



2008 Orica Day
OMS Division
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11 March 2008



Who are we?

- World's leading supplier of commercial explosives and blasting systems.
- Operate globally across ~100 countries
- Continue to expand into new markets
- Provide innovative industry solutions to improve mine productivity.
- Sophistication, accuracy and flexibility of our technologies are highly advanced.
- Global reach creates a valuable competitive edge.

Key products and services



Ammonium Nitrate:

- Heavy manufacturing
- Low cost is key
- Construction costs increasing
- Supply / demand balance critical
- Productivity focus

Initiating Systems:

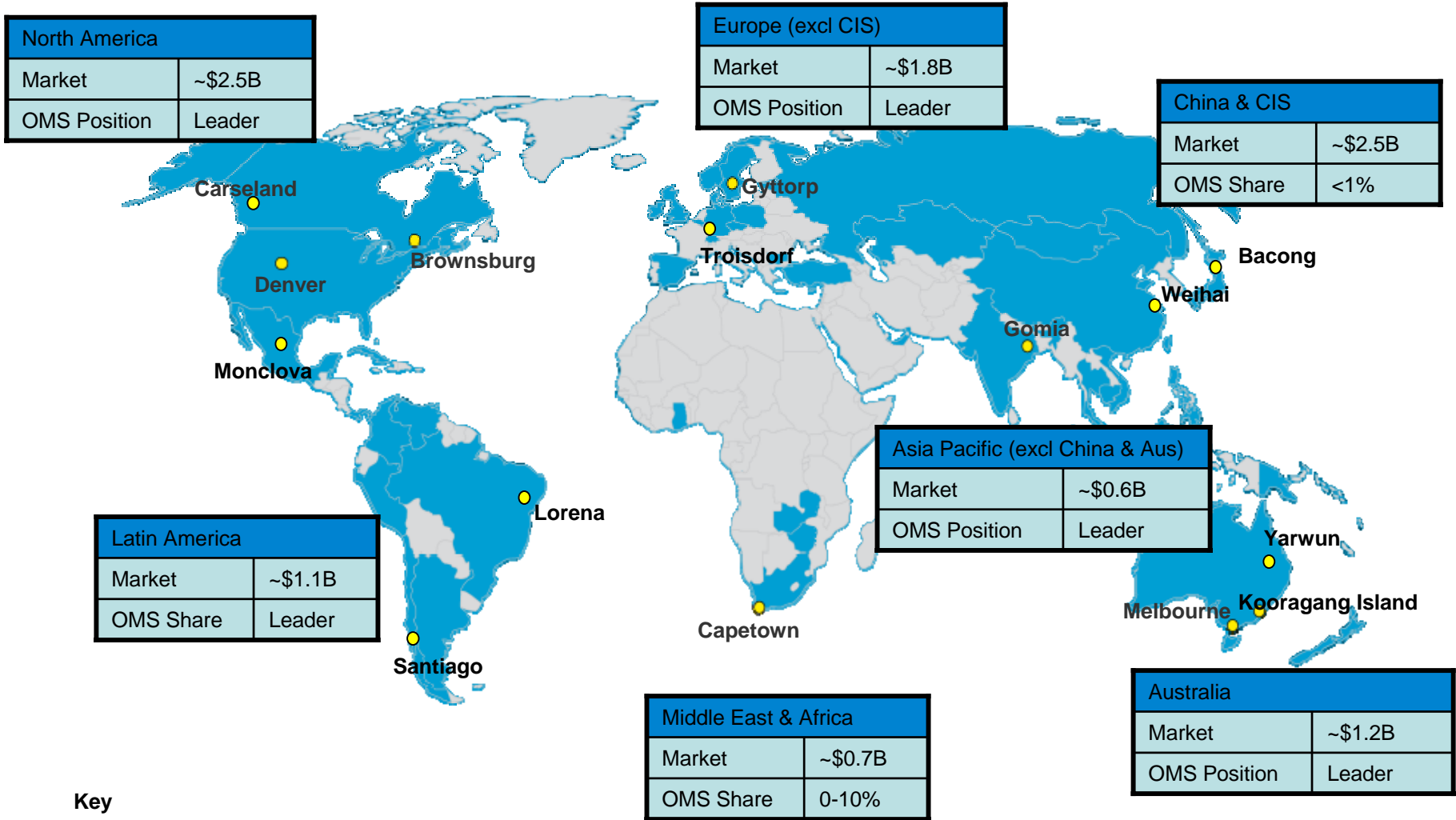
- Mature products = Low Cost
- Emergence of Electronic Blasting Systems (EBS)
- Low cost solutions to support growth in Emerging regions
- Reliability is key
- Productivity focus



Delivery / Technology:

