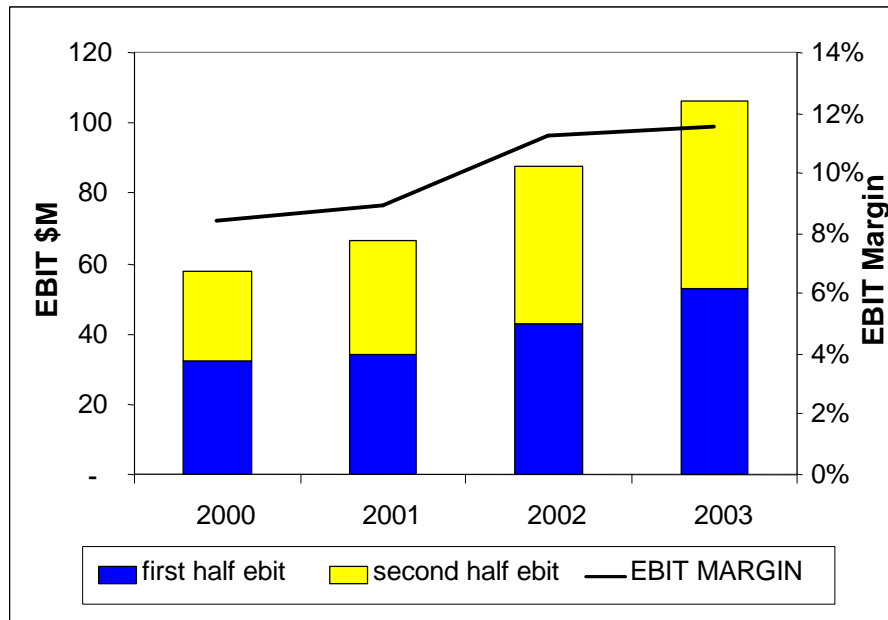


- ✂ Cost savings
- ✂ Strong growth in New Zealand
- ✂ Bottom slicing of unprofitable revenue

- ✂ New Selley's warehouse problems
- ✂ Some one off events in 2002 e.g. initial fill of ex-BBC stores
- ✂ Water restrictions impacting Selley's car care ranges

