



Acquisition of Minova

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Transaction Overview

- ◆ Orica has agreed to acquire mining services company Minova for A\$870m (£348m)^{1,2}
- ◆ Purchase price 8.9 times CY2006F³ EBITDA
- ◆ EPS accretive immediately (after transaction costs)
- ◆ Minova is highly cashflow generative with relatively low capex and working capital requirements
- ◆ Minova held separately for two years before integration
- ◆ Minova management incentivised through a two year earn-out agreement
- ◆ Orica's 18% RONA target achieved 3 years post integration
- ◆ Expected completion before the end of calendar 2006⁴

1. Based on GBP:AUD exchange rate of 1:2.5
2. Includes £5m transaction costs to be capitalised
3. FY2006F EBITDA post minority interests of £39m 12 months ended 31 December 2006
4. Subject to required regulatory clearances

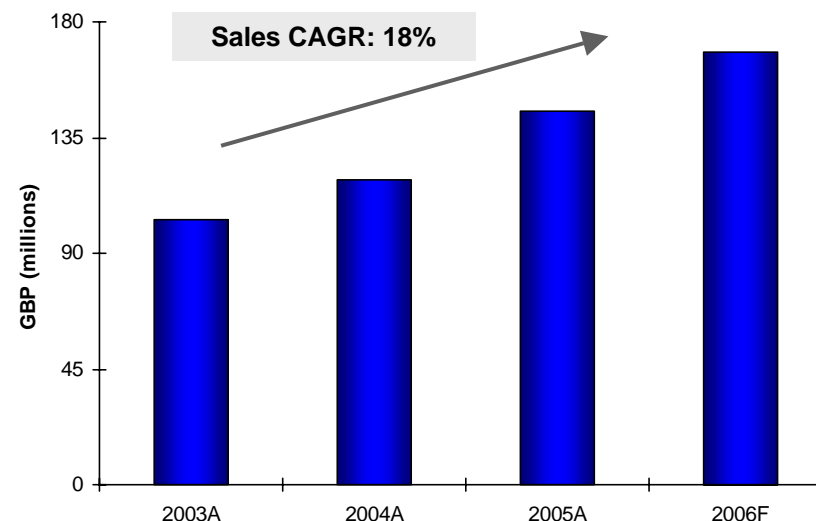
Minova Business Overview



Snapshot

- ◆ Global leader in specialty chemicals for stabilisation and ventilation systems in underground mining and civil works
- ◆ Key end markets are underground coal mining, underground metals mining and tunnelling
- ◆ Wide product range including core products resin capsules, injection chemicals and powders
- ◆ Sales in 50 countries
- ◆ Regional business units
 - Europe
 - Poland
 - Russia
 - North America
 - South Africa
 - Australia
 - China
- ◆ Approx 1,200 employees
- ◆ Successful and committed management team with an excellent track record
- ◆ Well positioned to take advantage of growth in emerging markets with established businesses in China, Russia & Kazakhstan
- ◆ Strong earnings and cashflow profile

Sales trend (2003A-2006F)



Minova CY2006 Summary Financials¹

A\$m, y/e 31-Dec	06F ²
Sales	420
<i>Growth (%)</i>	15.7
EBITDA ³	98
<i>Margin (%)</i>	23.3

Note: 1. Based on GBP:AUD exchange rate of 1:2.5

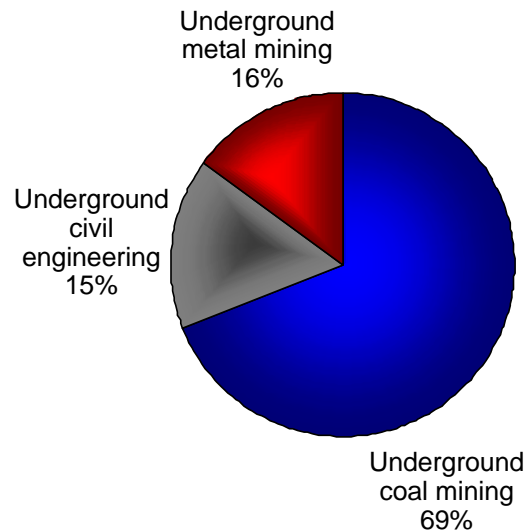
Note 2: 2006F EBITDA 12 months ended 31 December 2006

