



Our global journey

Business
Overview
2006

Growing a global Orica

The internationalisation of Orica continues as we build on a long and proud heritage of delivering innovation and excellence, and embrace opportunities to grow further into an even greater global company.



Orica's journey of globalisation has not been embarked upon lightly and, as with any journey, it has been thoroughly researched and planned.

The principal focus of our planning during 2006 was the acquisition of parts of Dyno Nobel's commercial explosives business which increased our presence in Europe, the Middle East, Africa, Asia and Latin America. Obtaining the requisite regulatory approvals was not always smooth sailing, but thanks to the coordination and efforts of our dedicated integration team based in London, the final outcome was a successful one. Integration of the former Dyno Nobel businesses is proceeding smoothly and we are now starting to reap the synergy benefits.

Over time, this acquisition will also deliver significant growth opportunities as our combined expertise, skills and product range position Orica well to seize new market opportunities. We are also better positioned to invest in research and development activities for our ongoing success.

More recently, we announced the acquisition of Minova, the global leader in specialist chemical products for underground mining and civil engineering activities. When complete (expected December 2006), the acquisition will bring an additional 1200 employees into the Orica family and add a further 17 manufacturing facilities to our operational sites.

Minova's operations are highly complementary with Orica's existing Mining Services business which will provide significant benefits going forward. We see a number of

opportunities to grow the business, both organically and by way of acquisition, and it is well positioned in higher growth markets such as Russia, Kazakhstan and China.

The divestment of our majority shareholding in Incitec Pivot was prompted by the fact that the preferred strategic direction of the two companies was diverging. The sale of the Qenos joint venture to China National Chemical Corporation was also completed this year.

With the divestment of Incitec Pivot and Qenos, we can now pursue growth and market leadership in our chosen businesses. Our strategy remains unchanged – staying close to our core businesses we will pursue opportunities for organic growth, category expansion, mergers and acquisitions.

There is an ongoing emphasis on improving productivity. Our Trade Working Capital position can be further improved and a project has been established to address this. The Six Sigma methodology is being introduced throughout the organisation to implement sustainable processes that drive long term productivity improvement.

Orica is a company that takes corporate social responsibility seriously. It is our view that responsible corporate practices will enhance financial performance over the long term. Orica's global environmental standards exceed local regulations and community expectations. We face up to and deal effectively with our legacy issues from historical operations. We are on track to achieve our Challenge 2010 eco-efficiency targets. We establish strong relationships through active communication with the communities around our operations. We have a strong focus on safe product stewardship. All in all, Orica is a company of which we can be proud and whose values and conduct stand up to fair and reasonable scrutiny.

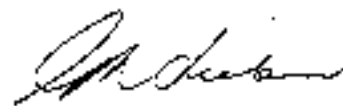
Our safety performance is an area to which I have a strong personal commitment and it is deeply distressing to have to report a fatality at Incitec Pivot's Mackay site in Australia. It is unacceptable for anyone to lose their life at work and we take very

seriously our responsibility to ensure that such an incident is not repeated. As well as taking a keen interest in driving the various strategies aimed at improving the company's safety performance, I have made a commitment to personally visit a number of Orica sites during the year to review their safety performance and processes, and to learn about their best practice. Our safety vision remains 'No injuries to anyone, ever' and it is pleasing to see that many locations are reaching significant safety milestones as they strive to achieve this goal.

During the year we embarked on a program of culture renewal to ensure that all of our employees, including those who have only recently joined the organisation, are working together and are familiar with the key principles that guide our attitudes, behaviours and ethics at work. Our performance-based culture was a critical element in effecting Orica's transformation and it now serves to inspire us towards greater success in the future.

2006 can be regarded as a transitional year on our global journey as we have positioned ourselves for continued strong performance and growth.

During 2007, which marks the conclusion of our first decade as an independent company, we will reap the rewards of the work done this year. The integration of the former Dyno businesses continues, the 277ktpa ammonium nitrate expansion at our Yarwun site is online and an expansion of our Yarwun sodium cyanide plant is in progress. Add to that the addition of Minova to the Orica portfolio and the various growth opportunities being identified for several of our businesses, and we certainly have a lot to look forward to.



Graeme Liebelt
Managing Director and
Chief Executive Officer
November 2006

Orica – who we are

Orica is one of the leading publicly-owned companies. We are also one of the few truly global Australian based companies, with operations in around 50 countries and customers in twice that many.

We have evolved from a supplier of explosives to the Victorian goldfields in 19th Century Australia into a multi-billion dollar company that is currently ranked as one of the top 40 companies listed on the Australian Stock Exchange based on market capitalisation.

Orica's proud tradition of leadership, innovation, quality and safety are shared by our 13,000 people located in around 50 nations across six continents. Upon completion of the recently announced acquisition of Minova (expected completion December 2006), the number of Orica employees will increase to more than 14,000.

Orica turns science into the solutions that satisfy basic human needs. Our products, brands and services can be trusted for their reliability, range and quality. Each of our businesses – Orica Mining Services, Orica Consumer Products, Chemnet and Chemical Services – is the leader in its chosen market and enjoys a world class reputation.

At Orica, we care about people and the environment. We acknowledge our environmental, social and community obligations. Meeting those obligations is important to us, our customers and the community, and contributes to our aim to conduct our business in a sustainable manner.

Orica is the global market leader in our largest business, Orica Mining Services and the Australian market leader in our Orica Consumer Products, Chemnet and Chemical Services businesses.



Orica Mining Services offers commercial explosives, initiating systems and Blast-Based Services to the mining, quarrying and construction industries.

The business is run globally with a presence in Australia, Asia, Europe, the former Soviet Union, Africa, the Middle East, North America and Latin America. The recently completed acquisition of parts of Dyno Nobel's commercial explosives business is highly complementary to Orica's Mining Services operations and provides significant opportunities for synergy and growth.



Orica Consumer Products is Australia and New Zealand's leader in decorative, preparation, and lawn and garden care products.

The business manufactures and markets icon brands including Dulux, Berger, British Paints, Levene, Walpamur, Cabot's, Feast Watson, Intergrain, Acratex, Selleys, Rota Cota, Poly, Turtle Wax, Yates, Thrive, Zero and Dynamic Lifter in Australia and New Zealand. An extensive range of powder coatings is manufactured and marketed in Australia, New Zealand and the Asia-Pacific region.



Chemnet is Australasia's trading and distribution solutions business, servicing more than 40 key industries.

The business is based in Australia and operates in New Zealand, China, Hong Kong, Fiji, Indonesia, Thailand, Malaysia, Singapore, Peru and Chile. Using its product sourcing expertise and extensive supply chain network, Chemnet sources more than 10,000 products from around 400 suppliers and markets to more than 15,000 customers.



Chemical Services is a major supplier of chemicals, services and technology to the water treatment, mining chemical and industrial chemical markets.

The business is based in Australia and has operations in the United States and the United Kingdom. Chemical Services operates three separate business units: Watercare, Mining Chemicals and Industrial Chemicals.

ORICA'S GLOBAL JOURNEY:
WELLINGTON, NEW ZEALAND

At the beach



Orica Consumer Products business brings you car care brands such as Polyglaze.



Orica Chemnet business, Bronson and Jacobs, supplies essential ingredients for sunscreen products.



Orica Chemical Services business helps to provide fresh produce for a beach picnic in an environmentally responsible way thanks to Landguard™.



Orica Mining Services plays a role in the construction and surfacing of roads.



Orica's global footprint

The name Orica is synonymous with excellence in product and service delivery.

Our reputation for delivering outstanding products and service has been established over a period that exceeds 130 years. We are also known for innovation and technological excellence. Our continued investment in research and development supports our ongoing quest for product and process improvements.

Our range of products and services is vast, contributing to everyday life in ways that often go unnoticed by the end consumer.

Now, while our roots remain firmly in Australia, Orica's reach and reputation are extending across the globe.

Our initial acquisition of the global explosives interests of ICI in 1997 positioned the company firmly in the global arena. Since then, through a series of mergers, acquisitions and joint ventures that have consolidated our presence in some countries and opened the door to others, we have been on a steady course to becoming a truly global organisation.