Chemicals

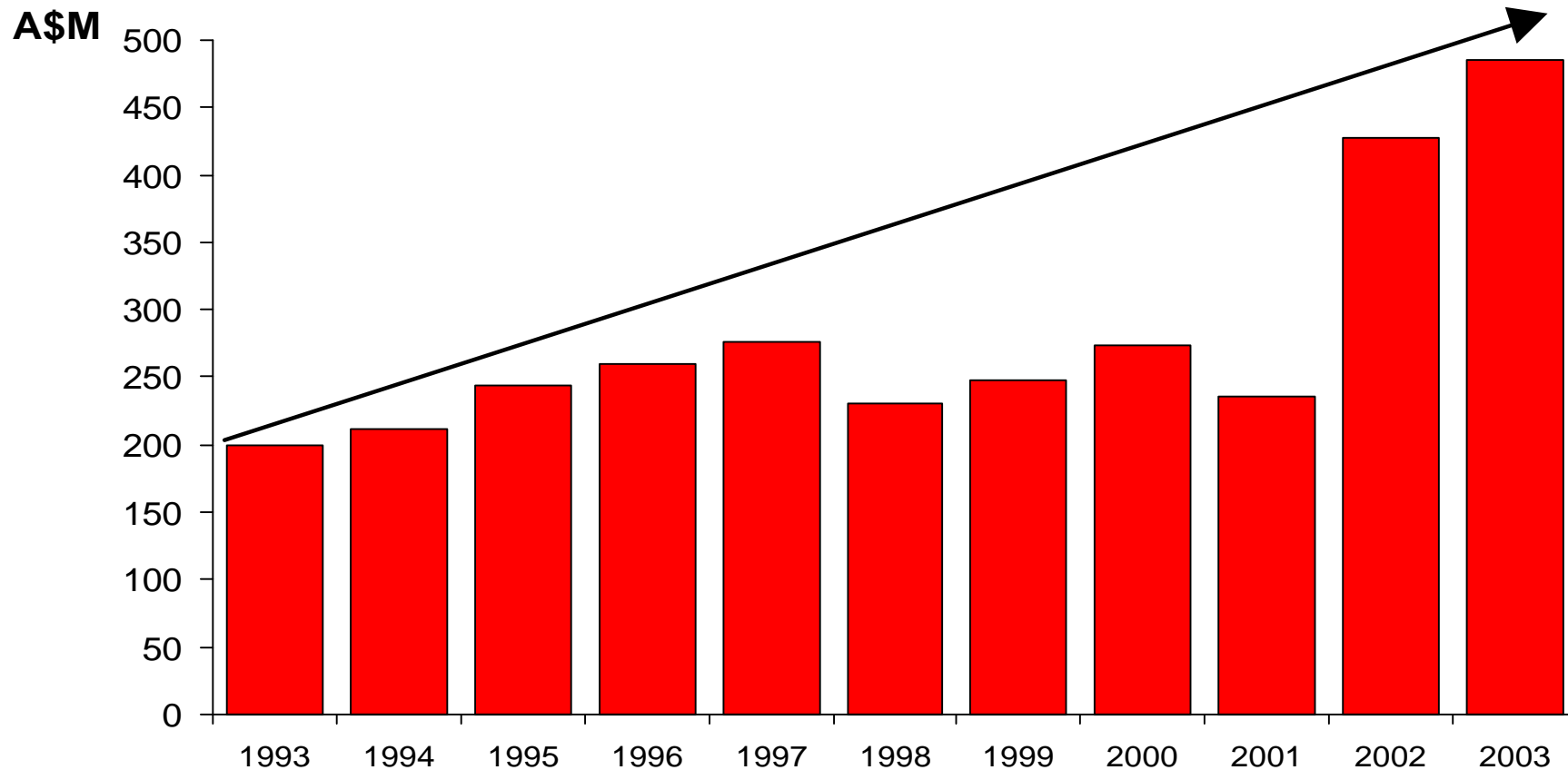
Sales \$923m, EBIT \$107m, Assets \$568m, RONA 21%



- ✍ Sixth consecutive year of earnings growth
- ✍ Increased value add product mix
- ✍ Record volumes in Adhesives & Resins (NZ)

- ✍ Several acquisitions integrated successfully
- ✍ Cost savings from new initiatives
- ✍ Increased spending on Miex

