ORICA
DEUTSCHE BANK – AUSTRALIA CORPORATE DAY

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ORICA

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Non-International Financial Reporting Standards (Non-IFRS) information

This presentation makes reference to certain non-IFRS financial information. This information is used by management 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. Forecast information has been estimated on the same measurement basis as actual results.

AGENDA

1. ORICA OVERVIEW

GLOBAL LEADER IN MINING AND CIVIL BLASTING

Economies of scale	✓ Scale and efficiency that comes from being the leading supplier of commercial explosives and blasting systems to the mining and infrastructure markets globally
Leading brand and strong reputation	✓ Leading supplier of commercial explosives globally with c.30%[1] market share, and a strong reputation for innovative solutions, safety and security of supply
Highly regulated industry	✓ Expertise acquired through a long history of operating in a highly regulated industry involving production, storage, transport and handling of dangerous products and chemicals
Market leadership in technology	✓ Market leadership in technology and innovation that comes from having more than 140 years of experience. Orica estimates it invests 2-3 times its nearest competitor in R&D and innovation
Strong customer relationships	✓ Strong and longstanding customer relationships supported by contracts that can span 3-5 years in duration
Strong Balance Sheet	✓ Disciplined approach to capital management ✓ Committed to maintaining an investment grade credit rating (BBB stable outlook)

Substantial competitive advantage that is difficult to replicate

1. Management estimate

TRUE GLOBAL FOOTPRINT

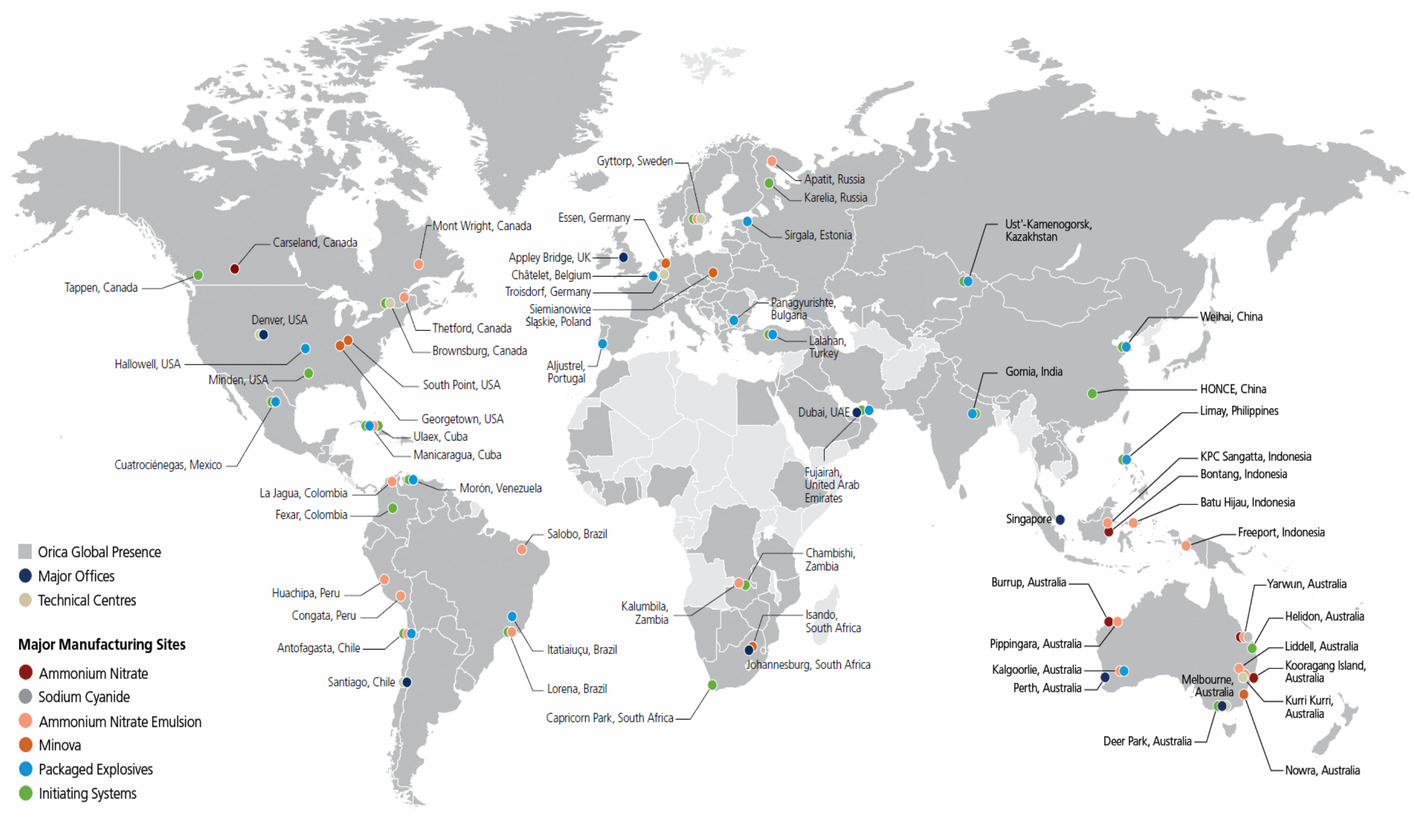
- Operates in over 50 countries and customers in more than 100 countries worldwide

140+
YEARS
of experience and innovation

No.1
GLOBAL SUPPLIER
of commercial explosives

11,500+
EMPLOYEES
serving customers across more than 100 countries

1,500
BLASTS PER DAY
on our customer sites



FLEXIBLE MANUFACTURING AND SOURCING CAPABILITY

Orica complements own manufacturing capabilities with flexible global sourcing arrangements:

- Highly disciplined approach to the management of the company's AN manufacturing capacity
- c.50% AN volume globally, strategically 3rd party sourced to meet specific business/regional requirements

1. Nameplate capacity reduced to 310 ktpa in 2015 in response to market conditions.
2. Orica has a 45% economic interest alongside its joint venture partner Yara. Burrup is expected to be commissioned in FY17.