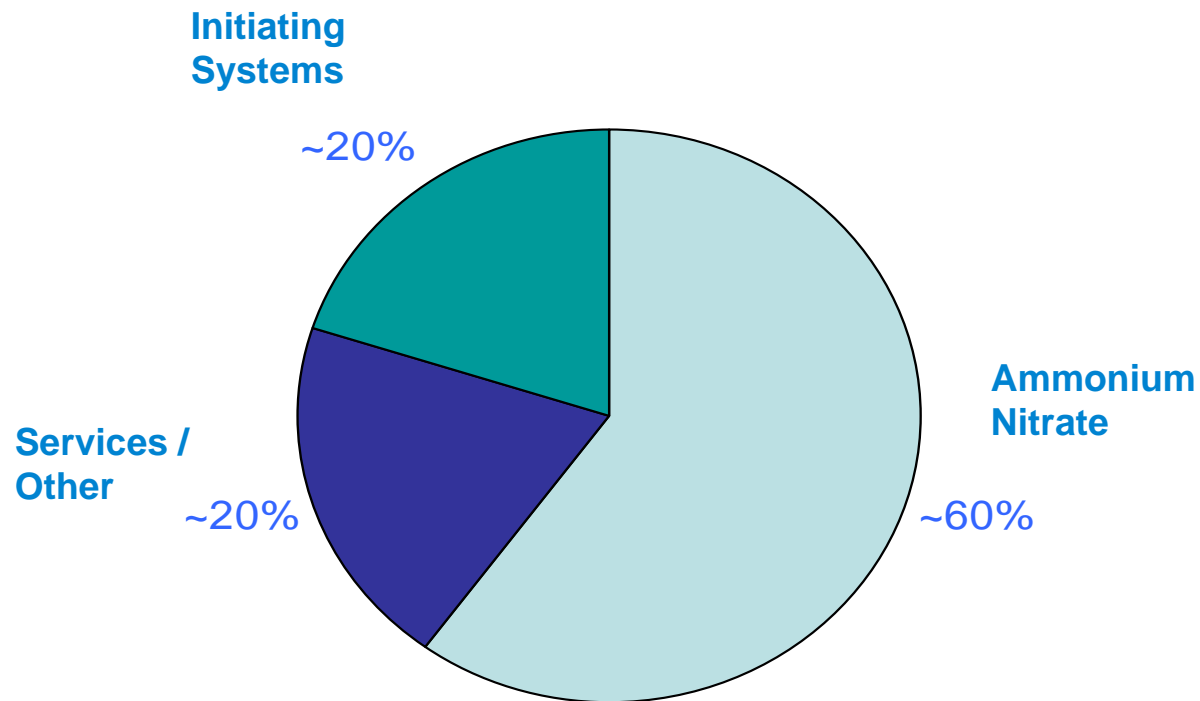
- Delivery & loading specialist capabilities
- Expert Technical support
- Blasting optimisation systems
- Investing in information capture & knowledge based rev streams