Orica – current* long term EBIT trend



BUSINESS IS NO LONGER DEEPLY CYCLICAL

* after divestments, Qenos write off and excluding corporate costs

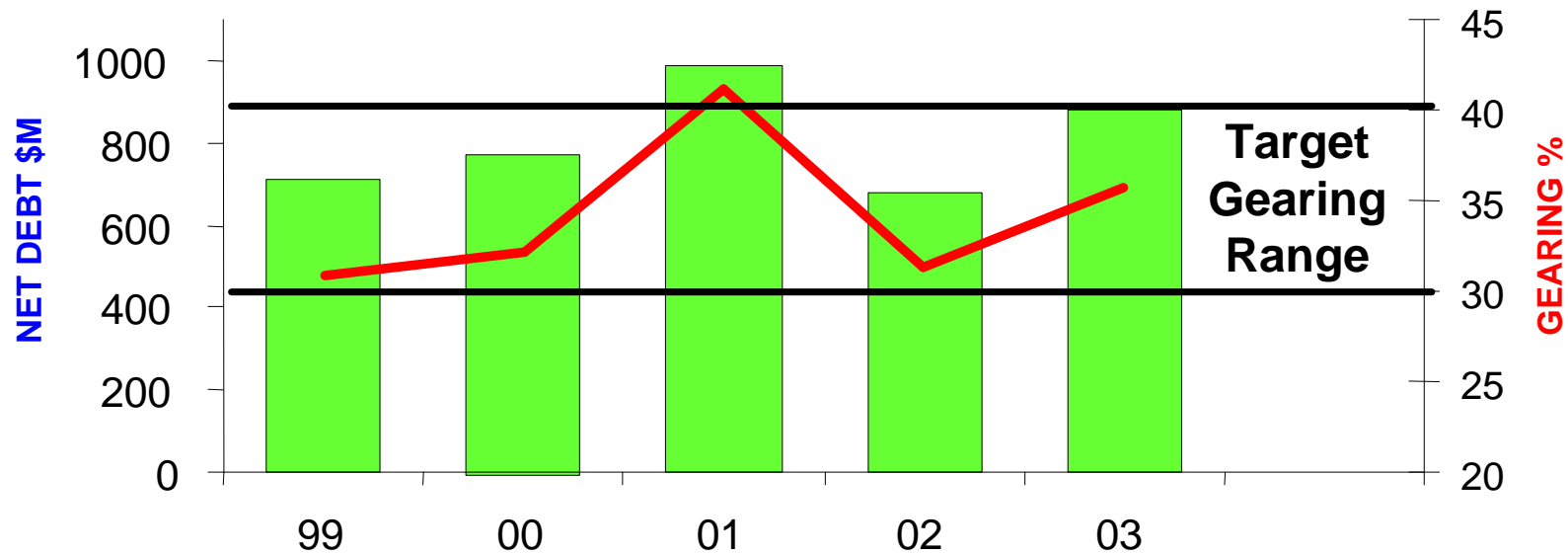
Orica – cash flow

Disciplined capital management

<i>Year ended 30 Sep (A\$million)</i>	<u>2003</u>	<u>2002</u>	<u>Change</u>
Net operating cash flows	500	343	157
Net investing cash flows	(385)	12	(397)
Net financing cash flows	(166)	(330)	164