Note 3: EBITDA is post Minority Interests

Minova Business Overview

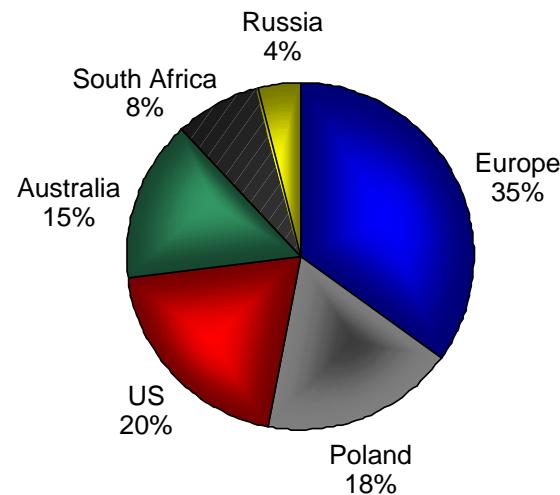
◆ Major end market is underground coal mining, although increasing contribution from tunnelling

2005A Sales by End Market



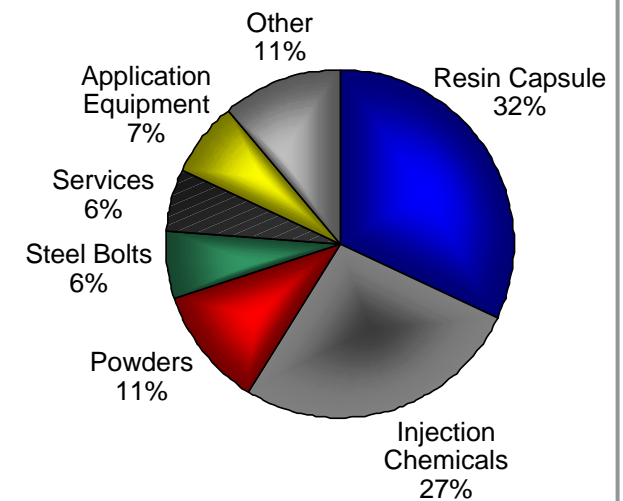
◆ Sales predominantly from Europe, US and Australia with increasing exposure to high growth markets

2005A Sales by Region



◆ Resin capsules and injection chemicals make up the majority of Minova's product sales

2005A Sales by Product



Minova Business Overview



Global, but serves customers' needs with local manufacturing and customised solutions



- ◆ HQ in UK
- ◆ 17 manufacturing facilities in 10 countries
- ◆ Sells into more than 50 countries