Operate in 50 countries (and sell into 100) with just under 9,000 employees

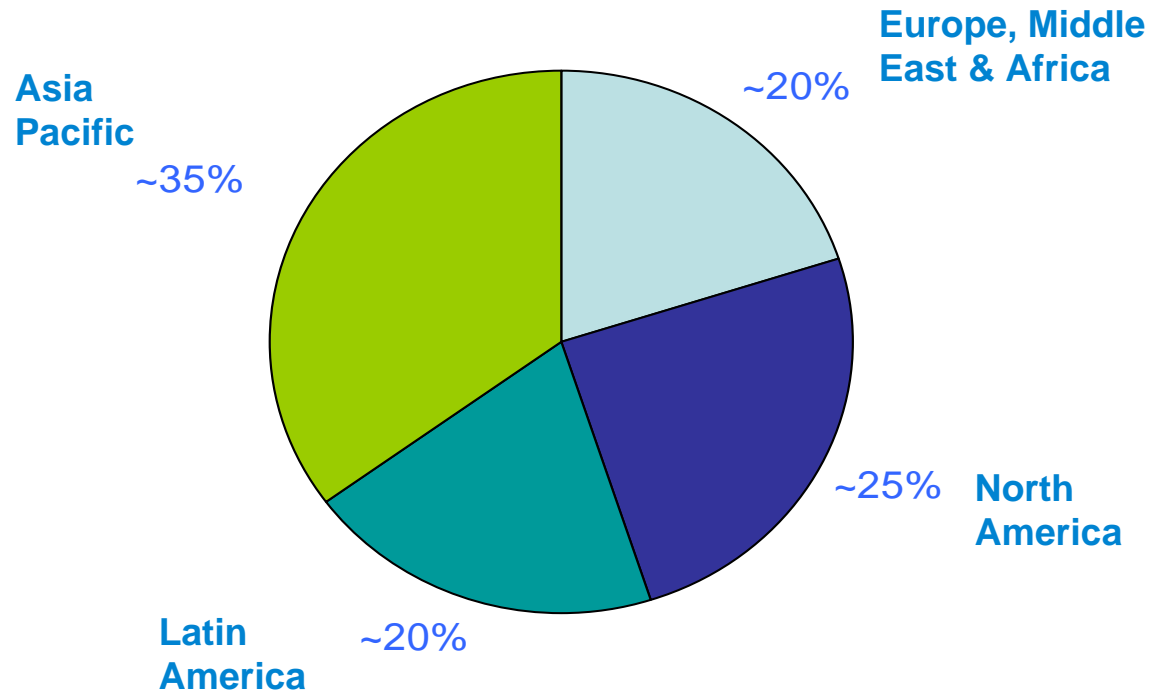


Key
■ Countries of operation
● Key sites

Gross sales by product - 2007



Gross sales by geography - 2007



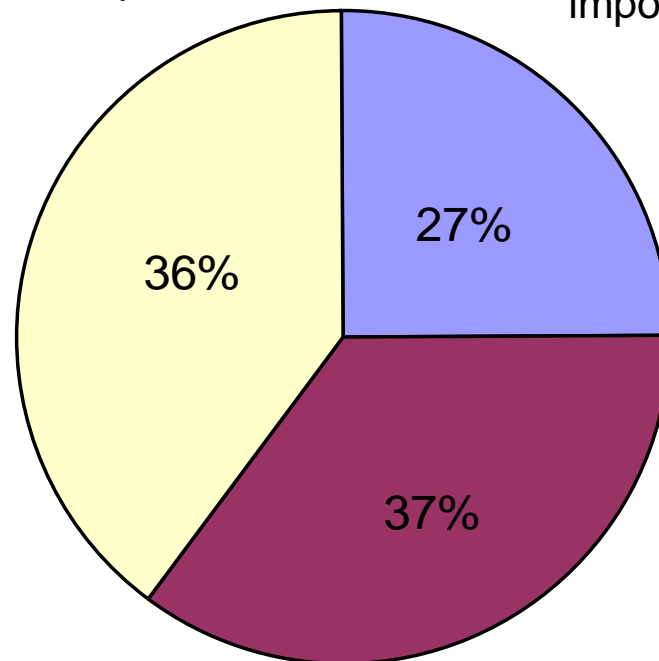
Sales by end market

Coal

- Consumption driven by power generation & steel consumption
- Only large scale surface mines and underground mines in less developed countries use explosives
- Environmental issues important

Quarry, Civil and other

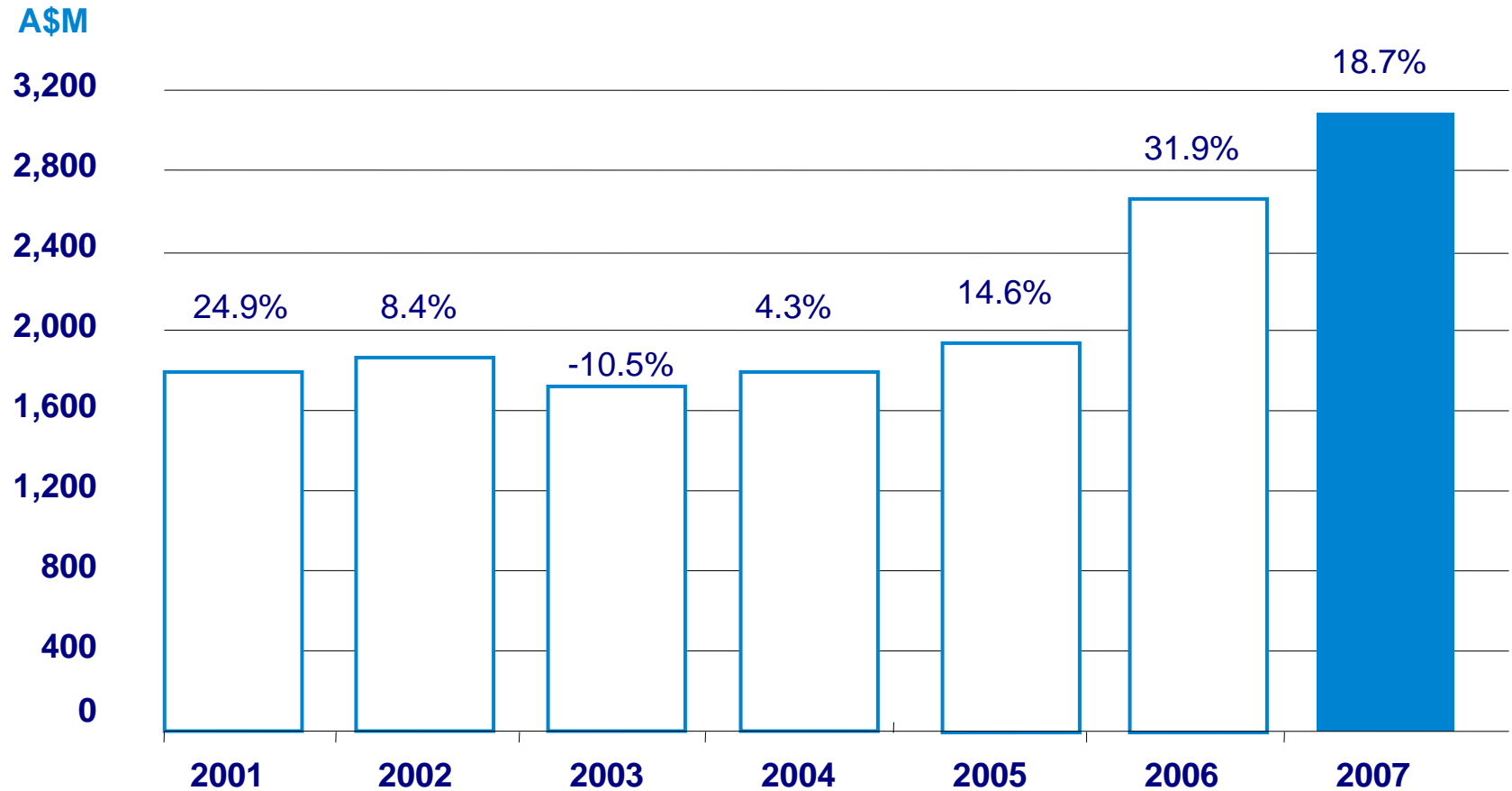
- Consumption driven by general economic activity
- Reconstruction of Eastern Europe and Asian development are important



