



2011 Full Year Results Announcement

7 November 2011

Presentation outline

- | | |
|-----------------------------|----------------|
| ▶ Group performance | Graeme Liebelt |
| ▶ Divisional performance | Noel Meehan |
| ▶ Balance sheet & cash flow | Noel Meehan |
| ▶ Strategic priorities | Graeme Liebelt |
| ▶ Outlook | Graeme Liebelt |

Group safety and environmental performance¹

	Full Year 2011	Full Year 2010
Fatalities	1	-
AWRCR ²	0.47	0.63
Distribution incidents	30	22
CO2e emissions (million tonnes)	2.6	2.9

1 2010 excludes DuluxGroup.

2 All Worker Recordable Case Rate is calculated as the number of injuries and illnesses per 200,000 hours worked.

Results overview

FINANCIAL

- EBIT¹ up 2% and NPAT¹ up 4%
- EPS¹ and operating cash flow² up 2%
- Gearing³ and interest cover at 26.6% and 6.4 times⁴ respectively
- Rolling TWC to Rolling sales at 13.2%

OPERATING

- Strong demand conditions across some mining markets
- Productivity benefits across all business platforms
- Disciplined cash management

CHALLENGES

- Aggressive competition in Minova markets
- Adverse weather conditions
- Prolonged shutdown of Kooragang Island ammonia plant
- Appreciating Australian dollar
- Slower than anticipated recovery in some market segments

1 From continuing operations pre individually material items

2 From continuing operations

3 Net debt / (net debt + book equity)

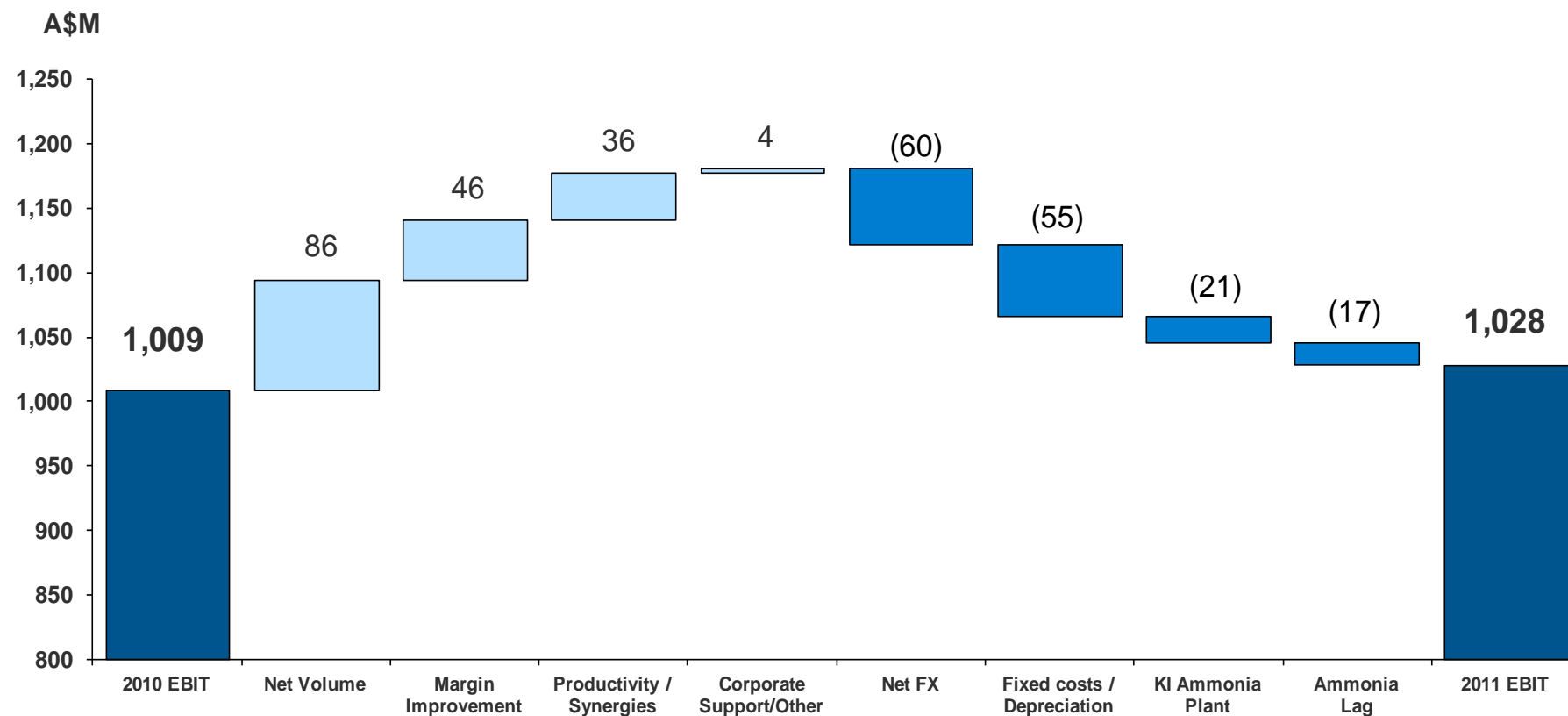
4 Interest cover net of capitalised interest is 8.3 times



Divisional Performance and Capital Management

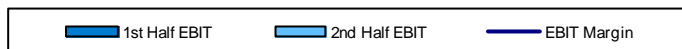
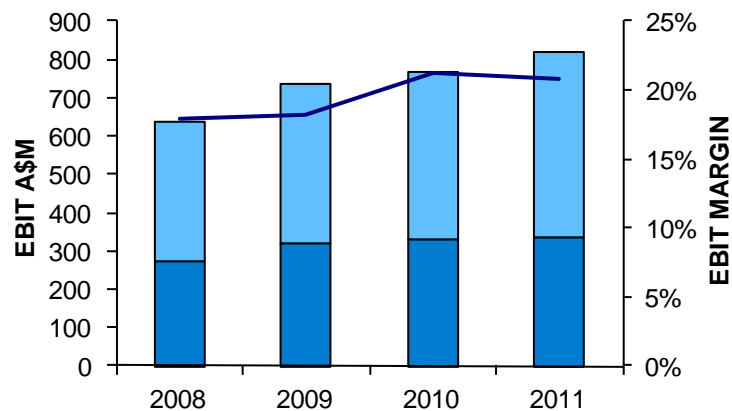
Group EBIT from continuing operations

EBIT ↑ 2%

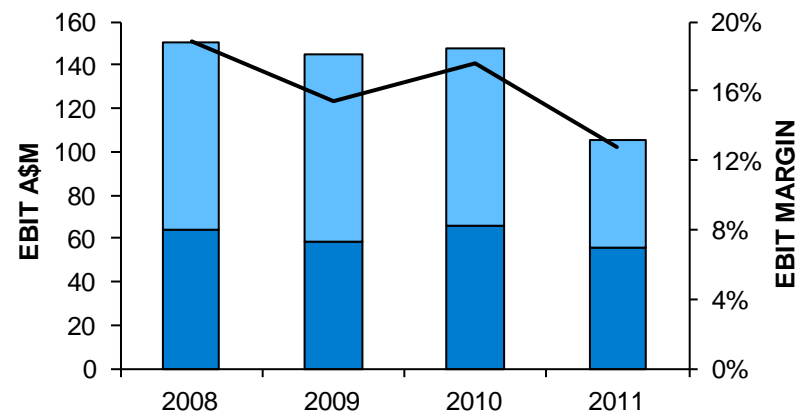


EBIT by business

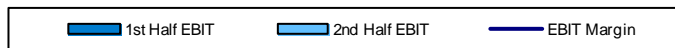
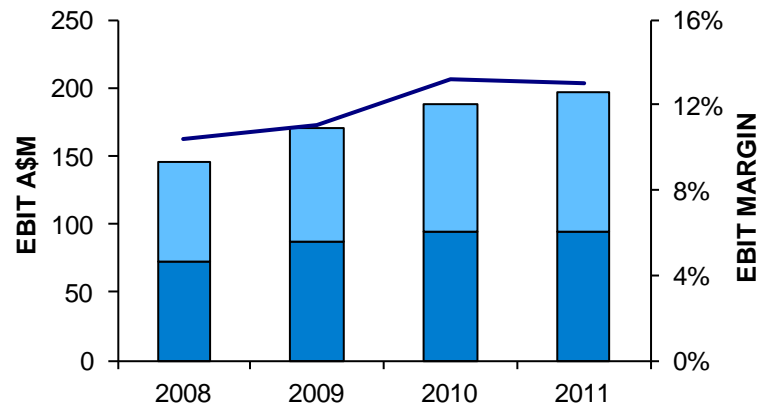
Mining Services