STRONG CASH FLOW GENERATION

Orica – net debt, gearing, interest cover & rating

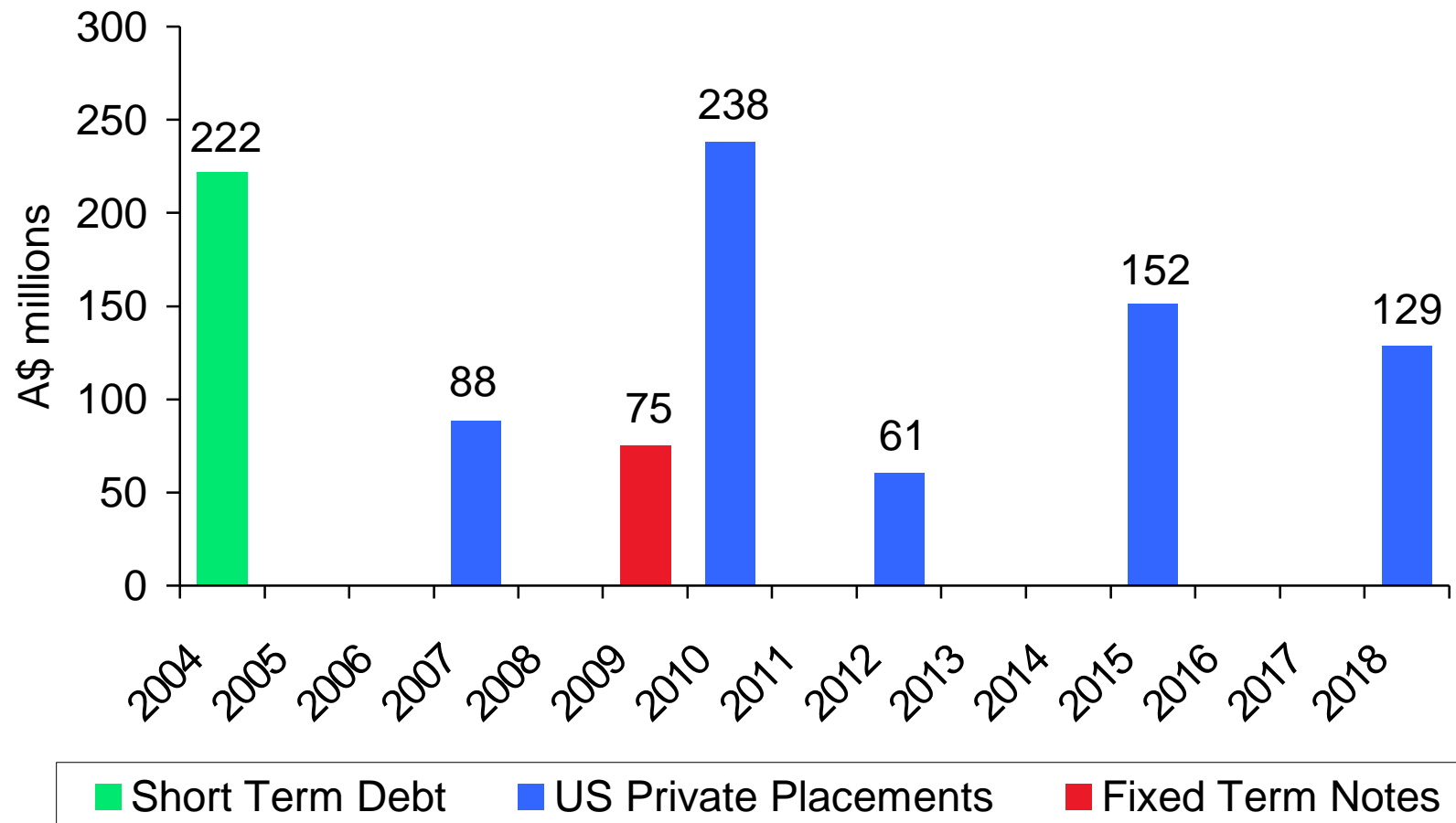


- ✍ Gearing 35.7%, target gearing range of 30 - 40%
- ✍ Interest cover 7.3x. Target > 5x
- ✍ S&P rating BBB+ (stable)

STRONG COVERAGE RATIOS

Orica – debt maturity profile*

weighted average tenor for non-current debt = 9.2 years



* Calculated pro forma including the Oct 2003 US\$185 million Private Placement based on an exchange rate of A\$/US\$ = 0.66

Orica – outlook for 2004

Continued earnings momentum driven by:

- Continued focus on efficiency
- Integration of acquisitions are all on track
- Recent rains in Australia are a good sign, albeit early in the season

“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 3 March, 2004, and the Company undertakes no duty to update this information.