Metal & Mineral Mining

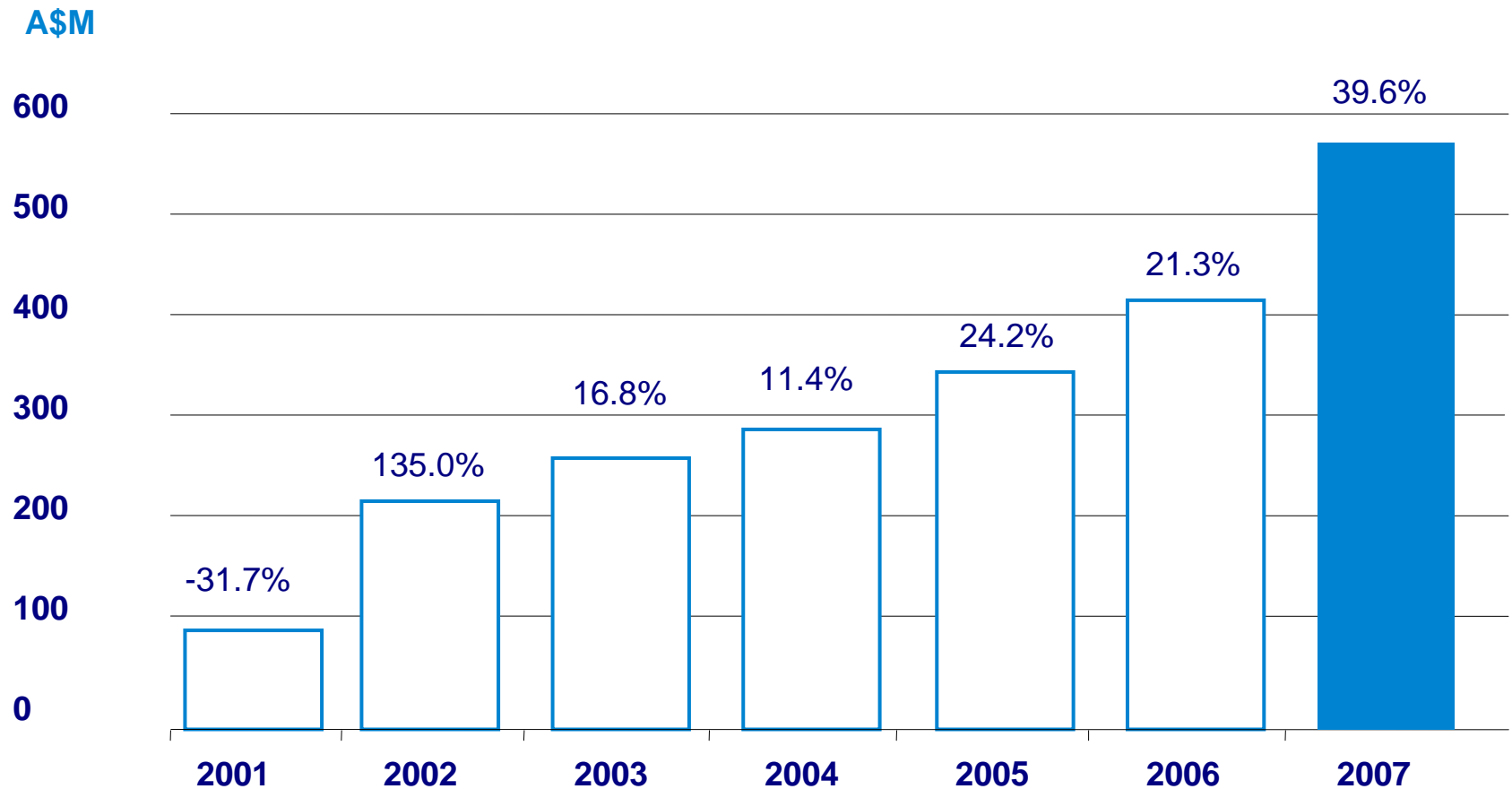
- Consumption driven by economic activity and country development
- China an important consumer

