

CHEMICALS



Chemnet

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Agenda

- The Chemnet Business - overview
- Industry drivers
- Value drivers

Chemnet Business Activity

Chemnet is Orica's value-adding chemical trading business: chemical supplier to the market from all sources

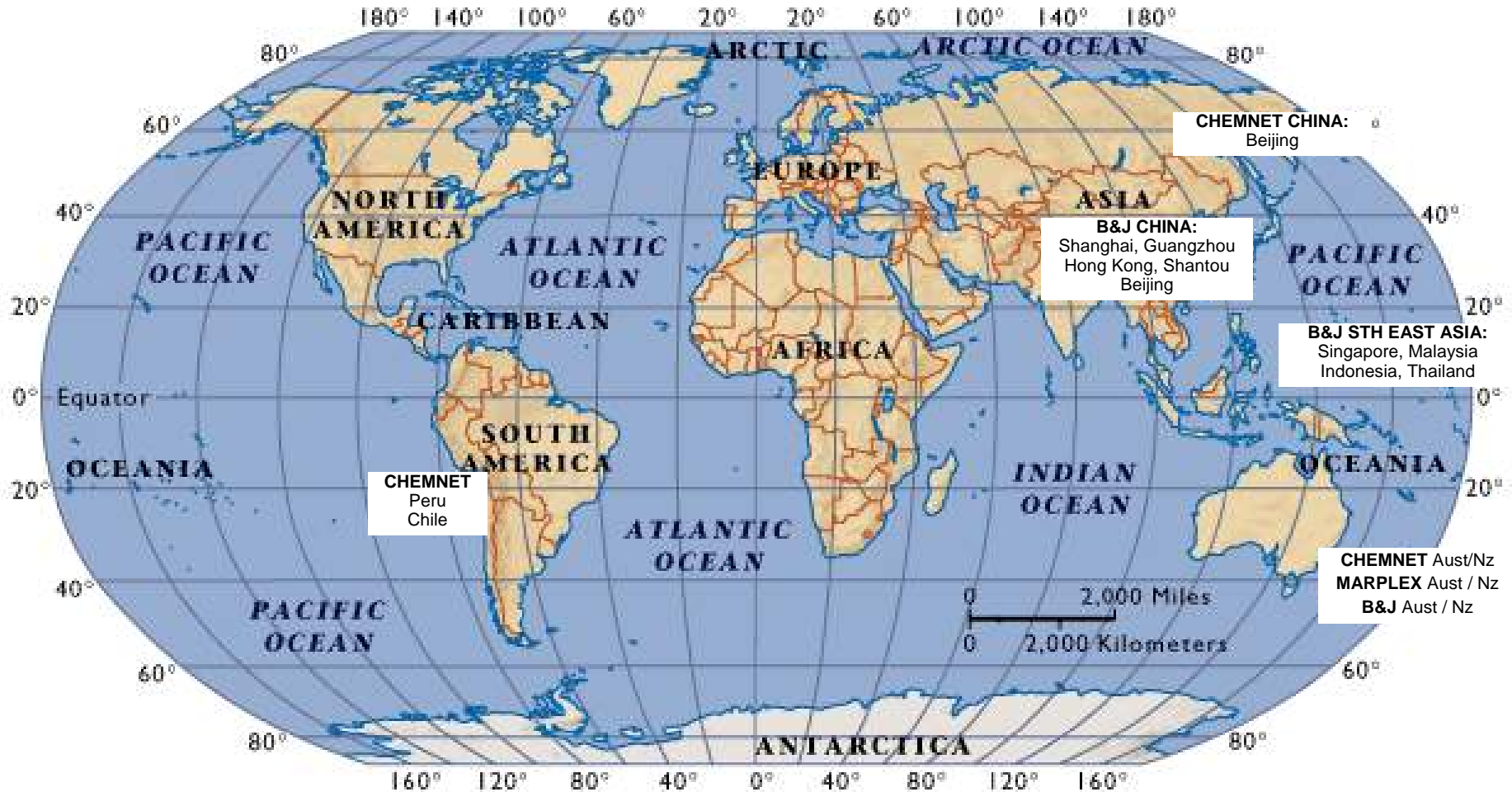
- Own manufacture
- External manufacture
- As a distributor or agent for principals