Minova



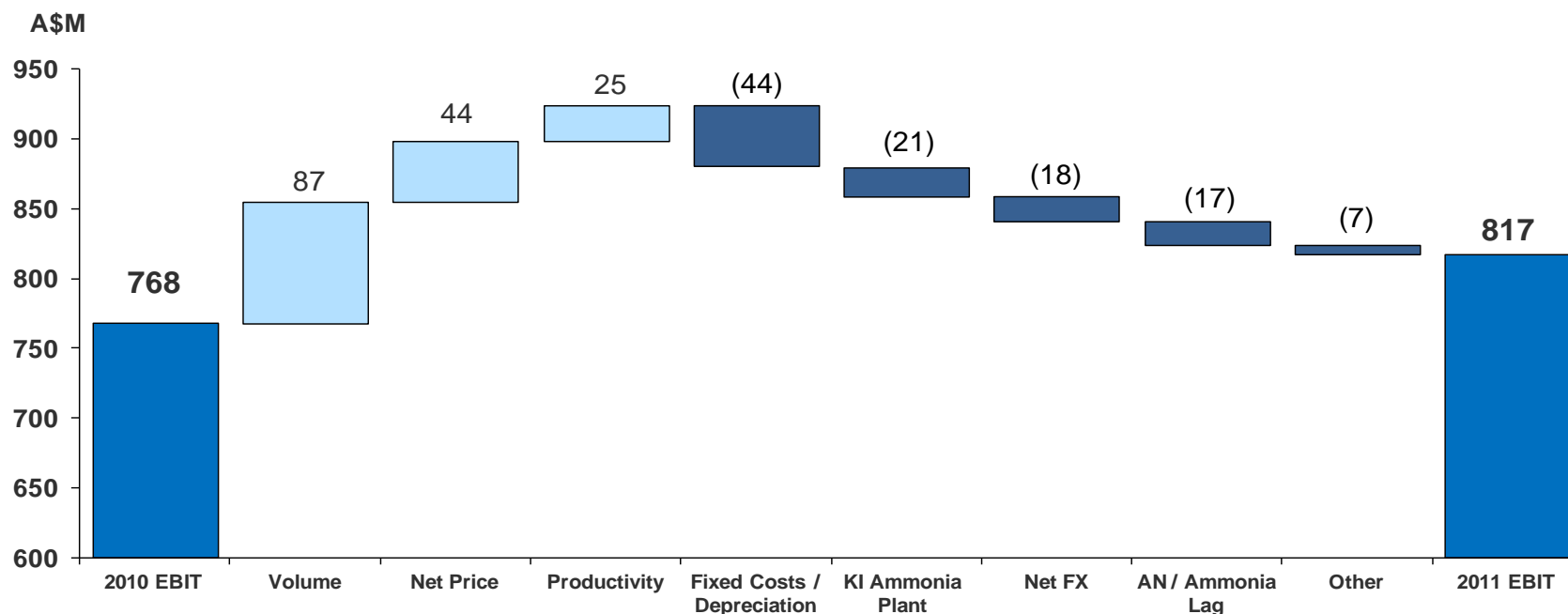
Chemicals



Orica Mining Services

Sales \$3,938M; EBIT \$817M; Average Operating Net Assets \$3,039M

EBIT ↑ 6%

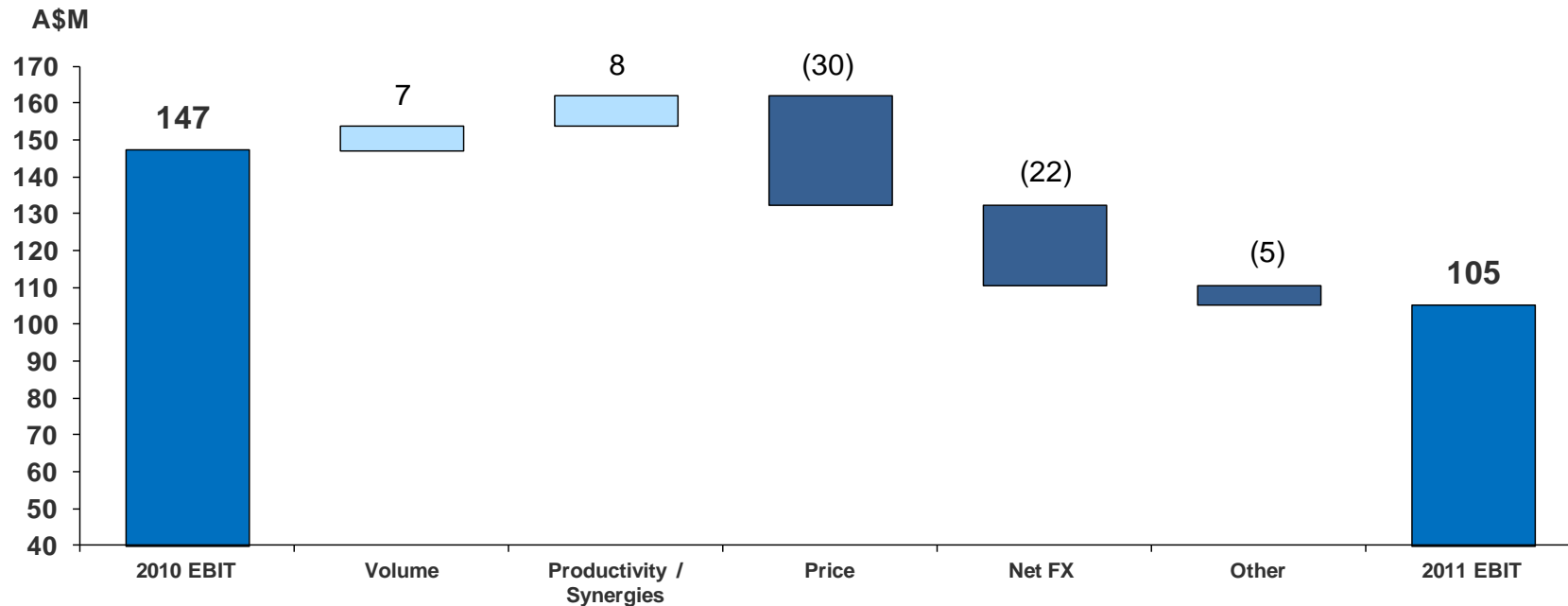


- ✓ Improved mining volumes globally, particularly in the 2nd half
- ✓ Favourable price change (net of raw material input cost movements)
- ✓ Continued productivity improvements from disciplined cost management
- ✓ Land sales in 2nd half partly offsetting Monclova plant closure costs
- ↓ Lag in recovery of input cost increases
- ↓ Higher fixed costs due to inflation and depreciation
- ↓ Increased costs due to shutdown of Kooragang Island ammonia plant following loss of containment incident
- ↓ Unfavourable impact from foreign exchange movements mostly offset by hedging benefits

Minova

Sales \$822M; EBIT \$105M; Average Operating Net Assets \$1,514M

EBIT ↓29%

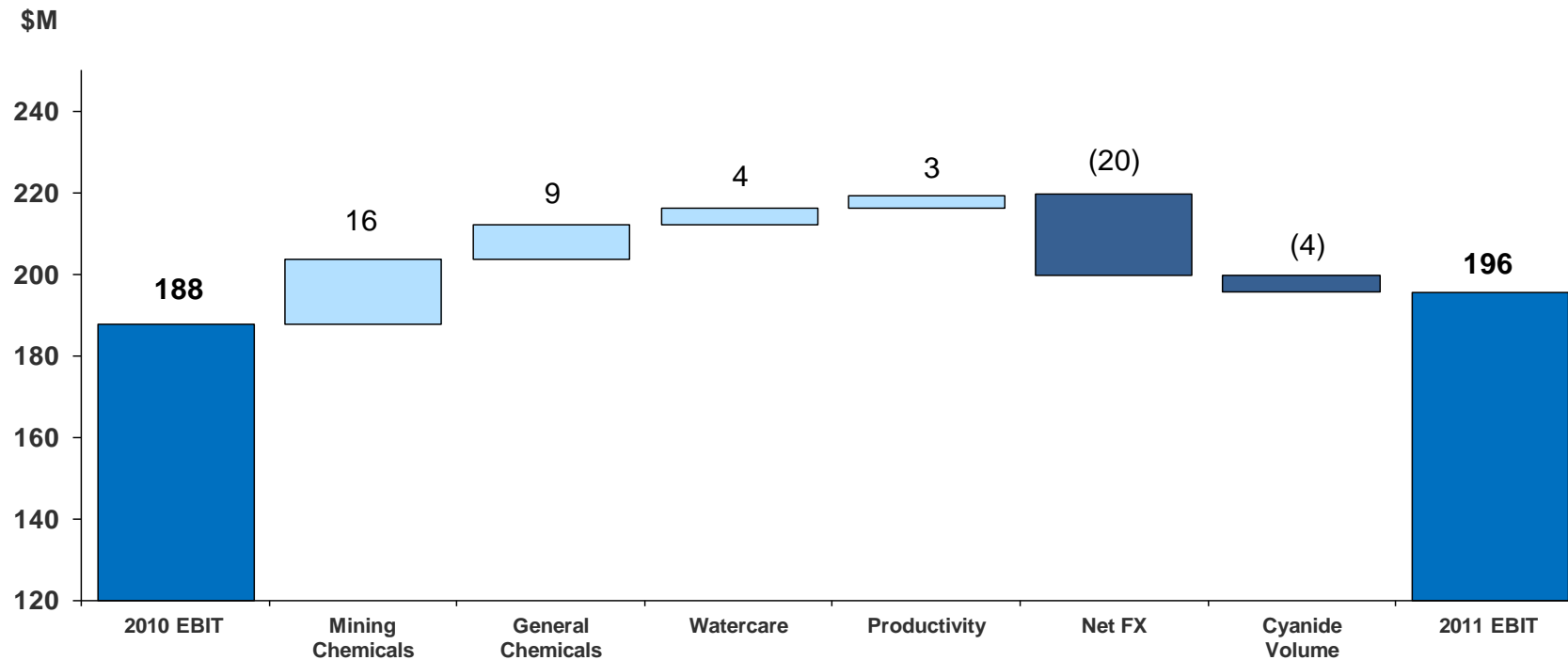


- ✓ Volume growth in Australia and South Africa, solid demand in North America and CIS
- ✓ Efficiency programs established across all regions
- ✓ Strong performance from Australian business
- ↓ Heightened competitor activity and increased input costs significantly impacted margins in North America and parts of Europe
- ↓ Lower volumes in China due to customers experiencing favourable mining conditions
- ↓ Unfavourable impact from foreign exchange

Chemicals

Sales \$1,510M; EBIT \$196M; Average Operating Net Assets \$810M

EBIT ↑ 4%



- ✓ Strong demand from mining markets, particularly for sodium cyanide
- ✓ Improved performance in general chemicals both in Australia and New Zealand
- ✓ Growth in all market segments in Latin America
- ✓ Disciplined cost management delivering productivity improvements
- ↓ Unfavourable impact from foreign exchange movements
- ↓ Lower production of sodium cyanide due to the shutdown for the 95ktpa uprate and reduced availability of traded product

Corporate centre and other support services

Full year ended 30 September (A\$M)	2011	2010	\$ ↑
Corporate centre costs	(42.0)	(42.4)	0.4 ↑
Other support costs	(47.8)	(51.6)	3.8 ↑
Total corporate costs	(89.8)	(94.0)	4.2 ↑

Corporate Centre

- ✓ In line with prior year

Other support costs

- ✓ Lower environmental expense, insurance settlements and mark-to-market valuation of hedging options

