2008 Orica Day
Executive Director of Finance

11 March 2008

Debt refinancing - background

- Global credit markets in turmoil
- Orica normally renews its committed bank facilities early in the new calendar year
- Orica brought forward the process by a few months in order to eliminate uncertainty in the current environment

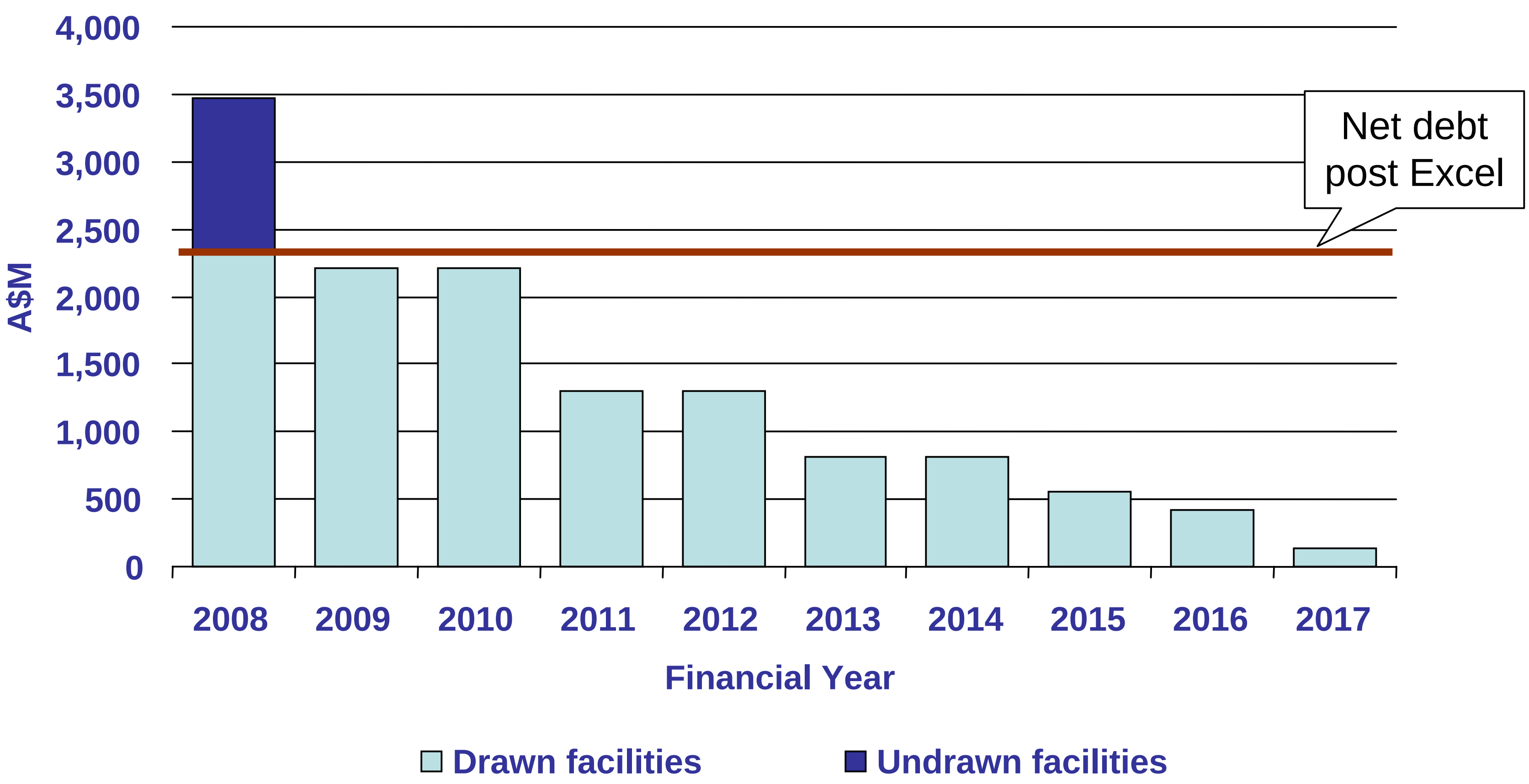
Debt refinancing - outcome

- Increase in overall limit by A$300M to A$2.3B
- Benefit of Orica's strong banking relationships
- Increased tenor: 1 year tranche significantly reduced, 3 tranche increased and a new 5 year tranche added
- Multi currency, flexible and cancellable at Orica's option
- Margin increases of approximately 20 bps
- No short-term refinancing requirements.

