Full Year Results Announcement

9 November 2009

Presentation outline

► Group performance	Graeme Liebelt
► Divisional performance	Noel Meehan
► Capital management	Noel Meehan
► 2010 priorities	Graeme Liebelt
► Outlook	Graeme Liebelt

Group performance

Full year ended 30 September (A$M)	2009	2008	% ↕
Sales	**7,411.0**	6,544.1	*13.2* ↑
Gross margin	**3,181.8**	2,874.6	*10.7* ↑
EBITDA [1]	**1,330.2**	1,188.8	*11.9* ↑
EBIT [1]	**1,082.5**	970.1	*11.6* ↑
Net profit after tax pre individually material items	**646.1**	572.3	*12.9* ↑
Net profit after tax after individually material items	**541.8**	539.6	*0.4* ↑
Operating cashflow	**854.9**	736.9	*16.0* ↑
Productivity (%) [2]	**68.5**	69.0	*0.8* ↑
Earnings per share (cents) [1]	**174.6**	170.0	*2.7* ↑
Dividends per share (cents)	**97.0**	94.0	*3.2* ↑
Return on shareholder's funds (%) [1]	**16.0**	16.9	*(5.3)* ↓
Gearing (%) [3]	**21.6**	19.1	*13.0* ↓

1 Pre individually material items
2 Productivity measured as total fixed costs as a percentage of gross margin
3 Net debt/(net debt + book equity)

Divisional EBIT

Full year ended 30 September (A$M)	2009	2008	% ↕
Mining Services	**736.5**	635.6	*15.9* ↑
Minova [1]	**145.1**	150.1	*(3.3)* ↓
Chemicals	**170.4**	146.1	*16.6* ↑
DuluxGroup	**128.9**	122.6	*5.1* ↑
Total Businesses	**1,180.9**	1,054.4	*12.0* ↑
Corporate Centre [2]	**(41.1)**	(46.1)	*10.8* ↑
Other Support Costs [3]	**(57.3)**	(38.2)	*(50.0)* ↓
Total EBIT	**1,082.5**	**970.1**	***11.6*** ↑

1 Minova earnings in 2008 are inclusive of Excel from 26 October 2007.
2 2008 includes $8M cost associated with cancellation of 5% Preference Shares.
3 2009 includes Botany related expenses of $12M.

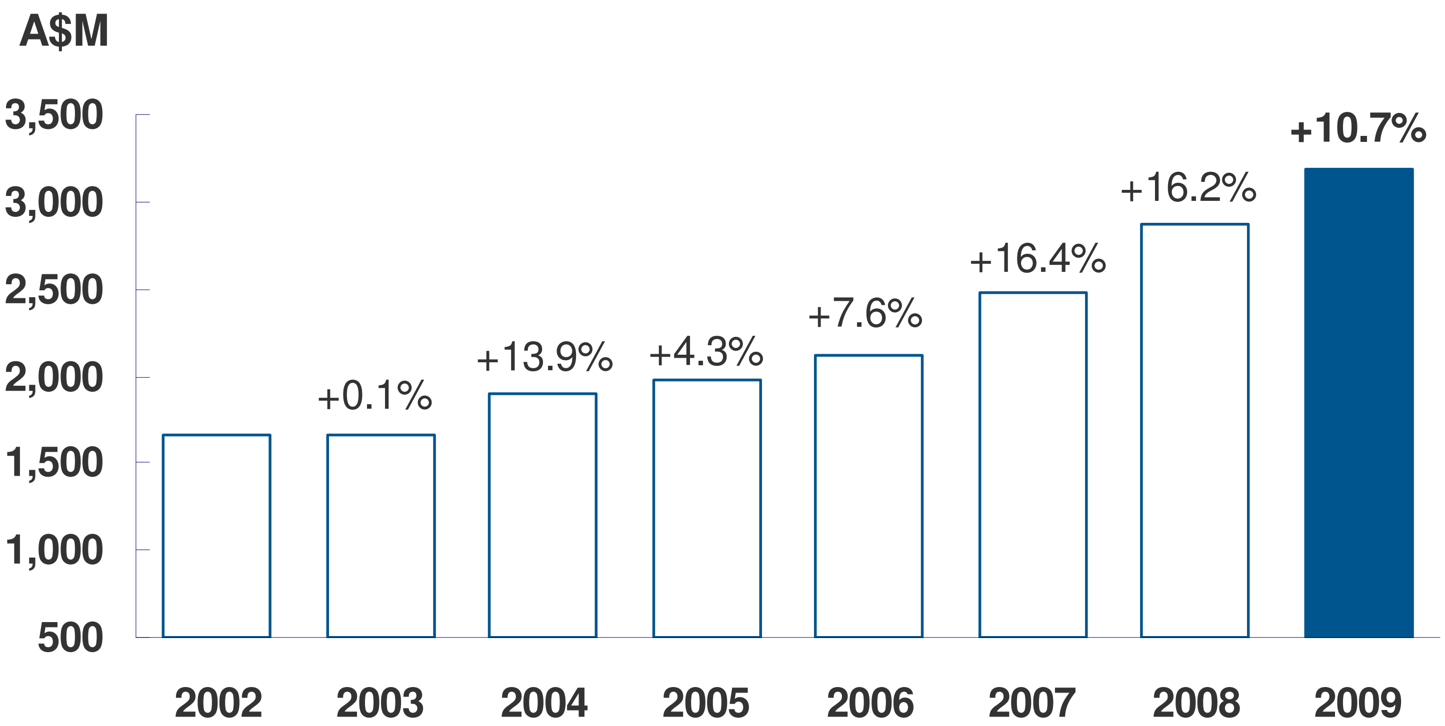
Orica's approach – value drivers

SH&E – Safety

	Full Year 2009	Full Year 2008
AWRCR [1]	**0.69**	0.72
Recordable cases	**146**	144
Distribution incidents	**43**	24
Fatalities	**4**	-

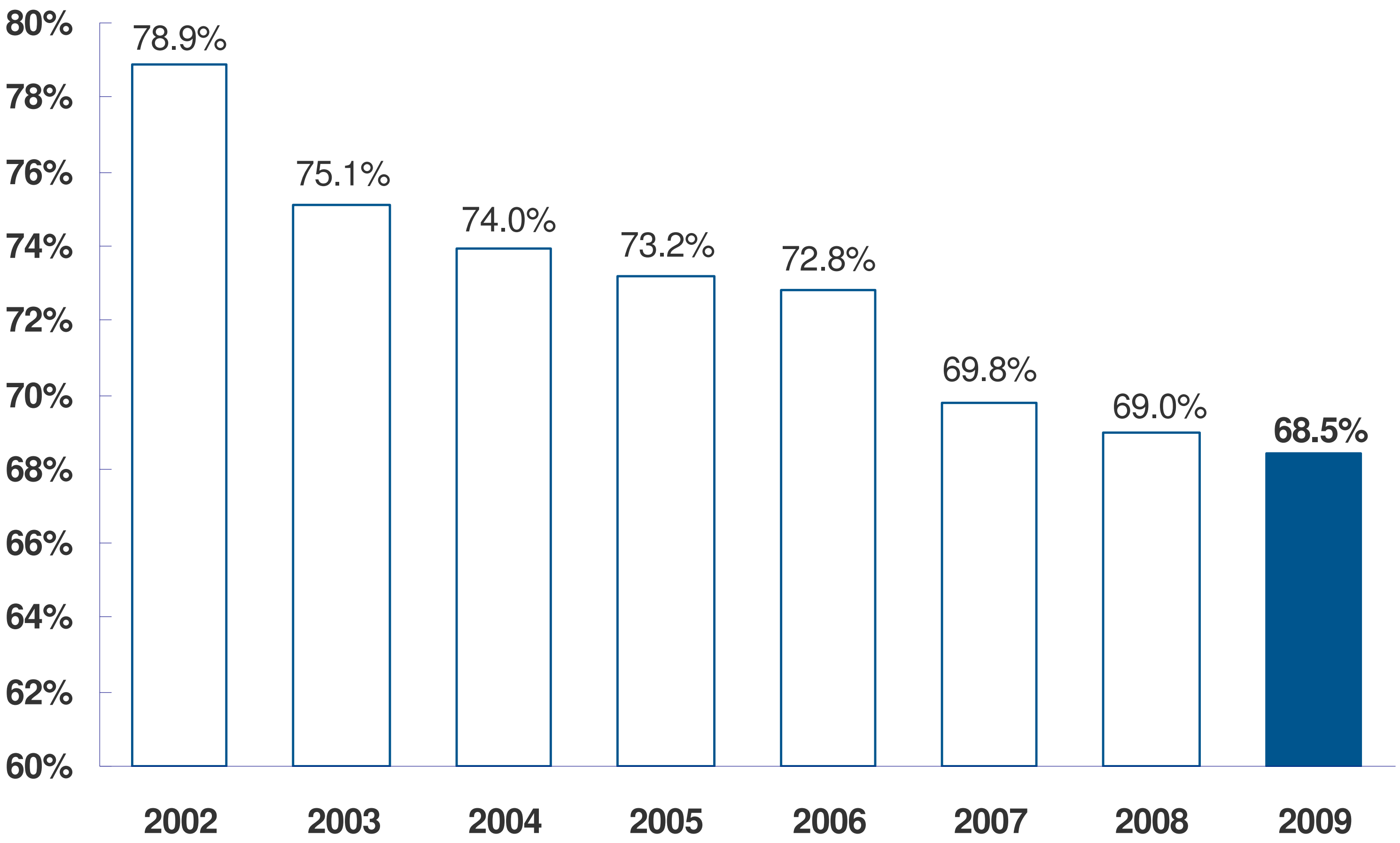
[1] All Worker Recordable Case Rate is calculated as the number of injuries and illnesses per 200,000 hours worked.