Around A\$1.2 billion has been invested in merger and acquisition opportunities over the past three years, many of which have been part of our geographic expansion.

These include the:

- Acquisition of parts of Dyno Nobel's commercial explosives business
- Joint venture established with the Andean Chemicals Group to form Orica Chemicals Latin America
- Acquisition of Bronson & Jacobs which took our Chemnet business into Asia
- Joint venture between our Powder Coatings business and Camel Paints in China, and
- Recently announced acquisition of Minova (expected completion December 2006).

We've been immensely successful in our global endeavours because we've selected our markets carefully and been extremely thorough in our risk analysis. Part of that analysis is a long term view of the market as a springboard for future growth. We continue to actively investigate opportunities for further geographic expansion.

Our approach to growth is a rigorous one. All of our businesses are required to meet tough financial targets in order to earn the right to grow. Only businesses that meet the financial criteria of 18% return on net assets (RONA) will qualify for investment.

Growth opportunities are pursued only in closely related businesses to maximise synergy benefits.

Staying true to these targets has facilitated our relatively rapid evolution from a local subsidiary to an independent global market player.

This is not without its share of challenges. We will always be mindful of cultural, language, political and social factors. With more than half of our employees now located outside of Australia, we ensure that the Orica culture and values of 'Delivering the Promise' to our customers has permeated our global team of people.

Which means that no matter where in the world your dealings with Orica take place, whether in Santiago, Melbourne or Singapore, you can expect the same level of excellence right around the globe.

Orica – Turning Science Into Solutions > Case Study: Mining Services

Innovation rocks!

From sunscreen to making mines more efficient, Orica is turning science into solutions.

Orica Mining Services' customers in the Australian State of Queensland are the first to enjoy a value-added, technology-based service known as Rock to Specification (R2S), aimed at improving mines' productivity and operational profitability.

As the name suggests, the aim of R2S is the production of quality broken material, especially in rock that traditionally has been difficult to fragment. Success is achieved through a combination of Orica's i-kon™ electronic detonator technology and optimum blast design and implementation.

Fundamental to the success of R2S is the ability of Orica's i-kon™ technology to deliver unique interaction timings with accuracy and precision. Computer modelling of the area by Orica engineers identifies the blast parameters that will most effectively fragment the rock and deliver the greatest resource yield. The resulting blast designs use fewer blast holes with precisely located and initiated charges to induce significantly improved fragmentations through all blast zones. Whereas previous blasting methods, which involved additional equipment, personnel and drill and blast services, resulted in production cycles that

were potentially unsustainable, R2S is delivering significant cost savings as well as productivity gains due to consistent and continuously optimised load and haul rates.

R2S is a highly disciplined, data-driven approach and methodology capable of delivering sustainable improvements in drill and blast operations.

Although R2S is initially being offered in Queensland, the R2S program, and more broadly, Blast-Based Services, is a global initiative.

Safety, Health & Environment (SH&E) performance

Our ultimate goal is to eliminate all work related injuries, illnesses, motor vehicle incidents, environmental incidents, waste complaints and other adverse safety, health and environment incidents.

Our progress towards this goal is measured annually against challenging five-year improvement milestones known as our Challenge program. During 2005 we developed Challenge 2010 milestones for the remainder of the decade. By striving to meet these SH&E objectives, we move closer to making Orica a safer and better place to work and one that minimises impacts on the environment and the community.

Orica has been working hard at continually improving our SH&E performance for many years and the underlying progress is good in many areas. However, regrettably a fatality occurred during 2006 at the Incitec Pivot Mackay site in Australia. Any fatality is clearly unacceptable and the company has implemented a number of actions in a direct response to this incident.

When considering non-fatal injuries and illnesses during 2006, we had our best ever result on record. We also maintained rigour in the delivery of programs designed to protect the health of employees.

It is pleasing to report that there were significant reductions during the year in the number of serious incidents involving the transport and distribution of our products and environmental licence non-compliances at our facilities.

We are determined to reduce the occurrence of such incidents that impact upon the community and the environment and are currently implementing the outcomes of the recently completed review of distribution safety.

Orica is progressively cleaning up legacy issues that have resulted from past manufacturing practices. In recent years, remediation work has been completed at a number of sites including Cabarita, Rhodes and Cheltenham and the Botany Groundwater Treatment Plant is now being successfully commissioned. This year Orica also announced its application to export for destruction its stored Hexachlorobenzene (HCB) waste from operations that closed in the early 1990s. Addressing legacy issues is challenging and takes time, however we are committed to cooperating with regulatory authorities and the community to achieve the required results.

In ensuring that the company and the community both have a sustainable future, we need to make sure that we minimise our environmental impact. This means continuing the good successes we have achieved over the last 10 years in reducing energy and water consumption, emissions of greenhouse gases and waste generation. During 2006, we made good progress in reducing waste generated. However, we only managed to maintain

our energy consumption at a level similar to the 2004 baseline year, while increasing our water consumption and the emission of greenhouse gases.

The Company is committed to minimising the impact its operations have on the environment. Orica's changing business portfolio presents some additional challenges in achieving the targets that were set in 2004. The Company continually analyses its environmental impact and is developing plans to reduce its impact in all of these categories.

The Orica Group Executive is committed to achieving continuous improvement in our SH&E performance. This is achieved through leadership and personal responsibility, guided by the principles that establish the way Orica operates. Considerable effort is put into supporting and training our employees in all aspects of SH&E, and sharing the lessons from significant incidents with everyone in the organisation.

Our complete 2006 Safety, Health & Environment Performance Report is available online at our www.orica.com website.

Shareholder Communication

We continually seek to provide open, timely and relevant information to all of our shareholders regardless of their location or the size of their shareholding. Details of the latest share price, announcements to the Australian Stock Exchange, investor and analyst presentations, webcasts and annual reports are available online at www.orica.com.

We can provide electronic dividend statements, notices of meetings and proxy forms. Electronic transmission enhances shareholder communication, results in significant cost savings for the company and is more environmentally friendly.

Shareholders wishing to receive all communications electronically can register their preference, as well as update their personal details, via the Orica website, www.orica.com (select Investors, then Share Registry to reach the appropriate page).

What we achieved in 2006

Orica's commitment to 'Deliver the Promise' is underpinned by the four key principles that guide our activities and behaviours, and our achievements are measured in the context of these principles.

| Key principle | Progress |
|--|---|
| Safety, Health & Environment (SH&E) | <ul style="list-style-type: none">• Our safety performance has improved and, when looking at non-fatal injuries and illnesses, we had our best result on record. Several Orica locations and businesses have reached significant injury-free milestones. Regrettably, one fatality occurred at the Incitec Pivot Mackay site.• Our employees are proactively driving safety improvements through initiatives that include a safety video made by employees at Brownsburg.• Orica Chemicals Chile gained certification to the Responsible Care program.• Our Quilicura site in Santiago, Chile received a Responsible Care Award in recognition of being the most improved Chilean chemical industry operational site.• Dulux has launched Aquanamel and Enviro₂™ paints with low levels of VOCs (Volatile Organic Compounds). Thanks to these products, both assessed as 100% greenhouse neutral, Dulux is the first paint company to gain Greenhouse Friendly™ certification from the Australian government.• Our introduction of Intergrain Ultradeck, a water-based timber finish, boasts exceptionally low VOC levels. |
| Commercial Ownership | <ul style="list-style-type: none">• A global, cross-business, high-powered team has been established to improve long-term sustainable Trade Working Capital performance.• Innovative alternative uses have been sought for redundant resources, such as an unused storage tank at our Chemnet site in Port Kembla that was converted into a much-needed, cost-effective workspace.• Revenue growth of 5%. |
| Creative Customer Solutions | <ul style="list-style-type: none">• Several of our Orica Consumer Products businesses received Supplier of the Year awards in Australia and New Zealand.• Our North American Mining Services operation worked creatively and flexibly in the face of time constraints imposed by the physical environment when supplying product to Antarctica.• Chemnet New Zealand's Customer Service Team was selected out of 85 customer contact centres as the best customer contact centre in the chemicals/petroleum industry in New Zealand.• MyColour3, the latest release of Dulux's colour visualisation software, has enhanced features and improved functionality, taking even more of the guesswork out of choosing paint.• Modular Magnapak™ systems was introduced to enable small communities to benefit from MIEX® water purification technology. |
| Working Together | <ul style="list-style-type: none">• At the end of last year, our Corporate Treasury team was recognised as CFO Magazine's Australian Corporate Treasury for 2005.• Selleys, Yates, Woodcare and Dulux have combined forces through a new business called Retail Select, to deliver improved in-store merchandising and customer service to a group of key customers.• Orica Consumer Products continues to participate in the Paintback partnership with the State Government of Victoria, a major retailer and several industry players to seek a sustainable method of removing packaging and paint from waste streams and returning it to the market on a cost-effective basis.• A seven-year alliance has been established between Orica (Mining Services and Mining Chemicals) and a leading global gold producer. The partnership offers each party a preferred customer/supplier position with the other, enhances efficiency in the supply chain, and creates synergy between the two organisations by leveraging off each other's capabilities.• Orica's Emergency Response Service (ERS) continues to work with Orica's businesses and subscribing independent client companies to successfully manage emergency situations. For the second consecutive year, the ERS has been awarded an Australian Gold Award by the Australian Organisation for Quality (AOQ). |