GLOBAL MARKET LEADER

Orica's global leadership is a key differentiator

- ✓ Unrivalled licensing, scale, facility footprint, and market presence to service large customers in multiple jurisdictions regionally and globally
- ✓ Facility proximity to customer operations provide material cost advantages and security of supply
- ✓ Agility to respond to dynamic market requirements through a managed balance of internal manufacturing capacity and third party sourcing
- ✓ Unmatched technology and focus on creating value for blasting customers

Orica's key competitors by region

Australia, Pacific and Indonesia	North America	Latin America	Europe, Africa and Asia
CSBP DYNO Dyno Nobel	AUSTIN DYNO Dyno Nobel MAXAM	Enaex	MAXAM AECI EPC GROUPE OMNIA

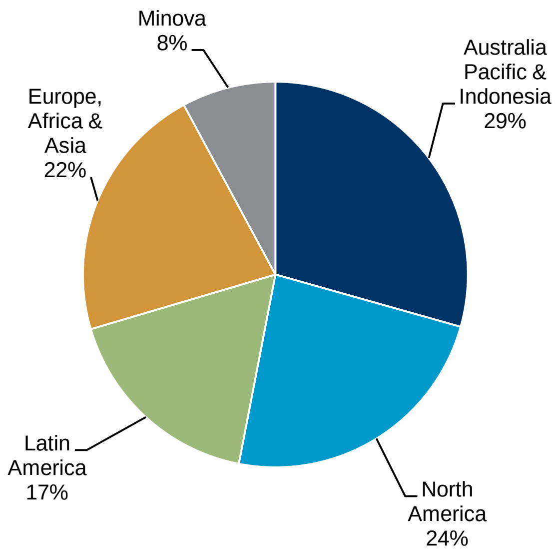
Orica does not have a true global competitor

ORICA

BALANCED AND DIVERSIFIED BUSINESS

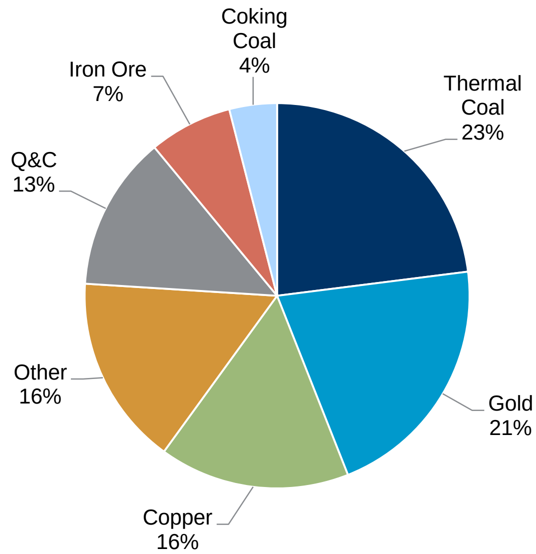
Geographic Portfolio

% of FY16 Revenue



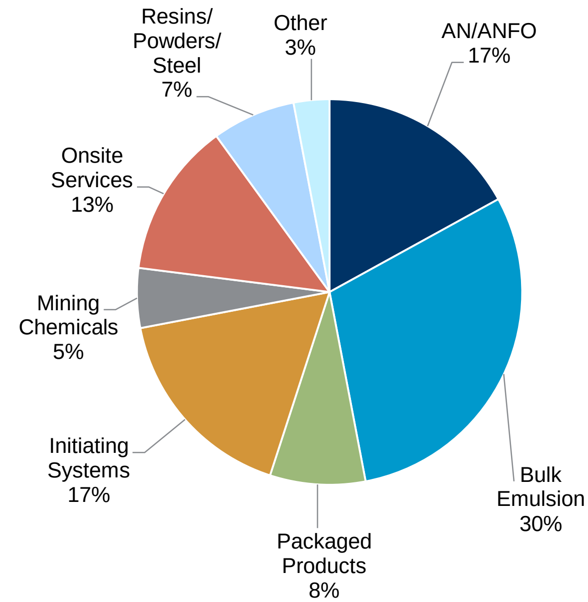
By Commodity

% of FY16 Revenue



By Product/Services Offering

% of FY16 Revenue



PRUDENT APPROACH TO CAPITAL MANAGEMENT

Capital Management Assessment Framework

Recent Key Deliverables

Maintaining an investment grade credit rating

- ✓ S&P affirmed BBB Stable rating December 2016
- ✓ Gearing: 35.8%
- ✓ Leverage 1.7x
- ✓ Net Debt reduced by $0.5bn

Preserving the flexibility to facilitate future investment alternatives and respond to changes in the operating environment

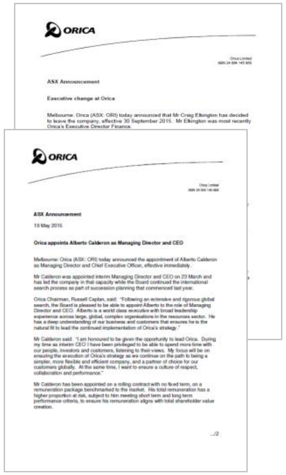
- ✓ Revised approach to Capex
- ✓ 20%+ RONA for growth capital projects
- ✓ Capex reduced 42% to $263m (from $443m pcp)

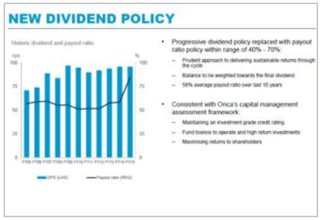
Maximising returns to shareholders

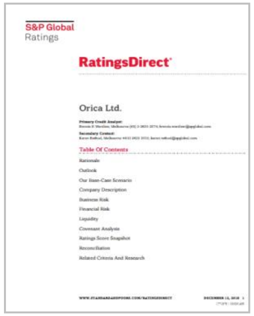
- ✓ New payout ratio dividend policy replaced prior progressive dividend
- ✓ Payout ratio to be in range of 40 -70% of underlying earnings

2. KEY STRATEGIC PRIORITIES

A SIGNIFICANT TRANSFORMATION IS UNDERWAY







Nov 2014

Sale of Chemicals Business for $750 million

May 2015

Appointment of new CEO Alberto Calderon

Sep 2015

Appointment of new CFO Thomas Schutte

Oct 2015

Adoption of Customer Centric Business Model with operating region accountability

May 2016

Introduction of sustainable Dividend Policy consistent with Capital Management Assessment Framework

Dec 2016

S&P affirmed Orica's BBB rating with stable outlook

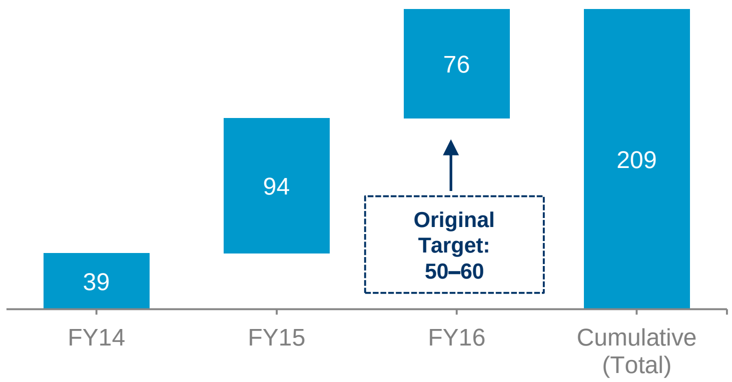
TAKING DECISIVE ACTION

Strategic Initiatives	Delivered to Date
Controlling the elements we can	✓ Instilled business improvement initiatives throughout the company ✓ Rationalisation of supply to balance the Australian east coast market
Transforming Orica into a leaner, more efficient organisation	✓ Customers are at the heart of everything we do ✓ Assuring our value to customers by consistently delivering safe, reliable and high-quality products and services
Embedding efficiencies in the business	✓ Reintroducing discipline and rigor as baseline expectations throughout Orica ✓ Continued focus on initiatives that improve efficiencies ✓ Improved EBIT margin
Strengthening the balance sheet	✓ Capital management assessment framework guiding capex and dividends ✓ Reduced gearing to lower end of target 35-45% range ✓ Sustainable new dividend policy
Renewed senior leadership team	✓ Highly experienced Executive and Senior Leadership team in place ✓ New Charter that enshrines Orica's culture

