



2012 ORICA ANNUAL GENERAL MEETING
Thursday 31st January 2013

Ian Smith – Managing Director and CEO, Orica Limited

Forward looking statements

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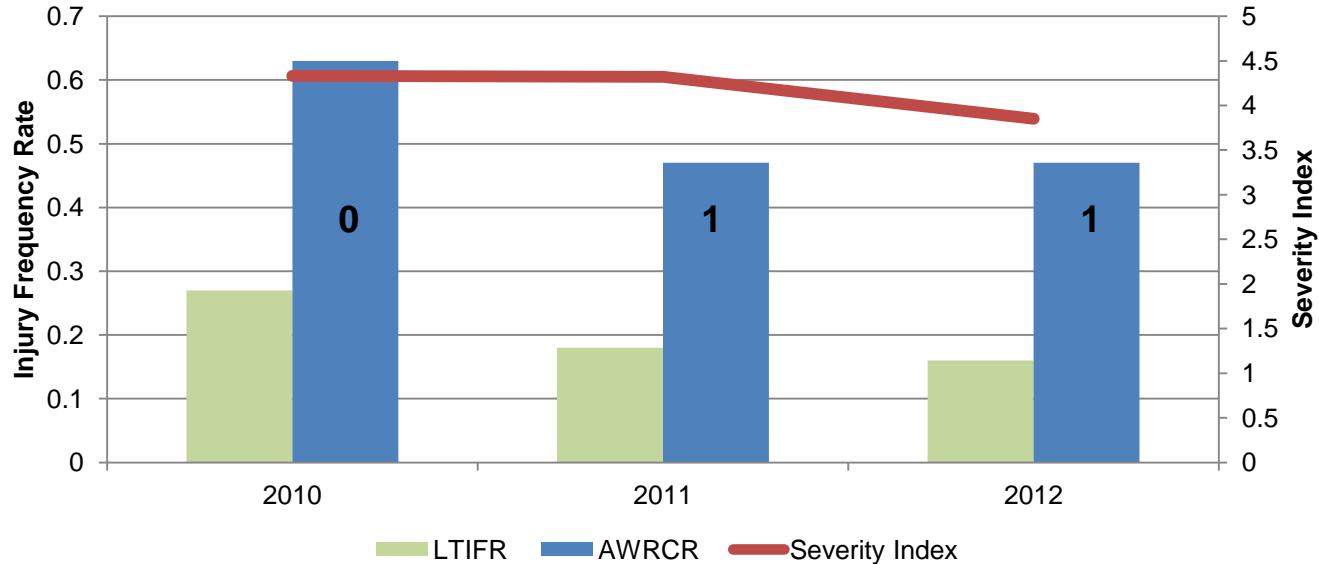
Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

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.

- 1. Safety, Environment and Community**
- 2. Financial Results and Minova**
- 3. Vision, Values and Business Model**
- 4. Structure and Strategy**
- 5. Initiatives and Projects**
- 6. Business Environment**

Orica's historical safety performance



1. **AWRCR:** All Worker Recordable Case Rate, total number of recordable cases per 200,000 hours worked.
2. **LTIFR:** Lost Time Injury Frequency Rate, total number of lost time injuries per 200,000 hours worked.
3. **Severity Index:** A weighted analysis of the severity of incidents within Orica.

Abatement

- Abatement technology has now been installed on nitric acid plants at Kooragang Island, Yarwun, Bontang and Carseland. This will reduce greenhouse gas emissions equivalent to removing 150,000 cars from the road.

Mineral Carbonation

- Carbon capture technology that permanently stores CO₂ by reacting it with mineral silicates.
- Orica is a partner in Mineral Carbonation International (MCi) with The University of Newcastle and GreenMag which aims to further develop carbon capture technology and build a pilot plant. Testing/Piloting over four years.
- Proposed Funding : Commonwealth and NSW Government contribute 2/3, Orica 1/3.

Orica GreenEDGE Cycling



Orica GreenEDGE Cycling will compete in more than 300 events with over 200 days of racing per year. This exposure provides excellent branding while providing opportunities for interaction with our communities, customers and suppliers.



Equipping Orica to be a socially responsible company through being a global innovator & leader in Safety, Health, Environment, Community & Risk performance

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Group Financial Performance



Full year ended 30 September (A\$M)	2012	2011	% \updownarrow
Statutory profit after tax	402.8	642.3	(37.3) \downarrow
Individually material items	247.4	-	
Underlying profit after tax ¹	650.2	642.3	1.2 \uparrow

2012 underlying net profit in line with guidance³

Earnings per share (cents) ²	177.9	173.5	2.5 \uparrow
Dividends per share (cents)	92.0	90.0	2.2 \uparrow
Return on shareholder's funds (%) ²	18.9	17.7	6.8 \uparrow

1. Profit after income tax expense before individually material items attributable to shareholders of Orica Limited as disclosed in note 2 to the Orica Annual Report.
2. Before individually material items.
3. Orica expects Group net profit after tax (pre individually material items) in 2013 to be higher than that reported in 2012, subject to global economic conditions.