Financial overview

Orica's net profit after tax (NPAT) and significant items for the year ended 30 September 2006 of A\$539M was up 159% compared with the previous corresponding period (pcp). NPAT before significant items was up 12% on the pcp, to A\$380M⁽¹⁾.

Financial Highlights

- Sales revenue up 5% to A\$5.4 billion.
- EBIT up 9% to A\$658M⁽¹⁾.
- Earnings per share⁽¹⁾ up 1% to 125.5 cents
- Return on shareholders' funds⁽²⁾ down from 25.5% for the pcp to 19.3% due to an expanded capital base to fund the Dyno acquisition.
- Gearing⁽²⁾ at 10.2%, down from 42.3% in pcp.
- Net interest expense A\$92M, down 10%, with interest cover of 7.1 times.
- Final dividend is 48 cents per share (cps) – franked at 21 cps. Total dividend for 2006 is 74 cps (2005: 71 cps), franked at 30 cps (40.5%).

Business Highlights

- Record result in Mining Services (EBIT +21%) reflecting strong demand in all regions and resilience to higher input costs.
- Earnings from the newly acquired Dyno businesses were A\$26M for the period June 2006 to September 2006.
- Record result in Chemical Services (EBIT +10%) reflecting a strong performance in Mining Chemicals, firm caustic soda pricing and the successful integration of the Aluminates acquisition in 2005.
- Consumer Products performed satisfactorily in a softer retail market (EBIT -3%) with ongoing gains in market share.
- Weaker Chemnet performance (EBIT -26%) due to lower volumes compared to the prior period. A restructure of the group was announced in April and A\$9M of cost savings were achieved in the second half of the year.

Mergers, Acquisitions, Development

- Completed the acquisition of the Dyno Nobel businesses announced in September 2005 for approximately A\$950M, including transaction costs.
- Completion of the sale of Qenos to China National Chemical Corporation.
- Sale of Orica's 70% stake of Incitec Pivot Limited (IPL), via a share placement to institutional investors and a selective buy back conducted by IPL. Gross proceeds of A\$857M with an after tax profit on sale of A\$409M.
- The uprate of the Yarwun ammonium nitrate complex was successfully commissioned in August 2006.
- The sale, subject to ACCC approval, of the Australian and New Zealand Adhesives & Resins businesses to Hexion Speciality Chemicals for an undisclosed sum above book value.
- On October 17 2006, Orica announced it had agreed to purchase mining services company Minova for A\$870M including transaction costs (A\$13M). Subject to regulatory approvals completion is expected by the end of calendar year 2006.

(1) Before significant items.

(2) Net debt/net debt + book equity.

Corporate Governance

Orica's directors and management are committed to conducting the Company's business ethically and in accordance with high standards of corporate governance. We believe that good corporate governance practices protect and enhance long-term shareholder value.

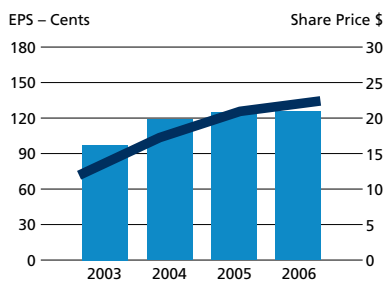
Our governance policies and procedures are continually refined and improved.

Orica's policies and practices comply with the Australian Stock Exchange Corporate Governance Council Principles of Good Corporate Governance. Additional information about

the Company's corporate governance practices can be found in our Corporate Governance Statement in the 2006 Annual Report which is available online at www.orica.com.

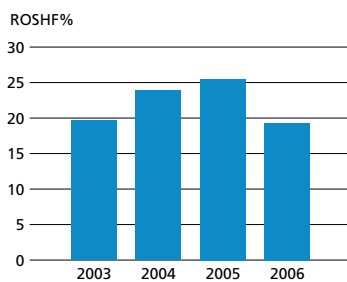
Shareholder Scorecard

Earnings per Share* and Year End Share Price

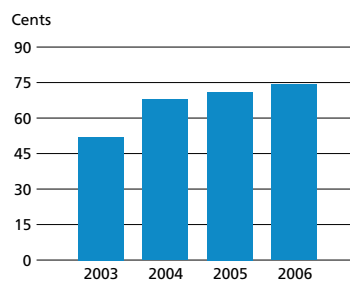


Key ● EPS ● Year End Share Price
*Before significant items

Return on Shareholders' Funds

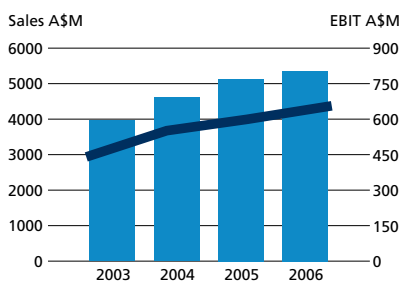


Dividends per Share



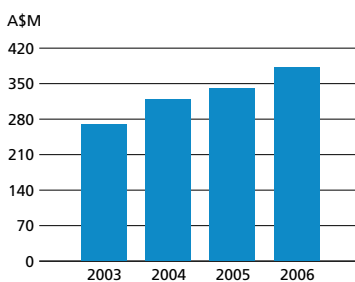
Financial Summary

Sales and EBIT

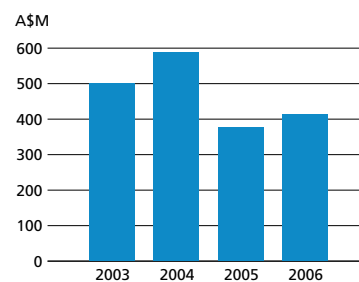


Key ● Sales ● EBIT

Net Profit After Tax Before Significant Items

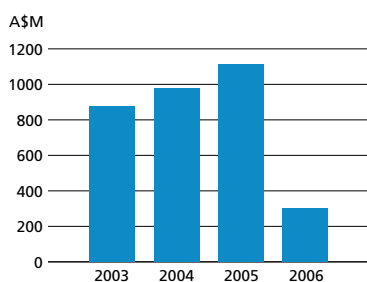


Cash Flow from Operating Activities

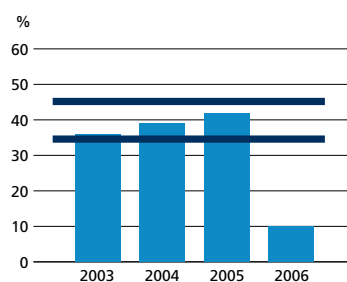


Financial Leverage

Net Debt

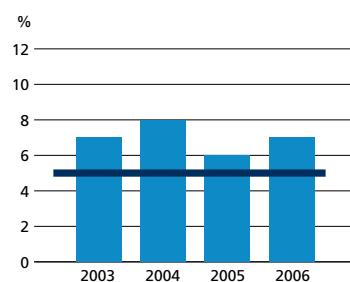


Gearing



Key ● Gearing ● Target Range

Interest Cover



Key ● Interest Cover ● Target >5x

Sponsorships

Orica operates a corporate donations program that is funded to the equivalent of dividends payable on a shareholding of 0.15% of the company's issued capital for donation in accordance with published criteria at the direction of the Corporate Governance and Nominations Committee.

