



**JP Morgan
Investment Conference**

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Orica - overview



- Australian owned publicly listed company trading on the Australian Stock Exchange (ORI)
- Operates in approximately 50 countries – approx 13,000 employees
- Market capitalisation of approximately A\$7billion*
- Ranked in top 50 Australian companies based on market capitalisation
- Four key business platforms going forward – all market leaders in their field
- Financial Year End - 30 September

An Australian based global company

* based on share price close 1 September 2006

Orica – what we do



Mining Services

- Commercial explosives and blast management services



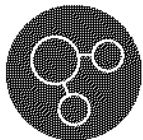
Consumer Products

- Paint, consumer handyman and garden care products



Chemical Services

- Manufacture of watercare, industrial and mining chemicals



Chemnet

- Chemical distribution, value add and niche manufacturing

Businesses united by chemical sciences

Market Leadership

Leading Brands

Privileged Assets

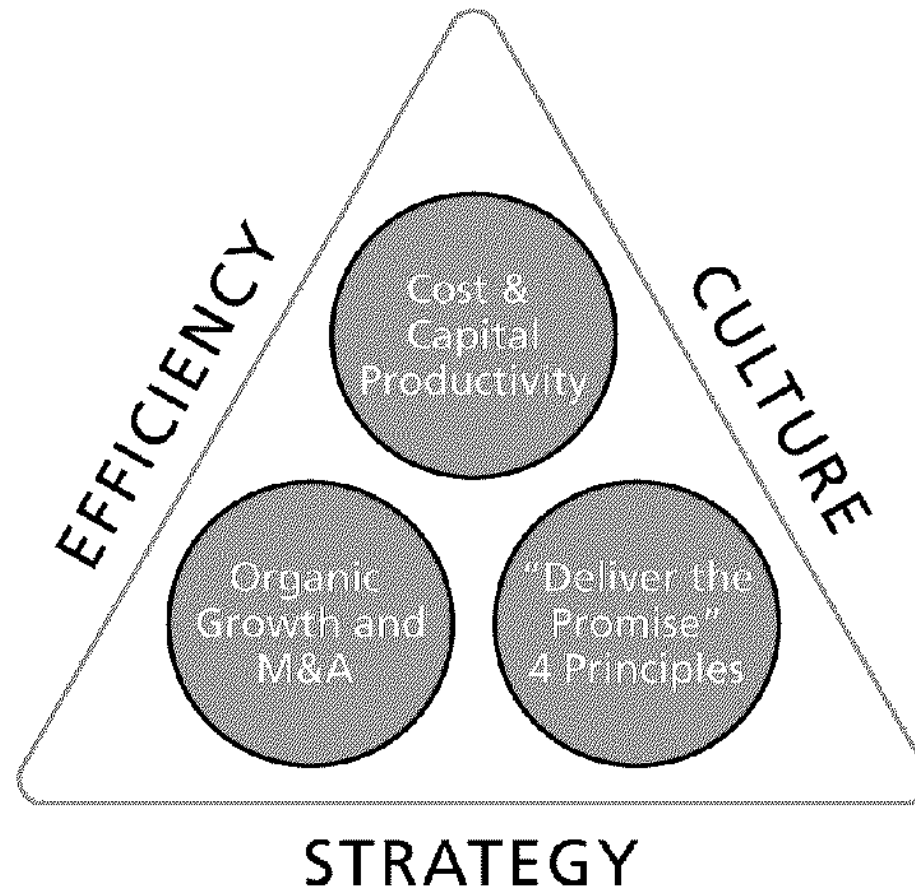
Capable People

Technology

Strong & Disciplined Culture

Turning science into solutions

Orica's approach – value drivers



- Delivery on culture, efficiency and strategy underpins Orica's performance

Continuity of approach under current management team

Strategy – delivering sustainable growth

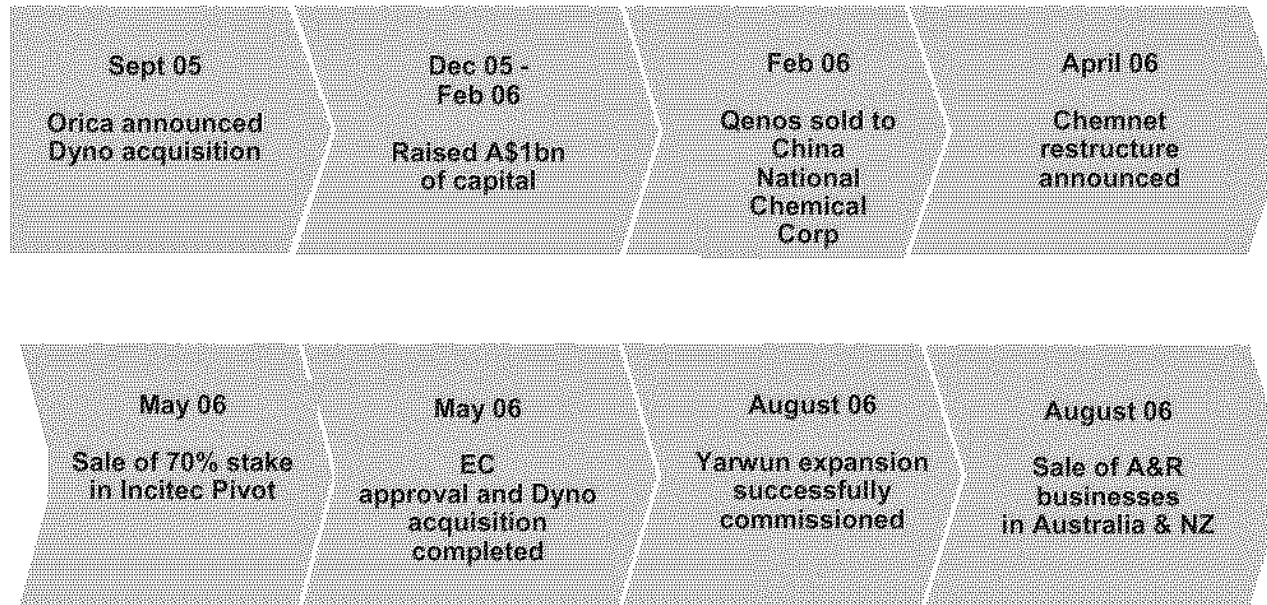


Three Key Principles:

- Market leadership
- Earning the “Right to Grow” – 18% RONA target
- Growing “Close to the Core”

