



Brisbane Mining Club
4 June 2013

Ian Smith - Managing Director and CEO

Forward looking statements

This presentation has been prepared by Orica Limited. The information contained in this presentation is for informational purposes only. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. This presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Orica Limited, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this presentation. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

Non-IFRS information

This presentation makes reference to certain non-IFRS financial information. Management use this information to measure the operating performance of the business and has been presented as this may be useful for investors. This information has not been reviewed by the Group's auditor.



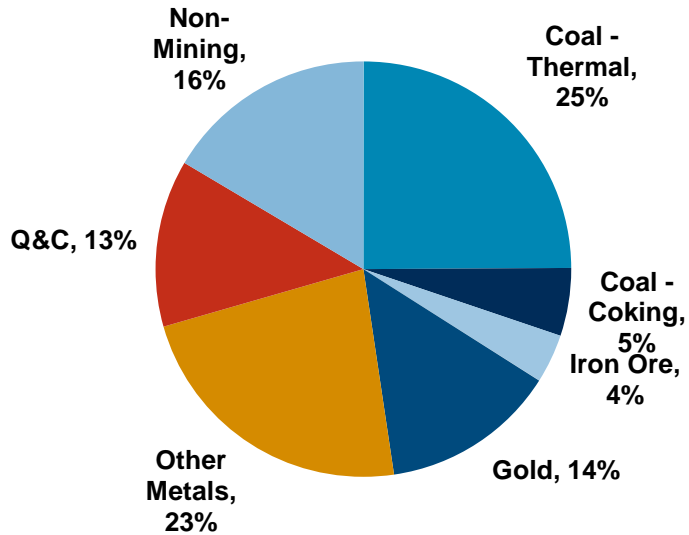
About Orica

- 1. World's largest provider of commercial explosives to mining and infrastructure markets with 28% global market share**
- 2. Global leader in the provision of ground support in mining and tunneling**
- 3. Leading global supplier of cyanide for use in gold extraction**
- 4. Australia and New Zealand's largest supplier of chemical products to mining, water treatment and other industrial markets**
- 5. ASX listed with market capitalization of approximately A\$8.5B (ASX Top 50)**

Australian Base - Global Footprint



2012 Orica Group Revenue



- **90% of Group EBIT and over 80% of Group Revenue is generated from mining related industries including quarrying and construction**
- **Broad mining exposure – from coal and iron ore to base and precious metals and diamonds**
- **Wide geographic spread**
- **Commodity and geographic diversity reduces earnings volatility**

Orica in Queensland



- **Key manufacturing facilities supporting Queensland as well as national and international markets**
 - **Ammonium nitrate and emulsion manufacture (Yarwun)**
 - **Sodium cyanide manufacture (Yarwun)**
 - **Initiating systems manufacture (Helidon)**
- **930 employees across Queensland**
- **Diverse customer portfolio with operations support teams servicing open cut and underground mining, quarrying and infrastructure projects**