BUSINESS IMPROVEMENT INITIATIVES EXCEEDING TARGET

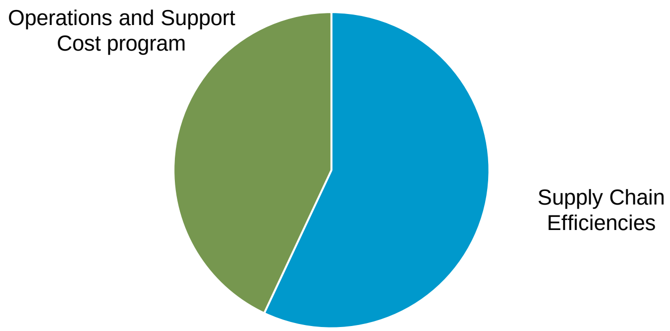
Cumulative Net EBIT Improvement

A$m



FY16 Net Benefits by Category

(%)



Key priorities for FY17

- ✓ Reducing external spend, including manufacturing input costs and corporate overheads
- ✓ Maximising supply chain efficiencies, such as cost controls, operational consistency, and inventory management
- ✓ Embedding working capital disciplines, including standardising payment terms and improved management of receivables
- ✓ Operational optimisation, which includes improving utilisation rates and labour productivity;
- ✓ Safety is a core value, with a key focus being toward driving common standards and their consistent application for major hazards

REDUCED CAPITAL EXPENDITURE

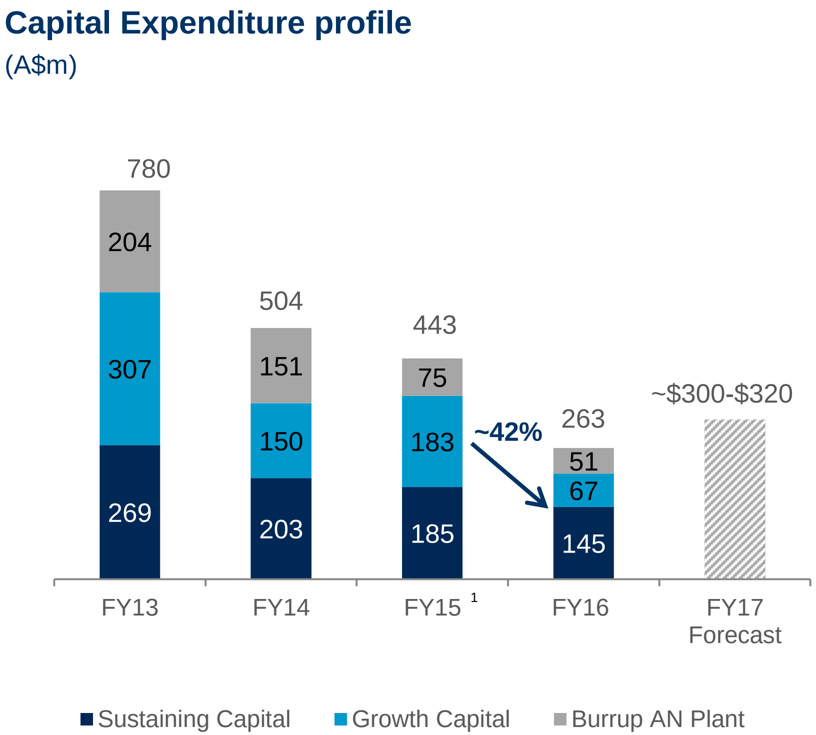
- New approach to capital and investment evaluation drives sustainable reduction

Classification of growth and sustenance capital expenditure aligned to prioritisation tools

Ranking of capital expenditure prioritisation across the group

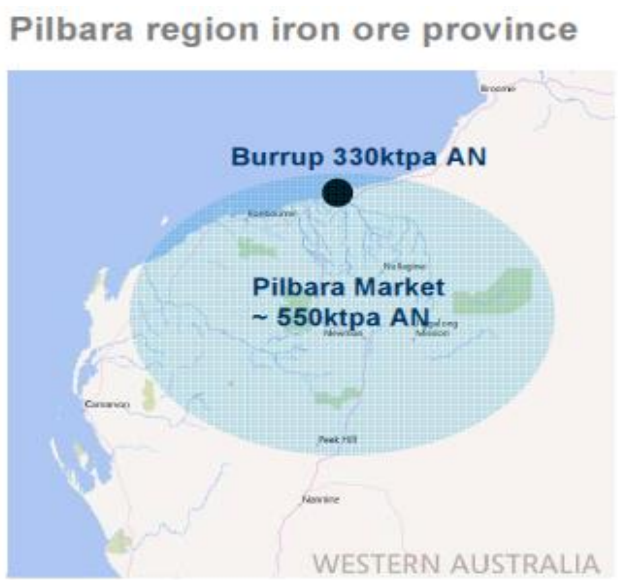
20% RONA for all new growth capital projects

Prioritising licence to operate capital expenditure (safety, environment, regulatory)



1. FY15 Capex from continuing operations

BURRUP TAN

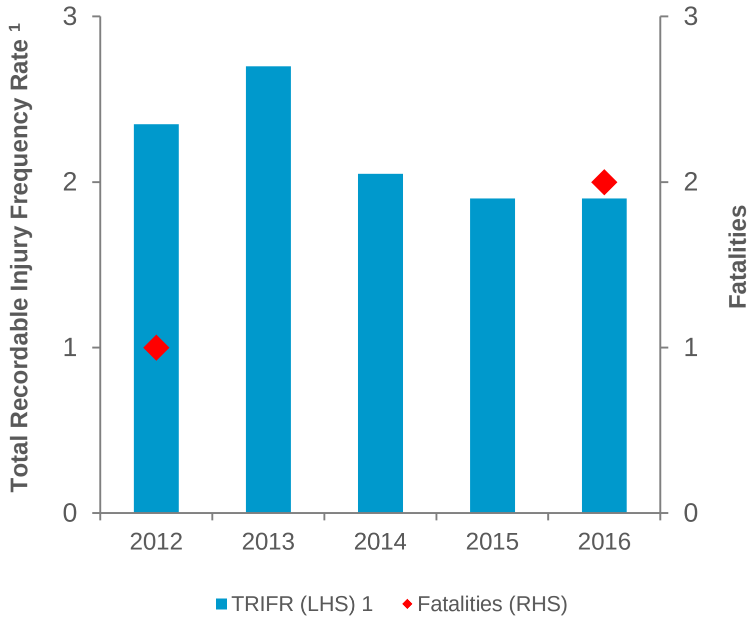


- The Burrup Technical Ammonium Nitrate "TAN" plant is a 30+ year asset located in the Pilbara region of Western Australia
  - Major Pilbara based iron ore miners are the world's lowest cost producers
- A strategic decision was taken in 2012 to enter a joint venture with Yara (as operator) for the Burrup TAN plant. Orica has a 45% economic interest with marketing rights
- Commissioning issues relating to the plant are currently being addressed by the operator, and Orica is evaluating all options for the plant for the delivery of economic returns
- Commissioning plans, focusing on a ramp up in production, will be in line with market demand
- Focus will be applied to achieving optimal asset utilization and the delivery of an appropriate RONA