Funds are allocated to the Orica Community Foundation to support the employee workplace giving program, called 'Dare to Share', by matching donations up to a certain value, across all of the eleven charities in this program.

In 2006, the Orica Community Foundation supported three significant projects. The projects are related to Orica's interests and fit in the Orica Community Foundation's philosophy of building long-term relationships with a small number of selected organisations in order to help more enduring projects to be established.

- Habitat for Humanity was supported to acquire land for the construction of simple, decent and affordable houses in partnership with families in need. For further information go to www.habitat.org.au

- Oz GREEN was supported to implement its environmental educational program MYRiver. For further information go to: www.myriver.org.au

- Landcare Australia's Dung Beetles for Landcare Farming project was supported to raise awareness of the significant role played by dung beetles in Landcare farming. For further information go to www.landcareaustralia.com.au

Orica does not make political donations.



ORICA'S GLOBAL JOURNEY:
SANTIAGO, CHILE

Out shopping



Orica Chemnet plays a role in the supply of concrete sealants, silicone and expandable polystyrene to the building industry.



Orica Mining Services is involved in the production of silica, which is essential for producing shop glazing.

The way we do business

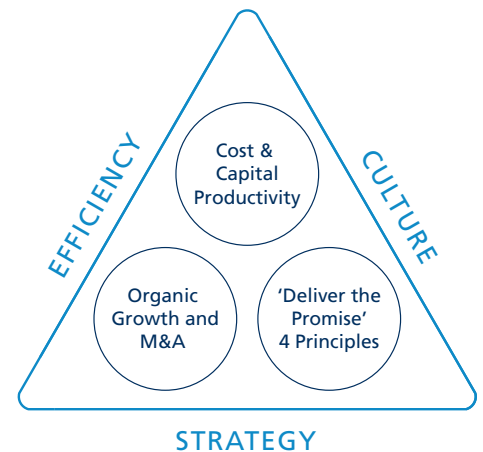
Orica's business activities are guided by our three pillars:

- **Strategy** – planning for business growth
- **Efficiency** – productivity improvements and capital management
- **Culture** – having common attitudes, behaviours and ethics.

Underpinning the three pillars of Strategy, Efficiency and Culture are Orica's value drivers:

- Organic growth, mergers and acquisitions
- Cost productivity (reducing the total costs incurred for each dollar gross margin of sales)
- Capital productivity (reducing the amount of fixed and working capital required to produce each dollar of sales)
- The four 'Deliver the Promise' principles supporting our performance-based culture and against which our performance is measured. These principles – Safety, Health and the Environment, Commercial Ownership, Creative Customer Solutions and Working Together – are all supported by appropriate systems and processes. Our culture empowers and motivates our people to achieve long-term, sustainable results.

At Orica, we endeavour to meet our environmental, social and community obligations in a sustainable manner. We believe that responsible corporate practices will not only benefit society, but will also enhance our financial performance.



Orica – Turning Science Into Solutions > Case Study: Chemnet

When the chemistry is right...

Whether it's fashion or fragrances Orica is there, turning science into solutions.

When is a rose not a rose? When it's one of an infinite number of fragrances created by Chemnet's Bronson & Jacobs business.

Fragrances are present in just about every consumer product in your life including household cleaners, detergents, disinfectants, toiletries, cosmetics, pharmaceuticals, air fresheners and even toilet paper! Bronson & Jacobs (B&J) also works with affiliated businesses Woods & Woods, which supplies herbal products and teas, and Keith Harris, which supplies flavours for confectionary, food and beverages.

B&J's chemists work directly with customers to formulate specific fragrances

that can involve anything up to 160 different components. Customers are invited to visit B&J for a 'smell check'. If the fragrance isn't quite right, components will be added to modify it until the customer is happy. So a customer who originally anticipated that a cream or shampoo would smell like a rose, may find that the fragrance of frangipani is more suited to the product.

Some fragrances are deliberately strong and designed to be functional such as odour control compounds found in fish markets, garbage dumps and public conveniences. These are less complex in formulation, but the concentration is

important. B&J's chemists must ensure that, in the specified environment, the concentration is sufficient to mask odours effectively without being too intense.

Other fragrances such as those used in cosmetics and toiletries are more complex and refined and are often developed to be uniquely identified with a particular product or product range.

No matter what the end use, fragrance development is a delicate balancing act that requires patience, creativity and, above all, a scientist's skill to come up with the right recipe!



ORICA'S GLOBAL JOURNEY:
BRUSSELS, BELGIUM

Café fun



Orica Chemical Services and MIEX® technology helps purify Belgian drinking water.



Orica Mining Services plays a part in getting steel cutlery onto your table.



Orica Consumer Products wood stains brand, Intergrain, has a wide market that reaches European countries such as Belgium.

Strategy

Orica's goal is to become the best performing science-based solutions company in the world.

Our ongoing strategy for achieving this goal is built around three principles:

- Aiming for a market leadership position, either globally or locally
- Investing in our best performing businesses that meet our strict financial performance targets and earn the right to grow
- Growing 'close to the core', that is, pursuing opportunities in related businesses where we can leverage expertise and achieve synergies.

In the past three years we have invested around A\$1.2M on brownfield (on an existing site) expansion and mergers and acquisitions.

The most recent example of our growth strategy is our acquisition of Minova (expected completion December 2006), a UK-based company that provides specialist chemical products for underground mining and civil engineering activities. Minova is an outstanding business in an attractive and growing market segment that is closely aligned to Orica's existing Mining Services business. The acquisition enhances Orica's position as the clear global leader in mining services and provides product, geographic, customer and sector diversification.

Our acquisition of parts of Dyno Nobel's commercial explosives business, funded by successful capital raising and completed

on 1 June 2006, has created the world's largest explosives manufacturing and distribution enterprise.

Orica is pursuing growth through:

- Geographic expansion
 - Further to our acquisition of parts of Dyno Nobel, Orica now operates in 50 countries worldwide and services customers in around twice that number.
 - We are well positioned to take Orica Mining Services into China, Mongolia, India, Indonesia, the Former Soviet Union and Africa, a position further enhanced by the acquisition of Minova.
 - Orica Consumer Products is considering options for geographic expansion.
 - The Chemnet business in Latin America and Asia continues to do well.
 - Orica has constructed the first international chemical sparge facility in Ghana, strengthening our position in West Africa.
- Plant expansion
 - The 277ktpa expansion of our ammonium nitrate plant at Yarwun, commissioned in August, is the latest in a series of capital-efficient brownfield expansions at our Kooragang Island and Yarwun sites.
 - A 20ktpa expansion of our sodium cyanide plant at Yarwun is due for completion by early 2008.

- Mergers and acquisitions
 - Our recently announced acquisition of Minova brings into the Orica portfolio a new range of specialist chemical products including resin capsules, powders and injection chemicals for use in strata support, ground consolidation and ventilation systems.
 - The acquisition of parts of the Dyno Nobel business makes Orica the largest manufacturer and distributor of commercial explosives.
 - Over the past five years, numerous smaller acquisitions have been completed including Bronson & Jacobs, Marplex, Yates and the Aluminates Chemical Industries business.

As a truly customer driven company, we invest heavily in research and development. We also seek to realise the commercialisation of new technologies.

Streamlining our business portfolio by divesting businesses that are not aligned with our overall strategic objectives also forms part of our strategy. During 2006, we sold our 70% shareholding in fertiliser business Incitec Pivot Limited. Our divestment of Qenos was also completed during 2006.

Capital that becomes available from divestments such as these is used to further grow our four businesses.