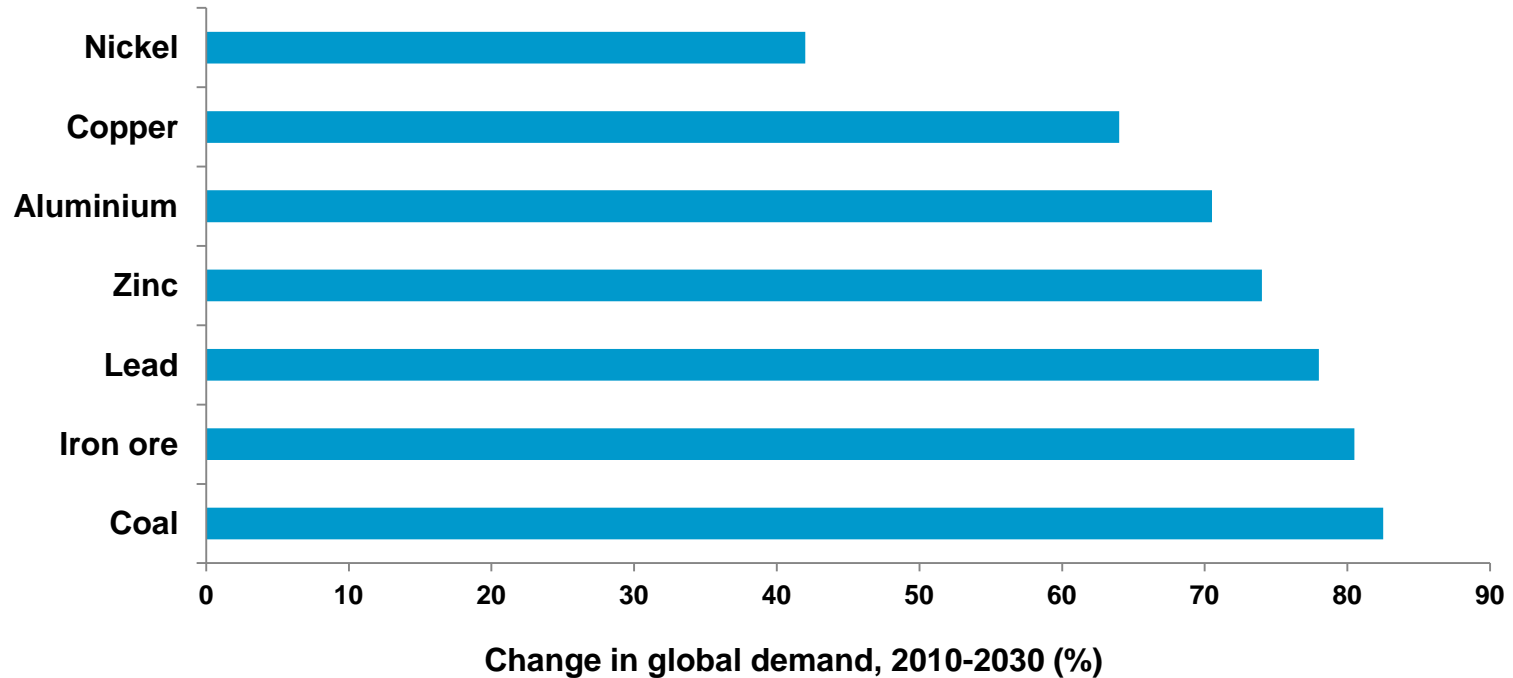


Industry Fundamentals

- **Long term growth in commodity volumes, driven by industrialisation and urbanisation**
- **Declining ore grades and increasing strip ratios and ore-body complexity**
- **Efficiency and productivity focus drives demand for game-changing technology, products and services**



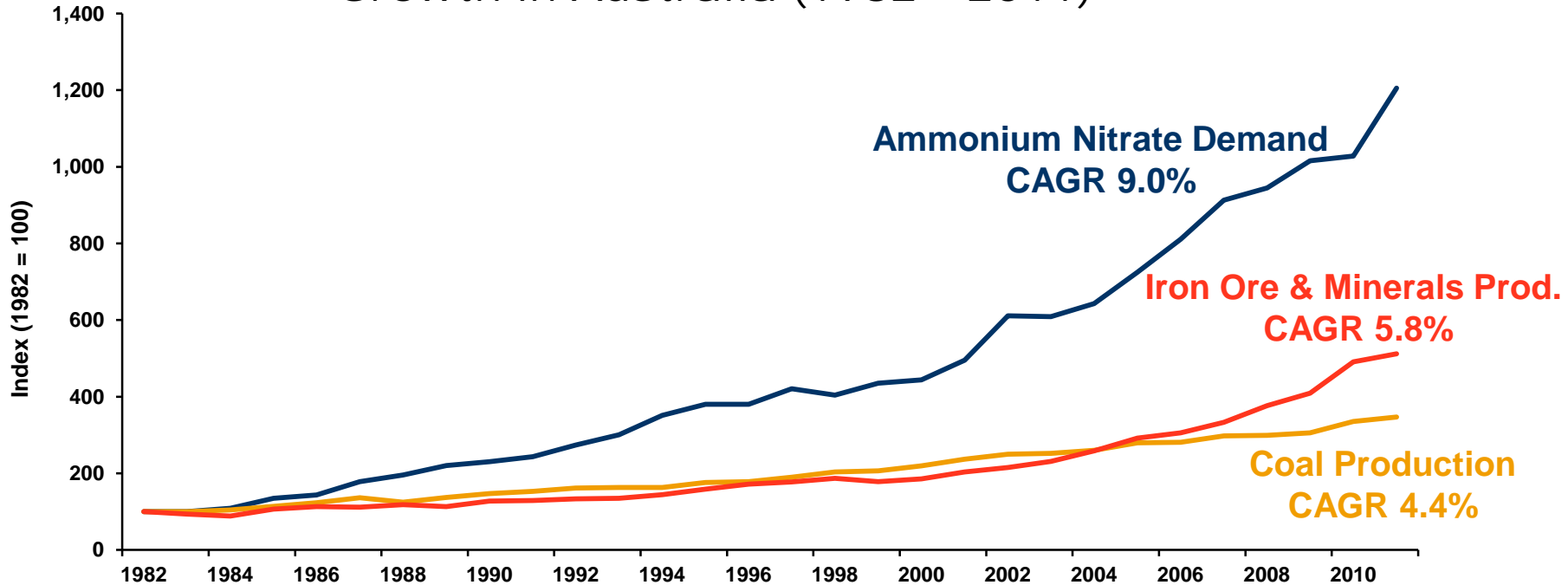
Growth in Global Commodity Demand: 2010 - 2030