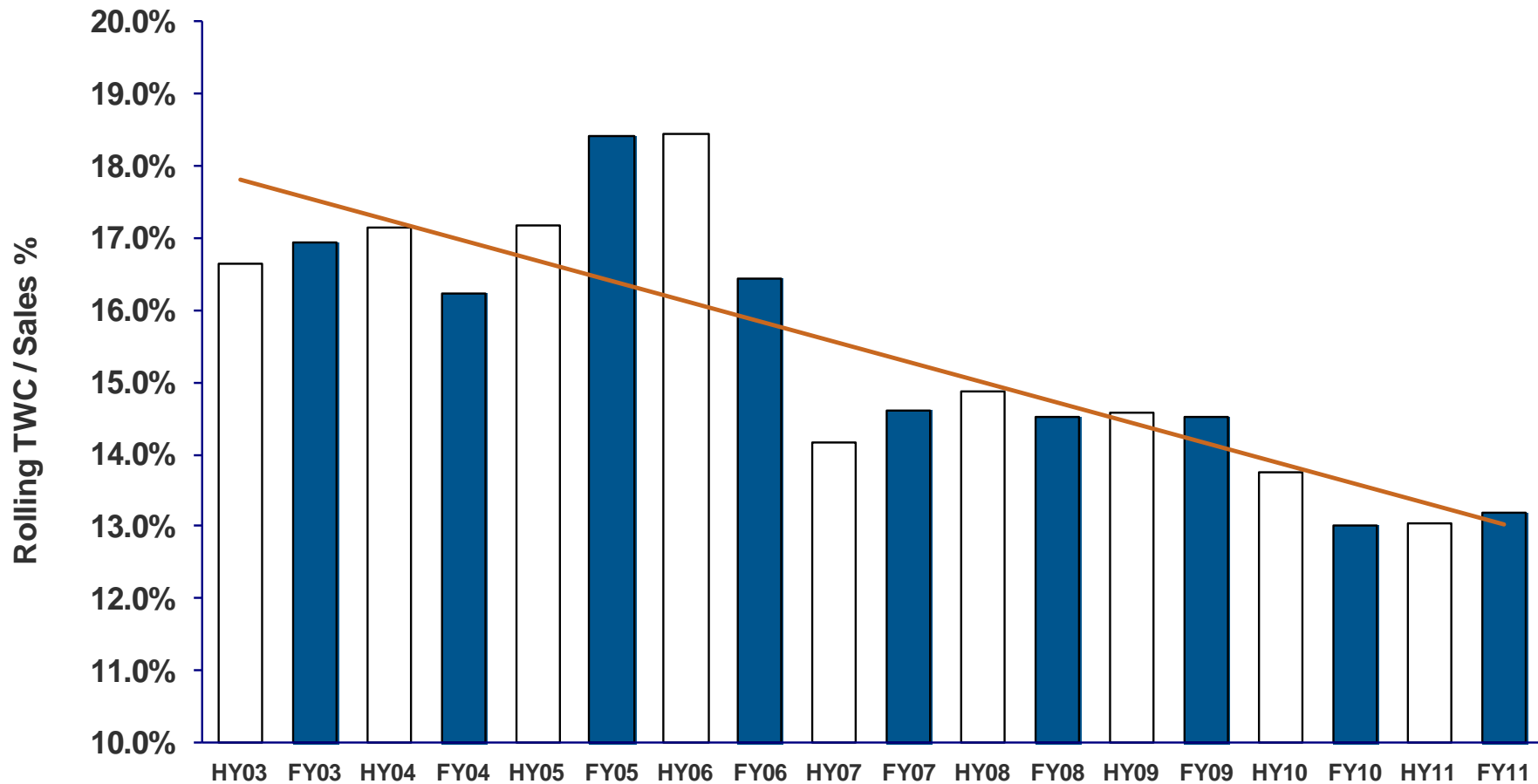
Cash flow ¹

Full year ended 30 September (A\$M)	2011	2010	\$ ↑
EBITDA	1,252.5	1,340.8	(88.4) ↓
Net interest paid	(143.8)	(136.6)	(7.2) ↓
Net tax paid	(229.7)	(237.2)	7.5 ↑
Trade working capital movement	2.8	54.4	(51.6) ↓
Non trade working capital movement	(51.7)	(34.4)	(17.3) ↓
FX movement on debt/reserves	24.6	(40.8)	65.4 ↑
Other	(96.5)	(142.5)	46.1 ↑
Net operating cash flows²	758.2	803.7	(45.5) ↓
Sustenance capital	(240.9)	(192.3)	(48.6) ↓
Growth capital	(451.7)	(350.4)	(101.3) ↓
Acquisitions	(91.7)	(180.6)	88.9 ↑
Divestments	18.3	25.5	(7.2) ↓
Net investing cash flows	(766.0)	(697.8)	(68.2) ↓
Equity movements	(0.4)	14.2	(14.6) ↓
Debt	347.6	292.7	54.9 ↑
Dividends/distributions	(328.3)	(346.5)	18.2 ↑
Net financing cash flows	18.9	(39.6)	58.5 ↑
TOTAL	11.1	66.3	(55.2) ↓

1 2010 includes DuluxGroup.

2 Net operating cash flows in 2010 excluding DuluxGroup were \$742.6M.

Rolling trade working capital to sales%¹



Continued focus on management of TWC

¹ Rolling 12 months trade working capital (TWC) / 12 months sales, excludes DuluxGroup.

Growth capital (excluding M&A)

	FCT 2011	ACT 2011	EST 2012
Planned 2011 capital expenditure			
Major growth capital projects >A\$10M:			
<i>Mining Services</i>			
Bontang	}	257	150
Nanling			
Kooragang Island			
<i>Minova</i>			
China Chemicals plant	}	7	10
<i>Chemicals</i>			
Mining Chemicals - cyanide plant uprate 95ktpa	}	23	-
Mining Chemicals - PIBSA Manufacturing			
Other growth capital projects	165	165	240
Total growth capital expenditure (approximate)	500	452	400
Total planned sustenance capital expenditure (approximate)	200	241	200

Capital management – key measures

Full year ended 30 September	2011	2010
Net Debt (A\$M)	1,408.1	1,051.6
Net Interest Expense (A\$M)	123.5	119.6
Interest Cover (times) ¹	6.4	7.3
Operating Cash (\$)²	758.2	803.7
Cash Conversion³ (%)	81.0%	89.7%
Rolling TWC to Rolling Sales⁴ (%)	13.2%	13.0%
Gearing⁵ (%)	26.6%	22.4%
Gearing Adjusted⁶ (%)	31.4%	27.8%

1 Interest net of capitalised costs is 8.3 times (pcp: 8.4).

2 2010 includes DuluxGroup.

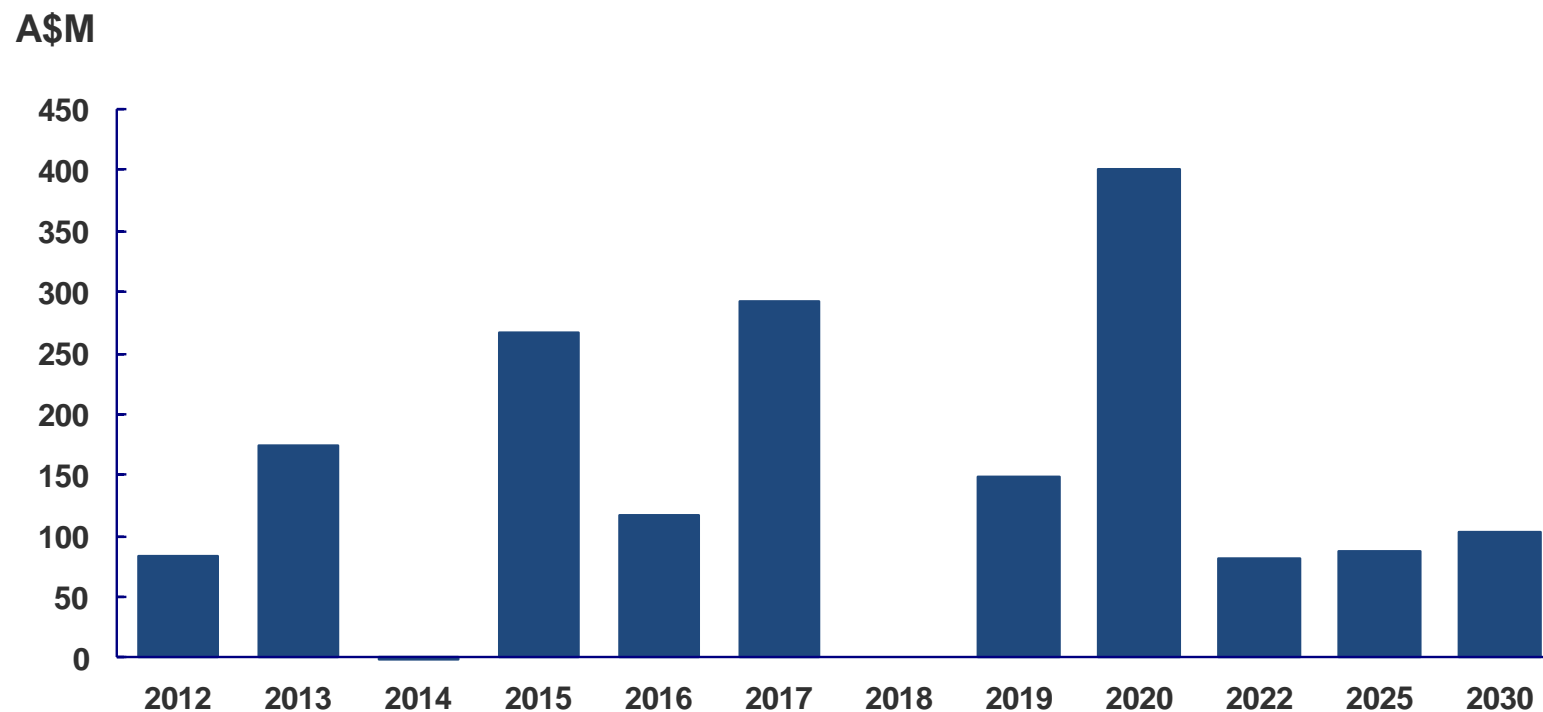
3 Cash conversion is calculated as EBITDA less movement in trade working capital less sustenance capital spend, as a percentage of EBITDA.