Orica – Turning Science Into Solutions > Case Study: Chemical Services

H₂O in any language

From South Australia to Belgium, MIEX[®] is purifying water.

Access to clean drinking water is something most of us take for granted. While many new technologies are employed to deliver potable (drinkable) water, Orica Watercare's MIEX[®] systems are increasingly becoming part of the answer.

The ion exchange capability of Orica's MIEX[®] resin, originally developed in conjunction with the Australian government research organisation CSIRO and SA Water, improves drinking water by removing organic impurities that contribute to undesirable colour, tastes and odours.

When MIEX[®] is used in conjunction with other water purification processes,

the removal of organic impurities also improves the operating efficiency of those plants, allowing them to run more productively and economically.

Whether motivated by improving the aesthetic quality of potable water or meeting regulatory standards, water authorities around the world are embracing this innovative and cost-effective water purification technology.

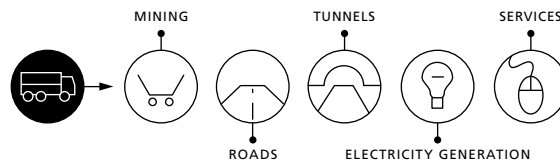
Following commissioning of the first MIEX[®] water treatment plants in Australia in 2001, the technology has now been introduced to water authorities throughout the world. A number of MIEX[®] systems are now

installed and operating in Australia, the USA, and Europe with several commissioned to be built in the UK, South Africa and New Zealand. The Watercare business is also active in both Japan and China.

In addition to the larger installations, small communities can now take advantage of MIEX[®] through the introduction of new 'off the shelf', modular Magnapak[™] systems. These are compact 'pre engineered' units, ideal for smaller water treatment operations.

The technology is versatile and is being developed to increase the range of contaminants that MIEX[®] can remove.

Orica Mining Services



Orica Mining Services offers commercial explosives, initiating systems and blast based services to the mining, quarrying and construction industries.

The business is run globally with a presence in Australia, Asia, Europe, the former Soviet Union, Africa, the Middle East, North America and Latin America.

During 2006, the acquisition of parts of Dyno Nobel's commercial explosives business was completed and the acquired businesses integrated into Orica Mining Services. Some of the opportunities for synergy and growth presented by the acquisition are already being realised.

Highlights

- Completion of the Dyno Nobel acquisition and successful integration of acquired businesses.
- The 277ktpa ammonium nitrate expansion at the Yarwun site in Queensland, Australia, was commissioned in August 2006.
- Establishment of new UNI Tronic™ electronic detonator manufacturing facility in Brownsburg, Canada.
- Acquisition of assets of Detacorp and SEC Holdings, commonly known in the explosives industry as Slurry Explosives Corporation, in Hallowell, Kansas, USA in October 2006.
- Production of detonators at Brownsburg increased significantly.
- A record blast at Carajás, using more explosives than had previously been used in a single blasting campaign in Brazil, successfully released 1.95 million tonnes of iron ore.

Business Fundamentals

- Orica is the world's leading provider of commercial blasting solutions that are safety-focused, cost-effective, accurate and flexible.
- Our expertise is born from over 130 years of industry experience.

- Orica is a leading provider of progressive blasting solutions including the innovative i-kon™ and UNI Tronic™ electronic detonating technology as well as advanced underground and surface bulk emulsion explosives.
- Our manufacturing plants are world-scale, efficient and strategically located.
- We have the largest modern fleet of Mobile Manufacturing Units (MMU's) in the world.
- Orica is a global leader in the development and application of safety systems.

Growth

Brownfield expansion

- A 100ktpa expansion was initiated at our Kooragang Island ammonium nitrate plant in New South Wales, Australia, of which the first 30ktpa was realised in June 2006. Remaining capacity will come online as required.
- The 277ktpa ammonium nitrate expansion at the Yarwun site in Queensland was successfully commissioned in August 2006.

Geographic expansion

- In the wake of the acquisition of parts of Dyno Nobel's commercial explosives business, Orica Mining Services now operates in approximately 50 countries and has customers in around 100 countries around the world.
- The business is well-positioned for growth in China, Mongolia, India, the Former Soviet Union, Indonesia and Africa.

New Technology

- Development of Blast-Based Services that combine i-kon™ electronic detonator technology and computer modelling to improve rock fragmentation.

Customer relationships

- We aim to maintain and enhance our reputation for superior safety, environmental management, dependability, integrity and expertise.
- Our new brand position, 'The Power of Partnership', emphasises the value of building long-term relationships between Orica and our customers.
- We provide efficient energy and superior know-how to increase customers' yield, improve productivity and reduce total process costs.

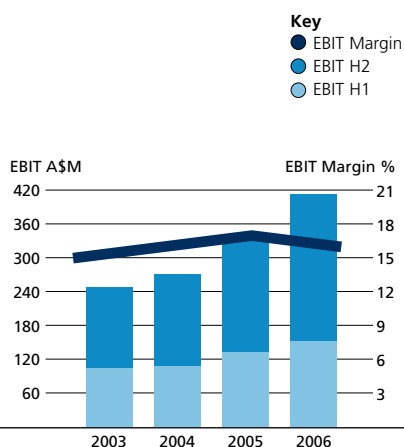
Cost Productivity and Capital Productivity

- Following the Dyno Nobel acquisition, more than 40 synergy projects were embarked upon targeting global procurement, global manufacturing and supply chain, global overhead reduction, global product portfolio and sales optimisation.
- The global marketing function was restructured to enable alignment of the marketing function on a global basis.
- Targeted efficiency improvements from the scheduled turnaround at our Kooragang Island ammonia plant in March were exceeded. In addition, ammonia capacity increased by 25ktpa and emissions were reduced as a result of plant improvements.
- The Seneca ammonium nitrate plant was closed as part of optimising Orica's North American operations.
- Initiating systems manufacture in Europe is being rationalised with all initiating systems manufacturing to be transferred to Gyttorp (Sweden) and Brownsburg (Canada).

Financial Performance 2006

Record result with profitability up 21% to A\$412M, including a four month contribution of A\$26M from the acquired Dyno businesses.

EBIT Trend

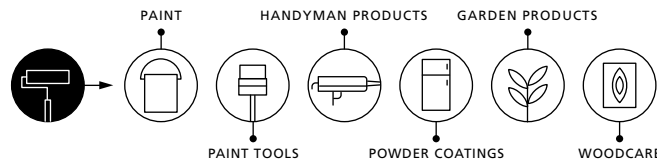


Financial Performance (A\$M)

| | Year ended September | | |
|----------------------|----------------------|---------|---------------|
| | 2006 | 2005 | Change F/(U)* |
| Sales Revenue | 2,620.9 | 1,987.0 | 32% |
| EBIT | 412.0 | 340.0 | 21% |
| Net Assets | 2,184.1 | 1,104.2 | 98% |
| Return on Net Assets | 25% | 32% | |
| EBIT | | | |
| Australia/Asia | 223.8 | 203.5 | 10% |
| North America | 83.2 | 70.4 | 18% |
| Latin America | 35.8 | 34.2 | 5% |
| Europe | 43.2 | 31.9 | 35% |
| Dyno Nobel | 26.0 | - | - |

* F – Favourable, (U) – Unfavourable

Orica Consumer Products



Orica Consumer Products (OCP) is a manufacturer and marketer of branded consumer products used in home improvement, architectural maintenance and construction.

Products include paints and stains, texture coatings, powder coatings, paint preparation products, car-care products and garden-care products.

The business operates in Australia, New Zealand, Papua New Guinea, Hong Kong, Singapore, Malaysia and China.

Highlights

- Earnings down by 3% as an overall market downturn and increased brand investment were mitigated by market share gains and efficiency improvements.
- Sales revenue up marginally (2%) as market share gains offset declines in most markets.
- Increased marketing spend (A\$4 million) to support new product launches.
- Further investment in projects for growth, innovation and productivity to generate future benefits.
- Industry leading safety performance with best ever record and a 15% reduction in injuries to employees and contractors.
- Further underlying improvement in working capital, with year-end headline result 11.5% of sales.
- Number of new product launches across OCP's businesses, and industry awards received.
- Aquanamel and EnvirO₂TM both assessed as 100% greenhouse neutral and Dulux became the first paint company to gain Greenhouse FriendlyTM certification from the Australian government.
- Record earnings performances by a number of business units (Decorative New Zealand, Australian Trade Group, Selleys, Papua New Guinea and Asia).
- Significant improvement in Selleys' earnings performance, up 14% in a difficult market.