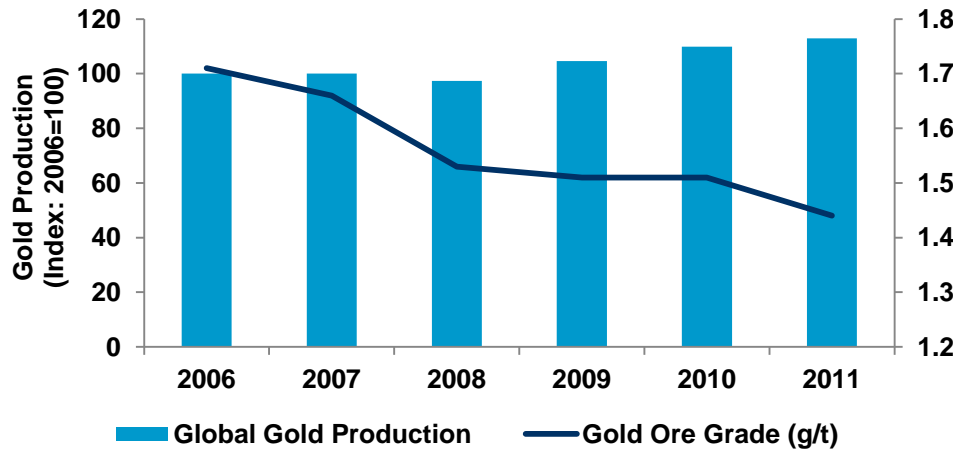
Industry Fundamentals



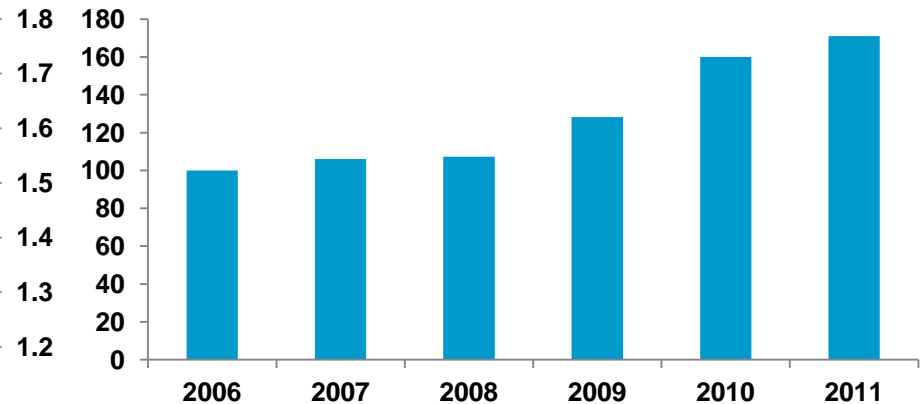
Growth in Australia (1982 - 2011)