Chemnet

Geography and Key Brands Today

CHEMNET AUSTRALIA	CHEMNET NEW ZEALAND	CHEMNET LATIN AMERICA	MARPLEX	BRONSON & JACOBS - Woods & Woods Keith Harris
Industrial Chemicals	Industrial Chemicals	Industrial Chemicals	Plastics and Polymers	Ingredients
To	To	To	To	To Food,
Industrial Market	Industrial Market	Industrial Market	Industrial Customers	Pharmaceutical & Cosmetic Markets
Australia	New Zealand	Chile Peru	Australia and New Zealand	Australia New Zealand Indonesia S.E.A. China
Value added Trading	Value added Trading	Value added Trading & Minor Manufacturing	Manufacture & Value added Trading	Value added Trading

Chemnet The Geography



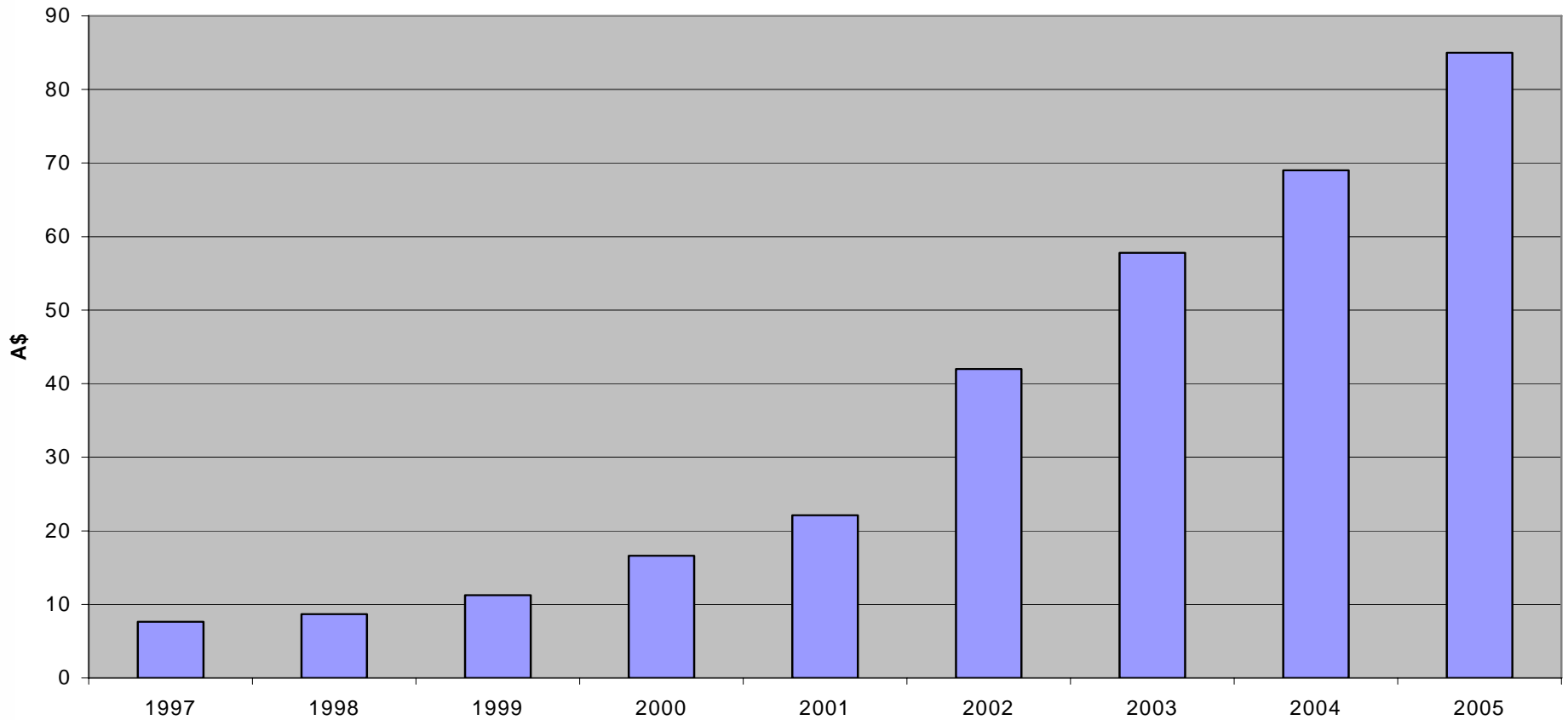
Industry Drivers

Chemical manufacturing is globalising

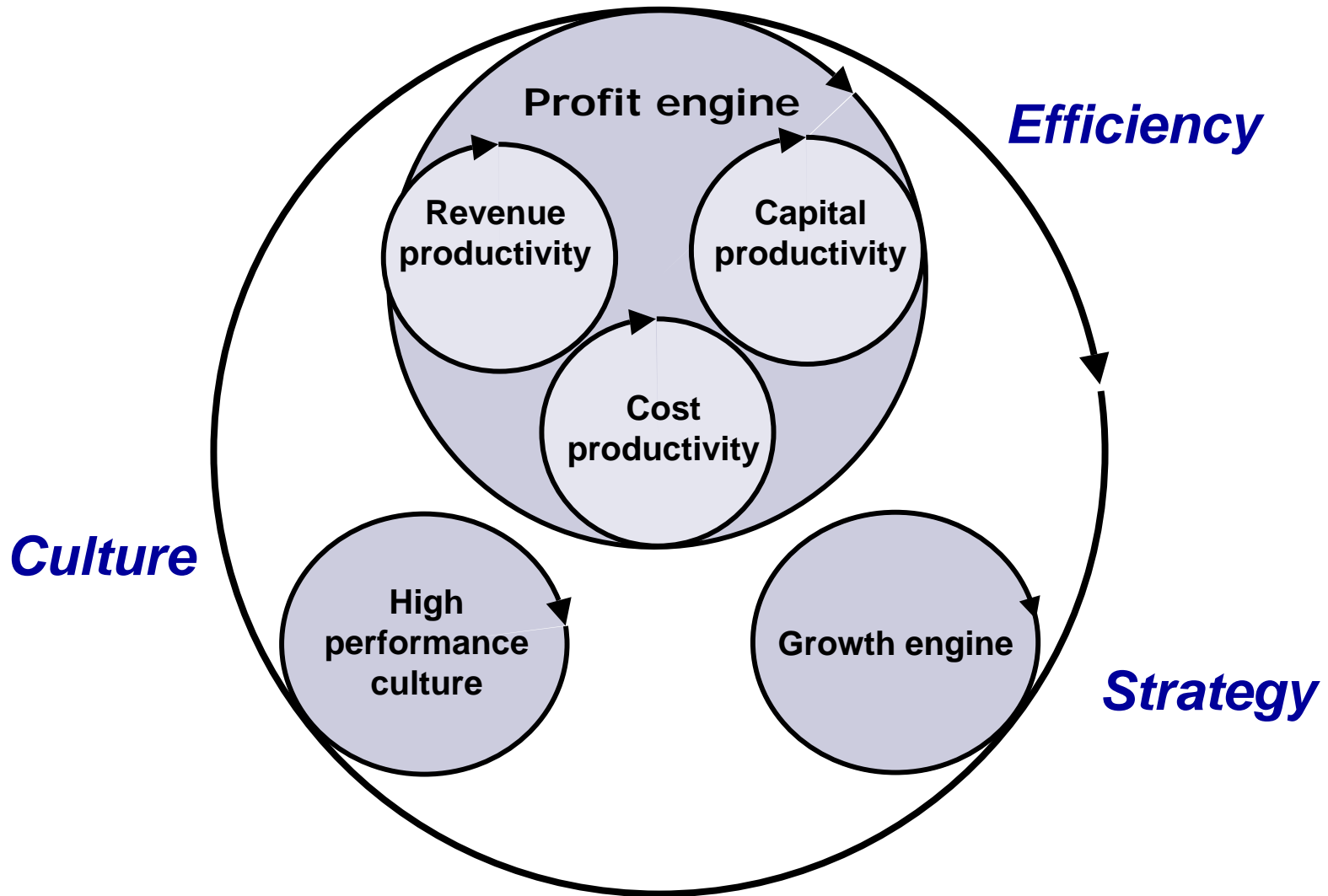
- Moving to achieve scale. Small local chemical manufacture is diminishing
- Trading of chemicals is increasing
- Key global chemical manufacturers are looking for distribution and marketing partners (ie, Chemnet)
- Over the medium to long term, greater than GDP growth is possible