4 Rolling 12 months trade working capital (TWC) / 12 month sales.

5 Net debt / (net debt + book equity)

6 Gearing recalculated with SPS notionally reclassified as 50% equity and 50% debt.

Drawn debt maturity profile



Average tenor on drawn debt of 7.1 years

2012 Hedging

Major currency hedges include:

Foreign Currency*	Exposure %	Effective Hedged %
• USD	78%	74%
• CAD	5%	42%
• NZD	5%	49%
• CNY	3%	75%

* Net of all long and short positions in that currency

Currency hedging for 2012 has been undertaken using options at a cost of \$26M

**Approximately 60% of total Group foreign currency exposures have been hedged for the 2012 financial year.
Hedging includes protection of foreign currency earnings.**

85% of USD EBIT is hedged against AUD via options at strike rate of 0.9800

Environmental provisions

Environmental Spend (A\$M)	ACT 2011	EST 2012	EST 2013	EST 2014
Major environmental spend:				
Botany Groundwater remediation	11	11	11	11
HCB remediation ¹	43	22	5	2
Botany Mercury remediation	22	23	-	-
Other	6	15	16	7
Total environmental spend	82	71	32	20

Key Provisions as at 30 September 2011 (A\$M)

Major environmental spend:	
Botany Groundwater remediation	51
HCB remediation	65
Botany Mercury remediation	23
Other	88
Total environmental spend	227

Committed to dealing with environmental issues from the past

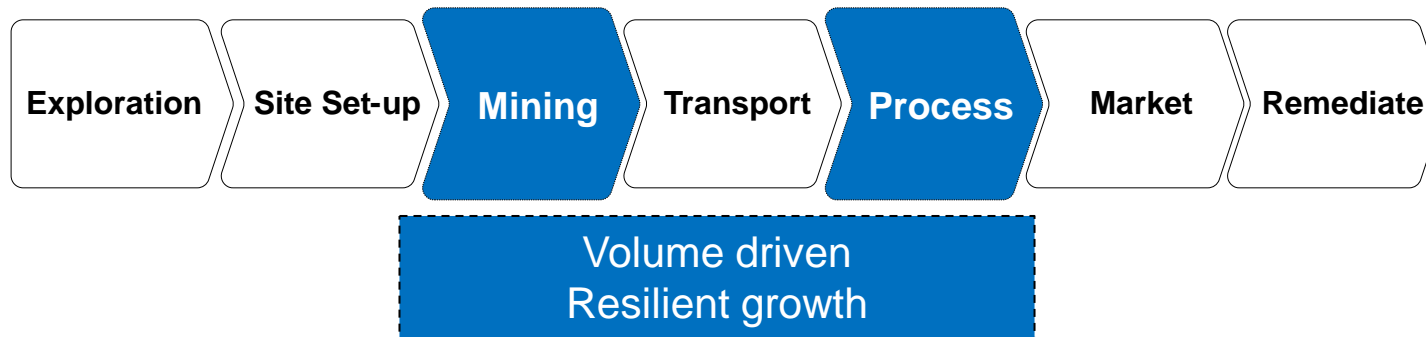
- 1 Options for the environmentally safe destruction of the HCB stored waste are currently being evaluated. Therefore no estimate can be provided on the timing of expected cash outflow associated with this remediation project beyond current storage costs at Botany. Only cash outflows associated with ongoing storage costs of approximately \$2M per annum have been included in the above table from 2014.



Strategic Growth Priorities

Orica's business strategy remains unchanged

- Capitalise on and extend global leadership in the provision of high service, critical consumables to the mining and infrastructure markets
- Focussed on attractive segments of the mining value chain



- Leveraged to strong long-term demand for resources
- Strategy has delivered resilient earnings

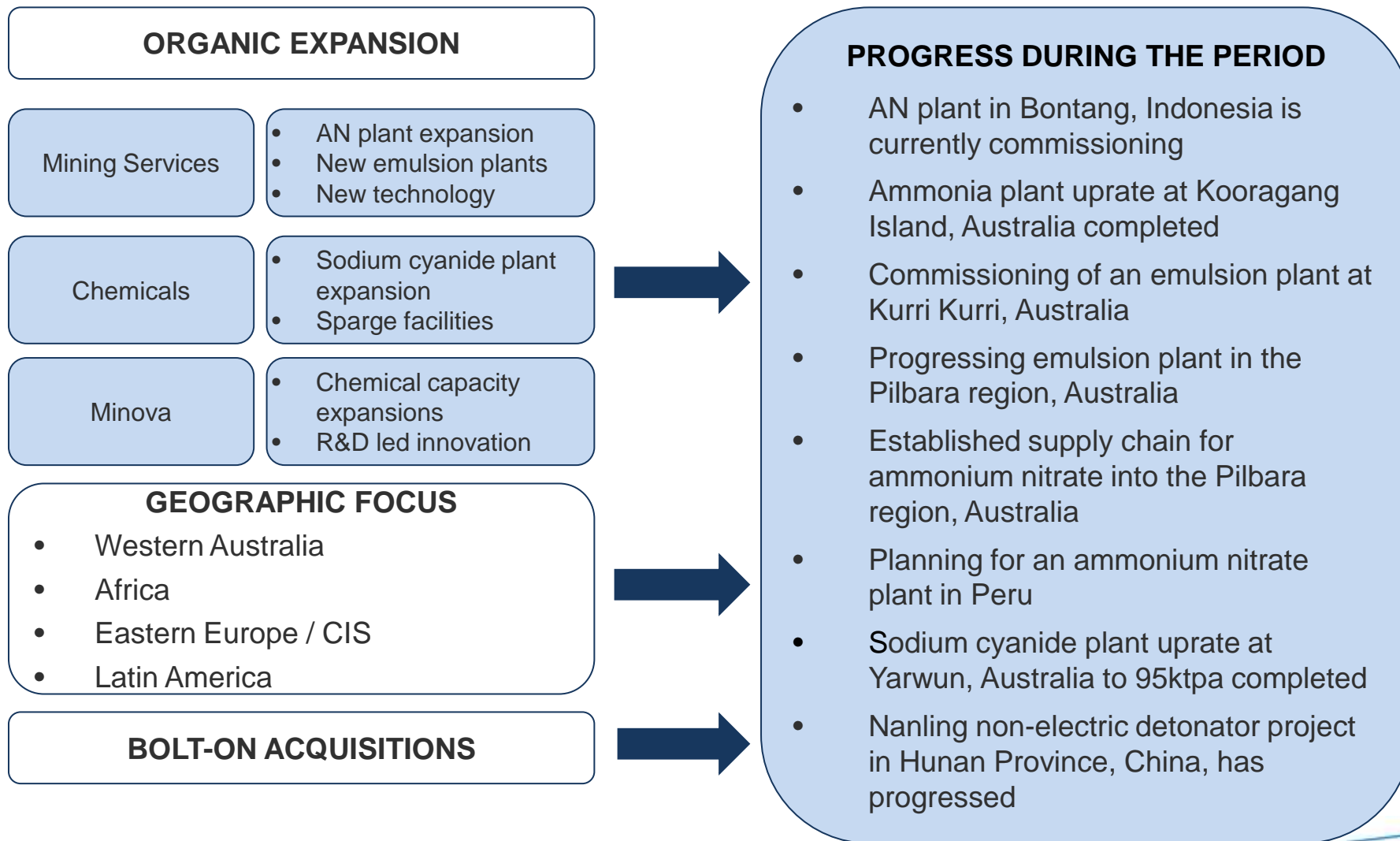
Attractive industry characteristics

- Attractive industry structure – considerable consolidation over the last decade
- Commodity volumes growing strongly:
 - Industrialisation / urbanisation in China and India
 - Declining ore grades and increasing strip ratios
- Increasing interest in mine automation to improve productivity and safety
- Mine safety standards lifting rapidly
- Greater focus on efficiency driving demand for innovative products



Positioned to capture growth and drive innovation

Multiple avenues for growth



Major projects update

Bontang – 300ktpa AN plant in Indonesia

- Strategically located adjacent to ammonia feedstock
- Project continues to be very well managed:
 - Currently in commissioning phase
 - Over 10 million site hours worked with only one recordable injury
 - At the height of construction, there were over 2,000 contractors and staff on site
 - Project costs projected to be below capital estimate of US\$550M, in the order of approximately 10%
- First production expected in H1 2012. Plant expected to operate at full capacity in the second half of 2012
- Domestic Indonesian demand is forecast to absorb 100% of production
- The project represents a secure supply of high quality ammonium nitrate for the Indonesia mining market



Major projects update

AN Plant, Peru 400ktpa

- Reduce dependence on imported product
- Support growth plans of Orica customers in the region
- Proposed site in Peru
- Ammonia receiving terminal added to project scope removing dependency on 3rd party projects
- Environmental Impact Assessment underway
- Positive reception at public workshop during July 2011
- Front end engineering design in progress
- Acquiring land for initial facility and future expansions
- Sanction target H1 2013
- Ready for operation target H1 2016
- Maximising synergies with Bontang project

Major projects update

Kooragang Island ammonia plant – 65ktpa capacity uprate

- Kooragang Island ammonia plant uprate project was completed during the maintenance turnaround in July 2011
- During start-up, an amount of sodium chromate containing hexavalent chromium was released. The plant is currently shutdown until Orica and regulatory authorities are satisfied the plant is safe to restart
- Commissioning of the uprate will recommence upon restart
- AN uprate to 750ktpa being progressed as quickly as possible



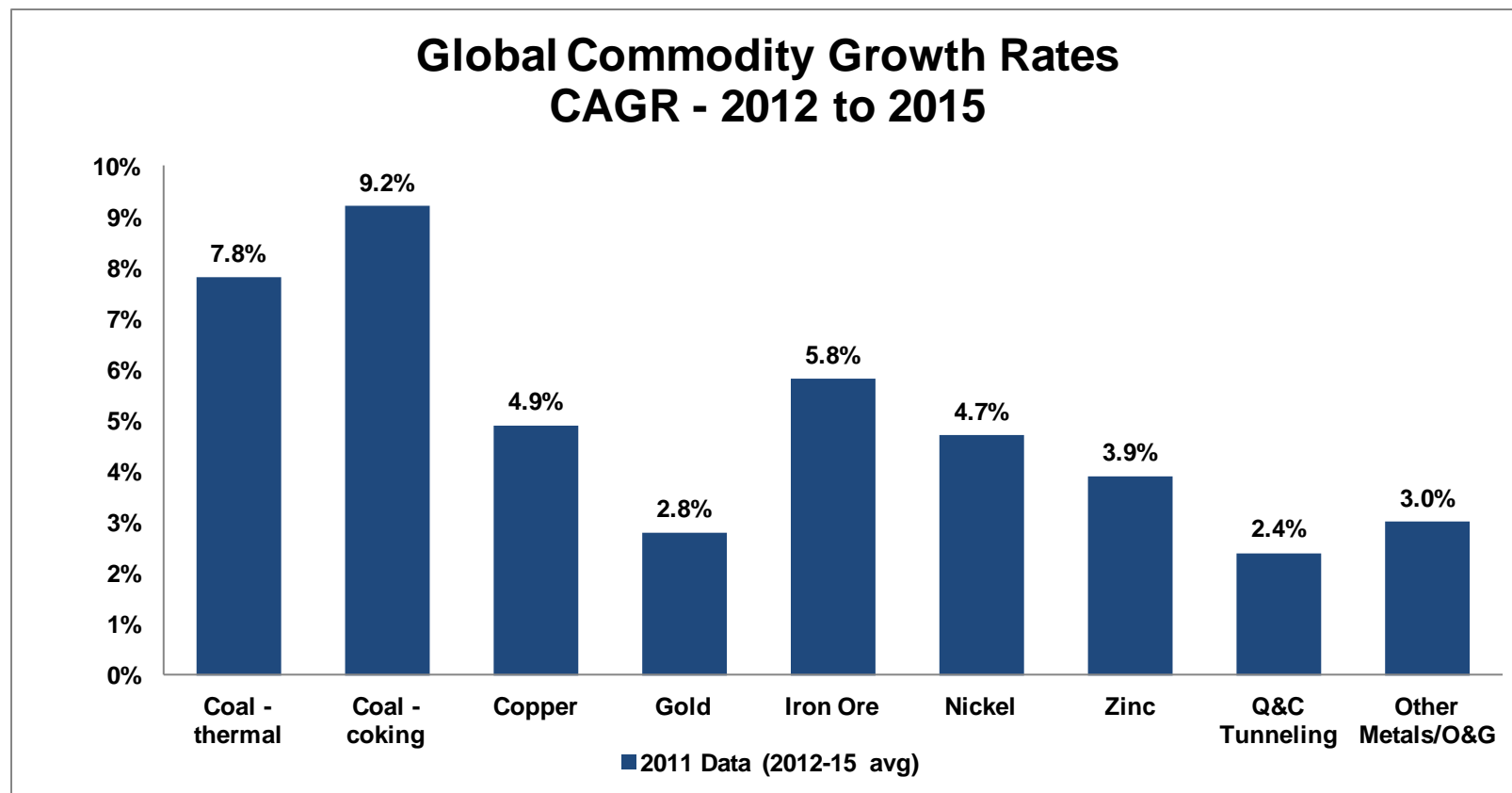
Major projects update

Nanling – Initiating systems facility in Hunan Province, China

- The Hunan Province IS facility construction continues - approaching 70% complete and currently on track to meet a H2 2012 start up
- Equipment installation to start in November
- Project costs of \$100 million are currently forecast with the plant expected to produce 40 million non-electric detonators per year
- Market trials are currently underway
- Commissioning and operational planning is underway