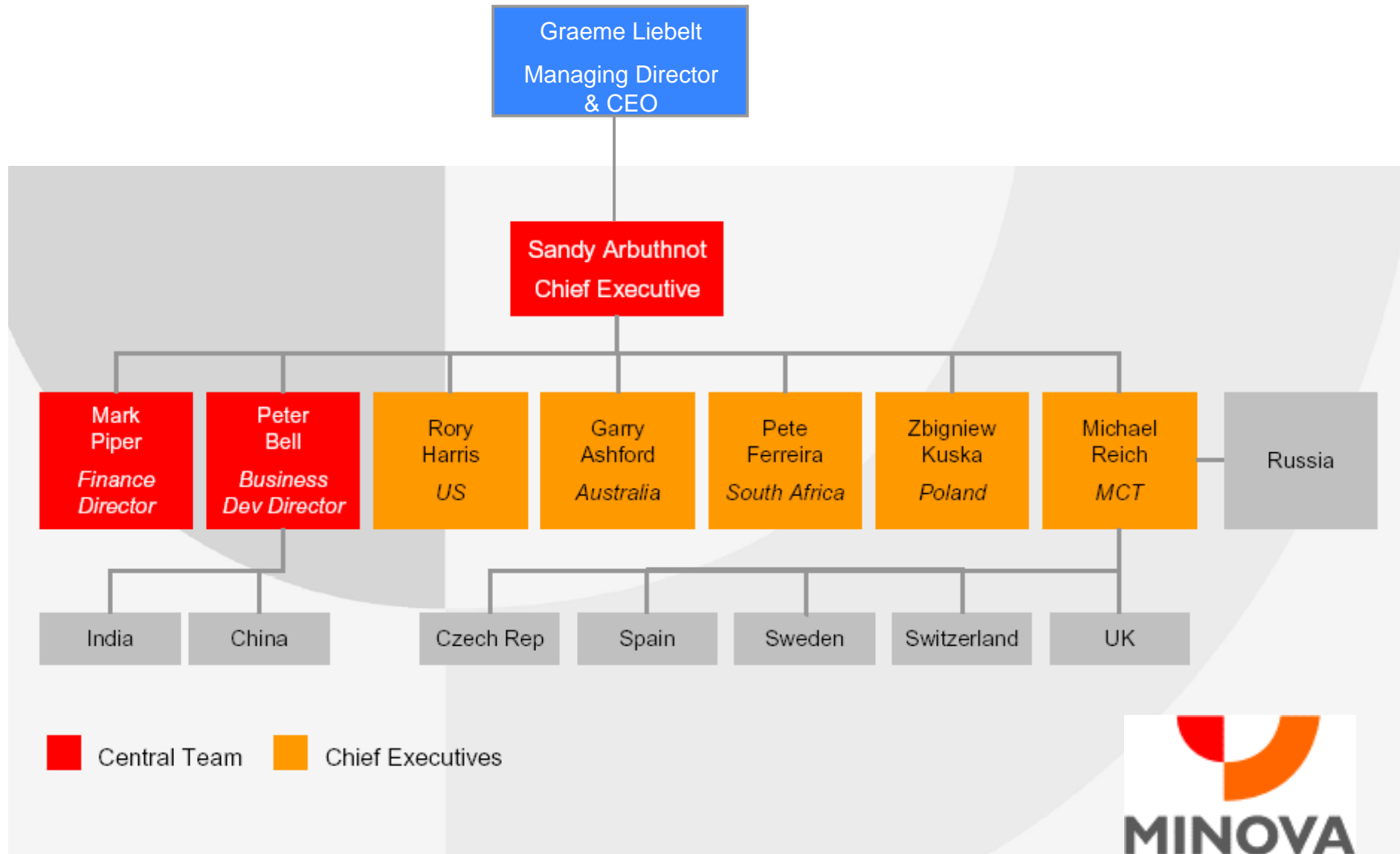
Minova Growth Drivers



- ◆ The following drivers underpin Minova’s future growth:

Growth Drivers		
1.	Continuing demand for coal underpinned by its use in coal-fired power generation and steel production, with over 150 years of proven coal reserves	✓
2.	Increased product penetration due to increased focus on safety and efficiency of mining	✓
3.	Further penetration into underground metal mining and civil engineering markets	✓
4.	Proven ability to create and grow markets in new geographical territories. In particular China, the world’s largest underground coal market, Russia and Kazakhstan	✓
5.	Long term gradual shift to underground mining as access to commercially viable “open cut” mines diminish	✓

Minova Management Structure



Financial Impact on Orica

- ◆ Orica has acquired Minova for A\$857m (£343m) plus A\$13m (£5m) in transaction costs¹
- ◆ Minova EBITDA CY2006² A\$98m (£39m)
- ◆ EBITDA multiple 8.9x
- ◆ EPS accretive immediately post transaction costs

	£M	Treatment
Purchase Price	343	Capitalised
Transaction Costs	5	Capitalised
Total Acquisition Cost	348	