Sales growth



Cumulative average growth rate since 2001 in excess of 10%

EBIT growth

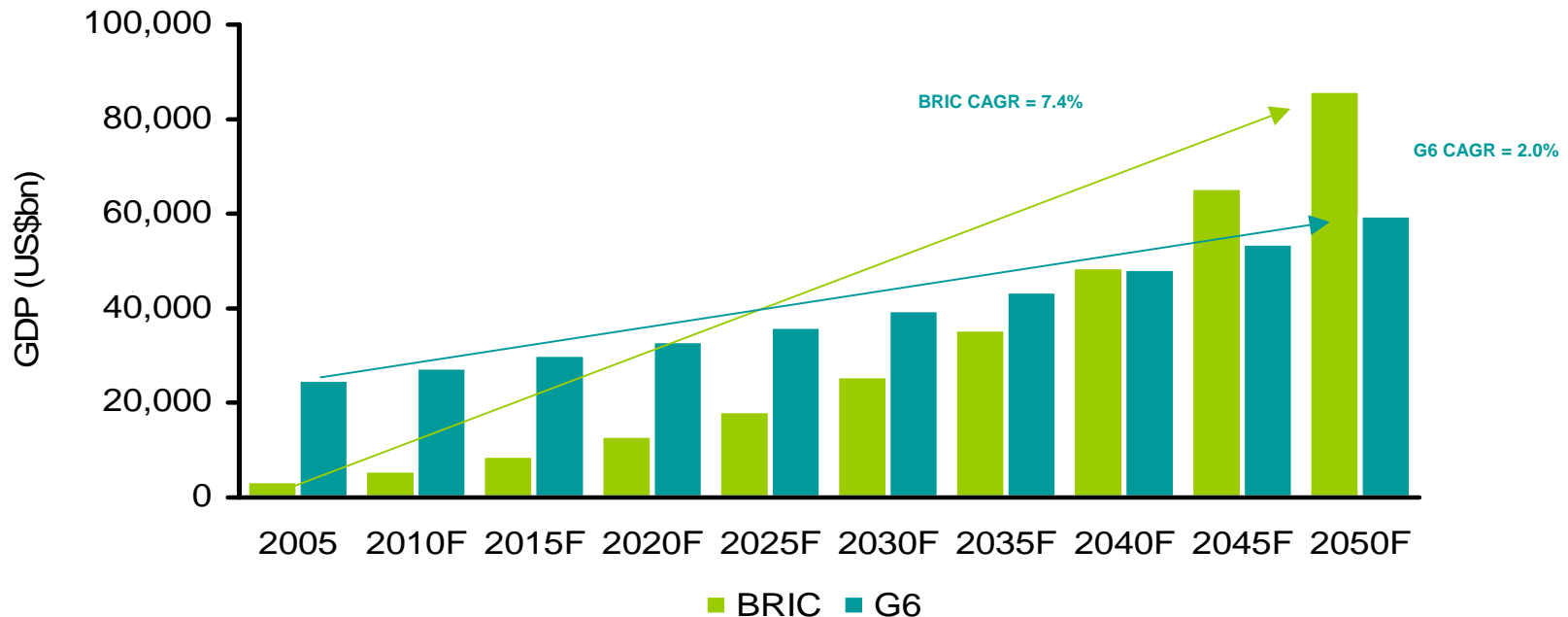


Cumulative average growth rate since 2001 in excess of 35%

Attractive industry dynamics

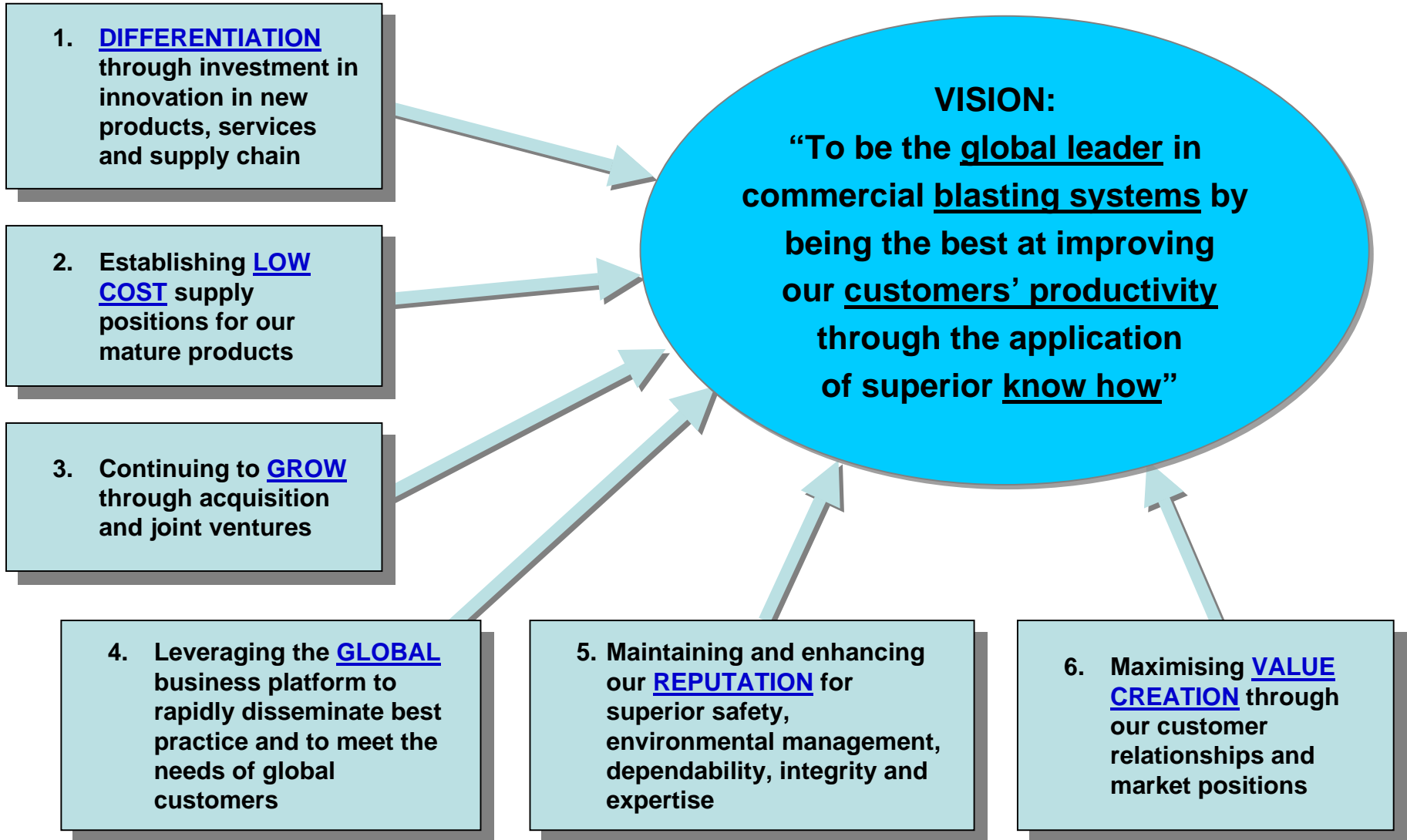
Underlying global dynamics support long run economic growth...