Gross margin growth



Compound average growth rate since 2002 is 10%

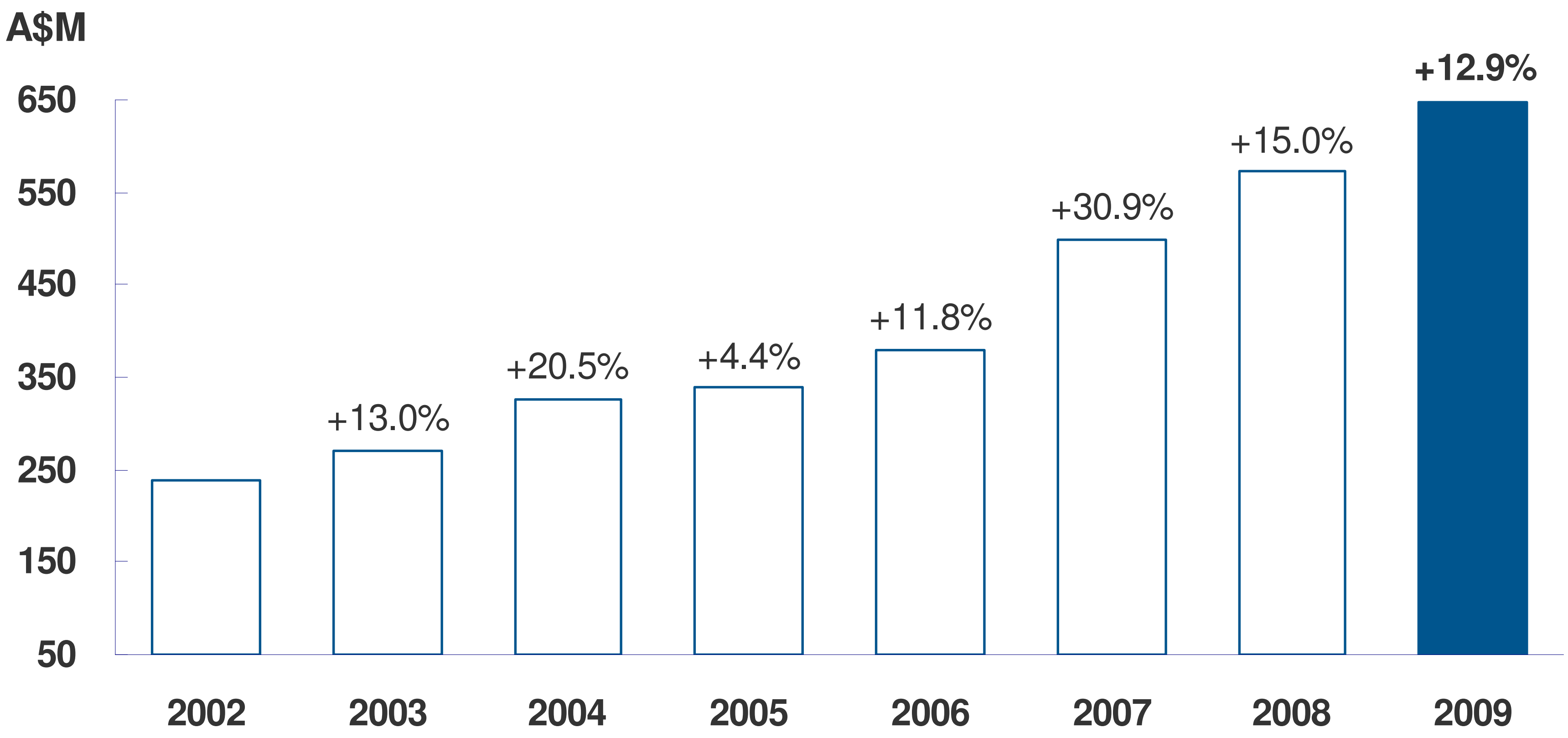
Productivity [1]



Continuous improvement in productivity

[1] Productivity is measured as fixed costs (incl. depreciation and amortisation) as a percentage of gross margin.

Net profit after tax [1]



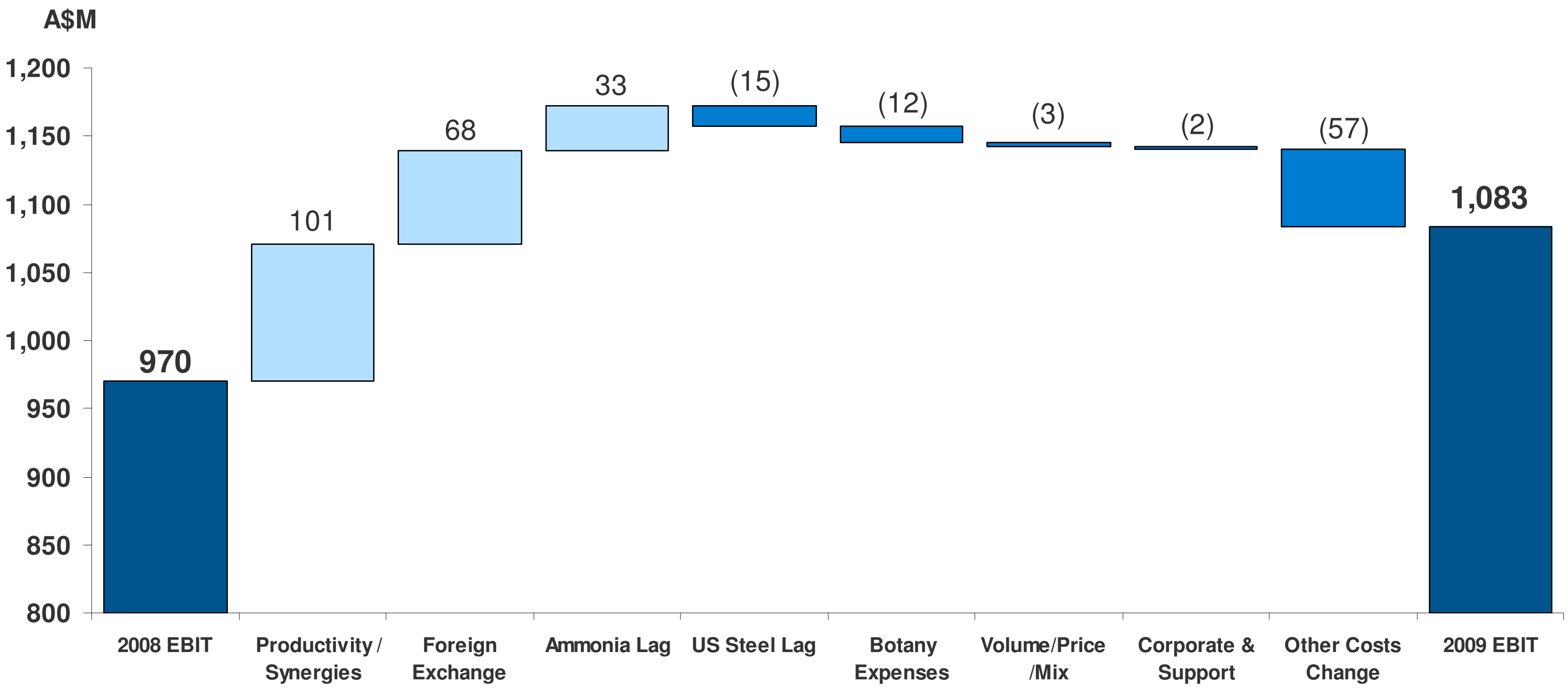
Compound average growth rate since 2002 is 15%