Business Fundamentals

- Icon brands such as Dulux, Berger, Cabot's, Selleys, Yates and Poly hold leading positions in their categories.
- Leading marketer of both branded and private label paints and stains, powder coatings, paint preparation products, sealants and adhesives, car care products and garden care products.
- Leading supplier with large-scale, efficient manufacturing and supply chain operations.
- Largest paint and paint preparation business in Australia and New Zealand with more than 7,000 products and the widest range of preferred brands.
- Robust distribution capability through major retail chains, independent paint specialists, Dulux trade stores, and independent agents and distributors.
- Multiple winner of numerous Supplier of the Year awards in Australia and New Zealand.
- Leading innovator of new products with dedicated, world-scale research and development facilities.

Growth

- Market leadership positions further enhanced in 2006 by increased marketing presence and market share gains.
- Further growth through acquisition remains a possibility in the areas of both geographic and category expansion.
- Continued investment in innovation and technology.
- Launch of Aquanamel water-based gloss paint, EnvirO₂TM interior wall paint and Ultradeck water-based decking oil, all of which are extremely low in Volatile Organic Compounds (VOCs).

- Dulux Once was launched to the Australian market. Dulux Once is an interior paint that delivers the same depth of coverage in a single coat as is achieved with two coats of other paints.
- New British Paints and Levene colour range launched in New Zealand.
- A number of new product ranges launched in Yates, with the Hortico brand in Bunnings and a revitalised 'Dynamic Lifter' the major initiatives.
- Launch of new range of Selleys household cleaning products.
- Paint Xpress, an innovative self-tinting model developed to work in a self-service retail environment, was recognised with an Excellence Award for Innovation.

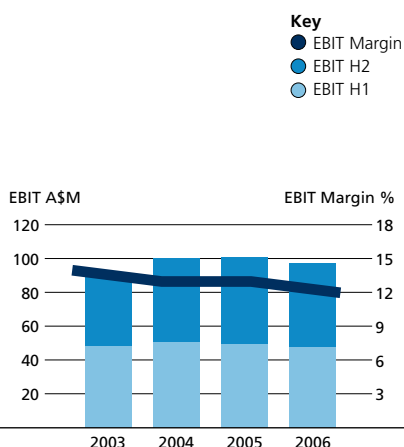
Cost Productivity and Capital Productivity

- New Woodcare manufacturing plant in Dandenong, Victoria, is delivering benefits in the form of streamlined manufacturing processes, reduced manual handling and safer working conditions.
- Manufacturing restructure in Selleys in line with review of core manufacturing competencies.
- OCP consolidated business models (Australian merchandising services and Australia/New Zealand Customer Service) are delivering efficiency gains.
- Year-on-year savings are being achieved from Yates' information technology integration.
- Sales force effectiveness opportunities are being explored, with initiatives in the Trade Paint sector already resulting in share gains.

Financial Performance 2006

Earnings down by 3% to A\$97M due to overall market downturn mitigated by market share gains and cost efficiency improvement.

EBIT Trend



Financial Performance (A\$M)

| | Year ended September | | |
|----------------------|----------------------|-------|---------------|
| | 2006 | 2005 | Change F/(U)* |
| Sales Revenue | 785.0 | 768.5 | 2% |
| EBIT | 97.3 | 100.5 | (3%) |
| Net Assets | 222.5 | 215.8 | 3% |
| Return on Net Assets | 44% | 46% | |
| Business Sales | | | |
| Paints | 535.3 | 520.6 | 3% |
| Other [^] | 249.7 | 247.9 | 1% |

[^] Selleys, Yates, Powders & Eliminations
* F – Favourable, (U) – Unfavourable

ORICA'S GLOBAL JOURNEY:
SINGAPORE,
REPUBLIC OF SINGAPORE

Bookstore browsing



Orica Chemnet provides chemicals for liner board used in the production of cardboard boxes.



Orica Consumer Products business, Selleys, is a trusted brand in the construction industry for products such as Liquid Nails and No More Gaps.



Orica Mining Services finds its way into metal shelving, light fittings and electricity production.



Efficiency

Orica's approach to efficiency has traditionally had two main components:

- **Capital productivity**, aimed at reducing the amount of fixed and working capital required to produce each dollar of sales
- **Cost productivity**, aimed at reducing the total cost incurred for each dollar gross margin of sales.

A number of productivity improvement initiatives have been implemented, including:

- Expansion of the ammonium nitrate plant at Yarwun – in the past two years capacity at the plant has increased from 295ktpa to 572ktpa.
- Reduction in our consumption of energy, that was driven by our Challenge 2010 targets and achieved through the application of Orica expertise in environmental management.
- Centralisation of Orica Consumer Products' Australia and New Zealand-based call centre operations in New Zealand.
- Relocation of the Woodcare business to new, efficient manufacturing and distribution facilities that reduce manual handling and delivered safer working conditions.

- Streamlining and simplification of our corporate activities along with the transfer of accountability for organic growth to the business streams.
- Global standardisation of select business systems such as the standardisation of SAP integrated Enterprise Resource Planning software across Orica Mining Services.
- Restructure of the Chemnet business.
- Rationalisation of initiating systems plants in Europe following completion of the Dyno acquisition.

During 2006, the highly-regarded Six Sigma methodology was introduced throughout the organisation with an initial focus on productivity. Six Sigma is a disciplined, data-driven approach and methodology for building a continuous improvement culture.

To date, Six Sigma methodology has been applied to around 30 different projects including supply chain optimisation, lean manufacturing, sales force effectiveness and plant productivity.

The most significant project employing Six Sigma methodology is striving for long-term, sustainable improvements in our Trade Working Capital (the amount of cash we have tied up in inventories, receivables and payables at any given time). Lowering our Trade Working Capital increases our ability to grow.

Future application of the Six Sigma methodology will be more extensive, embedding widespread customer driven process improvements and giving Orica a disciplined and consistent approach to growing shareholder value.

Orica – Turning Science Into Solutions > Case Study: Consumer Products

Once upon a time...

From newsprint and cardboard packaging to innovative paint products, Orica is turning science into solutions.

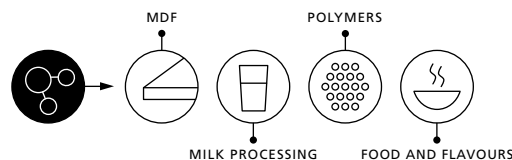
Orica Consumer Products (OCP) has launched a new product, Dulux Once, that reduces the work and cuts paint application time in half to give you that feeling of satisfaction much sooner. The original technology for this product was developed by Dulux several years ago and launched as CoverMax paint. CoverMax was expensive and not easy to apply, and consumer interest was minimal. However, recent market research has indicated a demand for a 'one coat' product. Consequently, the OCP Research & Development (R&D) team formulated

an improved product that was launched as Dulux Once in 2006.

Its appeal lies in its ability to apply the same quantity of solids to the wall or ceiling in one coat of paint as would result from two coats of regular paint. Less water is used in the formulation which impacts on the ease of application and paint flow. Skilful formulating is required to achieve good application properties despite an increased level of solids in the paint. And, as you'd expect from Dulux, it has to deliver a high-quality, highly washable finish.

All in all, it's a delicate balancing act to get the formulation right.

Dulux has a track record of developing innovative products that improve the application process, are long wearing and have attractive finishes. Just think of Designer Silk (including Designer Silk fragrance!), Suede Effects, Wash & Wear 101, Nevermiss ceiling paint, Weathershield and Mouldshield paints and you'll start to get the picture of just how hard the OCP R&D department works.



Chemnet is Orica's trading and distribution solutions business.