Global commodity growth outlook remains strong



Above GDP growth forecast for most commodities

Sources: Brook Hunt, AME, EIA, CRU, Global Data, Woodmac

Summary

- Another solid result in challenging conditions
- Strong Balance Sheet to support growth
- Growth projects tracking well with benefits to flow through from 2012
- Significant growth opportunities with strong market outlook

Outlook

We expect Group net profit after tax (pre individually material items) in 2012 to be higher than that reported in 2011, subject to global economic conditions.



Supplementary Information

Group financial performance overview¹

Full year ended 30 September (A\$M)	2011	2010	% \updownarrow
Sales	6,182.3	5,812.1	6.4 \uparrow
Gross margin	2,717.6	2,654.1	2.4 \uparrow
EBITDA ²	1,252.5	1,234.0	1.5 \uparrow
EBIT ²	1,028.3	1,009.0	1.9 \uparrow
Net profit after tax pre individually material items	642.3	618.8	3.8 \uparrow
Net profit after tax after individually material items	642.3	467.9	37.3 \uparrow
Operating cashflow ³	758.2	742.6	2.1 \uparrow
Productivity (%) ⁴	66.8	65.3	(2.2) \downarrow
Earnings per share (cents) ²	173.5	169.5	2.4 \uparrow
Rebased dividend for DuluxGroup demerger (cents)	90.0	88.0	2.3 \uparrow
Return on shareholder's funds (%)	17.7	18.3	(3.3) \downarrow
Gearing (%) ⁵	26.6	22.4	18.7 \downarrow

1 2010 excludes DuluxGroup.

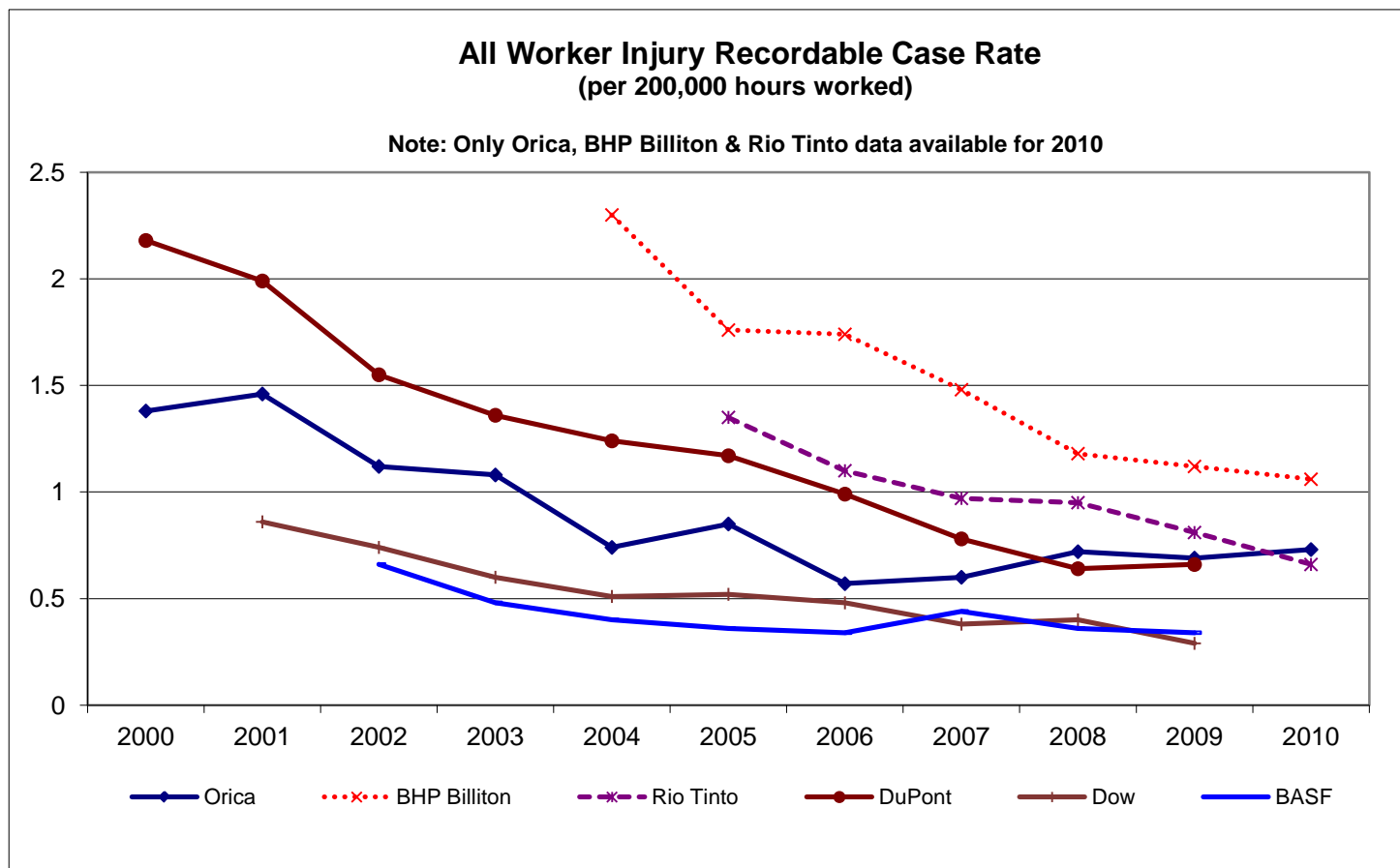
2 Pre individually material items.

3 2010 net operating cash flow including DuluxGroup was \$804M.

4 Productivity is measured as fixed costs (incl. depreciation and amortisation) as a percentage of gross margin.

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

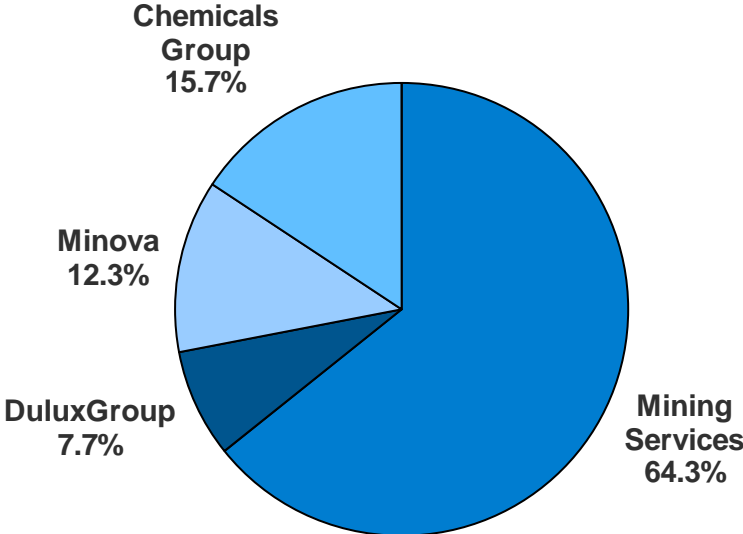
Safety benchmarking



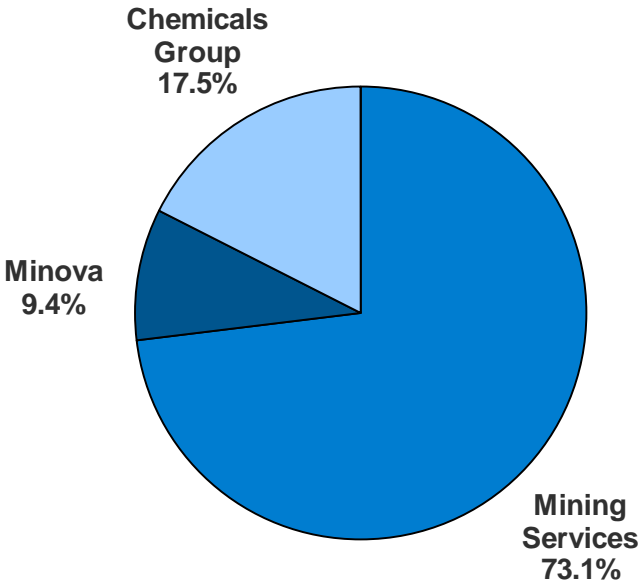
Continued focus on long-term sustainable improvements in safety performance