[1] Pre individually material items

Divisional Performance

EBIT growth

EBIT ↑ 12%



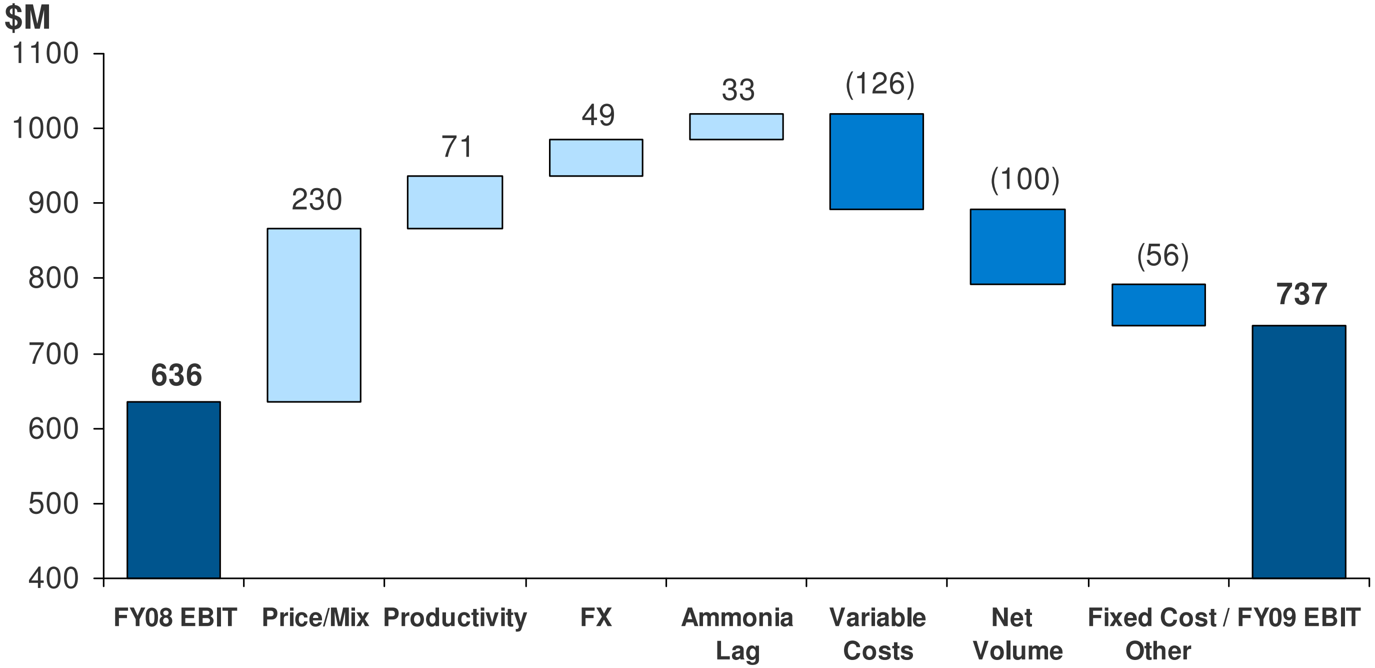
Orica Mining Services

Full year ended 30 September (A$M)	2009	2008	% ↕
Sales	**4,057.8**	3,552.1	*14.2* ↑
EBITDA	**888.6**	767.8	*15.7* ↑
EBITDA margin (%)	***21.9%***	*21.6%*	*1.4* ↑
EBIT	**736.5**	635.6	*15.9* ↑
EBIT margin (%)	***18.2%***	*17.9%*	*1.7* ↑
Return on net assets (%)	**28.2%**	25.5%	*10.7* ↑
Average operating net assets	**2,608.7**	2,491.5	*4.7* ↑

Orica Mining Services

Sales $4,058M; EBIT $737M; Average Operating Net Assets $2,609M; RONA 28.2%

EBIT ↑ 16%



- ✓ Favourable price changes, net of input cost increases, due mainly to improved AN pricing
- ✓ Productivity improvement from tight cost control and restructuring initiatives
- ✓ Favourable foreign exchange impact, net of hedging costs
- ✓ Favourable lag on recovery of ammonia and AN input costs

- ↓ Volume impact from significant slowdown in infrastructure markets and production cuts in North American thermal coal and global base metal markets, mostly offset by strong volumes in coal and gold segments
- ↓ Higher fixed costs due to inflationary factors and higher depreciation

Minova

Full year ended 30 September (A$M)	2009	2008	% ↕
Sales	**940.9**	794.2	*18.5* ↑
EBITDA	**181.1**	179.9	*0.7* ↑
EBITDA margin (%)	***19.2%***	*22.6%*	*(15.0)* ↓
EBIT	**145.1**	150.1	*(3.3)* ↓
EBIT margin (%)	***15.4%***	*18.9%*	*(18.5)* ↓
Return on net assets (%) [1]	**10.7%**	10.1%	*6.1* ↑
Average operating net assets [2]	**1,787.4**	1,873.8	*(4.6)* ↓

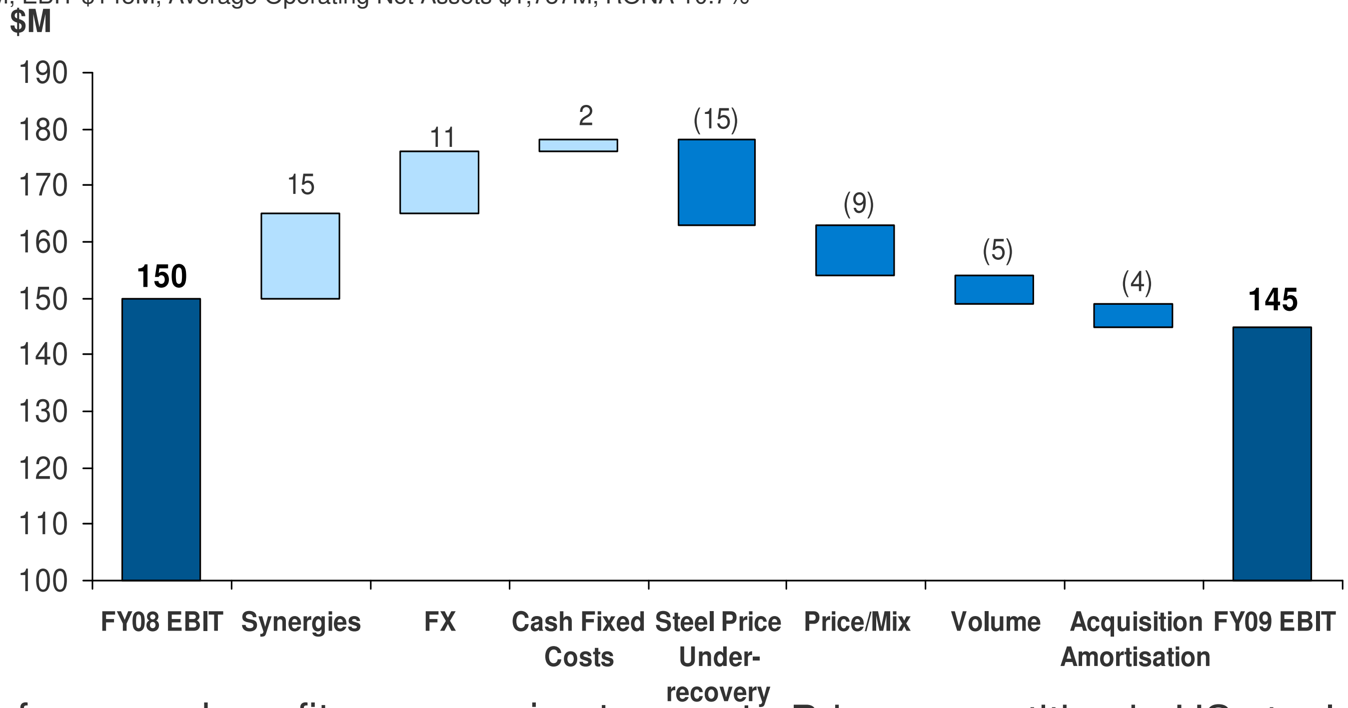
1 Return on net assets calculation has been adjusted for $45.9M in 2009 (2008: $38.6M) of taxation and financial structuring benefits

2 Average operating net assets in 2008 is calculated as 2008 year end operating net assets, due to the opening balance of 2008 not including Excel.

Minova

Sales $941M; EBIT $145M; Average Operating Net Assets $1,787M; RONA 10.7%

EBIT ↓ 3%



- ✓ Delivery of synergy benefits progressing to plan
- ✓ Favourable translational impact from foreign exchange net of hedging costs
- ✓ Lower cash fixed costs reflecting ongoing focus on improved cost control
- ↓ Under-recovery in the market of steel input prices in US
- ↓ Price competition in US steel business
- ↓ Slowing market conditions, mainly in the US and Russia, and impact of US market share loss in 2008, partly offset by growth in China and contribution from bolt-on acquisitions
- ↓ Amortisation increase attributable to acquisitions in prior year

Acquired Minova business performance

Year ended 30 September (A$M)	2009
Underlying trading performance of Minova Businesses	160.1
Under-recovery of US steel input prices	(15.2)
Synergies delivered	26.1
Amortisation of intangibles	(25.9)
Minova reported EBIT	**145.1**

Synergy Benefit [1] (A$M)	2008	2009	2010	2011
Current View	11.0	26.0	37.0	45.0

Integration is on track.

Growth and productivity initiatives progressing to plan

1 EBIT synergies only, excludes taxation synergies.

Acquired Minova business – integration costs

Integration cost category (A$M)	2009 Actual	Cumulative Actual
Integration costs	1.6	**4.5**
Synergy implementation costs	6.0	**10.3**
Redundancies	2.1	**2.7**
Transitional salaries/other	2.1	**4.3**
Total integration costs	**11.8**	**21.8**
Project office costs	1.0	**3.0**
Total individually material items (pre tax) [1]	**12.8**	**24.8**

[1] Total integration and project office costs are forecast to be $45M by project completion, compared to an initial estimate of $59M.