BRIC economies to exceed G6 by 2035



- Global economic growth supported by development of emerging economies and urbanisation of rural populations
- Broad economic support for end markets serviced by Orica

OMS strategy



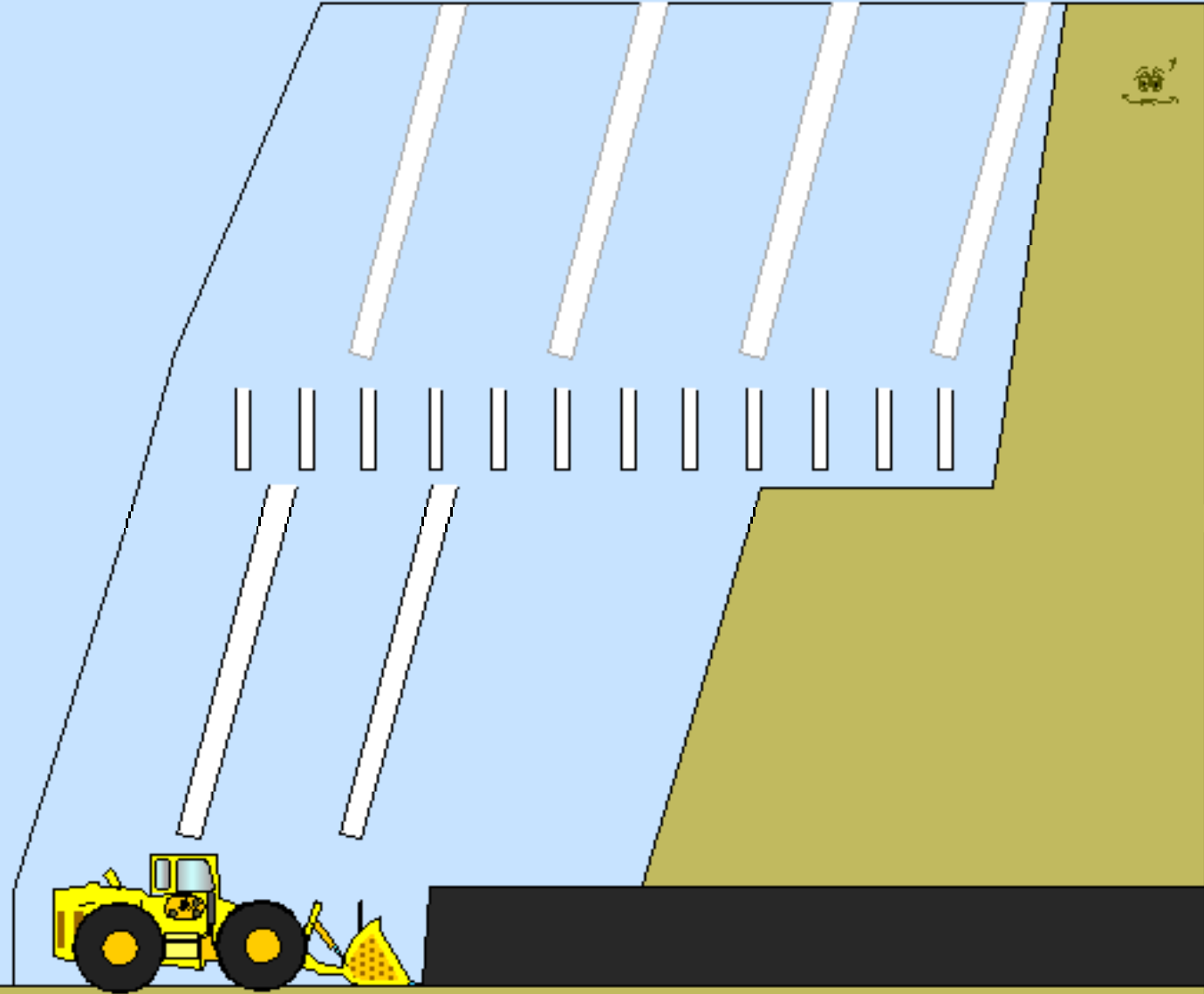
Priorities

- Secure long term access to competitive AN supply
- Further expansion into emerging regions
- Increasing focus on *Voice of the Customer* strategy
- Drive growth in Blast Based Services
- Accelerate the introduction of new products: Electronic Blasting Systems, Underground Bulk and Mining Solutions
- Commercialisation of innovation and technology developments
- Continue the focus on efficiency through tackling the total cost base of the business
- Leverage the benefits of a global organisation; internally and externally