No change to existing strategy

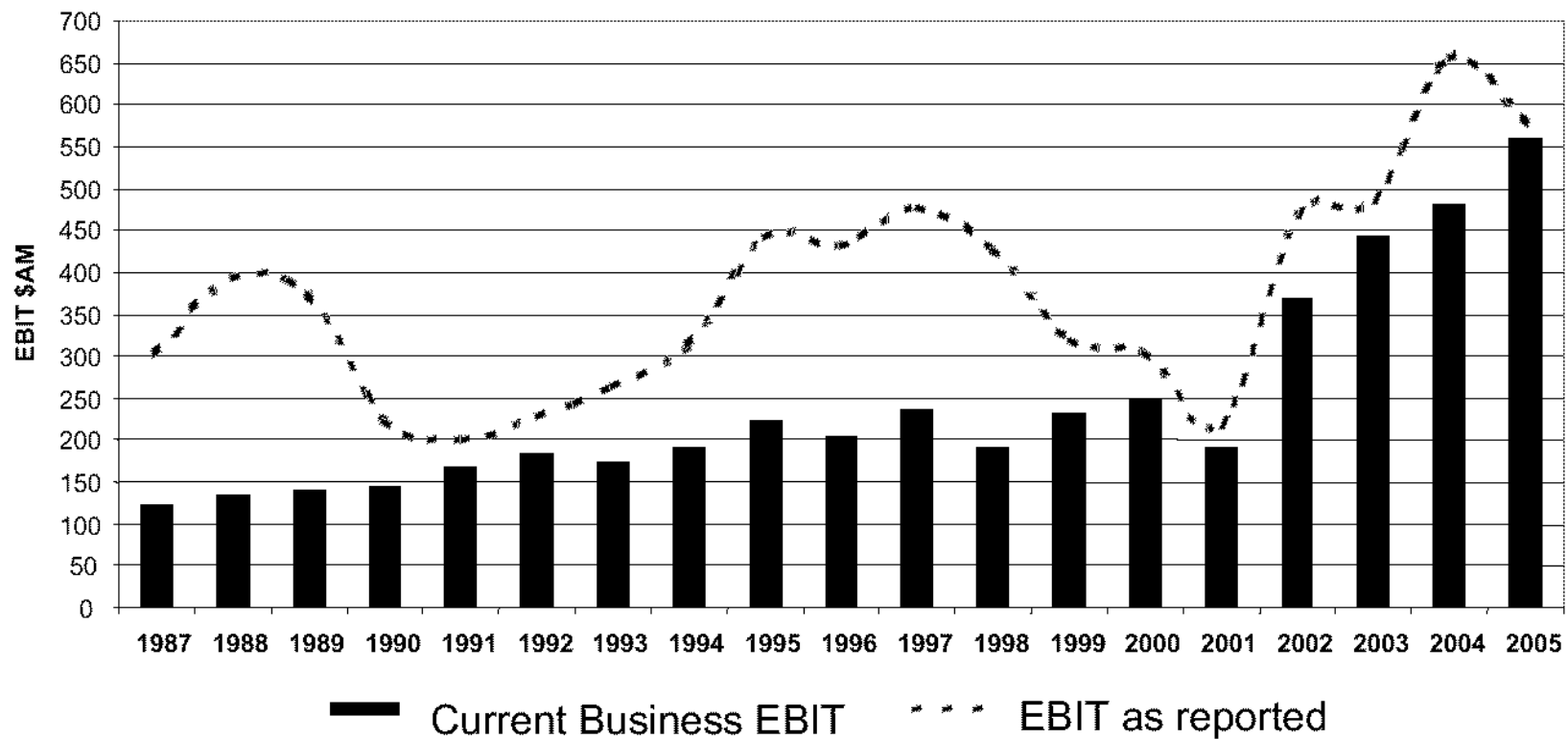
Orica – the past twelve months



- The business portfolio and strategic direction have been significantly re-shaped
- The remaining business platforms are “core” and will drive the next growth phase for Orica.

The evolution of Orica continues

EBIT* performance (exc. IPL)