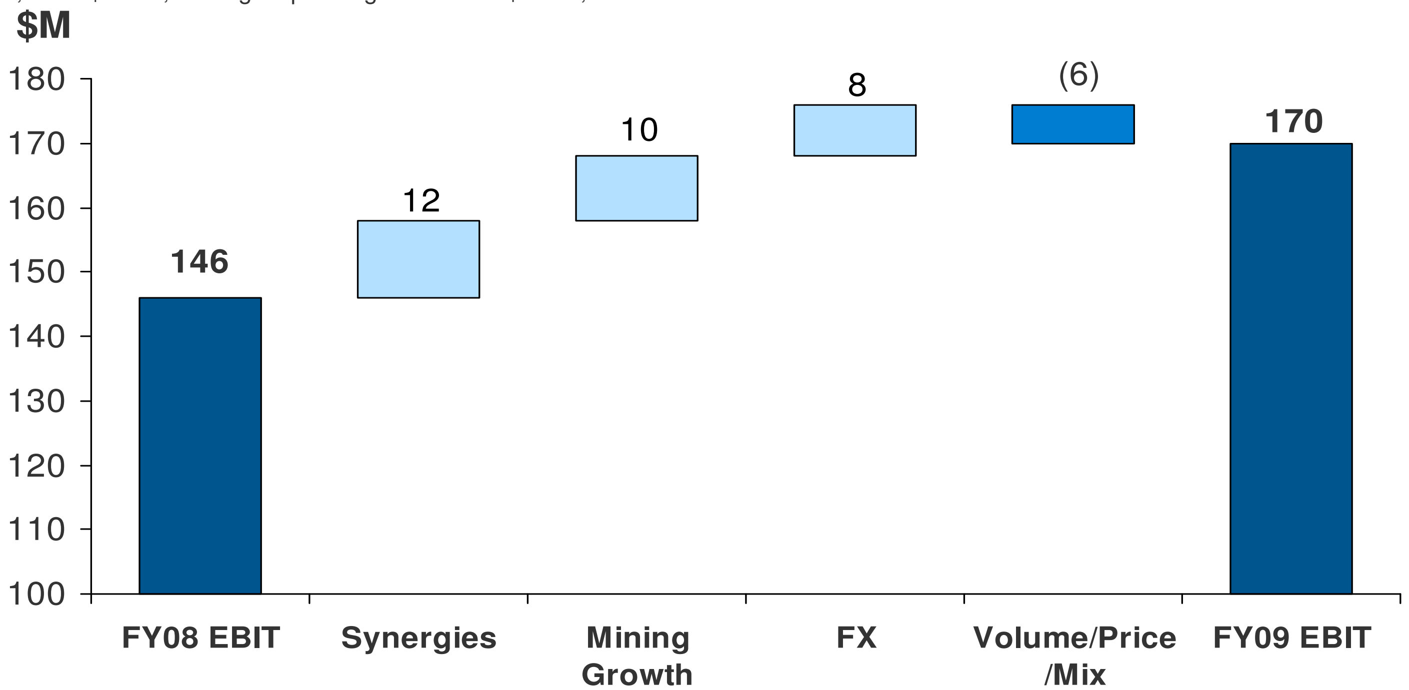
Chemicals

Full year ended 30 September (A$M)	2009	2008	% ↕
Sales	**1,548.3**	1,406.1	*10.1* ↑
EBITDA	**204.2**	178.3	*14.5* ↑
EBITDA margin (%)	***13.2%***	*12.7%*	*3.9* ↑
EBIT	**170.4**	146.1	*16.6* ↑
EBIT margin (%)	***11.0%***	*10.4%*	*5.8* ↑
Return on net assets (%)	**21.6%**	19.1%	*13.0* ↑
Average operating net assets	**790.7**	765.8	*3.3* ↑

Chemicals

EBIT ↑ 17%

Sales $1,548M; EBIT $170M; Average Operating Net Assets $791M; RONA 21.6%



- ✓ Synergy benefits of Chemnet and Chemical Services merger delivering to expectations
- ✓ Strong growth in Mining Chemicals mainly due to strong demand for sodium cyanide
- ✓ Net benefit from foreign exchange movements
- ✓ Higher average global caustic price
- ✓ Improved performance in Bronson & Jacobs driven by improved customer service and stronger volumes in Food and Nutrition markets
- ↓ Significant slowdown in most other market segments negatively impacting volume

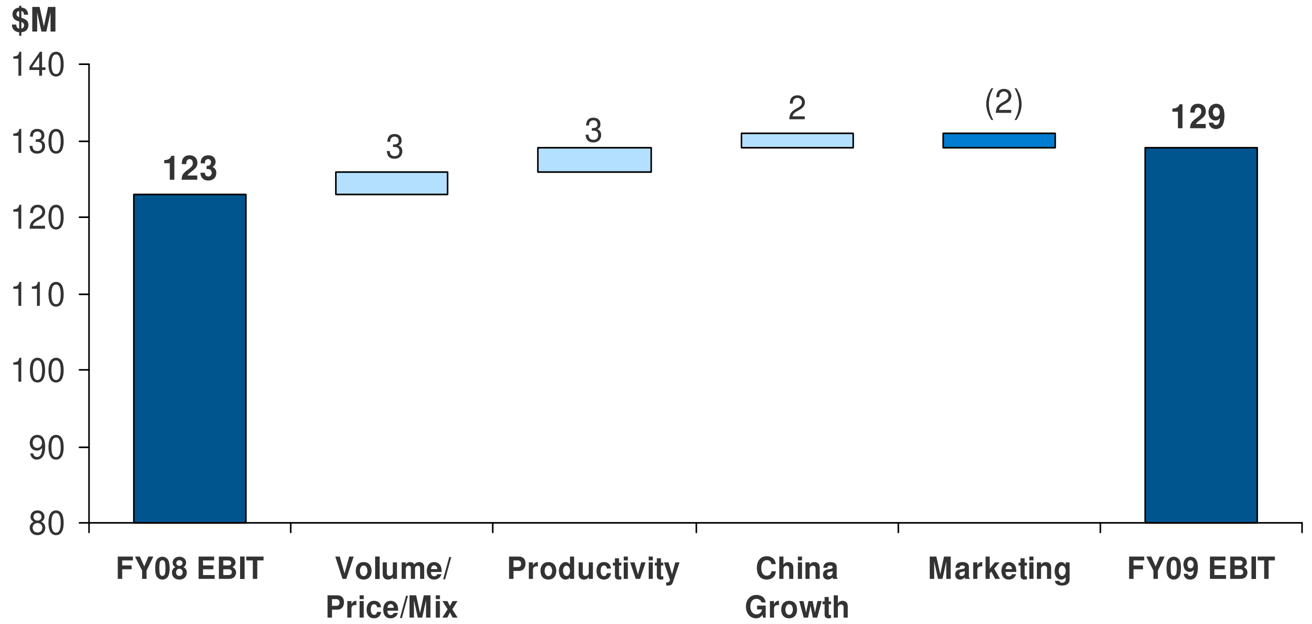
DuluxGroup

Full year ended 30 September (A$M)	2009	2008	% ↕
Sales	**940.2**	875.4	*7.4* ↑
EBITDA	**145.9**	136.3	*7.0* ↑
EBITDA margin (%)	***15.5%***	*15.6%*	*(0.3)* ↓
EBIT	**128.9**	122.6	*5.1* ↑
EBIT margin (%)	***13.7%***	*14.0%*	*(2.1)* ↓
Return on net assets (%)	**45.3%**	47.0%	*(3.6)* ↓
Average operating net assets	**284.5**	260.8	*9.1* ↑

DuluxGroup

Sales $940M; EBIT $129M; Average Operating Net Assets $285M; RONA 45.3%

EBIT ↑ 5%



- ✓ Record result despite market decline, rising input costs and increased competition
- ✓ Market share gains in Australia for Paints
- ✓ Revenue growth for Selleys driven by new products and category expansion
- ✓ Yates restructuring complete and now focussed on brand investment and innovation
- ✓ Tight cost control across all businesses
- ✓ Sopel acquisition in China completed and delivering to plan
- ↓ Difficult market conditions in New Zealand and Powder Coatings
- ↓ Increased spend on marketing and innovation to support business growth and market share

Corporate centre and other support services

Full year ended 30 September (A$M)	2009	2008	$ ↕
Corporate centre costs	**(41.1)**	(46.1)	*5.0* ↑
Other support costs	**(57.3)**	(38.2)	*(19.1)* ↓
Total costs	**(98.4)**	(84.3)	*(14.1)* ↓

Corporate Centre

- ✓ Prior year included cancellation costs on 5% Preference Shares - $7.5M

Other support costs

- ↓ Botany related expenses $12M

Individually material items

Full year ended 30 September (A$M)	2009	2008
Dyno Nobel integration costs	**(12.6)**	(9.0)
Minova/Excel integration costs	**(9.2)**	(9.0)
Chemicals business restructuring costs	**-**	(14.7)
Marplex asset impairment	**(14.0)**	-
Botany Groundwater Treatment Plant asset impairment	**(42.8)**	-
Mining Services restructure	**(24.4)**	-
DuluxGroup demerger expenses	**(15.3)**	-
Net gain on derivatives	**14.0**	-
Total after tax and minority interests	**(104.3)**	(32.7)

Capital management – key measures

Full year ended 30 September	2009	2008
Net Debt (A$M)	**1,094.5**	1,020.5
Net Interest Expense (A$M)	**133.5**	157.7
Interest Cover (times)	**7.8**	6.1
Operating Cash ($)	**854.9**	736.9
Cash Conversion [1] (%)	**95.9**	80.0
Rolling TWC to Rolling Sales (%)	**14.5**	14.5
Gearing (%)	**21.6**	19.1
Gearing Adjusted [2] (%)	**26.5**	23.8

1 Cash conversion is calculated as EBITDA add/less movement in trade working capital less sustenance capital spend, as a percentage of EBITDA.
2 Gearing recalculated with Hybrid shares notionally reclassified as 50% equity and 50% debt.