3. FINANCIAL PERFORMANCE

SAFETY AND ENVIRONMENT

Safety Performance



- Safety is a core value and strongly aligned to our customers' focus on safety
- Key focus on common standards and consistent application for major hazards
- Injury performance is steady and in the top quartile of ASX companies[2]
- No significant environmental incidents

1. Total Recordable Injury Frequency Rate (TRIFR) represents total number of recordable cases per 1 million hours worked
2. Safety Spotlight: ASX 100 Companies and More–Citi Research September 2016

FY16 FINANCIAL SUMMARY

Ammonium Nitrate Volume	✓ Total Ammonium Nitrate product volumes of 3.54 million tonnes (pcp: 3.76 million tonnes)
Revenue	✓ Revenue of $5,092 million (pcp: $5,653 million)
Earnings	✓ Underlying EBITDA[1] of $908 million (pcp: $978 million)
Capital Management	✓ Capital Expenditure of $263 million (40% lower than FY15)
Net Debt	✓ Net Debt reduced by 24% to $1,549 million
Credit Metrics	✓ Interest Cover ratio: 5.4x ✓ Gearing: 36% ✓ Credit rating: S&P BBB/Stable (affirmed 12 December 2016)

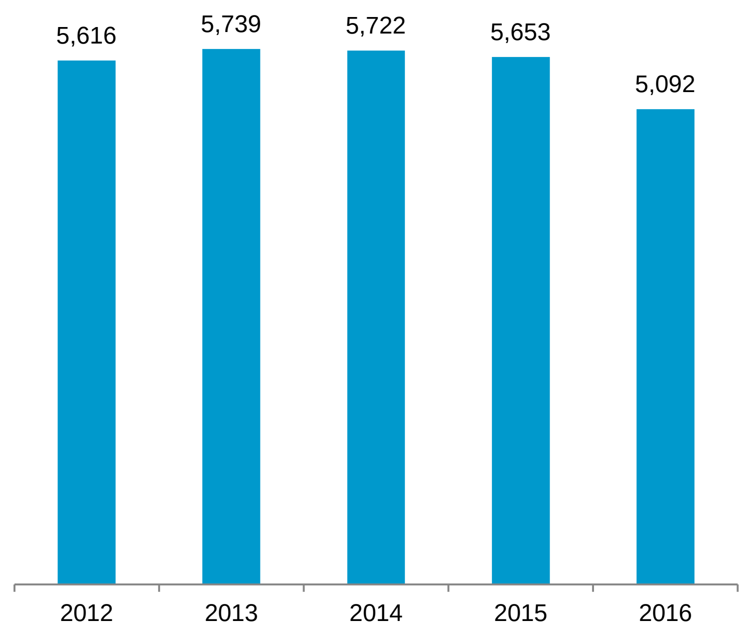
1. From continuing operations before individual material items

HISTORICAL FINANCIALS

- Margin management has been a core focus across every region and business, with EBIT margin increasing by 50bps in FY16

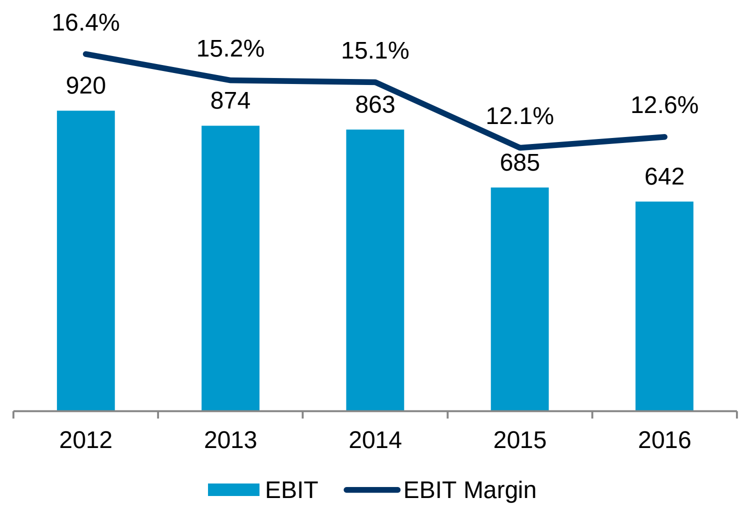
Revenue[1]

(A$mm)



EBIT[1] (excluding individually material items)

(A$mm)