Minova Asset Impairment



Full year ended 30 September (A\$M)	2012
Individually material items	247.4
Comprising	
North America	307.2
China	20.0
Minova Group	<u>40.0</u>
Total Pre Tax	367.2
Tax Effect	<u>(119.8)</u>
Total After Tax	<u><u>247.4</u></u>

The Minova business :-

- **Provides a pathway to growth through bundling of solutions to underground customers (a market that currently constitutes less than 15% of Mining Services revenue);**
- **Good Cash Conversion at around 96%; but**
- **Needs to be repositioned for integration into the Orica structure.**

Project Optimova will be driven by :-

1. **Simplification of the business model;**
2. **Optimisation of manufacturing; and**
3. **Rationalisation of functional overheads.**

Integration into Mining Services & Manufacturing will be in 3 stages :-

- **Australasia, Asia and Africa during the 2013 FY;**
- **Europe during 2013 and 2014 FYs; and**
- **Americas in FY2014.**

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Clever Resourceful Solutions

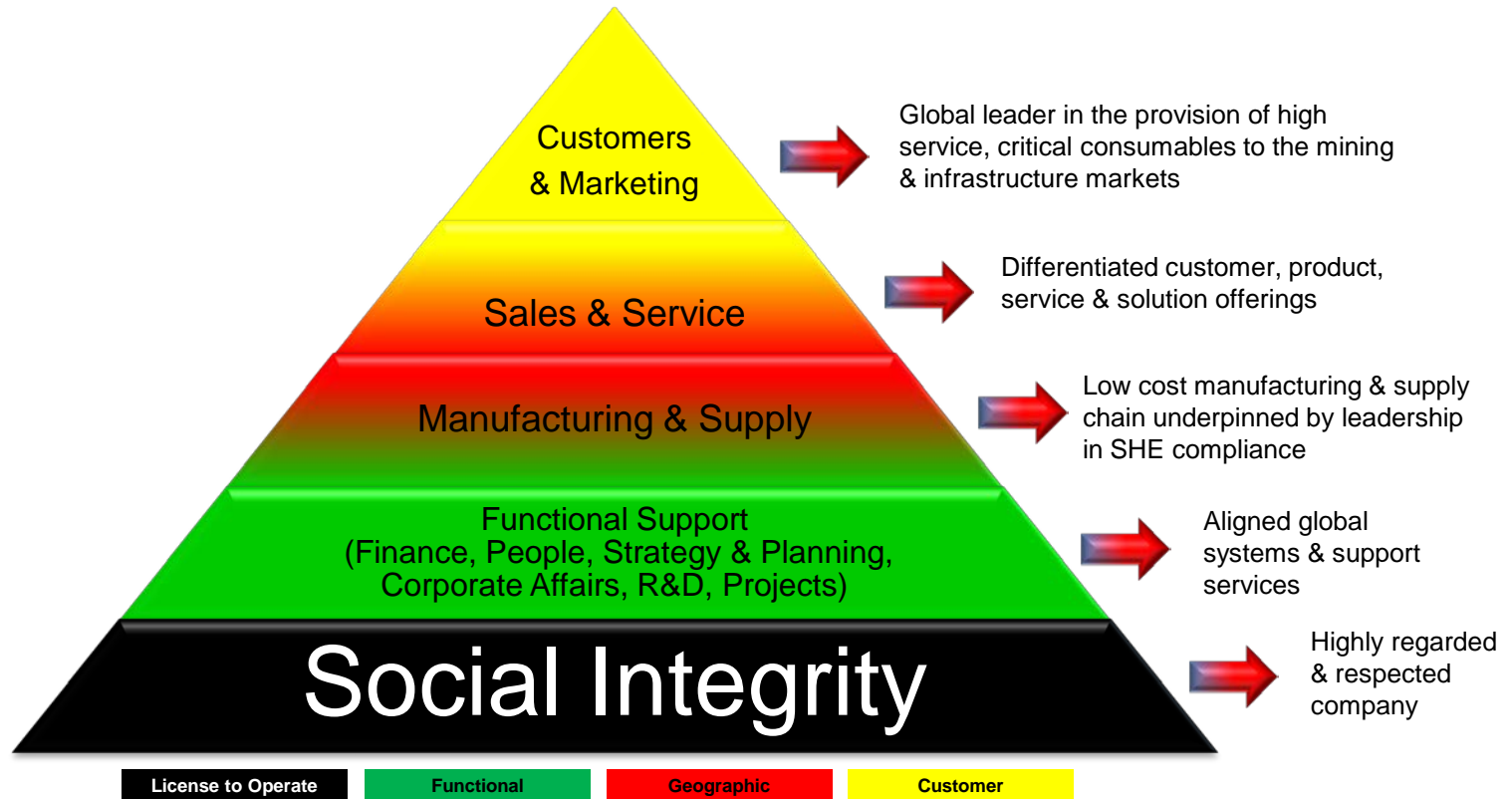
Clever	<i>adjective</i>	skilful; talented; adroit; ingenious; quick to understand & learn
Resourceful	<i>adjective</i>	full of resource; ingenious; skilful in overcoming difficulties