- ◆ Integration costs of A\$23m (£9m) will be expensed as significant items

1. Based on GBP:AUD exchange rate of 1:2.5 rounded to nearest \$1m
2. FY2006F EBITDA £39m post minority interests 12 months ended 31 December 2006

Financial Impact on Orica



- ◆ Forecast sales growth of Minova business 8% per annum through 2011
- ◆ Minova to be held separately for two years, then integrated into Orica Mining Services
- ◆ Synergies A\$13m (£5m)^{1,2} per annum post integration
- ◆ Implementation costs A\$23m (£9m) over 3 years to be expensed as significant items
- ◆ 18% RONA target achieved in third year post integration

1. Based on GBP:AUD exchange rate of 1:2.5 rounded to nearest \$m
2. Excludes tax benefits associated with acquisition funding

Financial Impact on Orica



- ◆ Purchase price of A\$870m (£348m)¹ including transaction costs acquired:

– Net Tangible Assets	A\$80m	(£32m)
Trade working capital		£23m
Fixed Assets		£14m
Non-trade working capital		(£5m)
– Goodwill & Identifiable Intangible Assets ²	A\$790m	(£316m)

- ◆ Depreciation & AIFRS amortisation² A\$16m (£6m) per annum

1. Based on GBP:AUD exchange rate of 1:2.5 rounded to nearest \$m
2. Subject to final acquisition accounting adjustments

Financial Impact on Orica

- ◆ Minova acquisition cost will be funded by existing cash and debt facilities
 - Cash A\$650m (£260m)
 - Debt A\$220m (£88m)
 - Total A\$870m (£348m)

- ◆ Post acquisition Orica's gearing will remain below target gearing range of 35-45% (net debt to net debt plus equity)

- ◆ Committed to maintaining BBB+ S&P credit rating

Minova meets Orica's strategic criteria for growth:

Market leadership



Growing “close to the core”



Earning the “right to grow” - 18% RONA¹



1. RONA target met in third full year post integration

Strategic Rationale

Entrenches Orica as the clear global leader in Mining Services

1 Strong link to both Orica Mining Services and Orica Chemicals

- ◆ Significant industry overlap
- ◆ Familiar chemical manufacturing processes
- ◆ Strong geographical overlap

2 Clear global leader, with critical mass in major markets

- ◆ Europe, Poland, USA, Australia, and South Africa

3 Very strong cash flow and earnings growth

- ◆ Cashflow/EBITDA ratio ~85%
- ◆ Growth driven by mining growth, new markets and acquisitions
- ◆ Consolidation opportunities

4 Synergy Opportunities

- ◆ Cost savings (insurance, IT, etc.)
- ◆ Global procurement opportunities
- ◆ Customer and regional expansion

5 Well positioned in high growth emerging markets

- ◆ China
- ◆ Russia
- ◆ Kazakhstan

6 Earnings diversification

- ◆ Geographically
- ◆ Customer
- ◆ Products

Transaction Summary



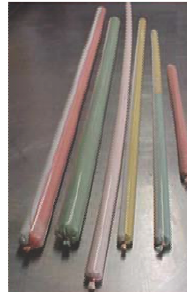
- ◆ A strategically and financially compelling acquisition for Orica
- ◆ Purchase price A\$870m¹ including transaction costs - 8.9 times CY2006 EBITDA
- ◆ Immediately EPS accretive (after all costs)
- ◆ Achieves 18% RONA target in third full year post integration
- ◆ Funded by existing cash and debt facilities
- ◆ Minova to be held as a separate business alongside Orica Mining Services
- ◆ Orica further enhanced as one of the largest global mining services providers
- ◆ Minova is highly cash generative
- ◆ Significant opportunity for further growth

SECTION 6

Supplementary Information

Resin Capsules

- ◆ Resin capsules along with steel bolts are used as primary roof support or as secondary support in combination with steel arches
- ◆ Lokset® is the key brand for resin capsules, globally recognised for its reliability