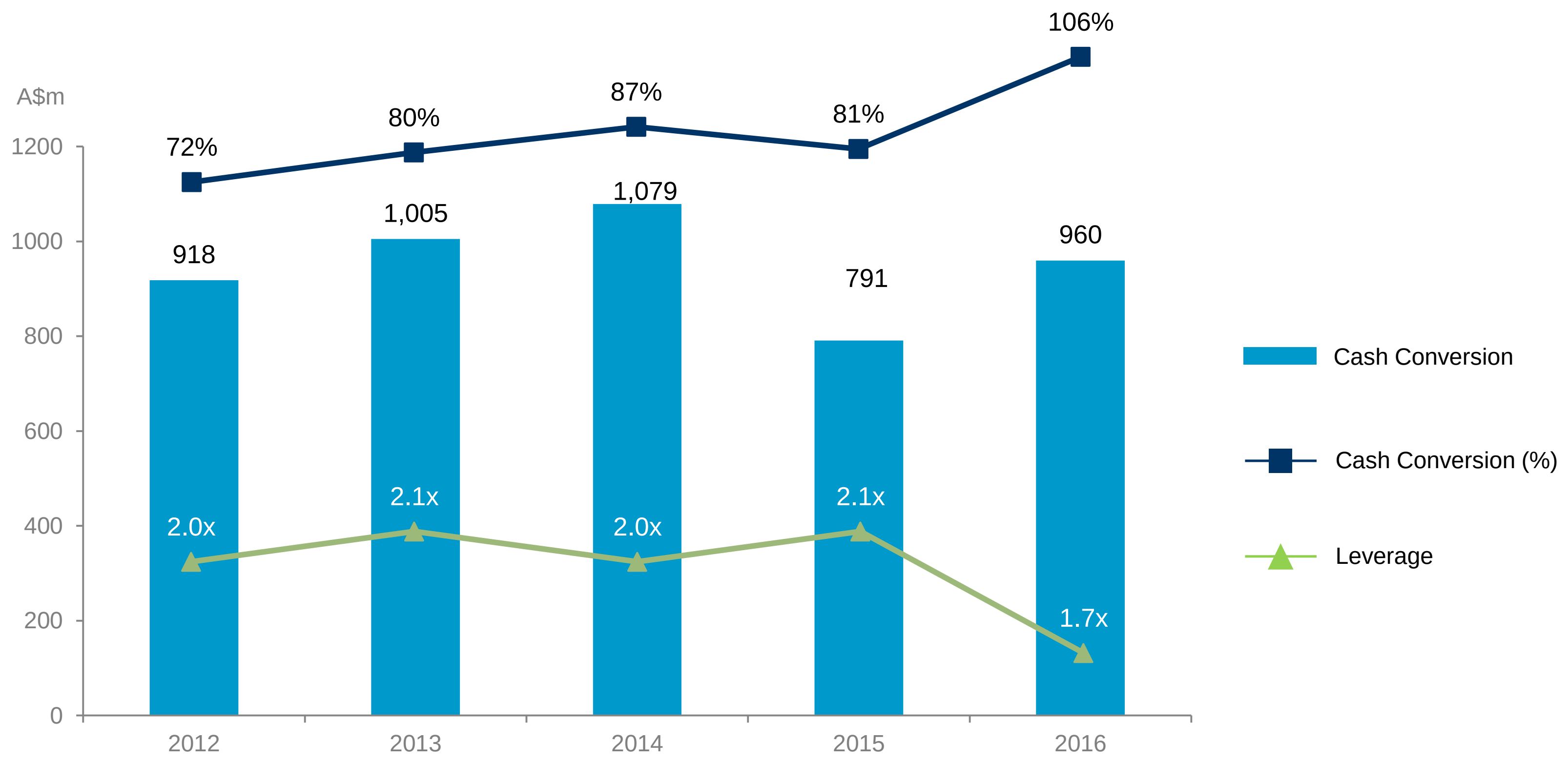


Note[1] Continuing Operations

STRONG CASHFLOW PERFORMANCE

- Operating cash flow over the past five years has averaged in excess of $800 million

High Cash Conversion[1 2]



Note: 2012-2014 includes Chemicals
[1]Cash conversion = EBITDA+TWC movement – Sustaining capital expenditure.
[2]Cash conversion (%) = Cash conversion/EBITDA.

4. OUTLOOK

FY17 BUSINESS IMPROVEMENT INITIATIVES

- The focus on business improvement initiatives is now embedded throughout Orica's business
- With a continuing emphasis on business improvement initiatives, Orica expects to deliver market offsets throughout FY17

Business Improvement Initiatives	Outcomes
Commercial	• Improved value selling and better understanding of customer needs • Improve margin mix • Reduce margin leakage
Operations	• Increase raw material yields • Rationalise footprint • Improve utilisation and labour productivity
External spend	• Align material input contracts to underlying market conditions • Reduce general and administrative spend • Renegotiate contracts
Supply Chain	• Streamline structure • Improve cost control and shipment planning • Improve operational quality

FY17 OUTLOOK ASSUMPTIONS

Orica's key outlook assumptions for FY17 are:

Explosives	• Global Ammonium Nitrate product volumes in the range of 3.5 million tonnes ± 5%
Minova	• Focused on improving performance under the new structure • Expected to remain cash flow positive
Sodium Cyanide	• Cyanide volumes expected to be in line with FY16
Headwinds and business initiatives	• ~$60 million negative impact from price resets • ~$50 – 70m from previously negotiated input material contracts • Increased depreciation and amortisation post Burrup commissioning • Above headwinds to be offset by FY16 business improvement initiative benefits and expected FY17 new business improvement initiatives
Capital	• ~$300 - 320 million with continued focus on capital discipline • FY17 capex includes scheduled maintenance at Kooragang Island and Carseland and remaining Burrup spend
Other	• Effective tax rate (excluding individually material items) to be marginally higher than FY16, and interest expense will increase following completion of Burrup

SUPPLEMENTARY INFORMATION

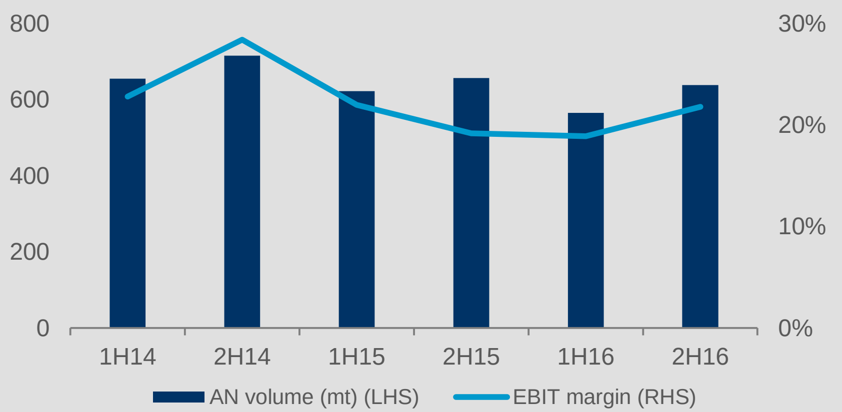
FINANCIAL RESULT

Full year ended 30 September (A$m)	2015	2016	%
Continuing Operations[1]			
Sales revenue	5,653	5,092	(10)
EBITDA	978	908	(7)
EBIT	685	642	(6)
Net financing costs[2]	82	84	3
NPAT (before individually material items)	417	389	(7)
NPAT (after individually material items)	(1,274)	343	nm
Interest cover (times)	8.3x	7.6x	(0.7x)
Interest cover (times) excluding capitalised borrowing costs	5.8x	5.4x	(0.4x)
Effective Tax Rate[3]	29%	28%	1pt
Earnings per share before individually material items (cents)[4]	113	105	(7)
Total dividends declared per share (cents)	96	49.5	(46.5)c

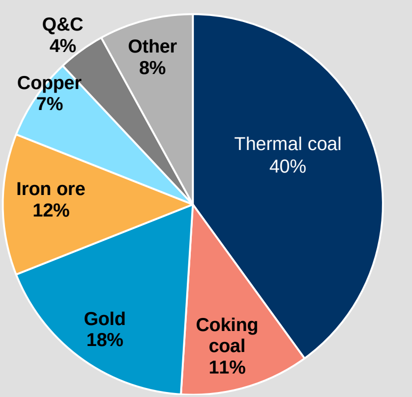
1. Refer to Note 16 of 2016 Orica Annual Report
2. Financial expense in 2016 includes the impact of $35.1m of capitalised borrowing costs (2015: $36.7m)
3. Calculation excludes tax impact from individually material items
4. Refer to Note 2(ii) of 2016 Orica Annual Report