No Accidents Today

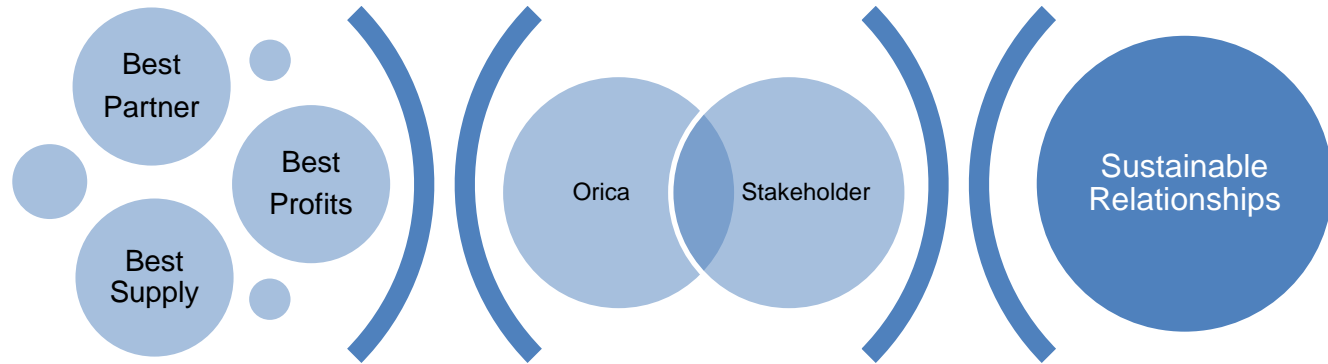
Succeed Through Collaboration

Find Valuable Solutions

It's Our Business



The Power of Partnership



Strategic Outcomes

- Continual product development
- Applied productive techniques
- Global supply alternatives
- Local expert advice

Strategic Relationships

- Long term presence
- Deep industry contacts
- Contributing to community
- Improved customer service