Powders

- ◆ Cementitious powders are used to support strata and in building ventilation seals, primarily in the coal mining market
- ◆ Key brands include Durafoam®, Tekblend®, Tekfoam®, Tekpak®, Tekseal®, Tekset®

Injection Chemicals

- ◆ Organic injection chemicals are used to reinforce broken or weak strata and stop or prevent water ingress
- ◆ Key brands include Bevedan®, Bevedol®, Carbofill®, Ekopur and Wilkit®



Services

- ◆ Specialist application services provided by Minova, mainly associated with resin injection and erection of ventilation seals in Australia

Steel bolts

- ◆ A wide range of steel bolts encompassing both standard steel anchors and specialist bolts

Other

- ◆ A wide range of specialist products such as coatings and dust masks is also offered

Application Equipment

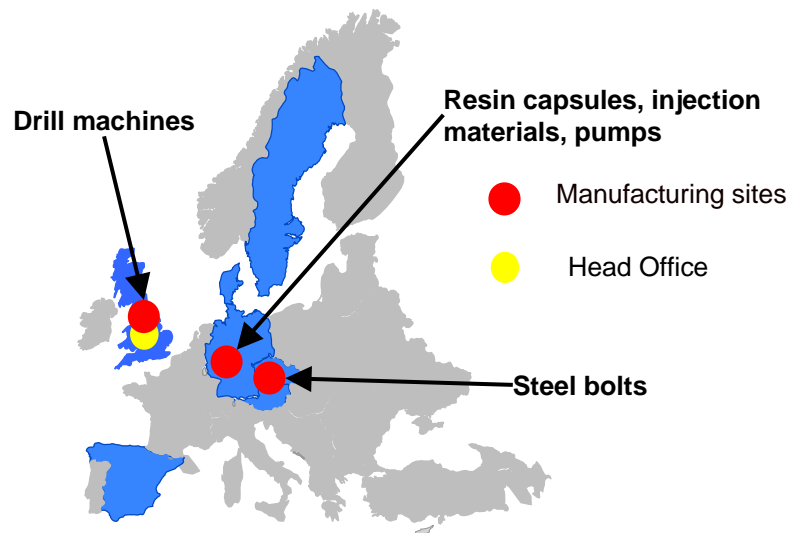
- ◆ Minova offers a wide range of application equipment including pumps for injection resins, injection lances, spray machines and valves, as well as the Super Turbo drill machines (roofbolters)



Business Overview - Europe (excl Poland)



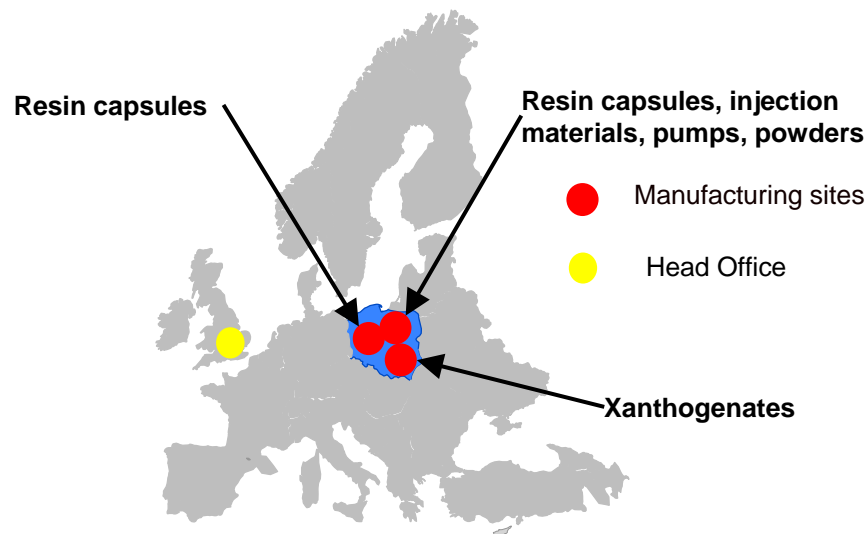
Locations



Overview

- ◆ No 1 market position across all core products
- ◆ Present in Germany, Czech Republic, UK, Spain, Sweden and Switzerland
- ◆ Two key end markets are coal and underground civil engineering
- ◆ European operations headquartered in Germany
- ◆ Approx 200 employees
- ◆ Recently formed JV in Sweden to service the Nordic region