Example of Chemnet trading ex China

China revenue - Australia and NZ



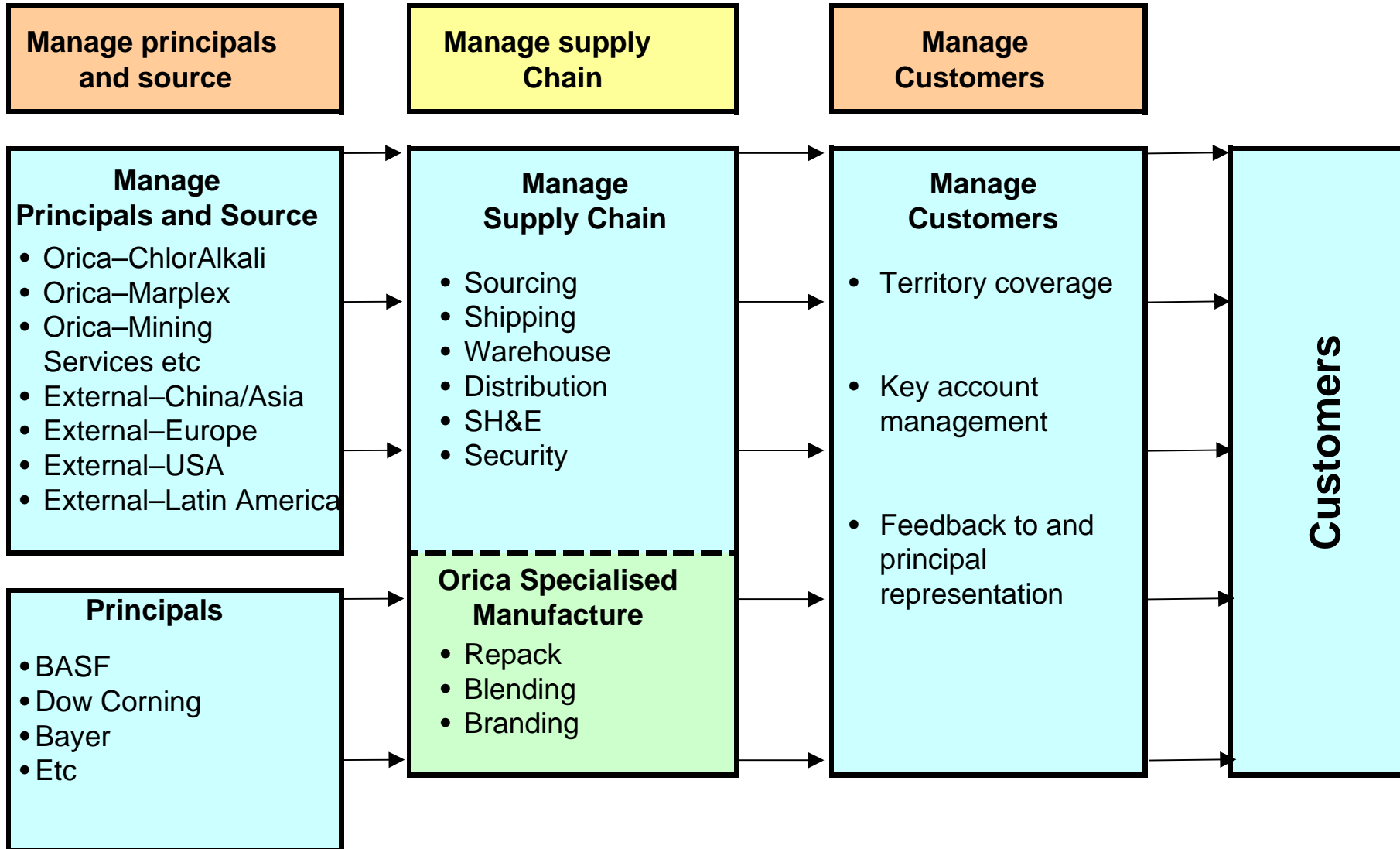
Orica's Approach – Value Drivers



Chemnet Business Value Proposition

- Chemnet will be recognised as the most effective, lowest cost supply chain distributing chemical products and ingredients to industry
- Chemnet will create value for customers, principals and shareholders by;
 - Utilising the lowest cost supply chain
 - Always meeting customer requirements
 - Allowing value adding by tailoring offerings to meet specific customer needs
 - Maximising market positions for our key principals

Chemnet Business Model



Chemnet's Approach to Value Drivers

1. Continue to consolidate the current Chemnet business platform on a global basis
 - Complete integrations of new businesses (B&J, Woods & Woods, Keith Harris, etc)
 - Rationalise and simplify systems and processes
2. Launch Chemnet supply chain excellence project to create a world's best operation
 - Project leaders already in place
 - Project scoping underway
3. Expand current platform