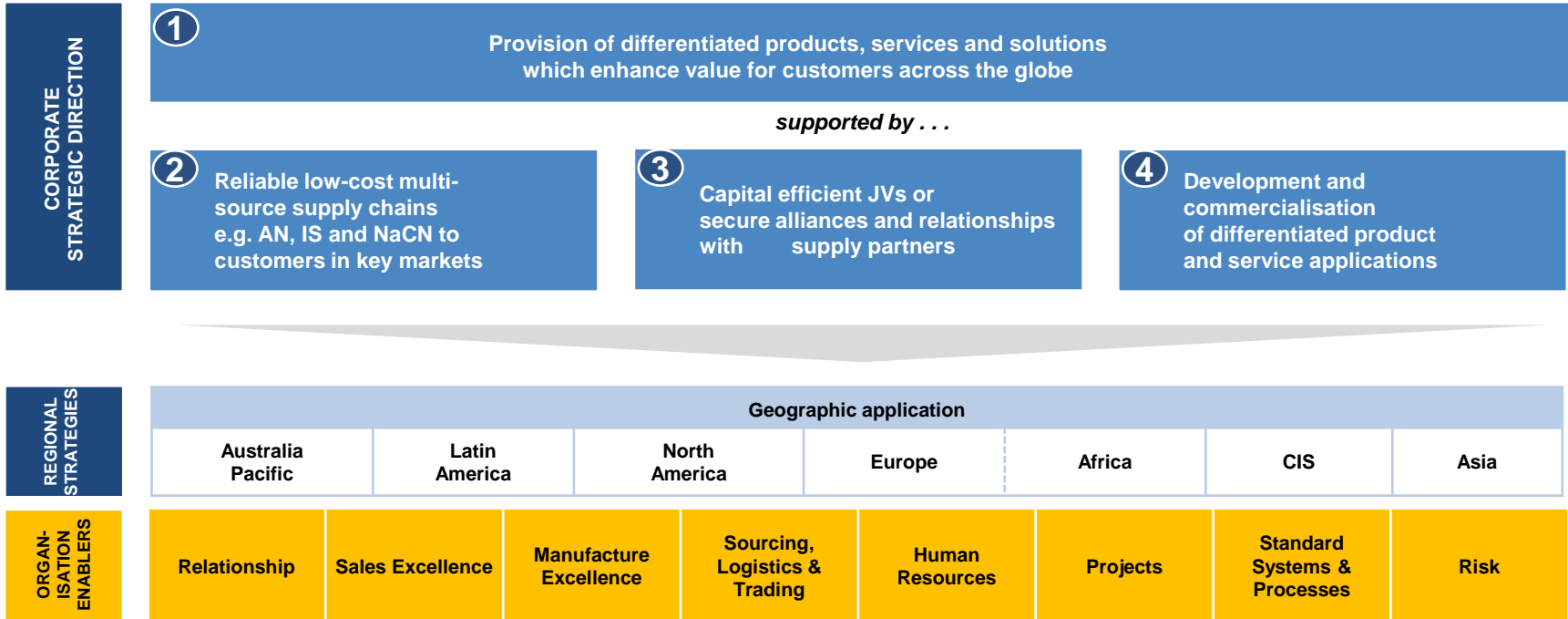
Strategic Alliances

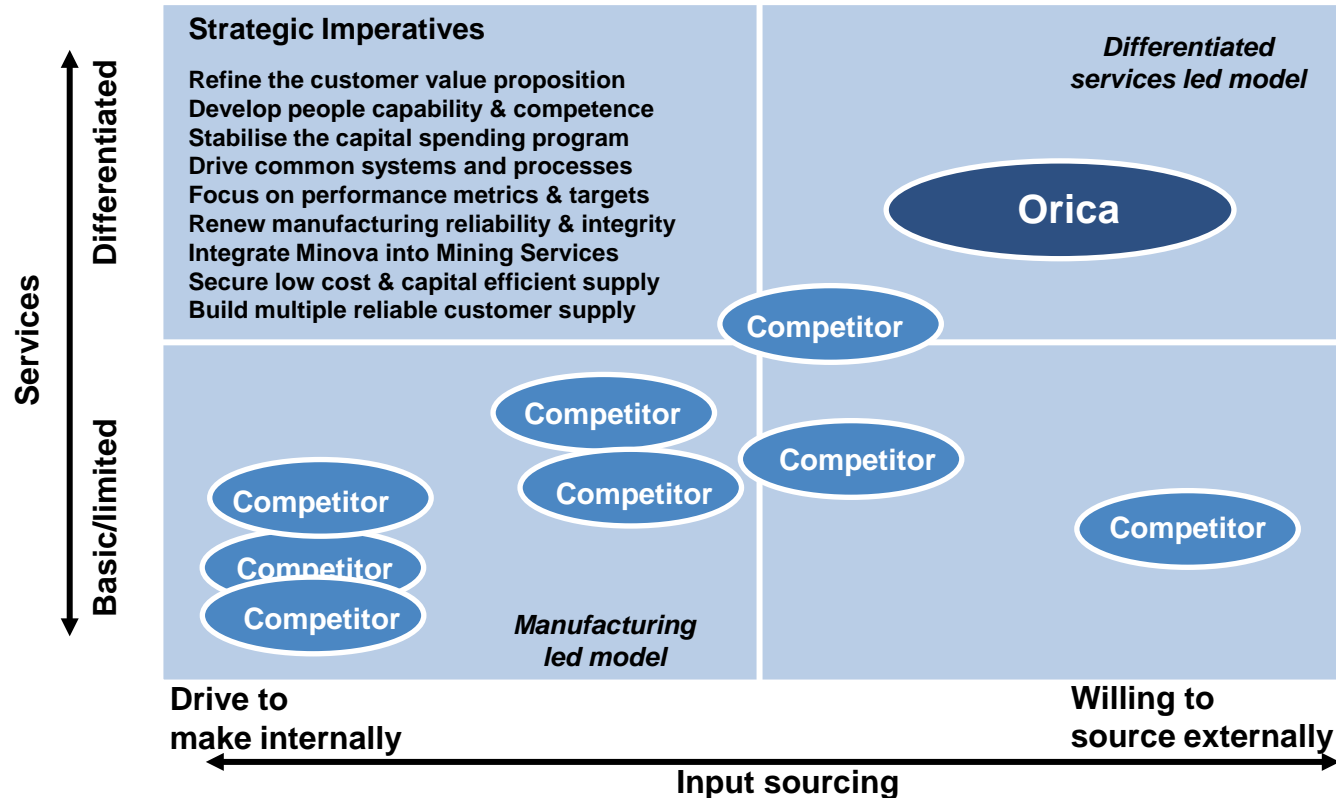
- Innovative creative improvement
- Continual profit delivery
- Strong value creation
- Global market reach

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Structure







Old Strategic Nuance

1. **Internal focus**
2. **Business unit primacy**
3. **Product innovation**
 - break-through technology
4. **Control and ownership of major plants and product source**

New Strategic Nuance

1. **External relationship focus**
 - customers, suppliers & governments
2. **Strong functional accountability**
3. **Customer driven solutions and services**
 - rapid commercialisation
4. **Lowest cost product source**
 - capital efficient manufacturing
 - strategic alliances
 - control of supply chain

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Complete

Structure

The new structure; with centralised functional support/services that assist the value chain steps of Research and Development, Manufacturing and Mining Services and Chemicals; will enable Orica to grow without the need to duplicate and replicate functional groups for each individual component of the organisation.