Debt refinancing - benefits

- Certainty and liquidity – required volume “locked in” at more than competitive margins in the current environment
- Sufficient head room to maintain business growth
- Maintains flexibility for when markets settle.
- Orica’s strong balance sheet and BBB+ rating position Orica very well in terms of future financing needs.

Debt profile

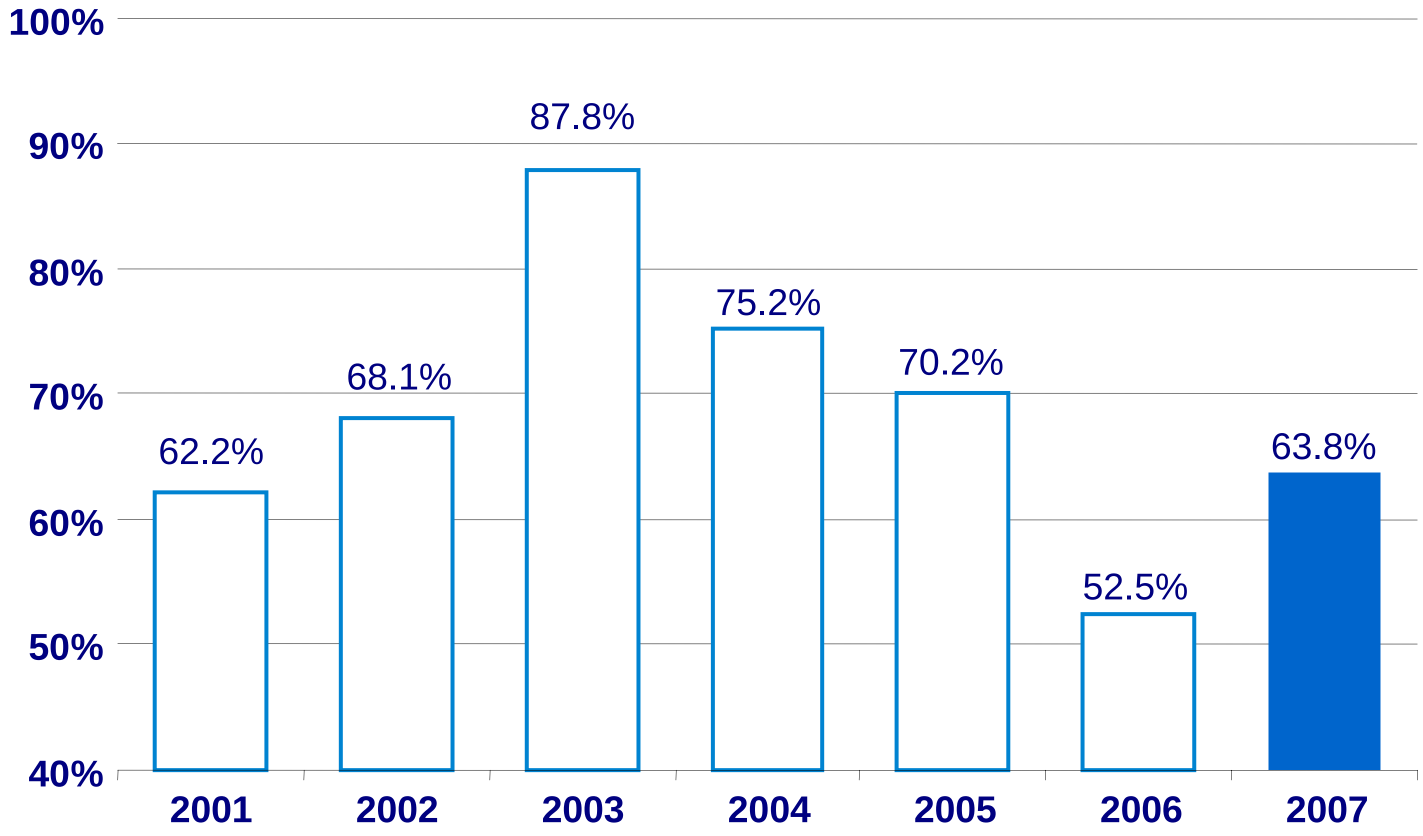


Capital management priorities for 2008

- Gearing is approximately 50% on adjusted basis (post Excel Mining acquisition)
- Restoring gearing to our target range
- Continuing focus on cash generation
- Credit rating – committed to BBB+