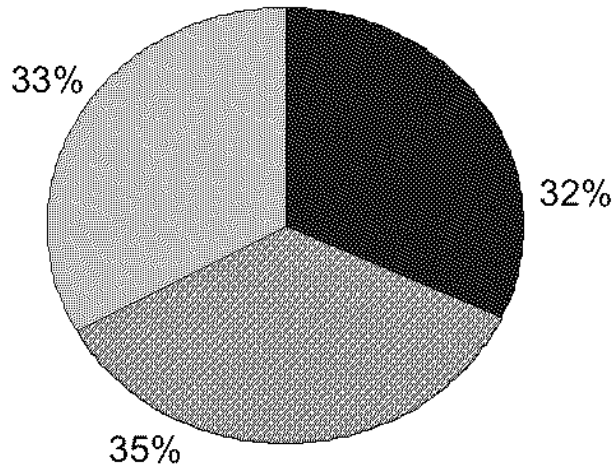
Earnings less cyclical going forward

* excluding corporate costs

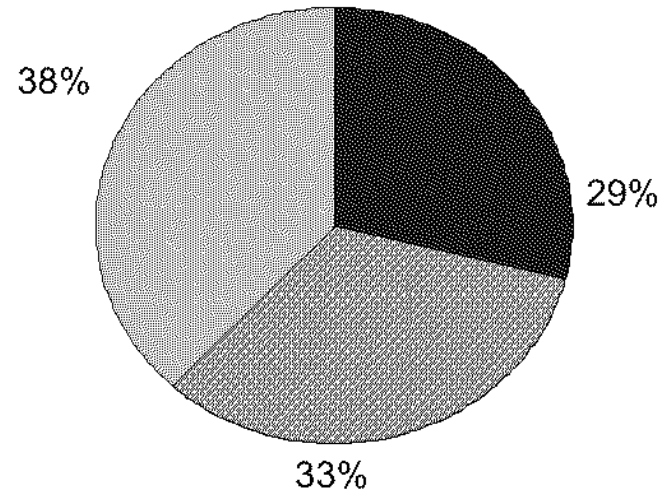
Dyno – synergy target A\$90M per annum



**Pre-acquisition estimated
Split of synergies (June '05)**



**Current split of expected
synergies (August '06)**



■ Oslo & Regional Office Closures

■ Gyttorp & LATAM Asset Rationalisation

■ Procurement, Logistics & Other

Current estimate of synergy deliverables

\$A M's	FY2006	FY2007	FY2008	FY2009
Annualised Forecast	10	40 - 50	70 - 80	90

Yarwun update



- Yarwun expansion commissioned and AN production increasing
- Production set to achieve forecast (572,000 ktpa) for full fiscal year 2007
- Estimated final cost of Yarwun expansion ~A\$195M
- Expected production of additional AN volume in FY 2007:
 - Replacing expensive AN imports
 - Support ongoing growth in domestic market
 - Exported volume (approx 110-120 ktpa) will reduce as domestic market growth continues in coming years
 - Potential to replace competitor AN imports

Yarwun expansion delivers strong incremental returns

Chemnet restructuring

- 80% of planned headcount reductions achieved
- Warehousing rationalisation
 - Closure of Sydney sites complete
- Supply chain rationalisation
 - Back office streamlining
 - Six sigma projects underway
- Chemnet post restructuring:
 - More efficient supply chain
 - Better focus on customers and suppliers
 - Business capable of delivering sustainable economic profit

Aim to deliver A\$20M in annualised cost savings

Strategic growth themes



Business Unit	Strategic growth opportunity
Mining Services	<ul style="list-style-type: none"> - Leverage our global scale - Lowest cost AN sourcing - Electronic blasting systems (EBS) - Geographic expansion - Increase mining services offering
Consumer Products	<ul style="list-style-type: none"> - Leverage our position in Aust & NZ - M&A opportunities into higher growth markets - Category expansion - R&D on product development
Chemical Services	<ul style="list-style-type: none"> - Capture value in adjacent market segments - Advanced Water Technologies (MIEX) - Expand sodium cyanide capacity - Enzymes
Chemnet	<ul style="list-style-type: none"> - Geographic expansion - Supply chain optimisation

18% RONA requirement on expansion and M&A opportunities

Legacy environmental issues



- Orica has been in business since the 1870's
- Knowledge and regulations have changed
- Current business practices are environmentally sound
- Orica's approach to legacy environmental issues:
 - Deal with legacy issues openly
 - Sell surplus land once remediation process is complete
 - Comply with accounting standards requirements

Responsible management of legacy issues

Key sensitivities



- Commodity production volumes
- Consumer confidence/spending
- Caustic soda & sodium cyanide prices
- Global economic conditions

Global economic conditions, on balance, are favourable

Active capital management



- Pro forma gearing post IPL divestment 18%
- Target gearing range 35-45% (net debt/net debt + equity)
- Orica capital management:
 - Progressive dividend payout ratio 50% of NPAT pre significant items
 - Share buybacks more effective method of returning cash to shareholders given Orica's limited franking credits

Committed to an optimal capital structure

Summary – why invest in Orica?



- Market leadership in chosen businesses
- Strong financial discipline, strong returns on capital, ongoing earnings growth and less cyclicality
- Strong balance sheet capable of funding strategic growth opportunities and capital management

A disciplined approach to growing shareholder value



BERGER

BLITZEN

British **D** Paints



Dulux

Dulux
AGRI-TOL

ENTER
Wash & WOOD

DYNAMIC LIFTER

FEAST WATSON

Intergrain
petrol, grease, sooty

lush

Poly

RATSAK
LAKES

Roto

SELLEYS

ORICA
TEXTURE
COLORS

Thrive

Waterwise

Yates

Zero



MARPLEX

ORICA
CHEMIST

LANDGUARD
built in Victoria

MIX DOC

ORICA
CHEMICAL
SERVICES

i-kon
CONCRETE

ORICA
MINING
SERVICES

ORICA
GLASSY
SERVICES

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