EBIT contribution by business platform¹

September 2010



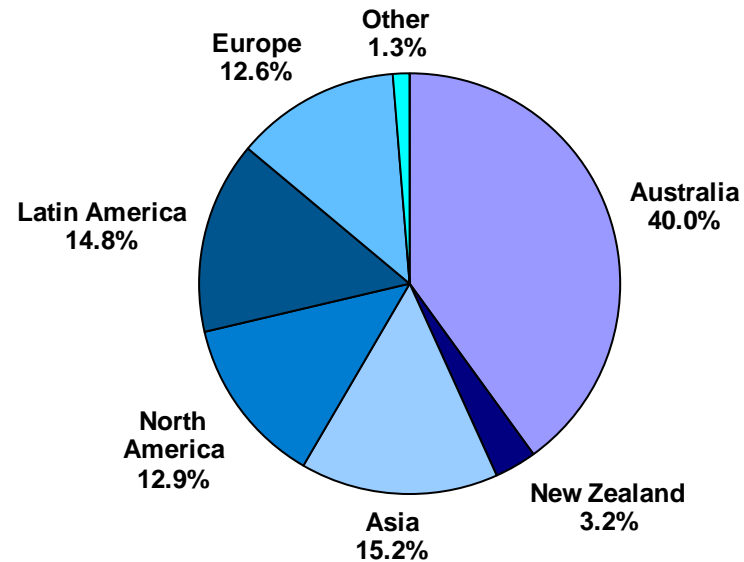
September 2011



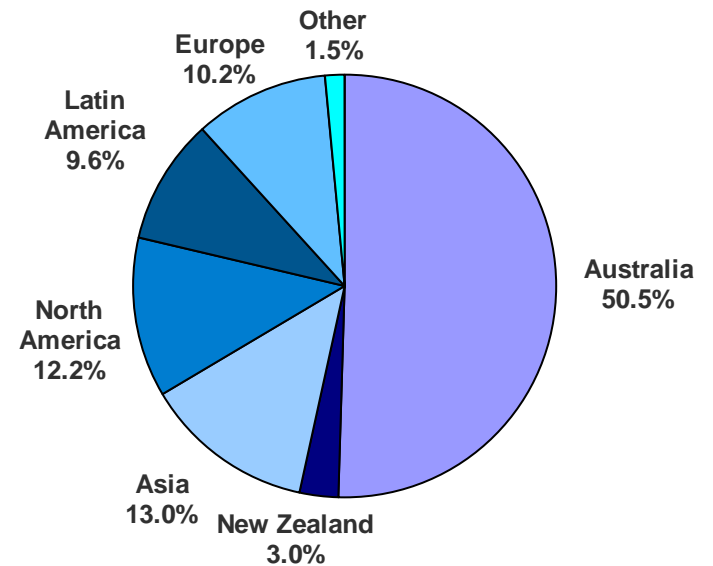
¹ Excludes Corporate costs

EBIT contribution by geography

September 2010^{1,2}



September 2011

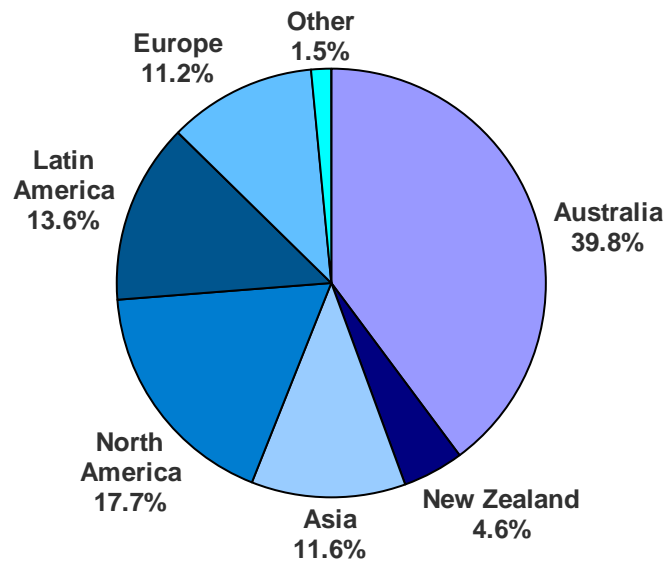


1 Includes DuluxGroup.

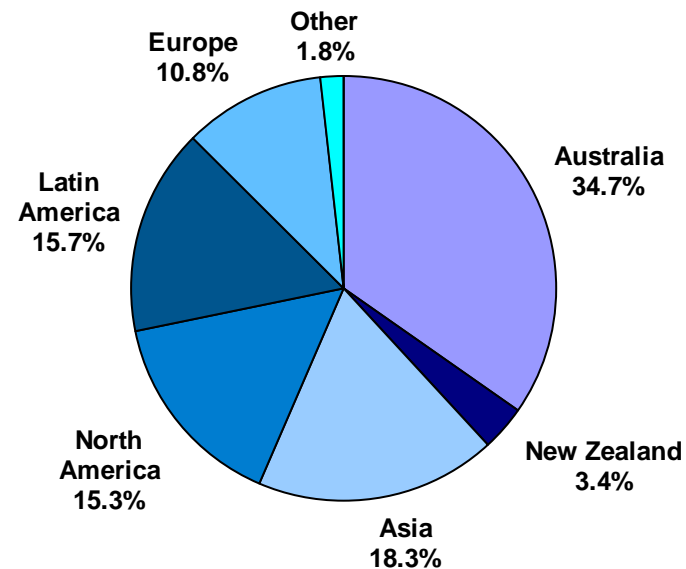
2 Consistent with the disclosure in Appendix 4E, 2010 results have been restated.

Gross sales by geography¹

September 2010^{2,3}

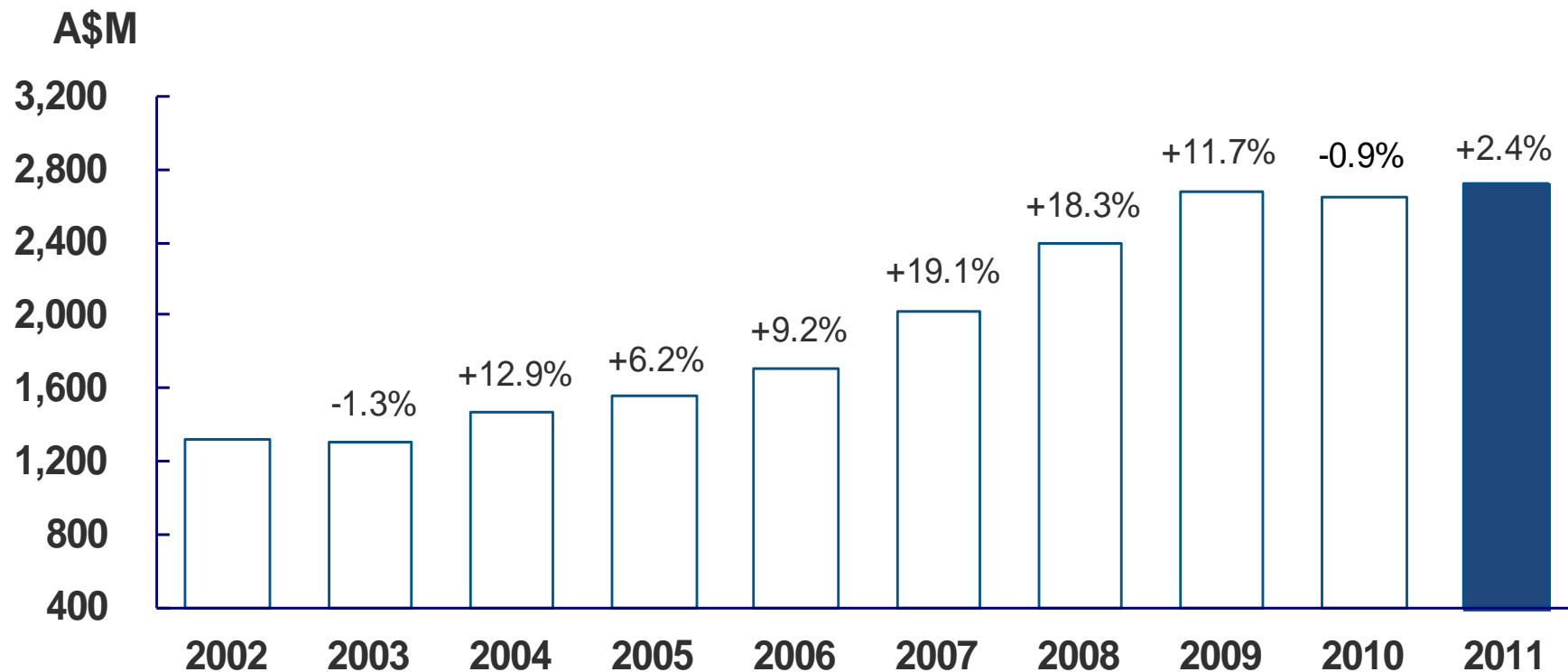


September 2011



- 1 Includes intersegment sales.
- 2 Includes DuluxGroup.
- 3 Consistent with the disclosure in Appendix 4E, 2010 results have been restated.

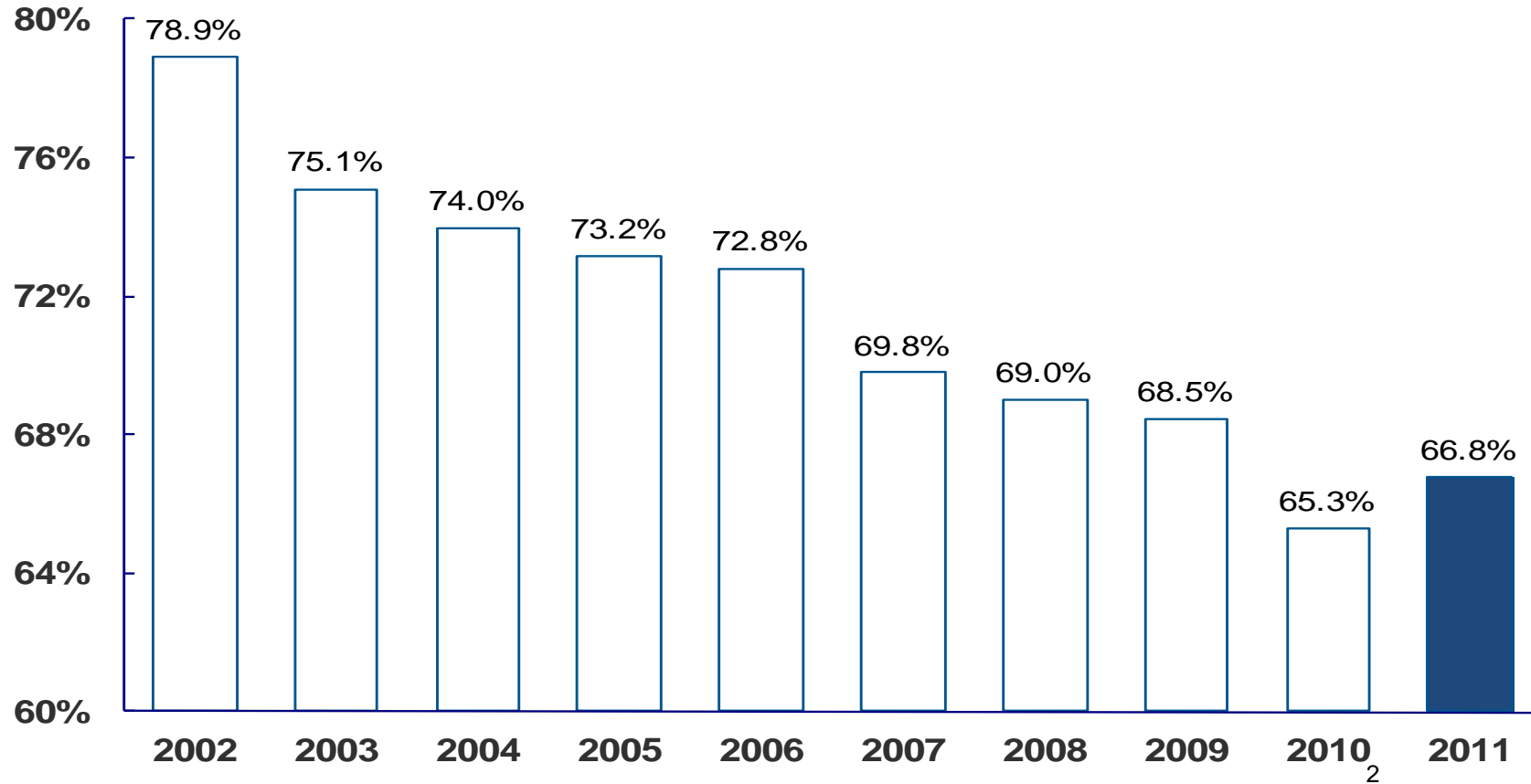
Gross margin growth¹



Compound average growth rate since 2002 is 8.4%

¹ Gross margin growth excludes DuluxGroup.