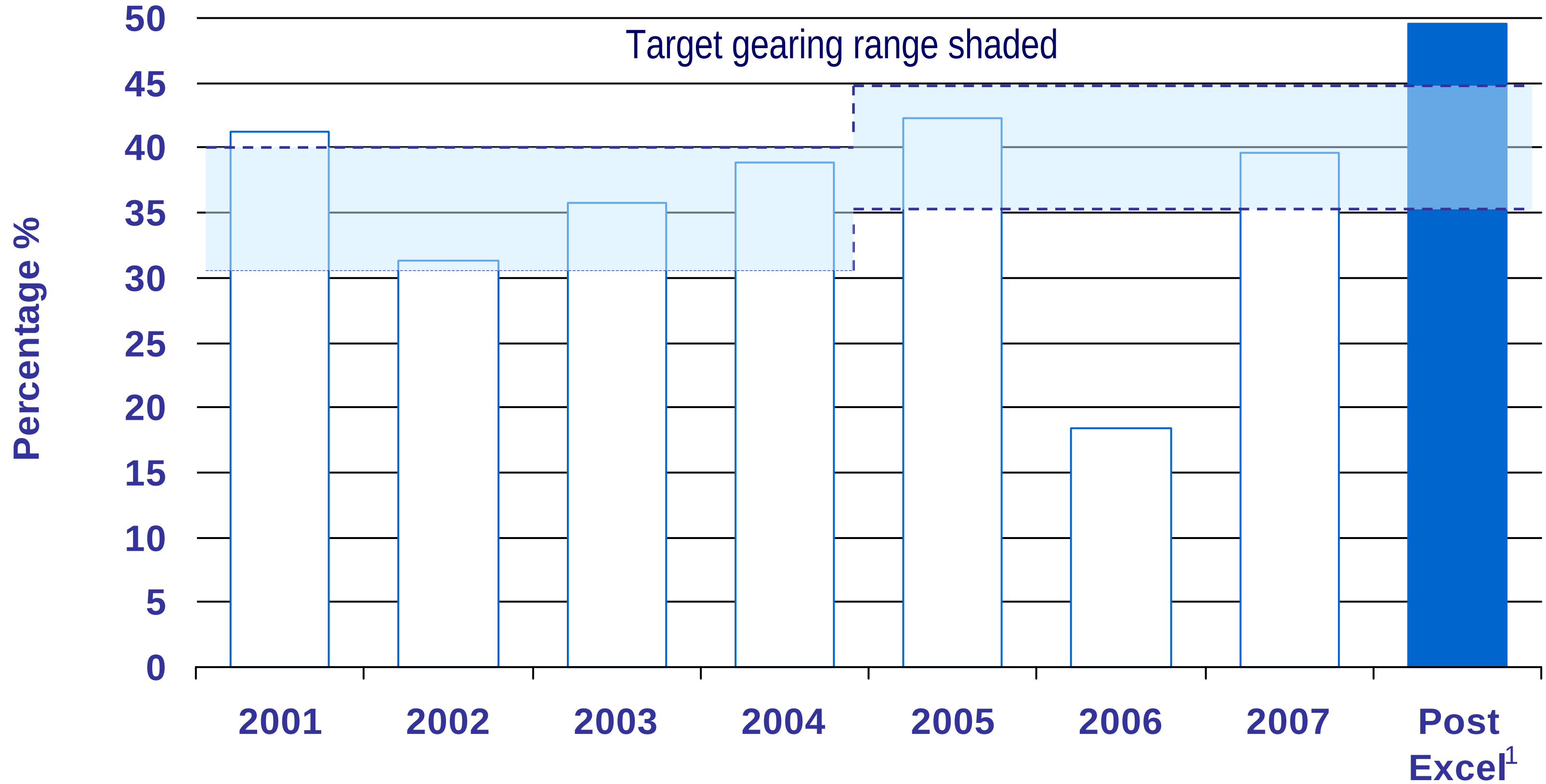
1. Operating cash is calculated as EBITDA add/less movement in trade working capital less sustenance capital

Cash conversion[1]