AUSTRALIA, PACIFIC & INDONESIA

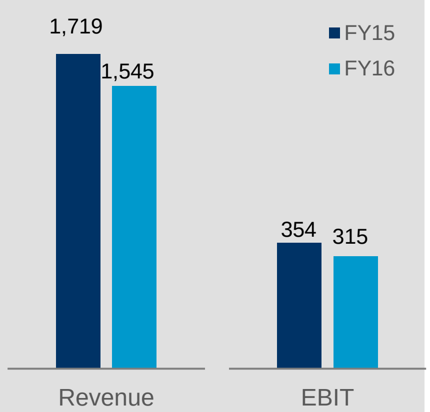
Ammonium Nitrate volume and EBIT margin



Revenue by commodity[1]
%



Revenue and EBIT
$m

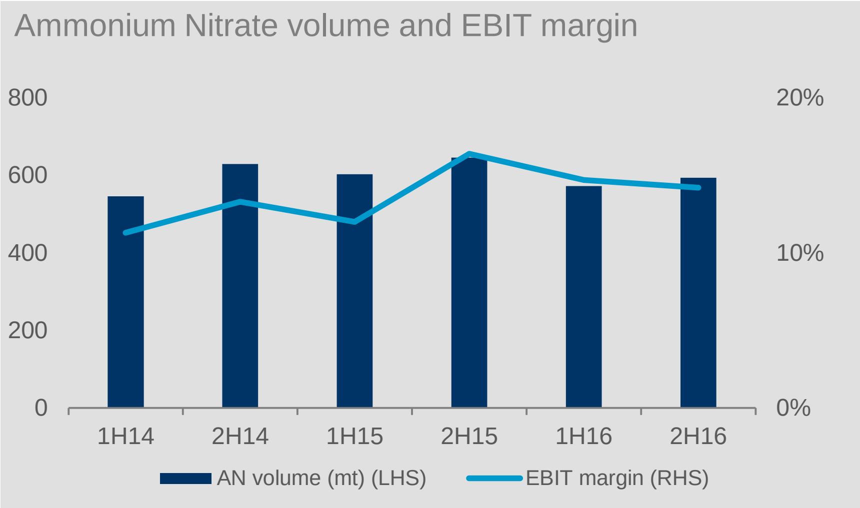


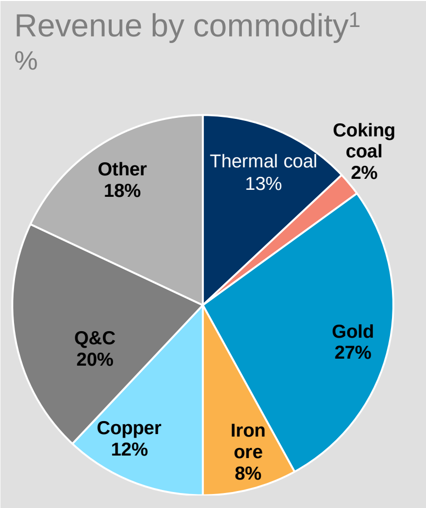
- Largest region contributing 29% of FY16 group revenue
- Orica operates three major ammonium nitrate plants and a number of ammonium nitrate emulsion facilities across Australia and Indonesia
- Orica operates a sodium cyanide manufacturing facility and an initiating systems plant in Australia
- Principal commodity exposures includes thermal coal, gold, iron ore and coking coal
- FY16 revenue of $1,545 million and EBIT of $315 million, down 10% and 11% respectively YoY
  - Unfavourable volume, mix and margin, attributable to external market impacts through mine planning reconfigurations and mine closures, as well as customers opting for lower service levels due to operational cost pressures
  - Price resets and contract renewals had a negative impact with the oversupply in ammonium nitrate markets placing pressure on pricing
  - Partly offset by business improvement benefits

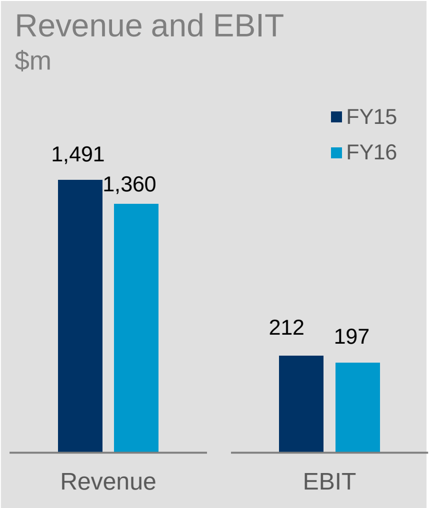
1. Based on FY16 revenue

Note: all comparisons are to the prior corresponding period unless stated otherwise

NORTH AMERICA







- Second largest region contributing 24% of FY16 group revenue and comprises the USA, Canada and Mexico
- Orica has one major ammonium nitrate plant, a number of ammonium nitrate emulsion facilities in Canada, and a number of initiating systems plants across North America
- Principal commodity and market sector exposures include gold, quarry & construction, thermal coal and copper
- FY16 revenue of $1,360 million and EBIT of $197 million, down 9% and 7% respectively YoY
  - Volume, mix and margin was impacted by:
    - Lower ammonium nitrate volumes across US and Mexico, offset by higher volumes in Canada.
    - Favourable product and customer mix through the impact of new contract wins and market placement of advanced product and service offerings
  - Price resets and contract renewals had a negative impact reflecting market conditions and continued pricing pressure
  - Partly offset by business improvement benefits

1. Based on FY16 revenue

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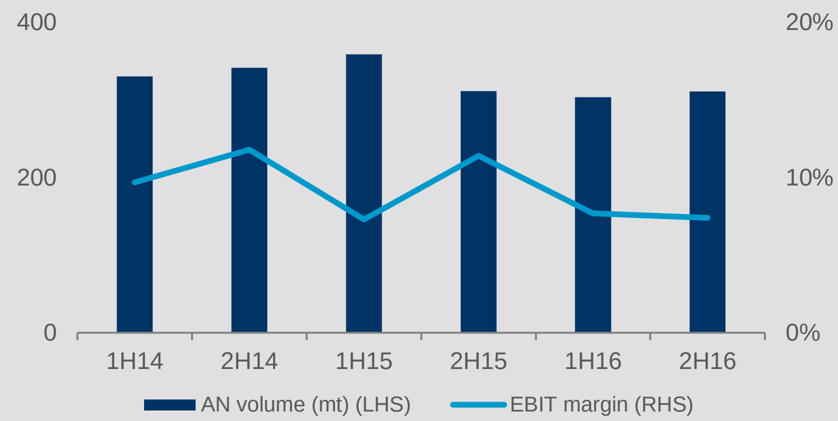
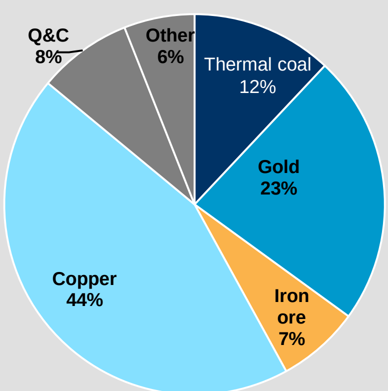
LATIN AMERICA