Productivity¹

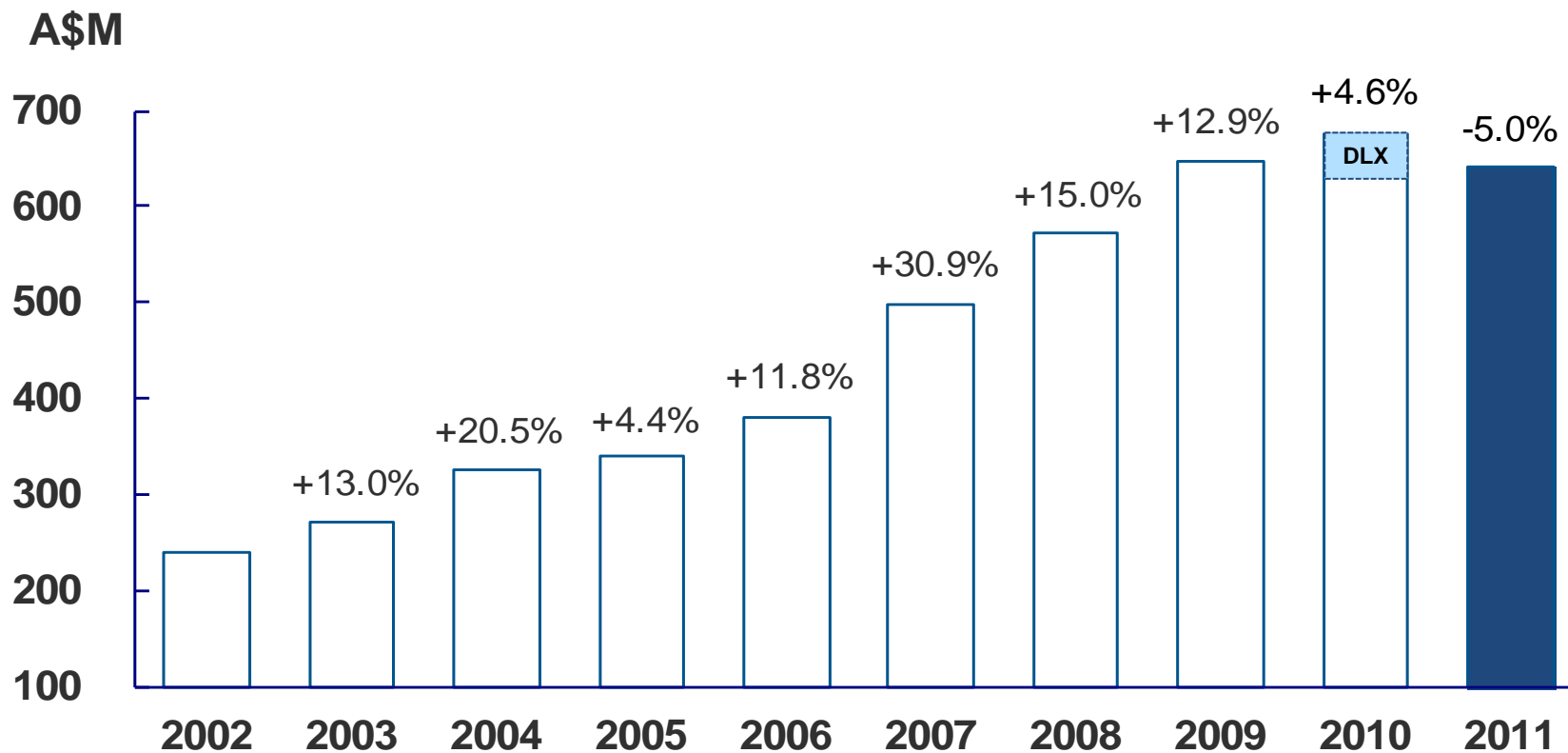


Continued focus on productivity

1 Productivity is measured as fixed costs (includes depreciation and amortisation) as a percentage of gross margin.

2 Excludes DuluxGroup.

Net profit after tax¹



Compound average growth rate since 2002 is 11.6%

NPAT from continuing operations up 4%

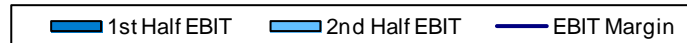
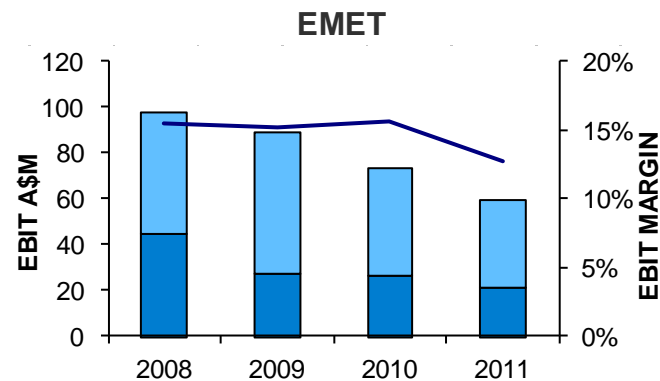
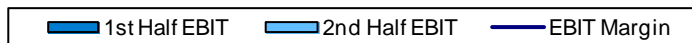
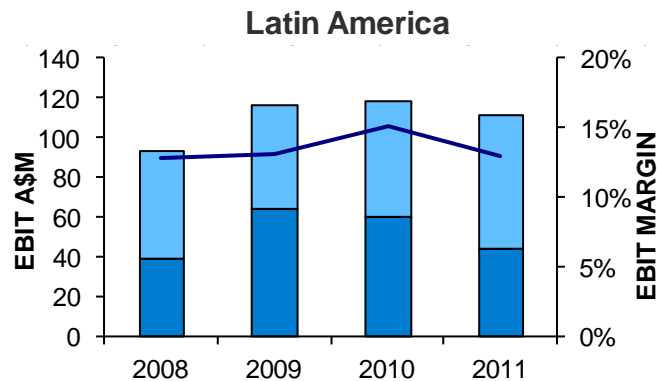
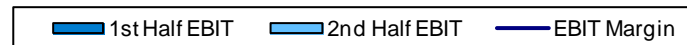
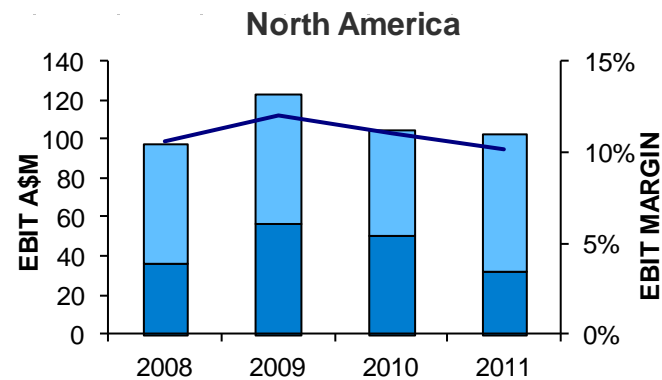
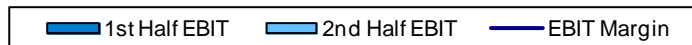
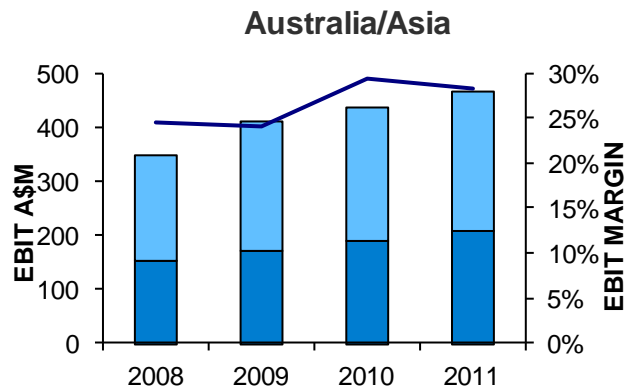
1 Pre individually material items.

2 2002 -2010 includes DuluxGroup.

Orica Mining Services

Full year ended 30 September (A\$M)	2011	2010	% \updownarrow
Sales	3,938.0	3,610.7	9.1 \uparrow
EBITDA	965.7	919.1	5.1 \uparrow
<i>EBITDA margin (%)</i>	24.5%	25.5%	(3.9) \downarrow
EBIT	817.0	767.7	6.4 \uparrow
<i>EBIT margin (%)</i>	20.7%	21.3%	(2.8) \downarrow

Orica Mining Services by geography



Note: Margins in North America in 2011 have been impacted by the transfer of specific functions to the Global Hub. Margins in Latin America in 2011 have been impacted by the transfer of specific functions to the Global Hub and in the first half by costs associated with the Monclova plant closure while the second half includes profit from land sales.

Minova

Full year ended 30 September (A\$M)	2011	2010	% ↑
Sales	821.9	835.5	(1.6) ↓
EBITDA	133.6	177.8	(24.9) ↓
<i>EBITDA margin (%)</i>	16.2%	21.3%	(23.9) ↓
EBIT	105.1	147.3	(28.6) ↓
<i>EBIT margin (%)</i>	12.8%	17.6%	(27.3) ↓

Chemicals

Full year ended 30 September (A\$M)	2011	2010	% \updownarrow
Sales	1,510.0	1,427.4	5.8 \uparrow
EBITDA	235.4	224.0	5.1 \uparrow
<i>EBITDA margin (%)</i>	15.6%	15.7%	(0.6) \downarrow
EBIT	196.0	188.0	4.3 \uparrow
<i>EBIT margin (%)</i>	13.0%	13.2%	(1.5) \downarrow

Cash conversion

Full year ended 30 September (A\$M)	2011	2010
EBITDA	1,252.5	1,340.8
TWC movement	2.8	54.4
Sustenance	(240.9)	(192.3)
Cash Conversion	1,014.4	1,202.9
Cash Conversion %¹	81.0%	89.7%

1 2010 includes DuluxGroup.