1. Cash conversion is calculated as EBITDA add/less movement in working capital less sustenance capital spend.

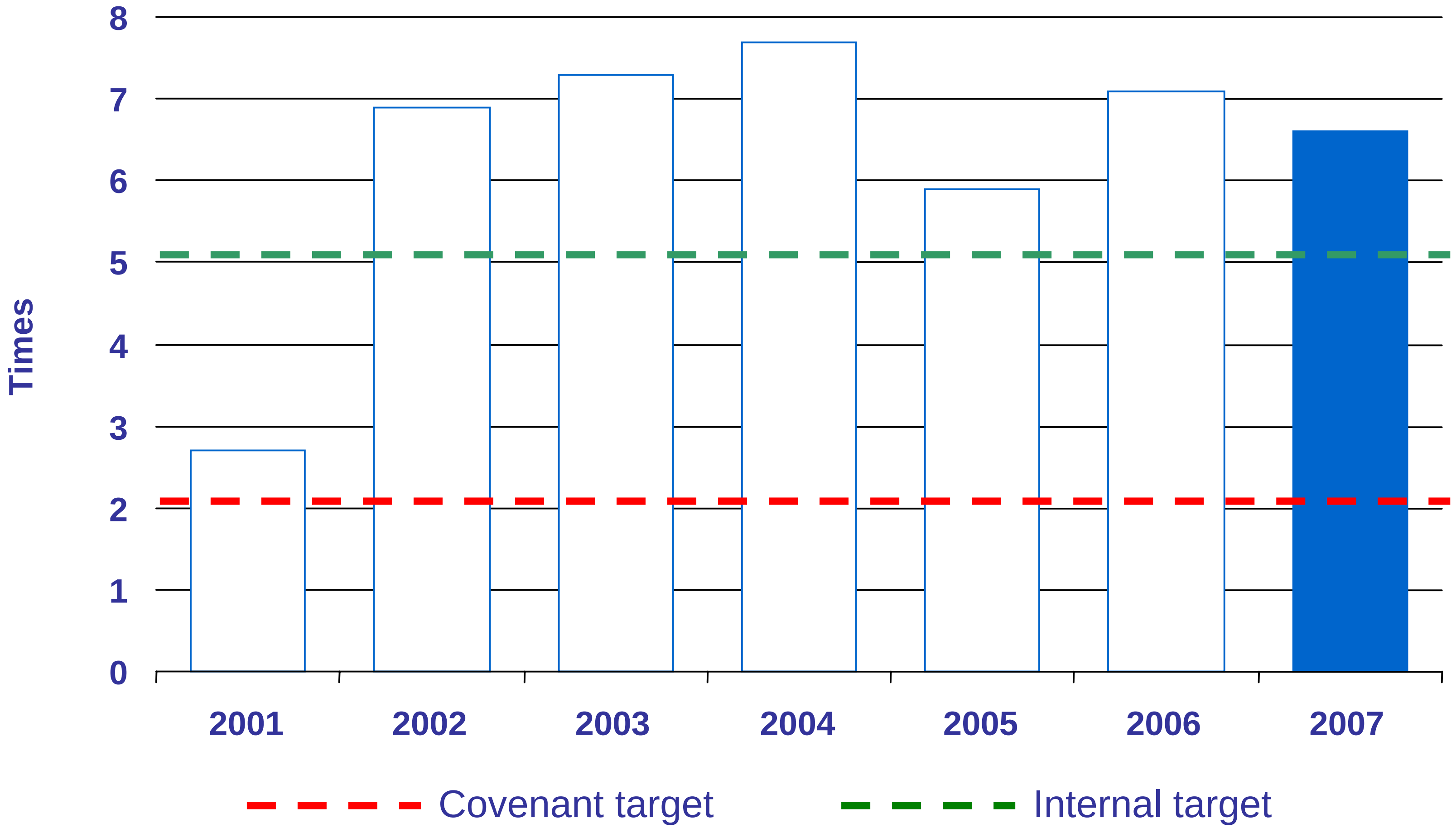
Gearing



Gearing is calculated after adjusting for SPS securities from 2006 (SPS securities notionally 50% debt and 50% equity)

1. Gearing is on a pro-forma basis as at September 2007 post the acquisition of Excel

Interest cover



Foreign exchange

- Strengthening AUD continues to impact earnings
- Both earnings translation and transactional exposures impact – approximately 50/50
- 1% move against a basket of currencies impacts EBIT by approx $3M on annualised basis
- Have taken out some option cover to minimise volatility on the 2008 financial year

Foreign currency - snapshot

Material exposures include:

Offshore EBIT (Translation)	Transactional Exposures
• North America	• AUD/USD
• Europe	• USD/CLP/MXN
• New Zealand	• USD/CAD
• LATAM	• USD/NZ
• Nordics	• USD/EUR
	• NOK/SEK

Net impact of a 1% move in exchange rates on a diversified basket of currencies is approximately A$3.0M

Exchange rates

Average exchange rate summary

Australian Dollar to:	Average rate FY 2007	Average rate to Feb 2008
Canadian Dollar	.9025	.8920
US Dollar	.8070	.9028
Chilean Peso	431.49	438.20
Norwegian Kroner	4.92	4.89
New Zealand Dollar	1.14	1.16
Euro	.6074	.6118
Swedish Kroner	5.60	5.75

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