Started

Manufacturing Excellence

Concentration on consistency and constancy of production through the shared application of maintenance, process control and meeting market demand through integrated planning and demand profiling.

Started

Value-in-Use

By applying products and techniques in unique and tailored platforms we can share in the upside of our customers being better able to utilise their capital and resources.

Started

Sourcing and Logistics

Through our international network we identify the best and most efficient means by which we not only acquire, produce and develop our products and techniques, but provide cost effective multiple channels of supply to ourselves and our customers.

Security of Supply

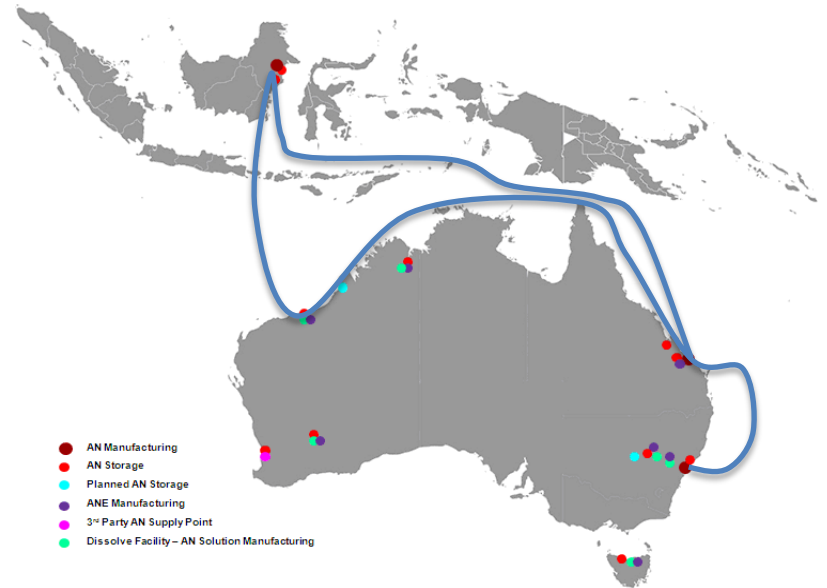


Over 50% of our mining related EBIT is generated within the area shown in the adjacent map.

Security and flexibility of supply is supported by:-

- 1. four large AN prill plants (post Burrup)**
- 2. numerous emulsion plants**
- 3. extensive storage capacity & locations**

These supply points also provide options for supporting Africa and South America.



A deep dive has been performed into Kooragang Island operations

- **Operational and process improvements identified for the next 12 months**
- **Plant improvements implemented to reduce the risk of major incidents**

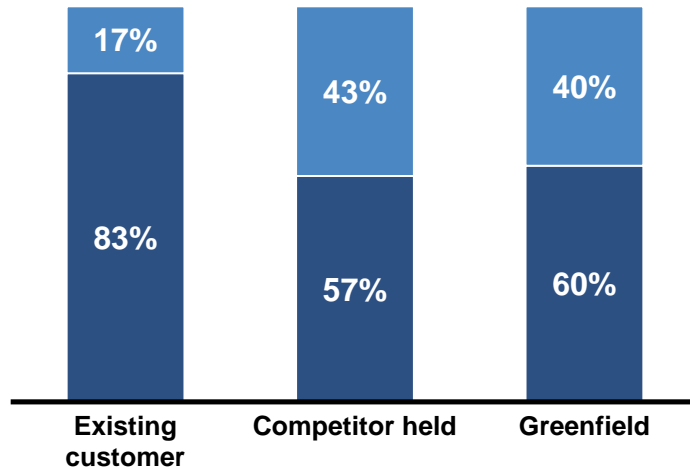
Results already achieved include:

- **All maintenance measures improving month by month**
- **Enhanced safety and environmental performance**
- **Plant production more stable**

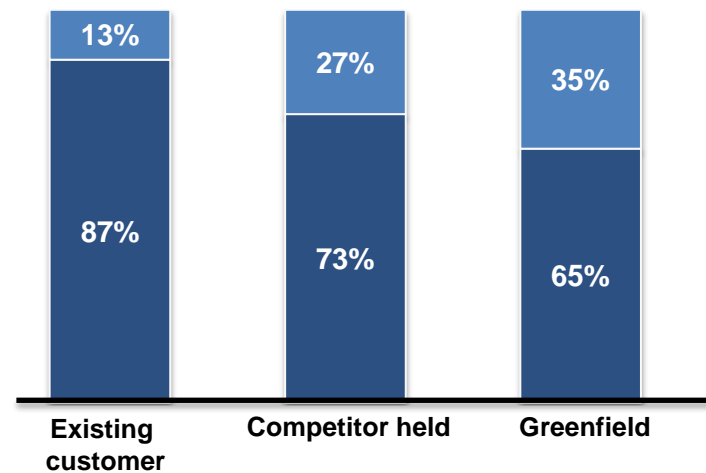
The same process will be progressively applied to all AN and IS manufacturing sites