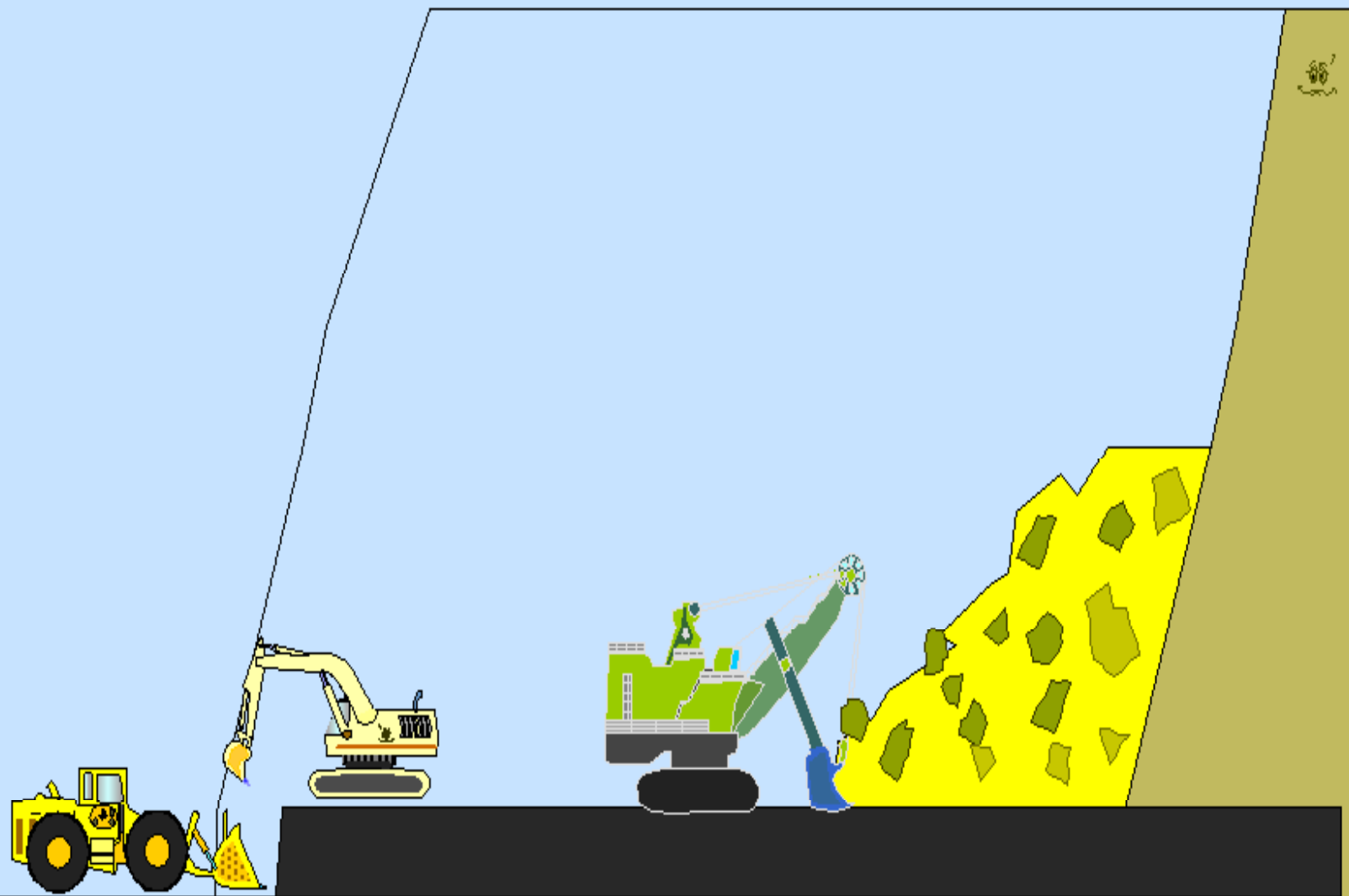
Global ammonium nitrate market

- Agriculture market pull is driving AGAN prices higher
- Gas costs are rising based on oil and LNG alternatives
- Ammonia prices are on a long term rising trend
- Shipping costs have risen sharply
- Construction costs rising
- Global traded AN supply/demand balance is tightening
- Industrial Grade AN prices are increasing
- Prices will need to rise significantly in order to justify new AN capacity. The alternative is a global undersupply
- Majority of business contracted not spot