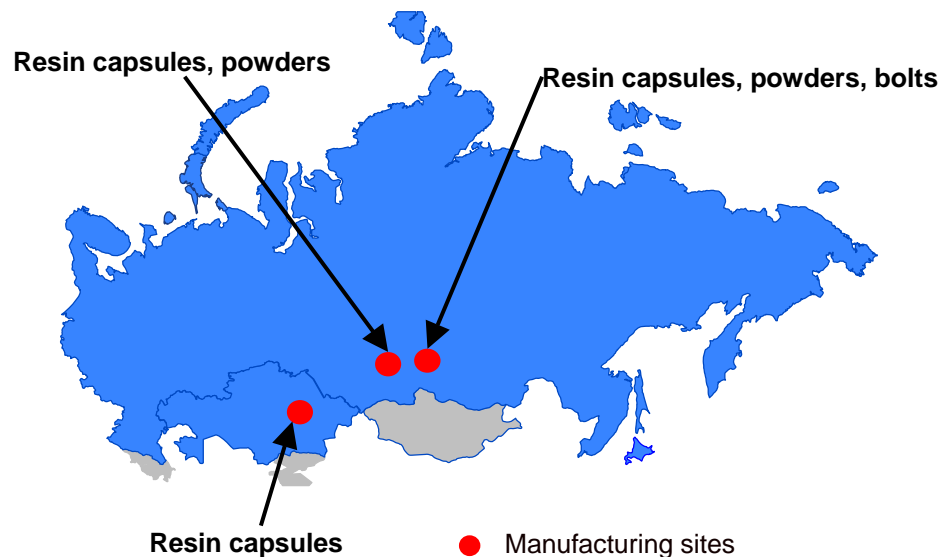
Locations



Overview

- ◆ No 1 market position across all core products
- ◆ ~80% of sales are to the coal mining industry
- ◆ Demand for injection resins, cavity fillers and ventilation seals driven by
 - Depth of longwall mines and high risk of roof falls necessitating preventative work
 - Ventilation sealing to address spontaneous combustion and methane problems
- ◆ Potential to increase usage of resin capsules as their use gains acceptance in the future
- ◆ ~300 employees based in Poland