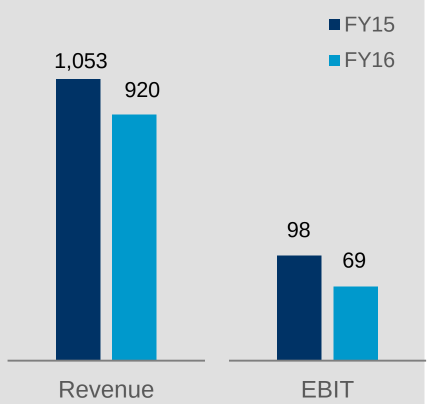
Ammonium Nitrate volume and EBIT margin



Revenue by commodity[1]
%



Revenue and EBIT
$m

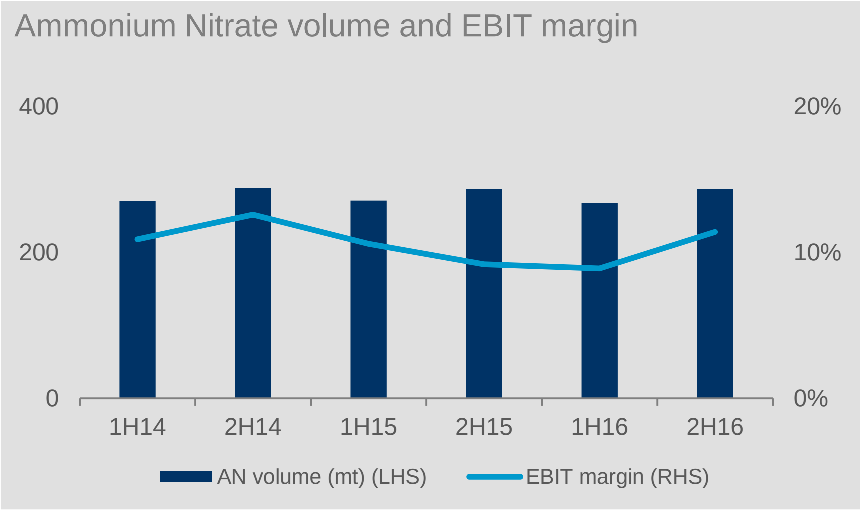


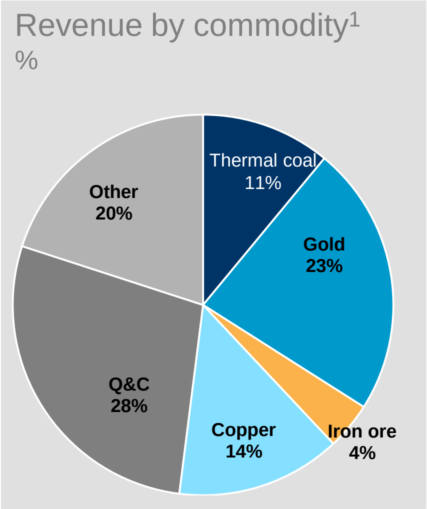
- The Latin American region services customers across 9 countries contributing 17% of FY16 group revenue
- Orica operates a number of ammonium nitrate emulsion facilities, initiating systems plants and a sodium cyanide transfer station in Peru
- Principal commodity and market sector exposures include copper, gold, thermal coal and quarry & construction
- FY16 revenue of $920 million and EBIT of $69 million, down 13% and 29% respectively YoY
  - Unfavourable volume, mix and margin impacted by lower ammonium nitrate volumes across Chile and Argentina, partially offset by higher volumes into Brazil and improved cyanide sales across the region
  - Favourable product and customer mix through new contracts and improved market placement of advanced products and service offerings.
  - Price resets and contract renewals had a negative impact, reflecting pricing pressure in markets
  - Overheads and other expenses were unfavourable due to inflationary impacts in Argentina and Venezuela, as well as provisions taken for assets in Venezuela
  - Partly offset by business improvement benefits

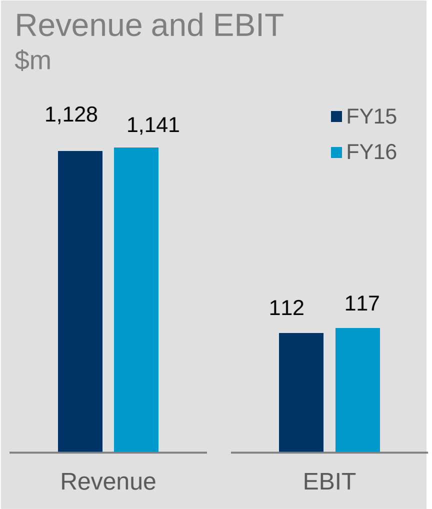
1. Based on FY16 revenue

Note: all comparisons are to the prior corresponding period unless stated otherwise

EUROPE, AFRICA & ASIA







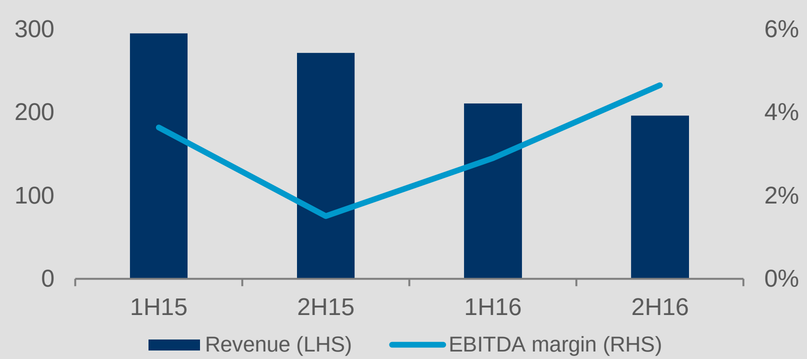
- Third largest region contributing 22% of FY16 group revenue
- Orica has a number of ammonium nitrate emulsion, initiating systems and packaged explosives plants across the region. Orica also operates a sodium cyanide transfer station in Africa
- Principal commodity and market sector exposures include quarry & construction, gold, copper and thermal coal
- FY16 revenue of $1,141 million and EBIT of $117 million, up 1% and 4% respectively YoY
  - Favourable volume, mix and margin impacted by customer and service mix with growth to higher margin customers in Africa and the CIS, offsetting the loss of lower margin business in India
  - Continued penetration of Orica's tunnels offering into South East Asia via higher margin EBS units aided performance
  - Price resets and contract renewals had a negative impact reflecting market conditions
  - The region benefited from business improvement benefits

1. Based on FY16 revenue

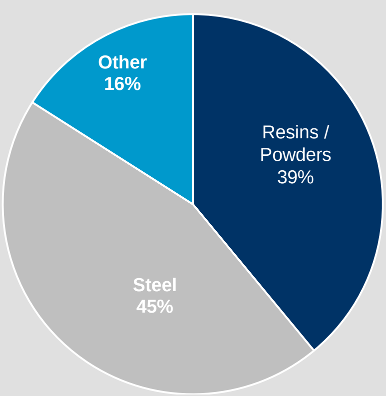
Note: all comparisons are to the prior corresponding period unless stated otherwise