Bank Debt facilities

- In September 2009, Orica successfully extended existing facilities for 1, 2, 3, 4 and 5 years ($50m in 1 year)
- The average term of the committed bank facilities is approximately 3 years
- Bank debt facilities total $2.1B of which $0.2B was drawn at 30 September 2009
- The facilities are multi currency, flexible and cancellable at Orica's option

Strong liquidity position

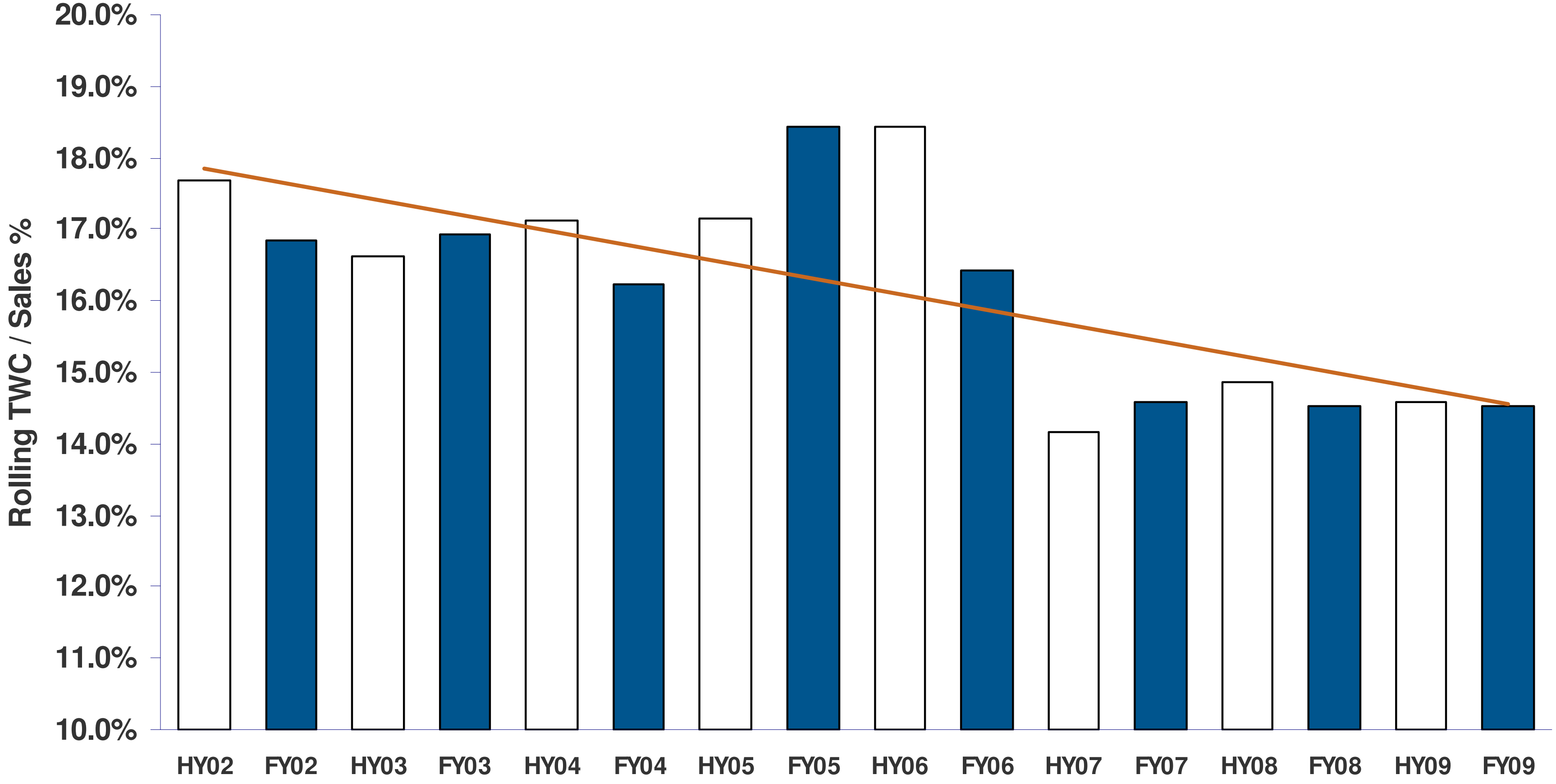
Cashflow

Full year ended 30 September (A$M)	2009	2008	$ ↕
EBITDA	**1,330.2**	1,188.8	*141.4* ↑
Net interest paid	**(136.5)**	(148.5)	*12.0* ↑
Net tax paid	**(235.4)**	(190.0)	*(45.4)* ↓
Trade working capital movement	**104.3**	(29.9)	*134.2* ↑
Non trade working capital movement	**(207.7)**	(83.5)	*(124.2)* ↓
Net operating cash flows	**854.9**	736.9	118.0 ↑
Sustenance capital	**(159.2)**	(207.4)	*48.2* ↑
Growth capital	**(211.7)**	(218.9)	*7.2* ↑
Acquisitions	**(167.0)**	(869.2)	*702.2* ↑
Divestments	**21.6**	25.5	*(3.9)* ↓
Net investing cash flows	**(516.3)**	(1,270.0)	753.7 ↑
Equity movements	**(27.9)**	1,061.8	*(1,089.7)* ↓
Debt	**77.5**	(389.5)	*467.0* ↑
Dividends/distributions	**(380.7)**	(207.1)	*(173.6)* ↓
Net financing cash flows	**(331.1)**	465.2	(796.3) ↓
TOTAL	**7.5**	(67.9)	75.4 ↑

Cash Conversion

Full year ended 30 September (A$M)	2009	2008
EBITDA	**1,330.2**	1,188.8
TWC movement	**104.3**	(29.9)
Sustenance	**(159.2)**	(207.4)
Cash Conversion	**1,275.3**	951.5
Cash Conversion %	**95.9%**	80.0%

Rolling TWC to Rolling Sales %



Steady progress continues on management of TWC

Foreign Currency Exposure

Transactional

- "Natural hedges" are identified and exposures are netted
- Residual transactional exposures may be hedged for the current year and up to 5 years ahead (on a sliding scale)
- Hedging is undertaken using bought options and forward exchange contracts
- Hedging for transactional exposures qualifies as an "effective hedge" for hedge accounting purposes

- Central management
- Portfolio benefits
- Netting of import and export exposures

Translational

- Approx. 60% of 2009 Group EBIT was from offshore entities
- Hedging is generally undertaken using bought options
- Hedging for translational exposures is regarded as an "ineffective hedge" for hedge accounting purposes
- Hedging is only undertaken within the financial year to avoid the volatility "mark-to-market" adjustments could make to full year earnings

Foreign currency exposures managed centrally

Objective: 'Insurance approach' to protect future AUD earnings

ORICA

2010 Hedging

Major EBIT currency hedges include:

Currency Exposures	% Hedged	Effective Hedge Rate
► AUD/USD	68%	0.8895
► AUD/CAD	67%	0.9485
► AUD/NZD	73%	1.2160
► AUD/SEK	66%	6.2566

EBIT currency hedging for 2010 has been undertaken using options at a cost of $13M.

Approximately 60% of total Group foreign currency exposures have been hedged for the 2010 financial year

On Orica's total currency exposure after hedging, a 1% unfavourable move in the AUD versus all currencies would have a negative impact of approximately A$3M. Without hedging the impact would be approximately A$7M.