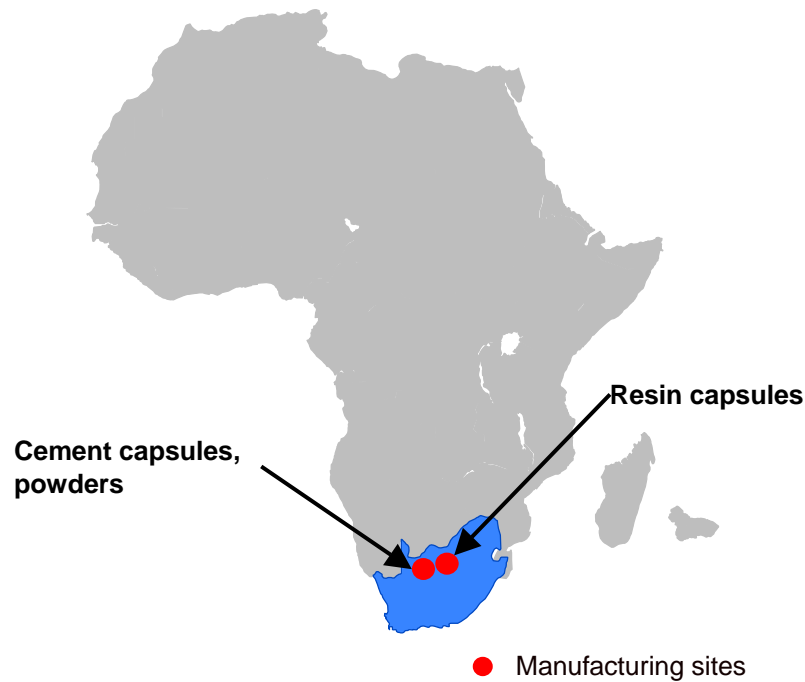
Locations



Overview

- ◆ Operating since 1999 and has ~120 employees
- ◆ Minova has a 87.5% controlling stake in its Russian business
- ◆ No 1 market position across all core products
- ◆ Sole producer of resin capsules in Russia
- ◆ 88% of sales are to the coal mining industry
- ◆ Sharp uptake of resin capsules over last five years due to focus on improving coal mining efficiency & safety
 - Trend to move from traditional point anchoring to full column resin columns expected to further increase demand
- ◆ New 30ktpa powder plant commissioned in 2006
- ◆ 60/40 JV in Kazakhstan
- ◆ Also has a JV in Ukraine

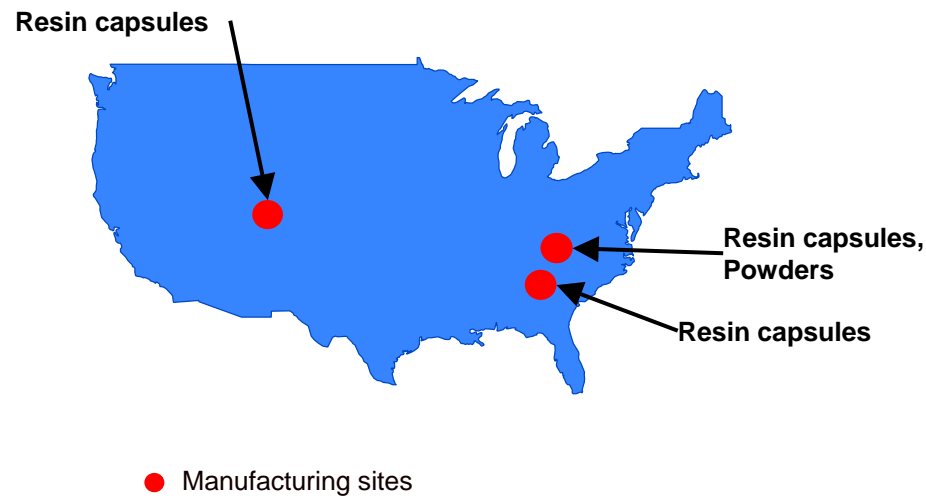
Locations



Overview

- ◆ Operating since early 1980's
- ◆ No 1 in resin capsules and powders
- ◆ 75% of sales are to the metal mining industry
- ◆ 25% of sales to the coal industry
- ◆ Room and pillar extraction provides for a high level of resin capsule demand
- ◆ ~170 employees are based in South Africa