The Chemnet business acts primarily as a distributor or agent for most of the world's major chemical manufacturers, and also operates some manufacturing sites of its own.

Chemnet's sourcing capability is global, with chemicals and ingredients coming from North America, Europe, Asia and Africa. Chemnet is the largest chemical distributor in Australia and New Zealand, and the business also markets to China, Latin America and across all of South East Asia.

The business services a wide range of markets including food, beverage, dairy, pharmaceutical, personal care, flavours, mining, agriculture, pulp and paper, printing, plastics, refrigeration, metal, engineering, surface coating, building and construction, automotive, dry-cleaning, footwear, cosmetic, wire and cable, appliance and container.

Highlights:

- Chemnet completed all major integration activity from past acquisitions during the 2006 year.
- A restructure program commenced in April 2006 to set Chemnet up as the most efficient trader and distributor of chemicals in Australia. The program is well underway with positive results now flowing through.
- Orica Chemicals Chile achieved certification to the Responsible Care program through significant improvements in safety and environmental performance.
- The Orica Chemicals site in Quilicura, Chile, was recognised with a Responsible Care Award as the most improved Chilean chemical industry operational site.
- Chemnet New Zealand's Customer Service team was recognised as the best customer contact centre in the Chemicals/Petroleum industry in New Zealand.

Business Fundamentals:

- Largest chemical distributor in Australia and New Zealand, with an extensive product range.
- Presence in Latin America and South East Asia, both of which are poised for future growth.
- Strong trading and distribution platform.
- Strong asset position with niche manufacturing plants and supply chain infrastructure.
- Widespread market coverage with customers of all sizes across a vast range of industries.

- Provision of comprehensive product handling information and other safety services to customers.
- Chemnet aims to be the most effective, lowest cost chemical/ingredients distributor, as well as striving for the most effective market coverage and account management.

Growth

- Chemical manufacturing is globalising. Key global chemical manufacturers are looking for distribution partners and Chemnet is well positioned to form such alliances.
- Orica Chemicals Latin America has performed strongly since being acquired in 2005 and is set for further growth.
- Export to China has increased significantly.

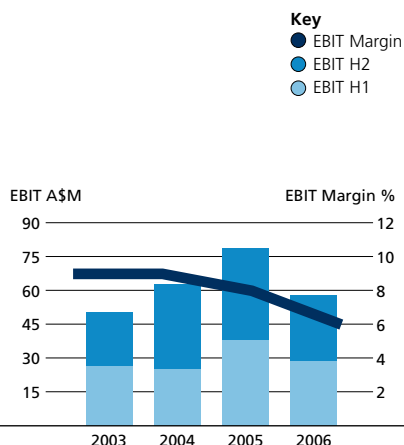
Cost Productivity and Capital Productivity

- Chemnet has implemented a performance improvement plan that is reducing costs, improving supply chain performance, enhancing sales and product management capability and systems, and redefining the business structure.
- Having completed 10 acquisitions over the last few years, Chemnet has been working to consolidate these acquisitions.

Financial Performance 2006

Chemnet profitability down 26% to A\$58M as a result of ongoing difficult trading conditions. A restructuring program commenced in April 2006.

EBIT Trend

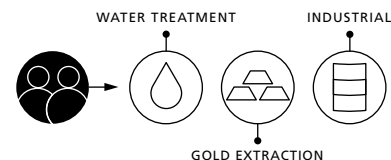


Financial Performance (A\$M)

| | Year ended September | | |
|----------------------|----------------------|---------|---------------|
| | 2006 | 2005 | Change F/(U)* |
| Sales Revenue | 987.4 | 1,029.5 | (4%) |
| EBIT | 57.7 | 78.5 | (26%) |
| Net Assets | 342.2 | 409.0 | (16%) |
| Return on Net Assets | 15% | 20% | |

* F – Favourable, (U) – Unfavourable

Chemical Services



Orica Chemical Services is divided into three business units: Watercare, Industrial Chemicals and Mining Chemicals.

Watercare is based in Australia with operations in the United States and the United Kingdom. Watercare products are used by municipal customers for purifying drinking water and treating sewerage, and by industrial customers in water and process applications. Industrial markets include pulp and paper, food and beverage, dairy, steel, power generation and petrochemical.

The Industrial Chemicals business comprises both Adhesives & Resins and Speciality Chemicals. Speciality Chemicals is one of the world's largest producers of explosive emulsifiers and is also a niche manufacturer of specialty surfactants, personal care additives, paint additives, pulp and paper dyes and agricultural chemicals.

Orica is in the process of divesting both the Adhesives & Resins business in Australia and New Zealand and in Indonesia. Both transactions are subject to regulatory approval.

Mining Chemicals is based in Australia and exports products to Asia, Africa and the Americas, as well as supplying the local Australian industry. It is the world's second largest producer of sodium cyanide and is extending into a range of related chemicals and services.

Highlights:

- Acquisition of CSBP's chlor-alkali business, positioning Orica as the leading supplier of chlorine and sodium hypochlorite to the West Australian water treatment market (subject to ACCC approval at the time of publication).
- Nine new MIEX® systems either installed or under construction. A further eight systems approved for construction including the first MIEX® systems in New Zealand and South Africa.
- MIEX® successfully trialed in wastewater treatment in industrial markets in Australia.
- Landguard™ enzyme technology named winner of Plastics and Chemicals Industries Association (PACIA) Environment Award and 2005/06 DuPont Innovation Award.
- Seven-year preferred customer/supplier alliance established between Mining Chemicals and a leading global gold producer.
- 18ktpa cyanide sparge facility constructed in Ghana – the first international sparge facility constructed by any cyanide producer worldwide.

Business Fundamentals:

- Australia's largest and lowest cost chemical producer.
- Diverse product and customer base.
- Strong national coverage.
- Strong, consistent performer, delivering year-on-year improvements in sales and EBIT.

- World's second-largest producer of sodium cyanide.
- Emerging position in flotation chemicals.
- World's largest producer of explosive emulsifiers and niche supplier of other specialty chemicals.

Growth

- Focus on growing the Watercare business in Australia and New Zealand.
- Continued commercialisation of patented MIEX® water purification technology and Landguard™ enzyme technology.
- Identification of new markets and geographies for MIEX® technology.
- Expanding sodium cyanide capacity at Yarwun by 20ktpa (due online in 2008).
- Geographic expansion for Mining Chemicals.
- Expanding into specialty mining chemicals.

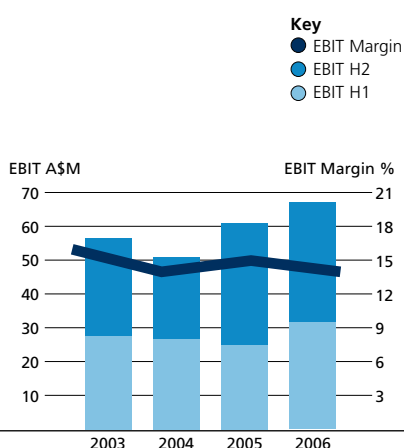
Cost Productivity and Capital Productivity

- Streamlining of business structure and centralisation of manufacturing and supply-chain function late in 2005 is continuing to deliver productivity improvements.

Financial Performance 2006

Chemical Services increased profitability by 10% to a record full year result of A\$67M.

EBIT Trend



Financial Performance (A\$M)

| | Year ended September | | |
|--------------------------------------|----------------------|-------|---------------|
| | 2006 | 2005 | Change F/(U)* |
| Sales Revenue | 477.0 | 411.9 | 16% |
| EBIT | 67.1 | 60.8 | 10% |
| Net Assets | 391.2 | 368.2 | 6% |
| Return on Net Assets | 18% | 16% | |
| Return on Net Assets [^] | 20% | 19% | |
| Business Sales | | | |
| Watercare | 185.8 | 164.2 | 13% |
| Mining Chemicals ⁽ⁱ⁾ | 136.5 | 87.2 | 57% |
| Industrial Chemicals ⁽ⁱⁱ⁾ | 154.7 | 160.5 | (4%) |

(i) Comparatives restated to reflect the transfer of Speciality Chemicals from Mining Chemicals to Industrial Chemicals
(ii) includes intra-segment eliminations

* F – Favourable, (U) – Unfavourable
[^] Excluding Miex and Enzymes
(i) (ii) see footnotes to the left

ORICA'S GLOBAL JOURNEY:
MELBOURNE, AUSTRALIA

Home sweet
home



Orica Chemnet provides
flavours to the pet
food industry.