MINOVA

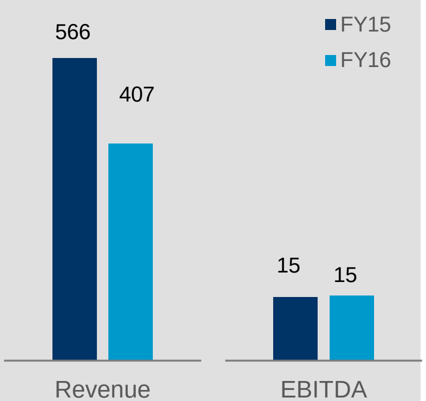
Revenue and EBITDA margin



Revenue by product[1]
%



Revenue and EBITDA
$m



- Orica's smallest segment, contributing 8% of FY16 group revenue
- FY16 revenue of $407 million and EBITDA of $15 million, down 28% and up 3% respectively YoY
- Amidst challenging market conditions and resulting lower product volumes, EBITDA performance improved by 3%
  - Rigorous management of operational costs
  - Focus upon opportunities to differentiate out of lower margin steel products and into the application of higher margin resins and powders
  - Cost reduction initiatives have been aligned to market volume changes to absorb overheads
- Completed transition to a stand-alone global business
- Geographic expansion is underway into complementary markets across North & Central Africa, Middle East and the America's
- Strong pipeline of opportunities in diversified segments has been identified (hard rock and non-mining markets)

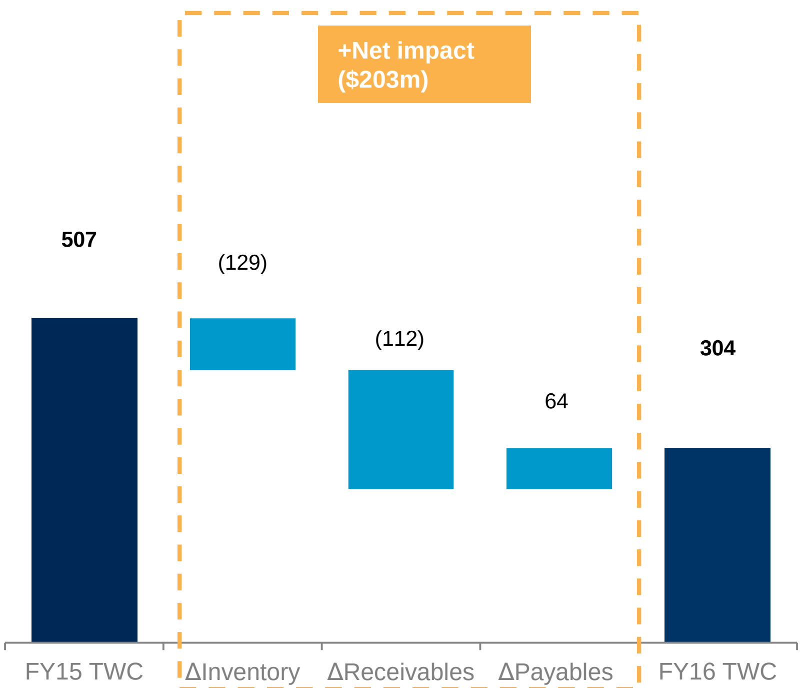
1. Based on FY16 revenue

Note: all comparisons are to the prior corresponding period unless stated otherwise

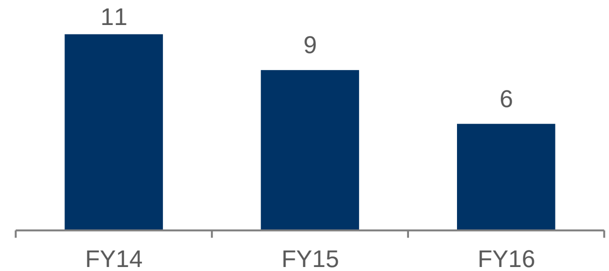
TRADE WORKING CAPITAL

- Embedding working capital discipline, including standardising payment terms and better management of inventory and receivables
- Resulted in a substantial improvement in trade working capital ($304 million, 40% lower than pcp)
- Improvement was delivered across all regions

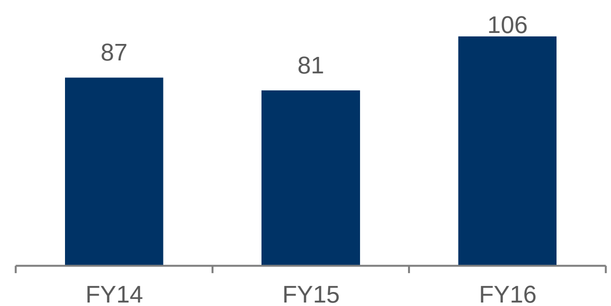
Trade Working Capital (A$m)



Trade working capital (% of Revenue)



Cash Conversion (%)[1]



1. Cash Conversion/EBITDA

DISCLOSURES AND DEFINITIONS

Term	Definition
Ammonium Nitrate volume	Includes Ammonium Nitrate (AN) prill and solution and Emulsion products include bulk emulsion and packaged emulsion
NPAT	Equivalent to net profit for the period after income tax expense before individually material items attributable to shareholders of Orica Limited disclosed in note 16 within Appendix 4E – Preliminary Final Report
EBIT	Equivalent to Profit from operations in Note 16 within Appendix 4E – Orica Preliminary Final Report from continuing operations before individually material items.
EBITDA	EBIT from continuing operations before individually material items plus Depreciation and Amortisation expense from continuing operations
EBIT margin	EBIT / Sales
EBITDA margin	EBITDA / Sales
Trade Working Capital	Comprises inventories, trade receivables and trade payables disclosed within Appendix 4E – Preliminary Final Report
Non Trade Working Capital	Comprises other receivables, other assets, other payables and provisions.
TWC movement	Opening TWC less closing TWC (excluding TWC acquired and disposed of during the year)
Capital expenditure	Comprises total payments for property, plant and equipment and intangibles as disclosed in the Statement of Cash Flows within Appendix 4E – Preliminary Final Report.
Growth Capital	Capital expenditure that results in earnings growth through either cost savings or increased revenue
Sustaining Capital	Other capital expenditure
Net operating and investing cash flows	Equivalent to net cash flow from operating and investing activities (as disclosed in the Statement of Cash Flows within Appendix 4E – Preliminary Final Report) excluding net proceeds from the sale of Chemicals business.
Net debt	Total interest bearing liabilities less cash and cash equivalents as disclosed in note 3 within Appendix 4E – Preliminary Final Report
Payout Ratio	Dividends per share for the year / Earnings per share
Gearing %	Net debt / (net debt + total equity) as disclosed in note 3 within Appendix 4E – Preliminary Final Report.
Q&C	Quarry & Construction
YoY	Year on year