ACCOUNTS WON AND LOST AT TENDER

October 2011 to July 2012



January 2012 to December 2012



Kooragang Island Expansion



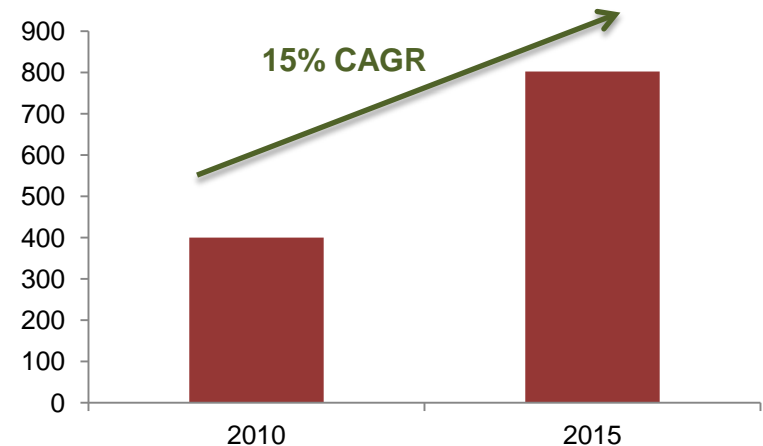
- **Project feasibility work is complete and all statutory planning approvals have been obtained**
- **An engineering pathway for construction has been confirmed and a detailed technical appraisal has been presented to the Board**
- **Most long lead items have been ordered**
- **Discussion with customers will be undertaken to confirm market growth profile**
- **Construction will probably start at the end of calendar 2013 or first half of 2014 pending market conditions**



Timing is subject to further discussion with customers given market conditions

- **NW Iron Ore = geographic & commodity diversification**
- **Site preparation activity commenced in October 2012**
- **Unique project & capital structure that reduces capital risk:-**
 - **\$110M entry fee**
 - **45% of project capital**
 - **100% marketing rights to all AN**
 - **94% of revenue from sales of AN associated initiating systems and services to Pilbara customers**
 - **45% of profit from AN sales (inclusive of the 6% revenue contribution from sales of AN associated initiating systems and services)**

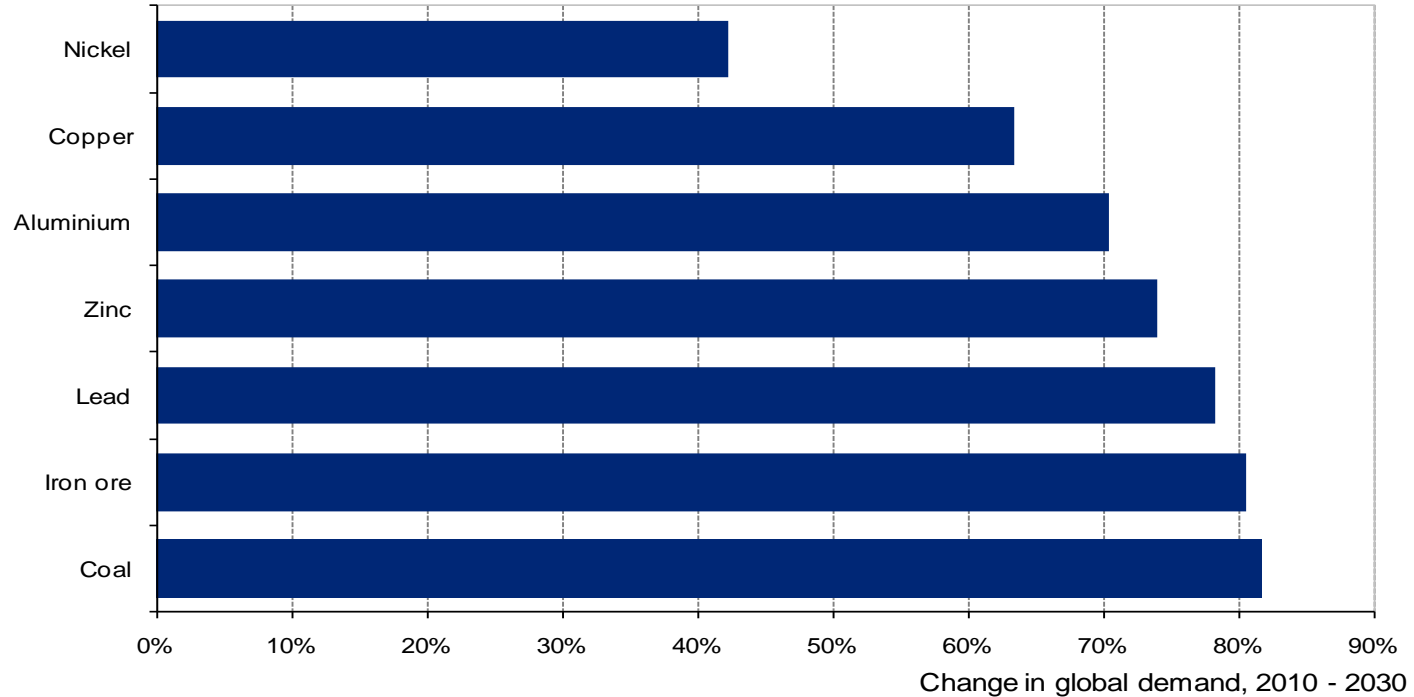
Announced Iron Ore Production Increases North West Regions (mtpa)