Orica Chemical Services
brings you purified
drinking water and
swimming pool chlorine.



Orica Consumer Products
business Dulux develops
environmentally
friendly (greenhouse
neutral) products
such as Aquanamel
and EnvirO₂™.



Orica Mining Services
provides innovative
solutions to the copper
industry for electrical
wiring and kitchenware.



Culture

At Orica we have established a performance-based culture that we call 'Deliver the Promise'. Our employees were responsible for defining the four key principles that form the basis of our culture and guide the way we do business.

These principles – Safety, Health and the Environment (SH&E); Commercial Ownership; Creative Customer Solutions and Working Together – embody the attitudes, behaviours and ethics that are common to all of our people regardless of location or their role in the organisation.

Originally introduced in 2002, the key principles were a vital element in Orica's transformation and helped establish firm foundations for the company's growth. Now, in conjunction with the business strategy, the principles serve to inspire our people to achieve even greater levels of success in the future. A program of culture renewal, commenced in 2006, supports the engagement and commitment of all of Orica's people to Deliver the Promise.

Application of the disciplined Six Sigma methodology across all of the key principles will serve to 'Amplify the Promise'. Whilst Six Sigma deployment in 2006 was primarily focused on productivity, a more broadly based approach in the future will lead to more widespread process improvements, aimed at further developing a customer driven, continuous improvement culture across Orica.

| Principle | What we do | Support mechanisms |
|-----------------------------|---|---|
| SH&E | No injuries to anyone, ever. Value people and the environment. | <ul style="list-style-type: none"> - Zero fatalities strategy - Orica SH&E system - CEO's personal safety plan - Employees' individual commitment to Safety Charter - Challenge 2010 |
| Commercial Ownership | Run the business as if it's your own. | <ul style="list-style-type: none"> - Group procurement - Supply chain improvement - Manufacturing improvement - Six Sigma - Working capital improvement - Sustainability team created to reduce or eliminate unsustainable practices, grow sustainable business opportunities and improve efficiency. |
| Creative Customer Solutions | Think differently, deliver swiftly and capture the value. | <ul style="list-style-type: none"> - Organic growth projects - Strategic market planning - Innovation and technology - Customer-driven performance metrics - Six Sigma |
| Working Together | Success as a team and success as an individual. | <ul style="list-style-type: none"> - Talent development - Career development and succession planning - Employer of choice - Graduate Program |

Where we make our products

Mining Services sites

Major Ammonium Nitrate Sites

Bacong (Philippines) 40ktpa
Carseland (Canada) 500ktpa
Geneva (USA) – 50% joint venture 50ktpa
Kooragang Island (Australia) 415ktpa
Monclova (Mexico) 65ktpa
Rayong – TNC (Thailand) – 50% joint venture 90ktpa
Yarwun (Australia) 580ktpa

Major Initiating Systems Sites

Antofagasta – EHM & La Portada (Chile)
Brownsburg (Canada)
Deer Park (Australia)
Gomia (India)
Gyttorp (Sweden)
Helidon (Australia)
Itatiaiuçu (Brazil)
Limay (Philippines)
Lorena (Brazil)
Tappen (Canada)
Trosdorf (Germany)¹
Weihai (China)

Research Facilities

Brownsburg (Canada)
Capricorn Park (South Africa)
Gomia (India)
Gyttorp (Sweden)
Kurri Kurri (Australia)
Watkins (USA)
Troisdorf (Germany)¹

Regional Manufacturing Plants

Ahafo (Ghana)
Arequipa (Peru) – Joint Venture
Candasnos (Spain)
Cape Town (South Africa)
Chambishi (Zambia)
Charlestown (USA)
Chumotov (Czech Republic)
Cuatro Cienegas (Mexico)
Engene (Norway)
Fexar (Colombia)
Gaellivare (Sweden)
Glensanda (UK)
Goiania (Brazil)
Gullaug (Norway)
Huachipa (Peru)
Joint Venture
Hummene (Slovakia)
Itatiaiuçu (Brazil)
Jebel Ali (UAE)
Kalgoorlie (Australia)
Karelia (Russia)²
Kielce (Poland)
Kumtor (Kyrgystan)
Kustamotcha (Russia)
La Campana, Manicaragua (Cuba)
La Chimba (Chile)
La Jagua (Colombia)
Lalahan (Turkey)
Lampa (Chile)
Liddell (Australia)
Lisheen (Ireland)
Luanshya (Zambia)
Marneuli (Georgia)
Morón, Carabobo (Venezuela)
Panagyurishte (Bulgaria)
Roburite (UK)
Sierras Bayas (Argentina)
Sirgala, Ida-Virumaa (Estonia)
Soma (Turkey)
Tehuantepecuillo, Guadalajara (Mexico)
Ust-Kamenogorsk (Kazakhstan)
Valderas (Spain)
Würgendorf (Germany)
Zamwari (Zimbabwe)

Chemicals Plants

ChlorAlkali

Botany (New South Wales, Australia)
Laverton (Victoria, Australia)
Yarwun (Queensland, Australia)

Sodium Cyanide

Yarwun (Queensland, Australia)

Aluminates

Heybridge (Tasmania, Australia)
Morwell (Victoria, Australia)
Wyong (New South Wales, Australia)

Specialty Chemicals

Deer Park (Victoria, Australia)

Marplex Manufacturing

Laverton (Victoria, Australia)
Noble Park (Victoria, Australia)

Blending &

Repacking Plants

Homebush (New South Wales, Australia)
Morrinsville (New Zealand)
Mt Maunganui (New Zealand)
Timaru (New Zealand)
Yarraville (Victoria, Australia)

Other Plants

Geelong (Victoria, Australia)
Kinleith (New Zealand)
Port Kembla (New South Wales, Australia)

Orica Consumer

Products Manufacturing Facilities

Paints and Stains

Dandenong (Victoria, Australia)
Gracefield (New Zealand)
Lae (Papua New Guinea)
Rocklea (Queensland, Australia)

Coatings

Auckland – Powder Coatings (New Zealand)
Beverley – Texture Coatings (South Australia)
Clayton – Powder Coatings (Victoria, Australia)
Dong Guang – Powder Coatings (China)
Kuala Lumpur – Texture Coatings (Malaysia)

Selleys

Padstow (New South Wales, Australia)

Yates/Garden and Lawn care

Auckland (New Zealand)
Mt Druitt (New South Wales, Australia)
Wyee (New South Wales, Australia)

Research facilities



Clayton (Victoria, Australia)

¹ due to close, as announced to ASX on 6 July 2006

² scheduled to open early 2007

Orica worldwide



- Key**
-  Countries of operation
 -  Research and Development Centres

Online information

We are committed to keeping all our shareholders well-informed and regularly update our website – www.orica.com



Orica Share Price

Updated every 15 minutes.



Excel Spreadsheet

Updated yearly for past nine years.



ASX Releases

Updated on announcement to Australian Stock Exchange.



Webcast

Updated half-yearly and annually with results webcasts.



PowerPoint Presentations

Updated from investor and analyst roadshows.



Annual Reports

Updated annually with annual reports for past five years.

Production notes on this report

The paper used for this Business Overview Report 2006 has a 50% recycled fibre content. Photographs are illustrative only, using models and sets to represent the situations described.



Orica Limited

ABN 24 004 145 868

Registered address and head-office:
Level 9, 1 Nicholson Street
East Melbourne Victoria 3002
Australia

Postal address:
GPO Box 4311
Melbourne Victoria 3001

Telephone: +613 9665 7111
Facsimile: +613 9665 7937

Email: companyinfo@orica.com
Website: www.orica.com