Capital investment (excluding M&A)

Planned 2010 capital expenditure

Major expansion capital projects >A$10M:

► **Mining Services**	
Bontang	
Nanling	$440M
Kooragang Island ammonia plant uprate	
Hunter Valley emulsion plant	
► **Chemicals**	
Chemicals Australia – Chlorine capacity upgrade	
Chemicals Australia – Hypo plant relocation/storage	$40M
Mining Chemicals – PIBSA manufacturing	
Mining Chemicals – cyanide plant uprate – 95ktpa	
► **DuluxGroup**	
Protective Coatings plant	$20M
Upgrade to Decorative New Zealand manufacturing site	
Other expansion capital projects	$100M
Total planned expansion capital expenditure	**$600M**
Total planned sustenance capital expenditure	**$230M**

Capital management – 2010

- Credit Rating – committed to BBB+
- Continued discipline in trade working capital management
- Cautious management of sustenance and growth capital

2010
Priorities

Growth Priorities

Priority	Target
Minova Acquisition Inclusive of Minova, Excel and Strata Control Systems	18% RONA to be achieved on all three acquisitions in 2011 (inclusive of grossed up financial synergies)
Protect market leadership position in Indonesia through development of Bontang AN Plant	Commissioning of a 300ktpa plant in 2011 at total capital cost of US$550M (approx.)
Capitalise on tightening AN market conditions and strong demand for sodium cyanide over the medium term	- Greenfield expansion in Latin America - Brownfield expansions of KI and Yarwun
Grow "close to the core" through bolt-on acquisitions and geographic expansions	Integrate and achieve financial hurdles
Capitalise on growing global demand for electronic blasting systems	Establishment of electronic blasting systems plant and continue to grow market
Maintain market leading positions through innovation	Maintain market leadership position in premium markets

Productivity Priorities

Priority	Target
Delivery of synergies of Minova integration	Delivery of $45M EBIT synergies by end 2011 and $35M financial synergies from acquisition completion
Delivery of synergies of merger of former Chemnet and Chemical Services businesses	Delivery of $14M EBIT synergies by end 2010
Yates restructure	EBIT benefits of $5M delivered by end 2009
Mining services restructure	Realisation of EBIT benefits equal to cost of restructure ($35M) within 1 year
Productivity metrics	Improvement in productivity metric

Environmental legacy update

- Botany Water
  - Plume is contained
  - Recycled water being utilised
- Hexachlorobenzene
  - Work continues on plans to export Hexachlorobenzene waste
  - Encapsulated waste remediation to start in 2010
- No other significant matters identified in current year

Sustainability

- Working to Challenge 2010 targets
- Improved performance on all measures in 2009
- At or below 2010 targets for Greenhouse gas emissions, water consumption and waste generation
- Reduction in greenhouse gas emissions – abatement installed in Carseland and Bacong has reduced emissions
- Monitoring carbon trading markets as they evolve

Outlook

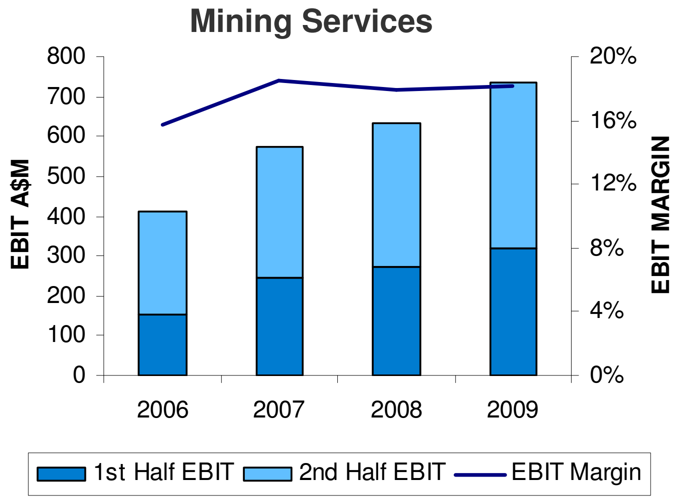
Orica expects earnings growth to continue in 2010. In light of the shape of the economic decline experienced in 2009, we anticipate first half conditions to be more difficult than those of the previous corresponding period. Subject to the rate of global economic recovery and the extent of further adverse movements in exchange rates, we expect Group net profit after tax (pre individually material items) in 2010 to be higher than that reported in 2009.

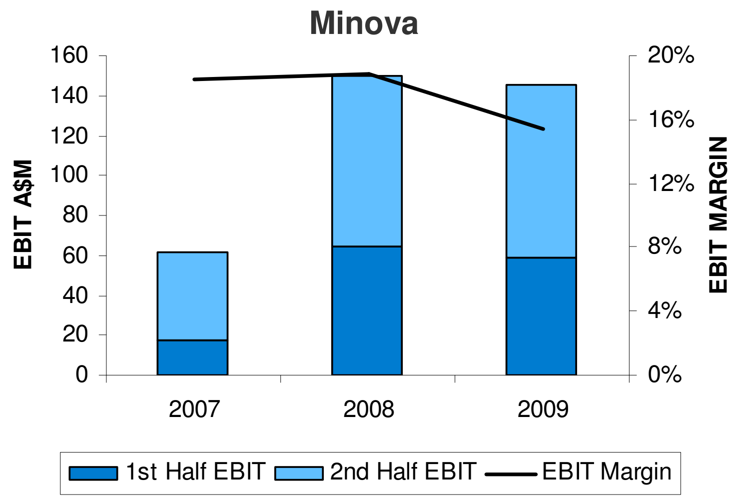
Summary

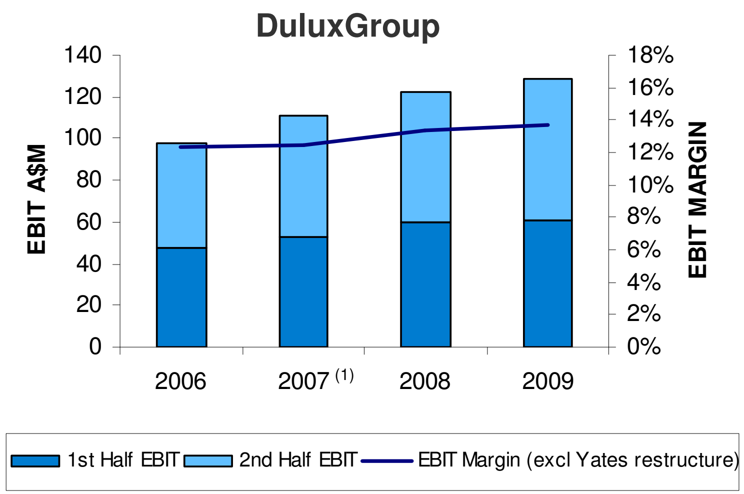
- Tight cost control and continued improvement in productivity
- Disciplined cash management
- Strong balance sheet
- Well positioned for continued growth