Gold Production and Ore Grades



Cyanide Demand





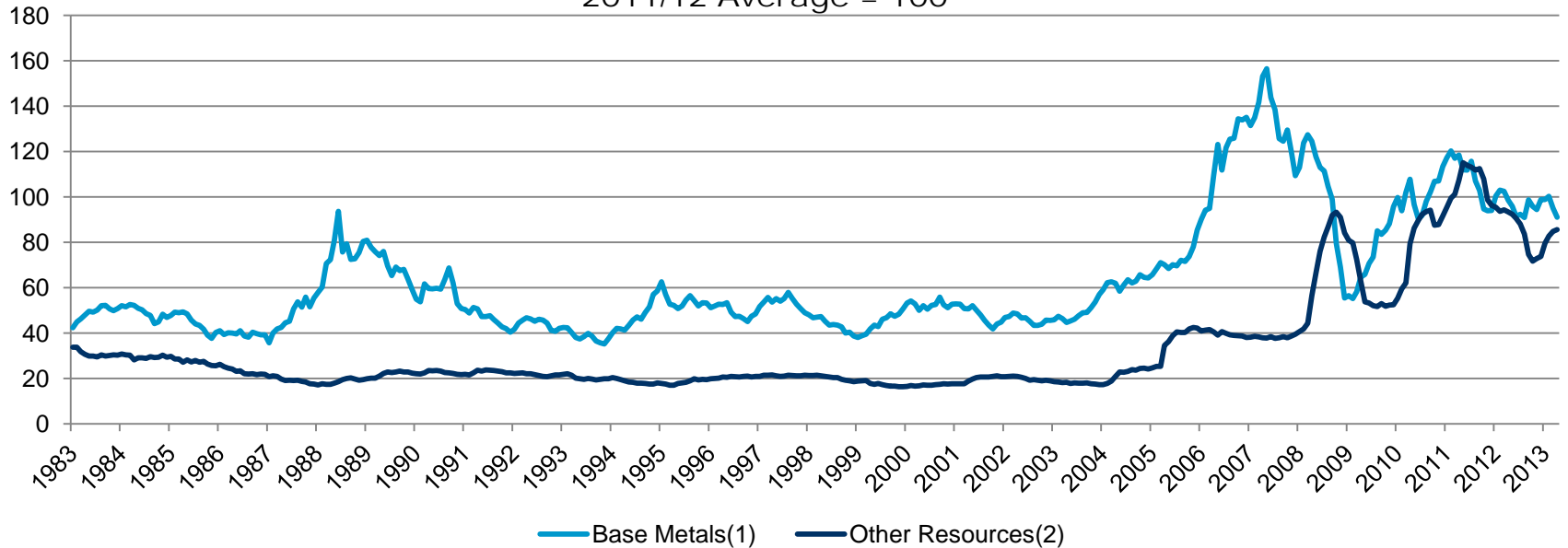
The Productivity Challenge

Commodity Prices



RBA Index of Commodity Prices (Nominal Prices)

2011/12 Average = 100



1: Base Metals: Aluminium, Copper, Lead, Zinc, Nickel

2: Other Resources: Metallurgical Coal, Iron Ore, Thermal Coal, Gold, LNG, Crude Oil, Alumina

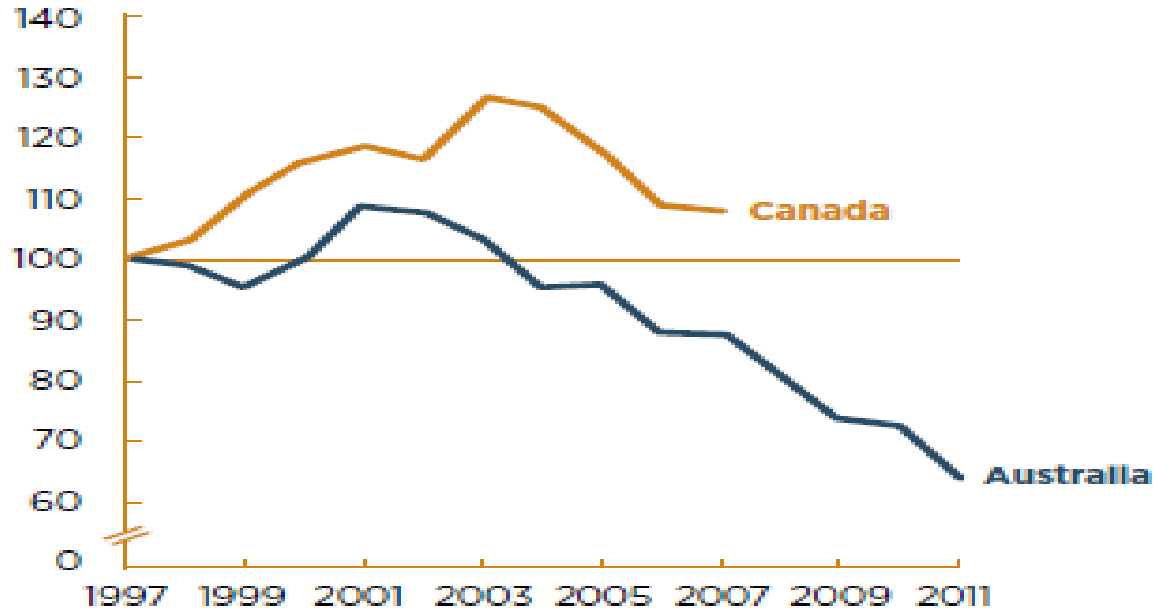
3: Reserve Bank of Australia, 1 May 2013