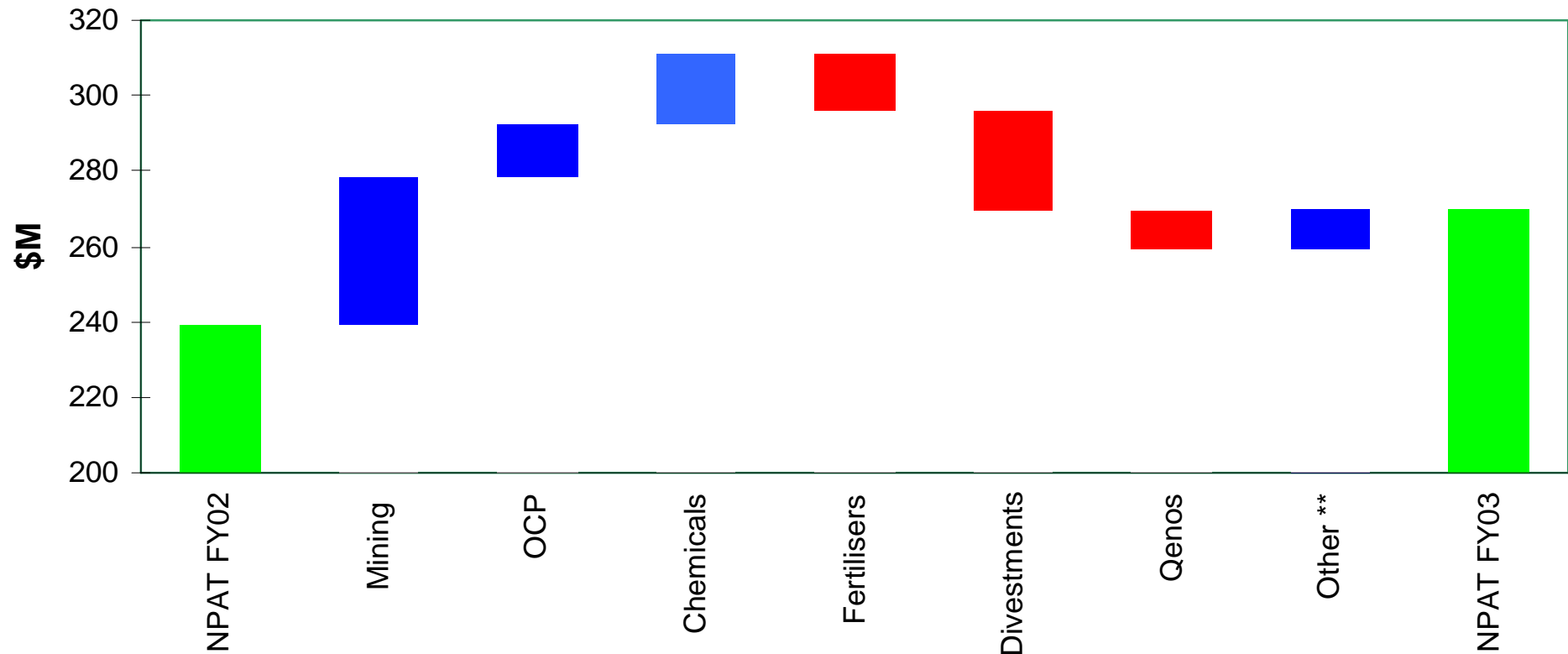
APPENDIX

Orica – significant items

Year ended 30 Sep (A\$million)

	<u>2003</u>	<u>2002</u>
Qenos		
Qenos Botany Losses	(16)	-
Qenos Write-off	(123)	(19)
	<u>(140)</u>	<u>(19)</u>
Legacy issues		
Botany groundwater	(28)	-
Sale of Property, Plant & Equipment	32	28
Writedown of assets	-	(19)
Carrying value of Cropcare	-	(8)
Other	-	(1)
	<u>4</u>	<u>-</u>
Restructuring and rationalisation		
Restructuring costs	(34)	(6)
Post tax significant items	<u>(170)</u>	<u>(25)</u>

Orica – NPAT* analysis



- ~~✎~~ Underlying EBIT growth of 11%
- ~~✎~~ Record results for Mining Services, Chemicals and Consumer Products

- ~~✎~~ Drought impacting Fertilisers
- ~~✎~~ Impact of divesting businesses
- ~~✎~~ Qenos losses

* NPAT before significant items

** Other includes corporate, support services, net interest, tax and minorities

Other

Other Operations, Corporate Centre and Other Support Services

<i>Year ended 30 Sep (A\$million)</i>	<u>2003</u>	<u>2002</u>	<u>Change</u>
Other Operations			
Qenos	(11)	(1)	(10)
AVC Vinyls	-	4	(4)
Crop Care	(2)	21	(23)
	<u>(13)</u>	<u>24</u>	<u>(37)</u>
Corporate Centre	(23)	(25)	2
Other Support Costs	(7)	(16)	9
	<u>(43)</u>	<u>(17)</u>	<u>(26)</u>

- ✍ Low polyethylene prices and high input costs
- ✍ Sale of AVC and Crop Care (\$27M syngenta commissions in 2002)

- ✍ Corporate cost savings
- ✍ Lower insurance captive costs

Orica – balance sheet

<i>As at 30 Sep (A\$million)</i>	<u>2003</u>	<u>2002</u>
Current assets	\$1,282.6	\$1,270.3
Property, plant & equipment	1,436.8	1,414.1
Intangibles	441.7	135.5
Investments & other assets	394.2	545.3
Total Assets	\$3,555.3	\$3,365.2
Payables, provisions & tax liabilities	\$1,010.2	\$1,045.0
Short term debt	167.0	101.9
Long term debt	797.6	724.2
Shareholders' equity	1,580.5	1,494.1
Total S/H Equity and Liabilities	\$3,555.3	\$3,365.2
EBITDA (ex individually significant items)	\$617.5	\$581.8
Net Debt	877.0	679.7
Net Debt/(Net Debt + Shareholders Equity)	35.7%	31.3%
Net Debt / EBITDA	1.6x	1.4x
EBITDA / Net Interest Expense	10.2x	9.8x
EBIT / Net Interest Expense	7.3x	6.9x

HEALTHY BALANCE SHEET