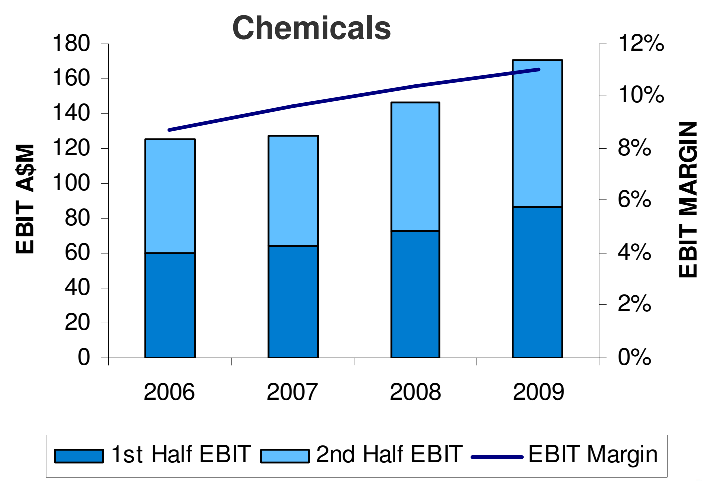
Supplementary Information

EBIT growth by business



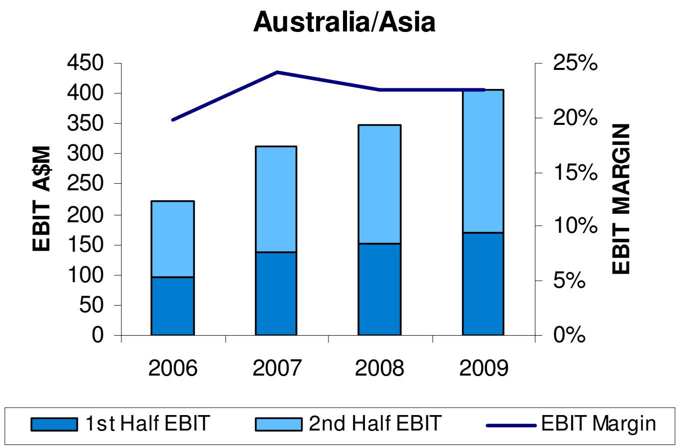


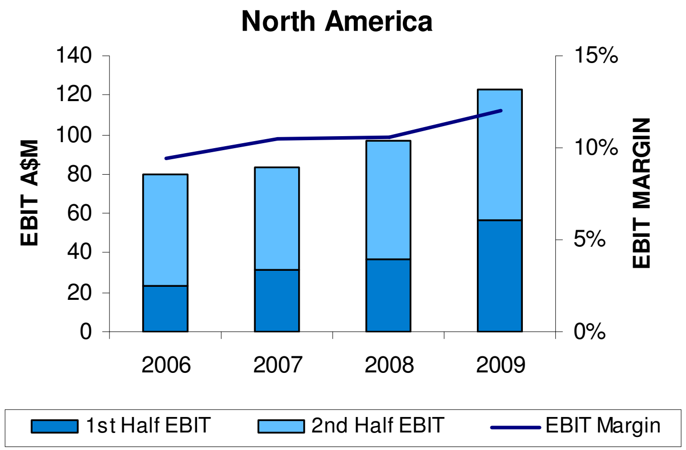


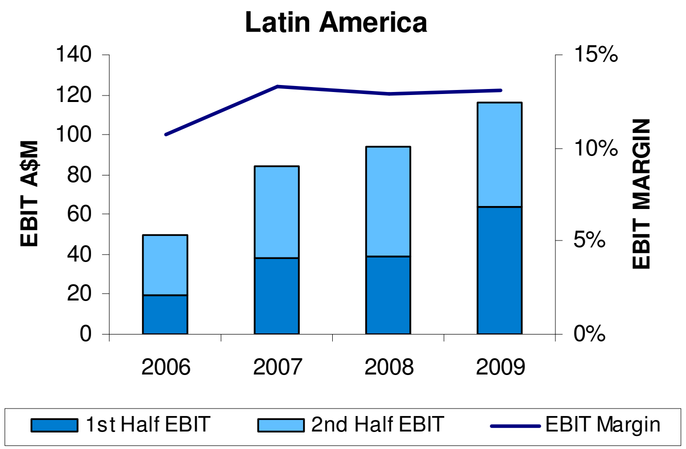


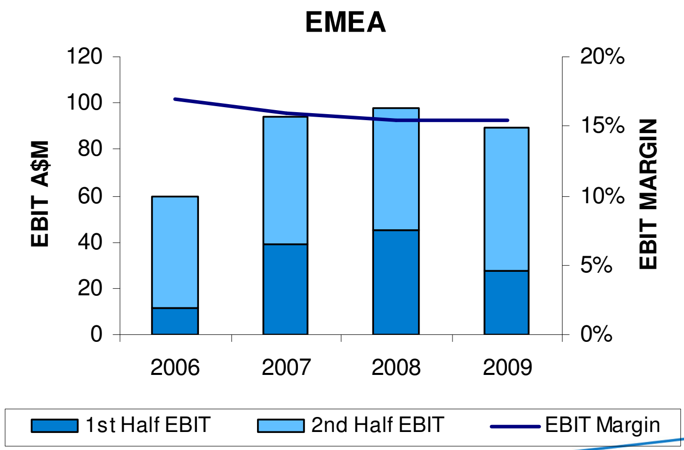
(1) Excludes the $9.5M Yates restructuring provision in 2007

Orica Mining Services by geography



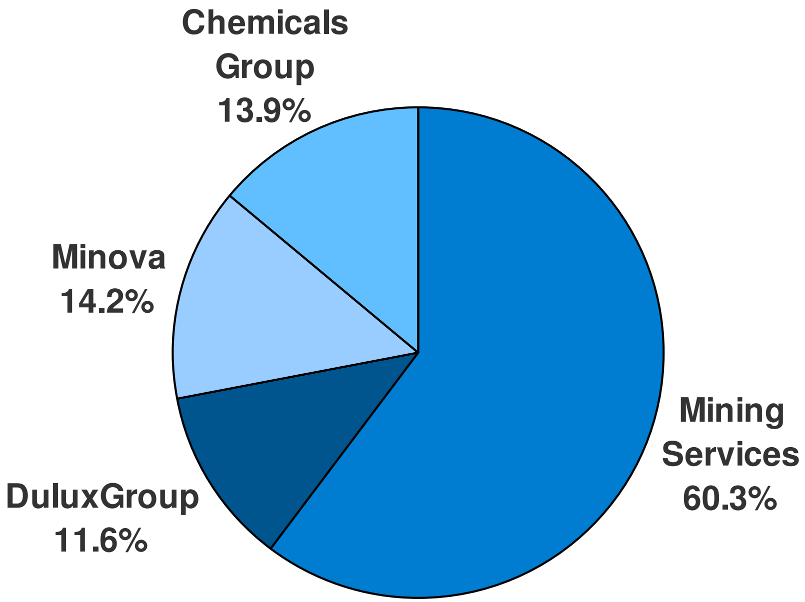




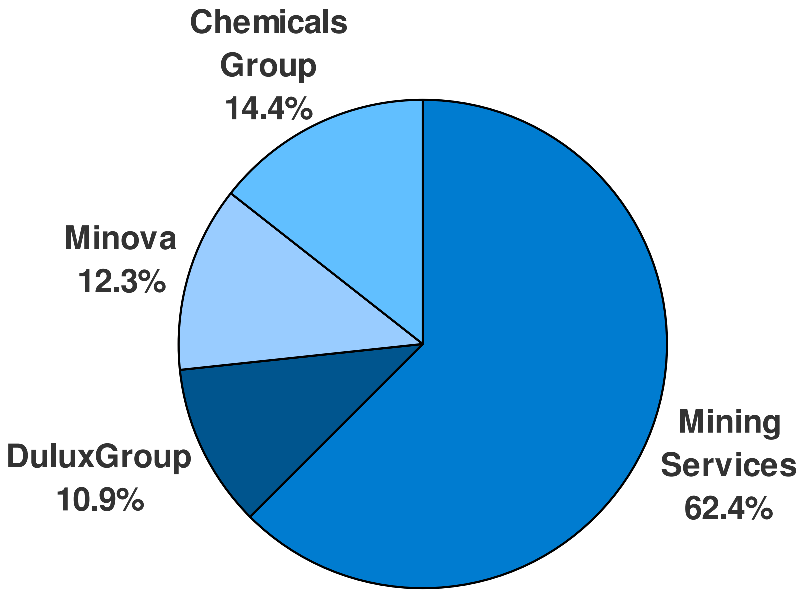


EBIT contribution by business platform [1]