Productivity in Decline



Multifactor Productivity Index¹

Index, 1997 = 100

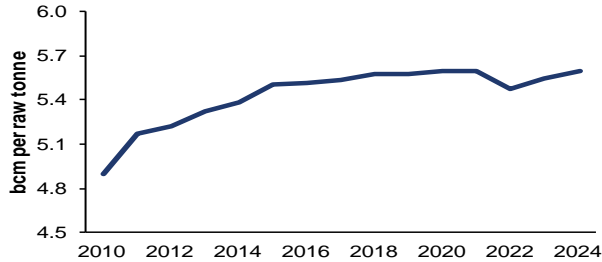


1: Port Jackson Partners, "Opportunity at Risk. Regaining our competitive edge in minerals resources", September 2012

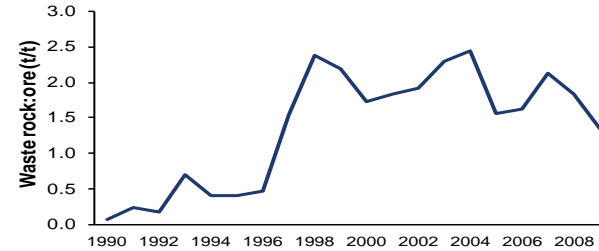
Challenges to Productivity



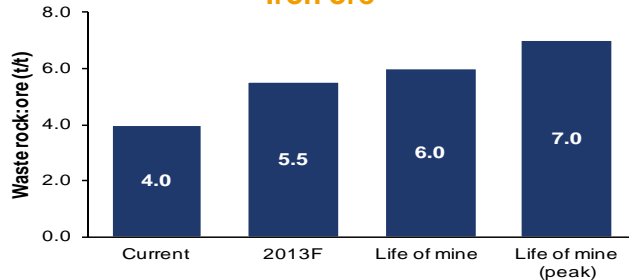
Coal¹



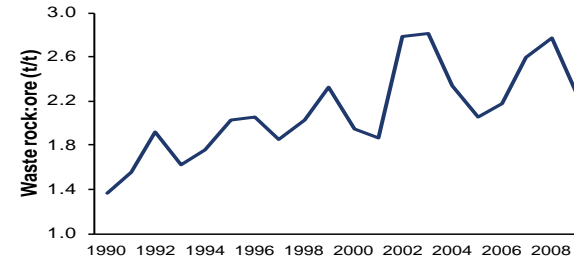
Copper



Iron ore²



Gold



1: Average coal strip ratio from 2022 declines temporarily due to large forecast volumes of export thermal coal produced for the first time in the Surat and Galilee basins at marginally lower strip ratios.

2: Based on Fortescue Metals Group strip ratios for the Chichester Hub operations (including the Cloudbreak and Christmas Creek mines). Estimated ratios sourced from GS Research.

Source: The Sustainability of Mining in Australia (G. Mudd, 2009), Wood Mackenzie, BHP Billiton



Aiding Productivity Through Technology

The energy used (% of total site consumption) in completing the following functions on a typical mine

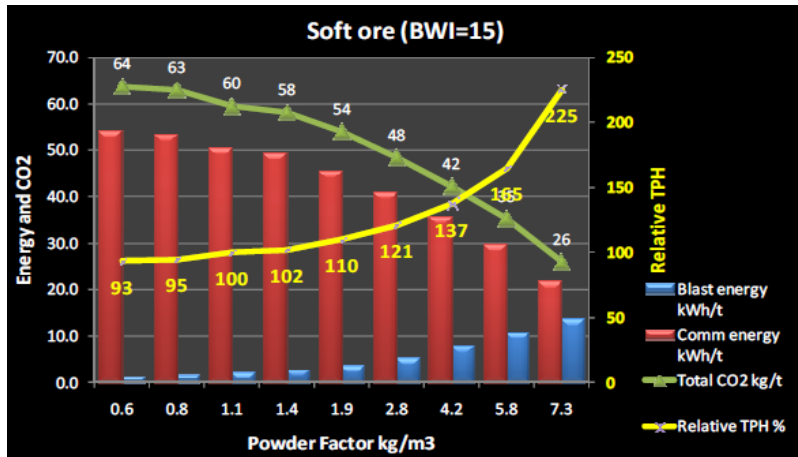
drilling / blasting	~ 2 %
excavation / hauling	~ 10 %
grinding / crushing	~ 53 %