Changes to 2010 segment information – Mining Services

	2010 Restated Disclosure	2010 Original Disclosure
EBIT		
Australia/Asia	435	436
North America	105	128
Latin America	118	121
EMET	74	83
Other	35	-
OMS TOTAL	768	768

	2010 Restated Disclosure	2010 Original Disclosure
EBIT Margin		
Australia/Asia	29.5%	29.1%
North America	11.0%	13.3%
Latin America	15.1%	15.4%
EMET	15.5%	15.1%
Other	10.4%	0.0%
OMS TOTAL	21.3%	21.3%

Decreased margins in North America and Latin America due to implementation of new operating structure incorporating the global hub (North America: July 2010; Latin America: December 2010) offset marginally by lower head-office allocations

Increased margins in other regions due to the centralisation of head-office costs previously allocated across the regions



Net interest expense

Full year ended 30 September (A\$M)	2011	2010	\$	↑
Net interest expense ¹	123.5	119.6	3.9	↑
Comprising:				
Net interest on net debt	147.1	129.6	17.5	↑
Add: Unwinding of discount on provisions	12.7	6.2	6.5	↑
Add: Major external finance leases	1.1	3.2	(2.1)	↓
Less: Capitalised interest	(37.4)	(19.4)	(18.0)	↓

1 2010 excludes DuluxGroup.

Interest cover

Full year ended 30 September (A\$M)	2011	2010	\$	↑
Financial expense ^{1,2}	193.3	167.9	25.4	↑
Financial income ²	(32.4)	(28.9)	(3.5)	↑
Net financing costs	160.9	139.0	21.9	↑
EBIT ²	1,028.3	1,009.0	19.3	↑
Interest cover (times)³	6.4	7.3	(0.9)	↓

1 Financial expense for 2011 includes \$37.4M of capitalised borrowing costs (2010: \$19.4M).

2 2010 excludes DuluxGroup.

3 Interest cover net of capitalised interest is 8.3 times (pcp: 8.4).

Impact of Step-Up Preference Securities (SPS) – earnings per share¹

	Reported per Accounts A\$M
Reported net profit	663.4
Less:	
Net profit attributable to non controlling interests	(21.1)
After tax distributions to SPS holders ²	(22.2)
Adjusted net profit	620.1
Weighted average ordinary shares on issue	357.5
Earnings per share – cents per share	173.5

1 Pre individually material items.

2 Distributions paid during the year totalled \$32.2M. The tax adjustment is based on interest expense for the year ended 30 September 2011.

Impact of SPS – gearing (A\$M)

	Reported per Accounts	SPS Adjusted	SPS Repurchased ³
Current borrowings	76.5	76.5	76.5
Non-current borrowings	1,678.5	1,678.5	2,178.5
SPS adjustment ²	-	250.0	-
Less: Cash	(346.9)	(346.9)	(346.9)
Net Debt	1,408.1	1,658.1	1,908.1
Parent entity equity ¹	3,754.3	3,754.3	3,254.3
Minority interests	121.3	121.3	121.3
SPS adjustment ²	-	(250.0)	-
Net Equity	3,875.6	3,625.6	3,375.6
Gearing	26.6%	31.4%	36.1%

1 Reported Accounts includes face value of SPS of \$500M as equity.

2 SPS Adjusted reclassifies 50% of the face value of SPS from equity to debt.

3 Repurchase will be through drawdown of non-current borrowings on 29 November 2011.

Reconciliation of net profit after tax (\$M)

	2011			2010		
	Continuing	Discontinued	Consolidated	Continuing	Discontinued	Consolidated
EBIT	1,028.3	-	1,028.3	1,009.0	92.4	1,101.4
Net financing costs	(123.5)	-	(123.5)	(119.6)	(8.0)	(127.6)
Profit before income tax expense	904.8	-	904.8	889.4	84.4	973.8
Income tax expense	(241.4)	-	(241.4)	(234.5)	(27.4)	(261.9)
Profit after tax before non-controlling interests	663.4	-	663.4	654.9	57.0	711.9
Non-controlling interests	(21.1)	-	(21.1)	(36.1)	-	(36.1)
Profit after tax before individually material items	642.3	-	642.3	618.8	57.0	675.8
(Loss)/profit after tax from individually material items	-	-	-	(150.9)	793.8	642.9
Profit after tax	642.3	-	642.3	467.9	850.8	1,318.7

Rebased dividends following DuluxGroup demerger¹

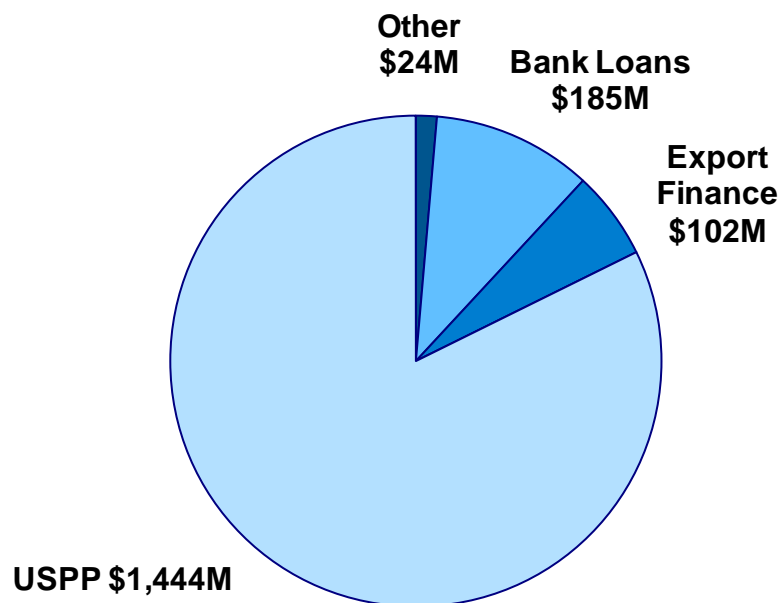
	2011					2010				
	1HY	1HY %	2HY	2HY %	Full year	1HY	1HY %	2HY	2HY %	Full year
EBIT										
Mining Services	334.5		482.5		817.0	331.2		436.5		767.7
Minova	55.4		49.7		105.1	66.1		81.2		147.3
Chemicals	94.7		101.3		196.0	93.6		94.4		188.0
Corporate centre & other support costs	(47.6)		(42.2)		(89.8)	(59.9)		(34.1)		(94.0)
EBIT from continuing businesses	437.0	100.0%	591.3	100.0%	1,028.3	431.0	86.9%	578.0	95.5%	1,009.0
DuluxGroup	-	-	-	-	-	64.9	13.1%	27.5	4.5%	92.4
Total EBIT	437.0		591.3		1,028.3	495.9		605.5		1,101.4
Dividend										
Dividend from continuing business	37		53		90	36		52		88
DuluxGroup	-		-		-	5		2		7
Total	37		53		90	41		54		95

Progressive dividend policy maintained

¹ This table illustrates the apportionment of the 2010 and 2011 Orica ordinary dividends between continuing operations and DuluxGroup based on the contribution of each to Group EBIT. Dividends are rounded to the nearest cent.

Debt profile (as at 30 September 2011)

Drawn Debt



Debt Maturity Profile

A\$M	Drawn	Undrawn	Total
< 1 year	77	152	229
1 – 2 years	180	403	583
2 – 5 years	383	1,513	1,896
> 5 years	1,115	11	1,126
Total	1,755	2,079	3,834

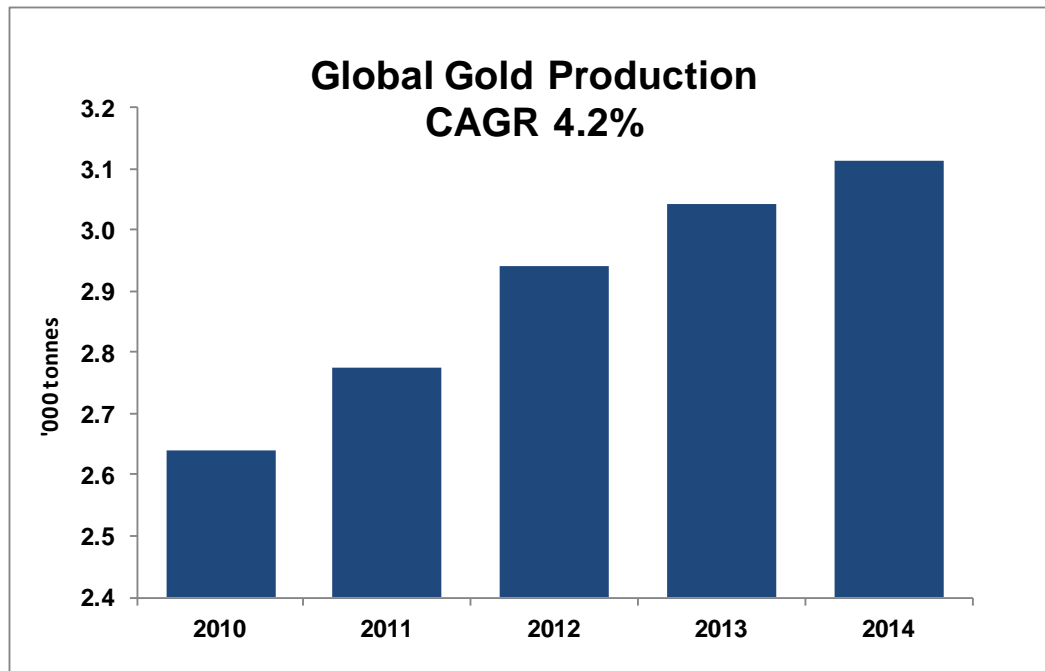
Average maturity on drawn debt is 7.1 years
Investment grade rating BBB+

Individually material items after tax and non-controlling interests

Year ended 30 September (A\$M)	2011	2010
Pharmaceuticals tax case	-	(97.8)
Mercury remediation environmental provision	-	(31.5)
HCB remediation environmental provision	-	(12.7)
Minova/Excel integration costs	-	(8.9)
DuluxGroup demerger	-	793.8
Total after tax and non controlling interests	-	642.9

Sodium cyanide demand

- Outlook for gold production remains strong
- With much of the gold production growth coming from higher volumes of lower grade ores, the demand for sodium cyanide continues to strengthen
- Global sodium cyanide production is estimated to be running close to full capacity with supply – demand balance expected to remain tight in 2012



Source: CRU

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