September 2008

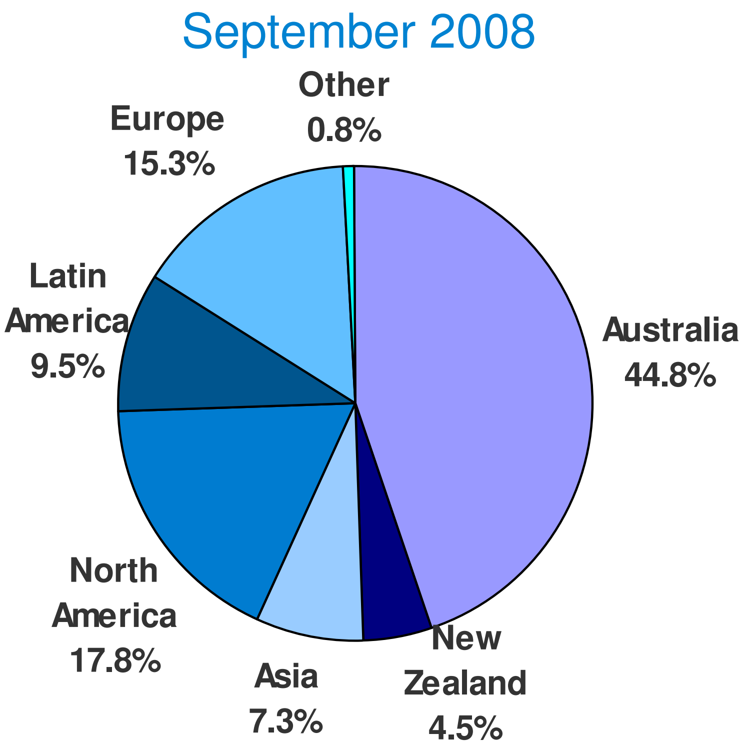


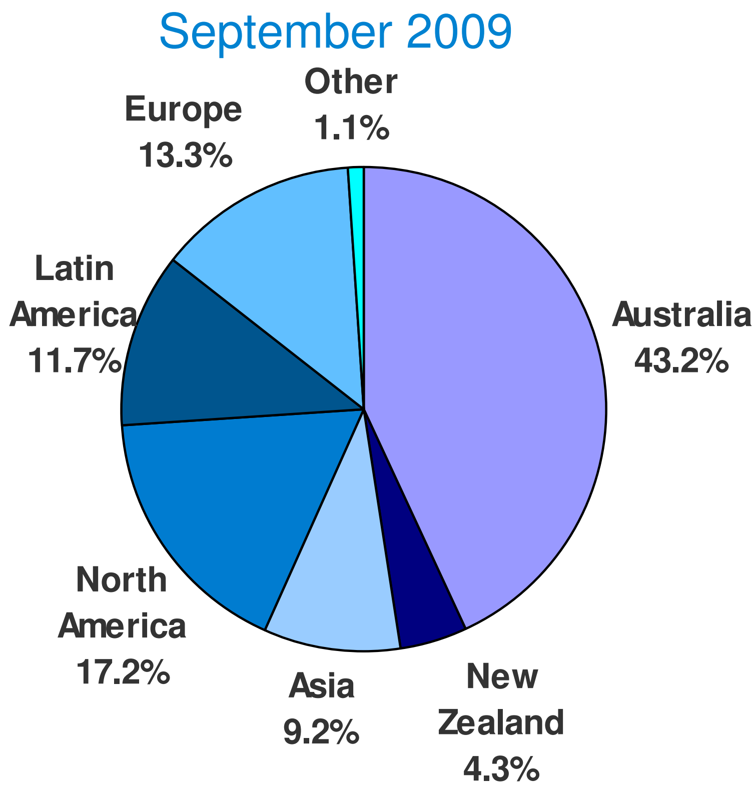
September 2009



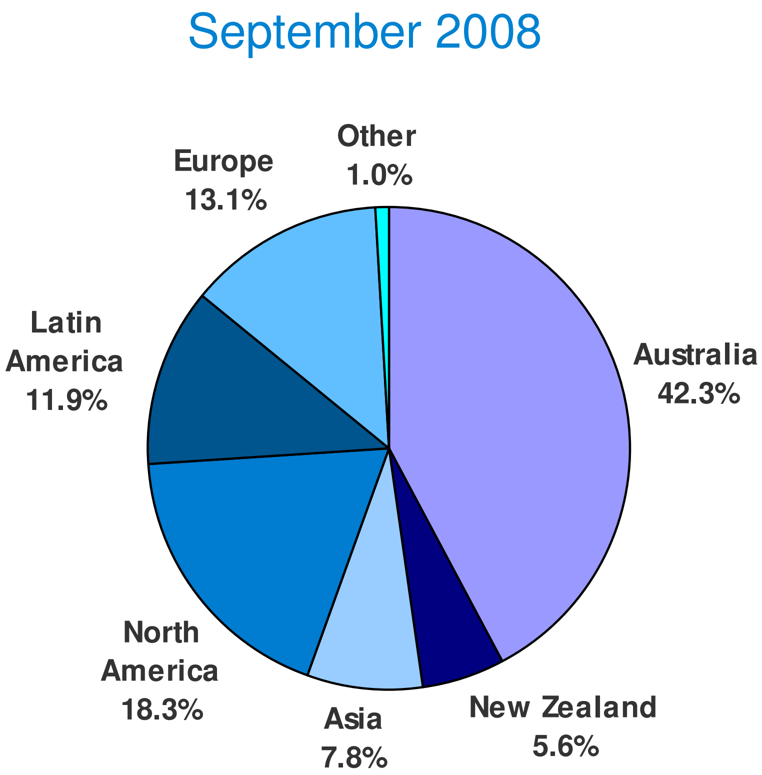
1 Excludes corporate costs

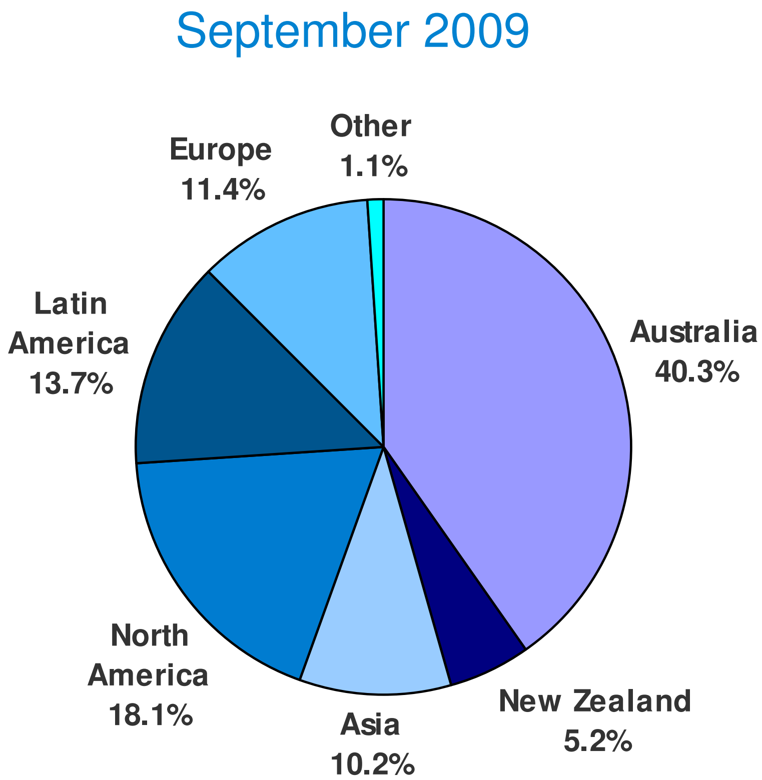
EBIT contribution by geography





Gross sales by geography





Net interest expense

Full year ended 30 September (A$M)	2009	2008	$ ↕
Net interest expense	**134**	158	(24) ↓
Comprising:			
Interest on net debt	**130**	174	(44) ↓
Add: Unwinding of discount on provisions	**7**	8	(1) ↓
Add: Major external finance leases	**2**	2	-
Less: Capitalised interest	**(5)**	(2)	(3) ↓
Less: Income on the Excel net investment hedge	**-**	(24)	24 ↑

Interest on net debt calculated as:		
Average net debt (throughout year)	**1,979**	2,389
Average interest rate (throughout year)	**6.5%**	7.3%
Interest on Net Debt	**130**	174

Impact of Step-Up Preference Securities (SPS) – earnings per share [1]

	Reported per Accounts A$M
Reported net profit	581.4
Less:	
Net profit attributable to minority interests	(39.6)
After tax distributions to SPS holders [2]	(28.1)
Adjusted net profit	**513.7**
Weighted average ordinary shares on issue	353.9
Earnings per share – cents per share	**145.2**

1 Pre individually material items

2 Distributions paid during the year totalled $37.5M. The tax adjustment is based on interest expense for the 12 months ended 30 September 2009.

Impact of SPS – gearing (A$M)

	Reported per Accounts	SPS Adjusted
Current borrowings	160.2	160.2
Non-current borrowings	1,242.8	1,242.8
SPS adjustment [2]	-	250.0
Less: Cash	(308.5)	(308.5)
Net Debt	**1,094.5**	**1,344.5**
Parent entity equity [1]	3,860.7	3,860.7
Minority interests	112.1	112.1
SPS adjustment [2]	-	(250.0)
Net Equity	**3,972.8**	**3,722.8**
Gearing	**21.6%**	**26.5%**

1 Includes face value of SPS of $500M as equity
2 Adjustment is for 50% of the face value of SPS

Impact of SPS – interest cover (A$M)

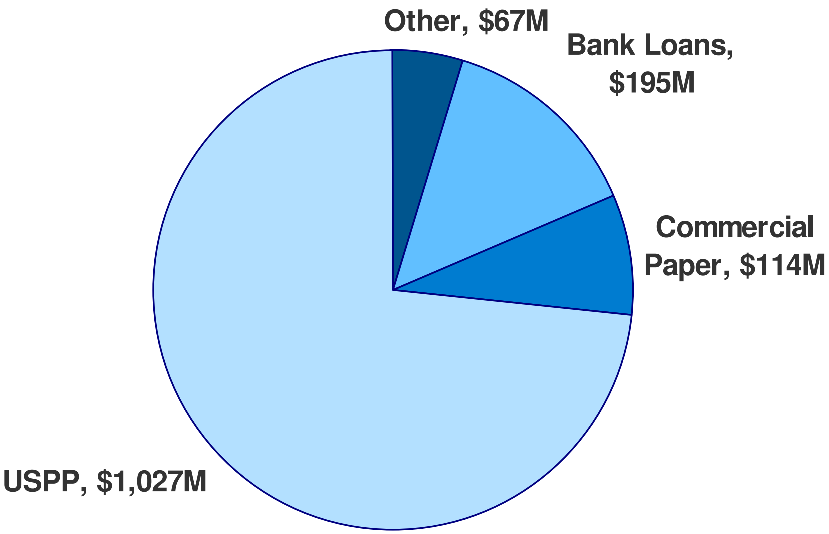
	Reported per Accounts	SPS Adjusted
Financial expense [1]	189.3	189.3
Financial income	(50.8)	(50.8)
SPS distribution adjustment [2]	-	18.8
Net borrowing costs	**138.5**	**157.3**
EBIT	1,082.5	1,082.5
Interest Cover (times)	**7.8**	**6.9**

1 Financial expense includes $5M of capitalised borrowing costs.

2 Represents 50% of the SPS distribution for the period 1 October 2008 to 30 September 2009 calculated as follows: face value of SPS x (BBSW +1.35%) x number of days.

Debt Profile (as at 30 September 2009)

Drawn Debt



Debt Maturity Profile			
A$M	**Drawn**	**Undrawn**	**Total**
< 1 year	181	50	231
1 – 2 years	259	455	714
2 – 5 years	444	1,363	1,807
> 5 years	519	-	519
Total	**1,403**	**1,868**	**3,271**

Average maturity on drawn debt is 4.5 years
Investment grade rating BBB+

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