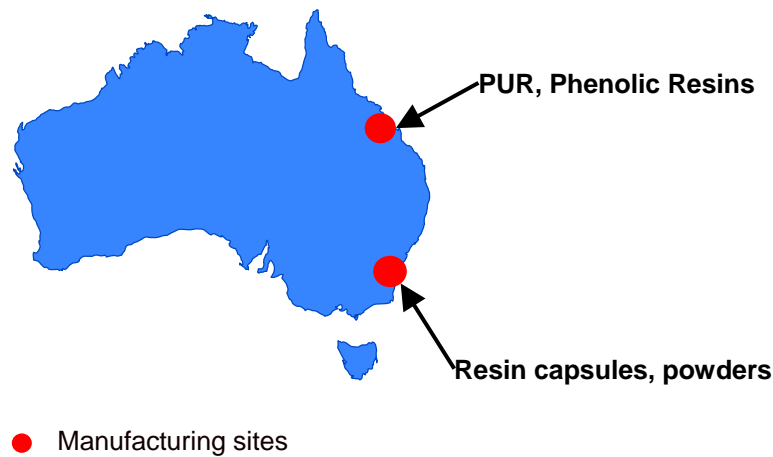
Locations



Overview

- ◆ Operating since early 1980's
- ◆ No 1 in resin capsules and powders
- ◆ Acquired Sandvik's Mining Chemicals Division in August 2003
- ◆ 92% of sales are to the coal mining industry
- ◆ Demand for resin capsules remains high due to high proportion of room and pillar production
- ◆ Roofbolts are used for support, with little requirement for injection chemicals
- ◆ ~140 employees based in the USA

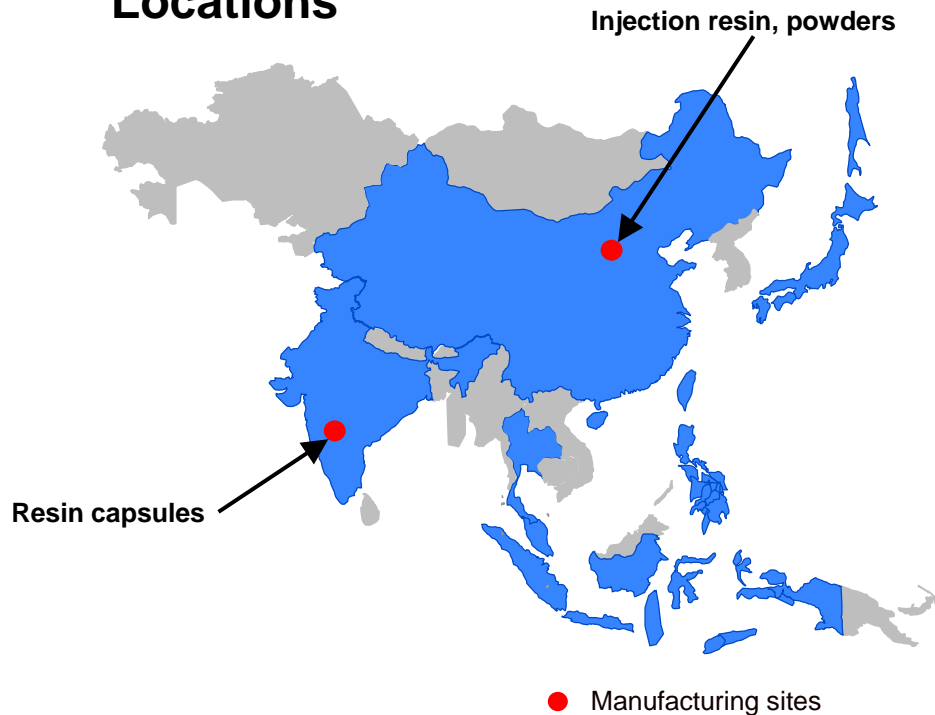
Locations



Overview

- ◆ Operating in Australia since 1987
- ◆ No 1 market position across all core products & services
 - Minova has a strong service business in Australia
- ◆ Approximately 84% of Minova's sales are to the coal mining industry
- ◆ Use of resin injection and cavity fillers is reasonably high due to location of coal reserves in high stress fields
- ◆ Demand for ventilation seals is high due to stringent ventilation regulation
- ◆ ~190 employees based in Australia

Locations



Overview

- ◆ Operations commenced in China in 2005 through 55% owned JV
 - Business is still in early stage of development
 - Production facility and supply chain fully operational
- ◆ Sales currently to 15 Chinese coal groups, which represents 28 of their 77 mines
- ◆ China is the largest underground coal producing country in the world, most used domestically
- ◆ Increasing focus on mine safety
- ◆ Coal satisfies ~80% of China's power requirements
- ◆ ~75 employees based in China & ~25 in India
- ◆ Small presence in India since 2002 through a 76% owned JV