Optimising the use of explosives not only saves total energy consumed on a mine site but improves dig rates leading to decreased excavation times while increasing the throughput of the grinding and crushing equipment; this all leads to:

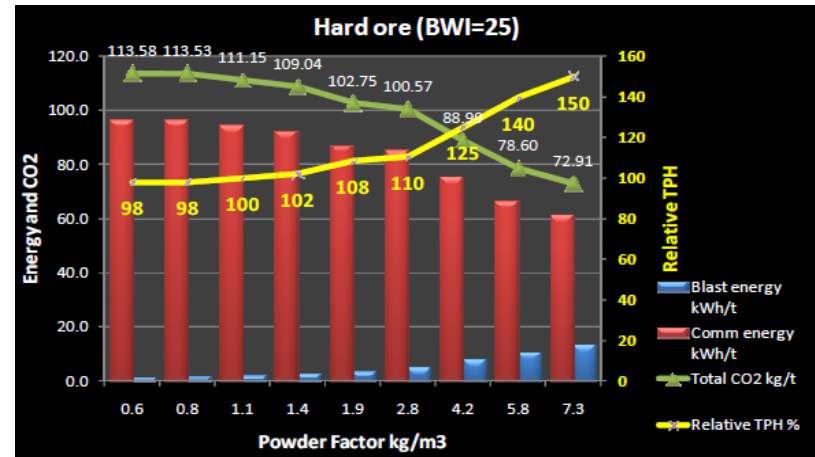
GREATER PRODUCTIVITY

(the following tested examples of value in use reinforce the point)

Soft Ore Bond Work Index (BWI) = 15



Hard Ore Bond Work Index (BWI) = 25



4x increase in powder factor results in

- 40% increase in mill throughput
- 33% reduction in mill energy

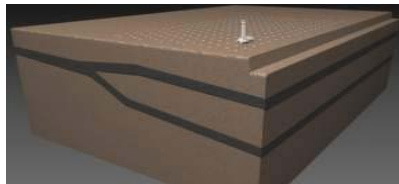
4x increase in powder factor results in

- 28% increase in mill throughput
- 23% reduction in mill energy

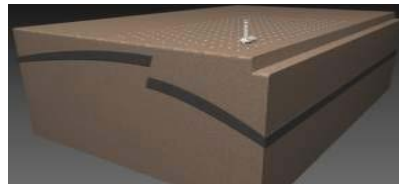
Mines are facing increasingly frequent challenging geological formations



Thin & Intermittent



Splitting



Faulted



Dipping

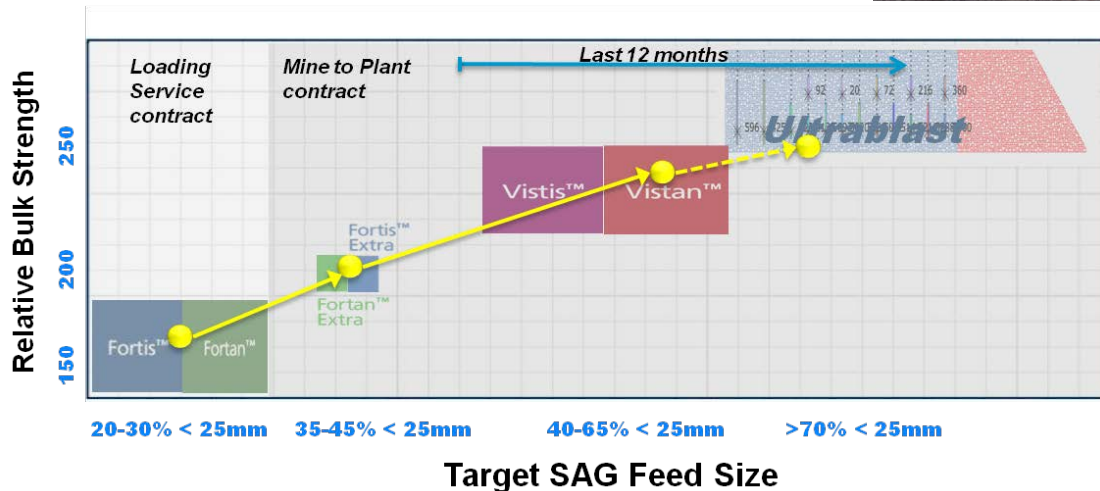
“Through Seam Blasting” provides a solution to these by:

- **Increasing the percentage of resource recovered**
- **Reducing strip ratio**
- **Providing the ability to selectively mine multiple seams**
- **Reducing total mining costs per tonne**
- **Turning previously non-economic resources into economically feasible prospects**

Value in Use



- Client pays for specification of rock size
- Over last 12 months Orica has introduced high energy blasting products and techniques
- In January 2013 review, client acknowledged Orica has added \$25m in value over contract period



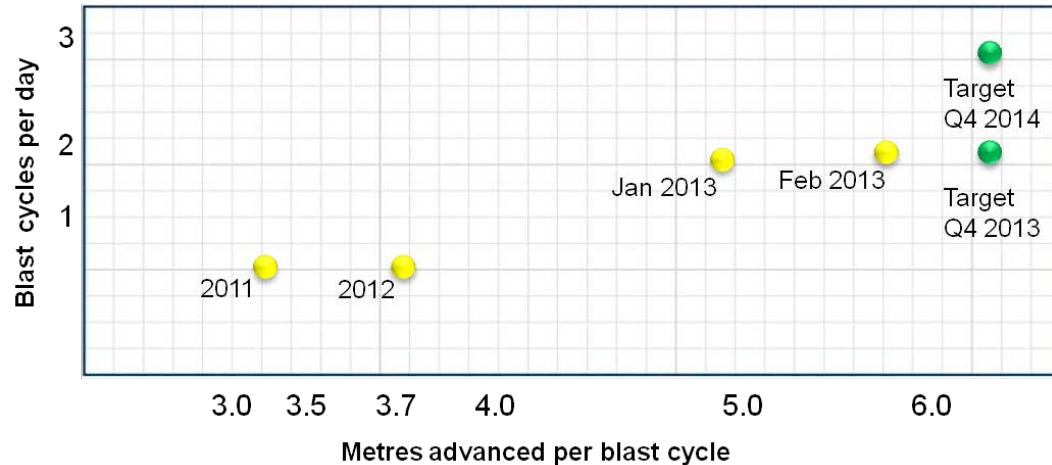
- **Blasting constraints - fume, vibration, overpressure, dust, proximity to public highway**
- **Patented Stratablast™ technique implemented to help address these constraints**
- **Results:**
 - **No fume or other environmental exceedances**
 - **112% coal recovery against mine target**
 - **Washery yield improved from ~74% to 82%**
 - **Dragline saving of 6 days per 1.3km strike length**



Joint project with client to maximise underground advance development and blast cycles per day

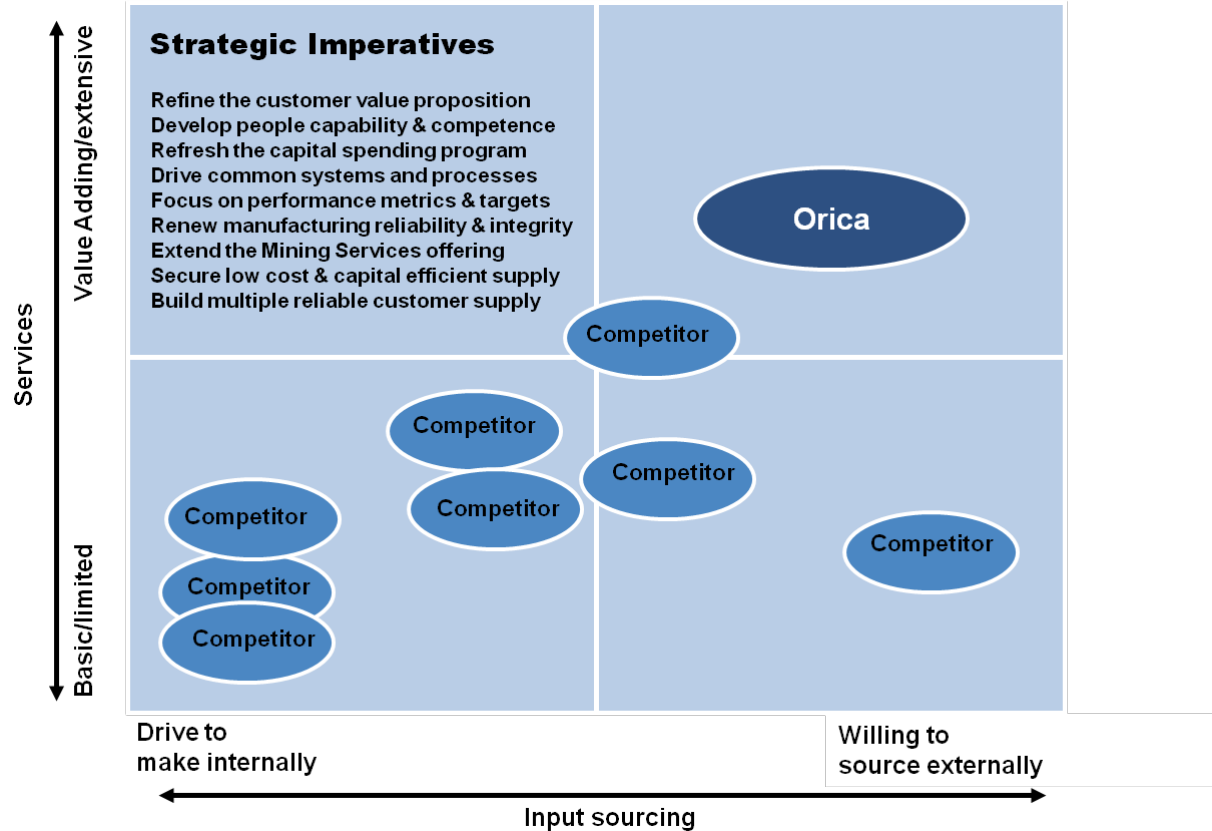
Currently achieving:

- Length of each round fired is up 90%
- Rounds fired per day is up by 129%





Overview



Margin Growth Initiatives



1. Structure

Centralised functions assist line management allowing growth without duplication of support. Projects enhance our breadth/depth.

2. Supply & Logistics

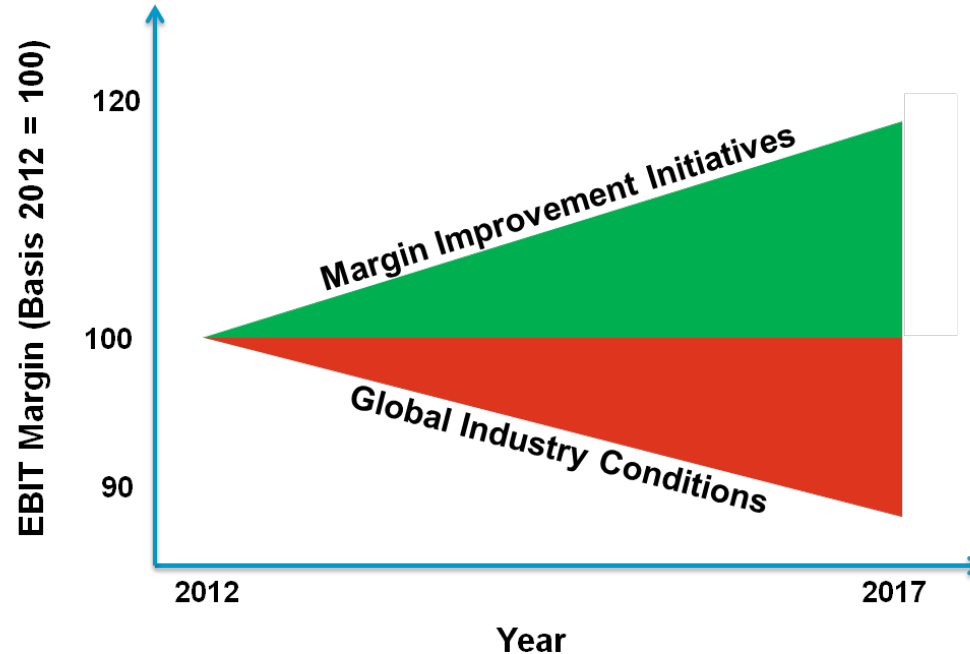
The best way to provide products and services to our customers in a secure and cost effective manner.

3. Manufacturing

Consistency and efficiency of planned production through asset management and process control.

4. Value in Use

Applying products and techniques in ways that add value to our customers while enhancing our services.



It is expected that annual revenue will increase, driven by changing product and services mix, growth in new markets and increasing strip ratios.

Unique Profile and Opportunities



Profile

- **Global market leadership**
- **Strong manufacturing position**
- **Attractive industry fundamentals**
- **Multiple growth opportunities**
- **Ground breaking technology**



Opportunities

- **Growth in commodity volumes, driven by industrialisation and urbanisation**
- **Declining ore grades & increasing strip ratios & ore-body complexity**
- **Efficiency & productivity focus drives demand for game-changing technology, products and services**