Miners have reaffirmed iron ore projects which will deliver > 800mtpa by end of 2015

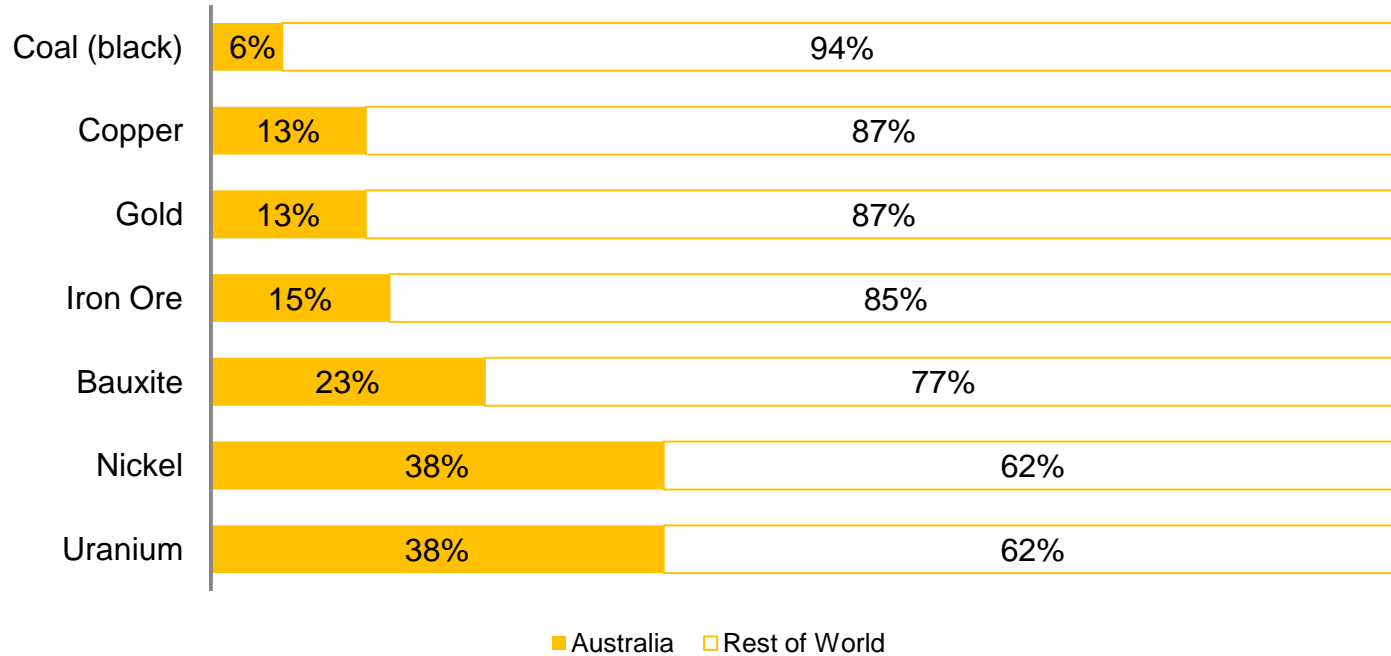
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Longer Term Demand Cycle



Source: ABARES, Deloitte Access Economics – Commissioned by Minerals Council of Australia

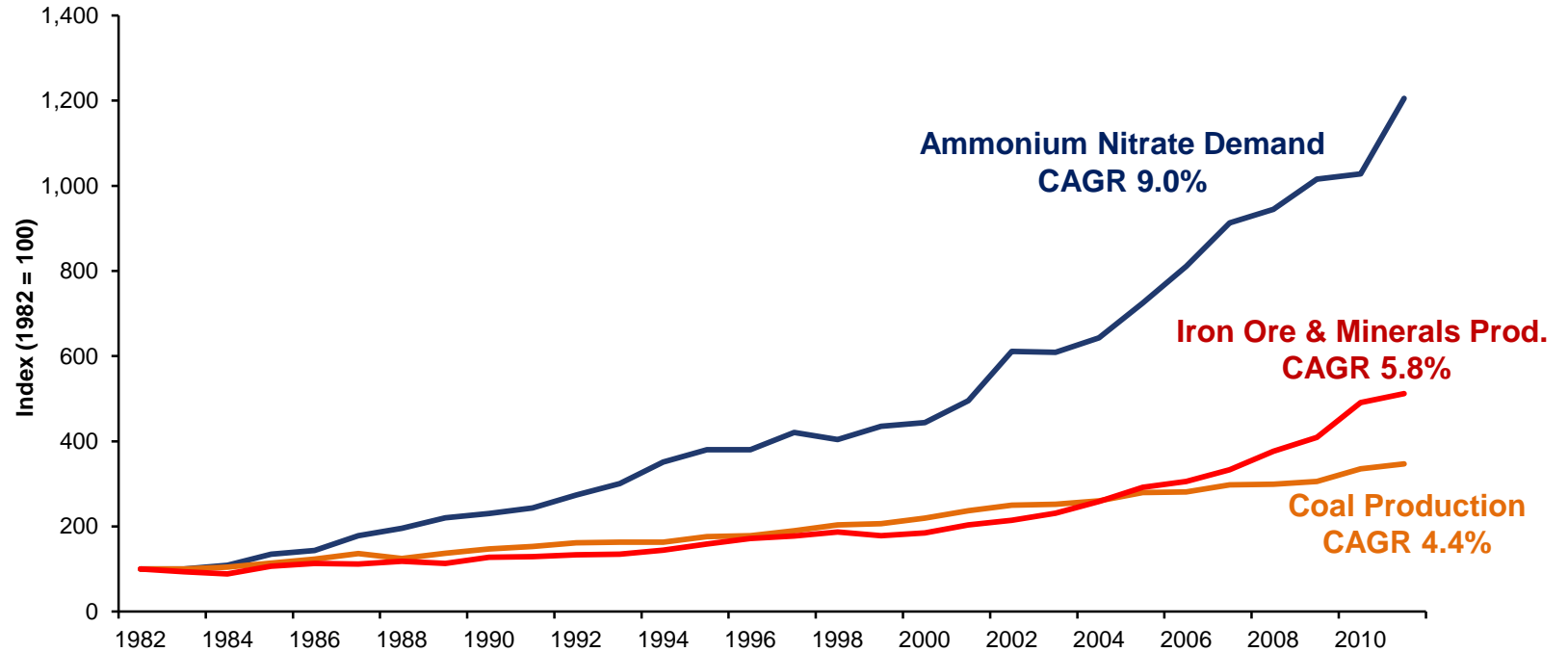
Economic Resources are Widespread



1: Economic Demonstrated Resources (EDR) as of 2008. Gt = gigatonnes, MT = Megatonnes, kt = kilotonnes

Source: Geoscience Australia's Identified Mineral Resources 2009

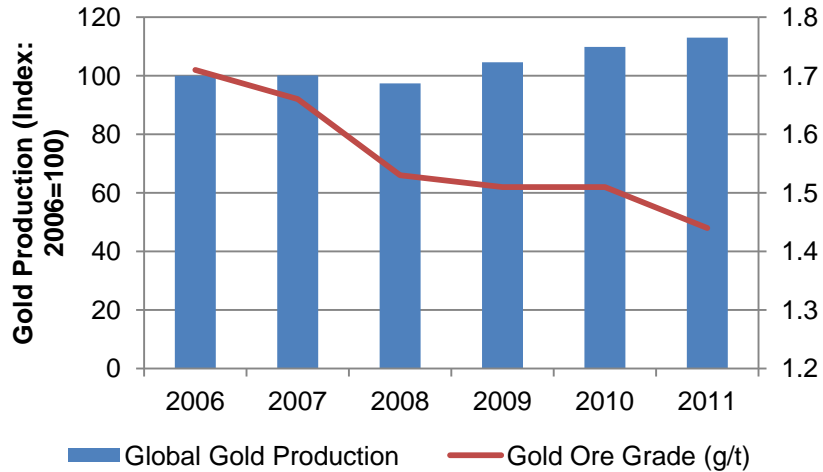
Attractive Industry Fundamentals



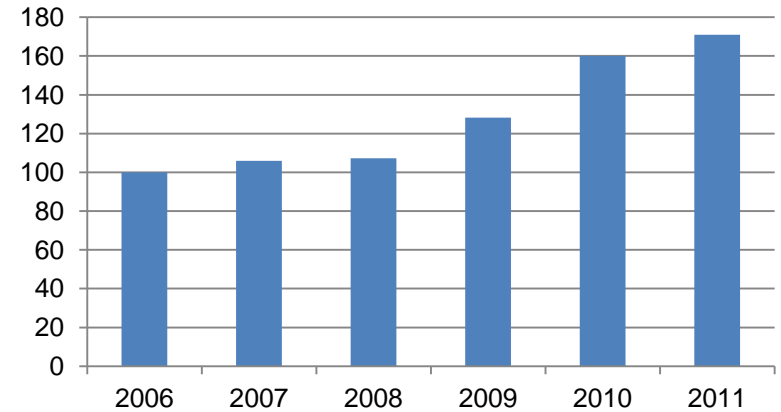
Attractive Industry Fundamentals



Gold Production and Ore Grades



Cyanide Demand



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**