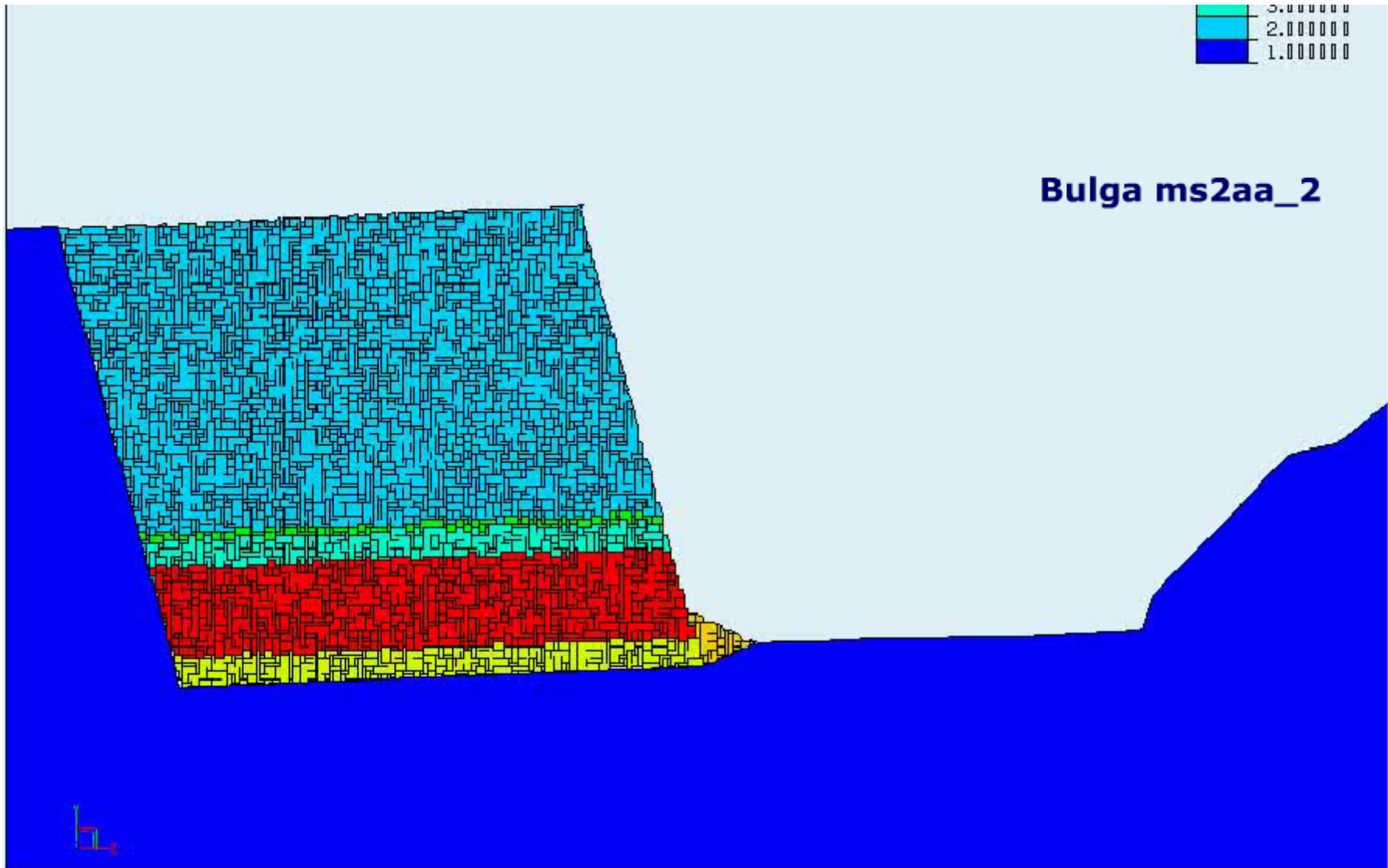
Standard multiple blasts



Stratablast blast



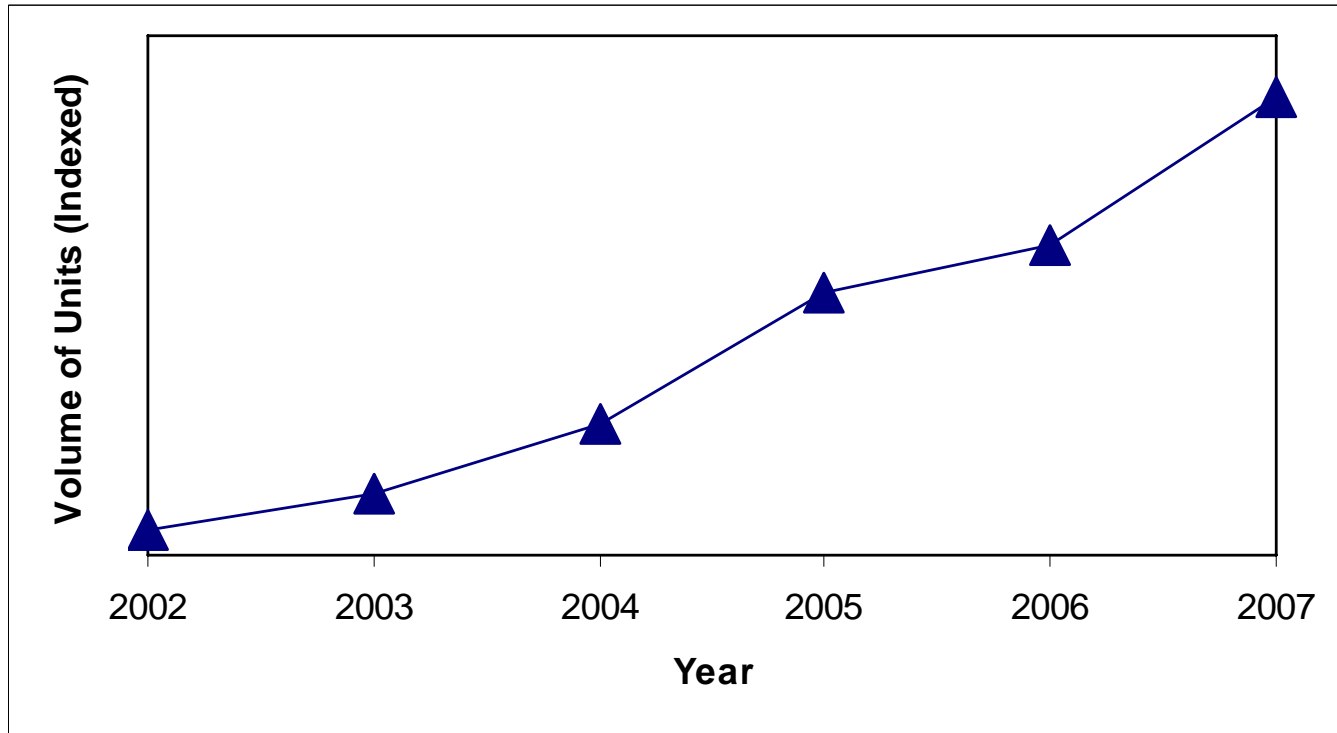
Stratablast SoH modelling



Electronic Blasting Systems (EBS)

- Greater accuracy and timing flexibility than traditional pyrotechnics.
 - improved fragmentation leading to improved productivity,
 - tailored muckpiles,
 - predictable vibration resulting in ability to conduct larger blasts,
 - steeper highwalls,
 - pattern expansion, and
 - less overbreak in tunnelling application
- Reduced inventory and greater security
- Orica is the world leader
- Premium offering i-kon™ with Uni tronic™ 500 providing lower cost alternative
- Trialling a new Electronic Tunnelling System: eDev™ (scheduled for launch late 2008)

EBS growth



Cumulative average volume growth of 77% over last 5 years

New EBS Brownsburg manufacturing facility

- A\$50M project
- 5 fold capacity increase
- Completion 2nd half 2008
- Further expansion phases to come



Bontang AN manufacturing site

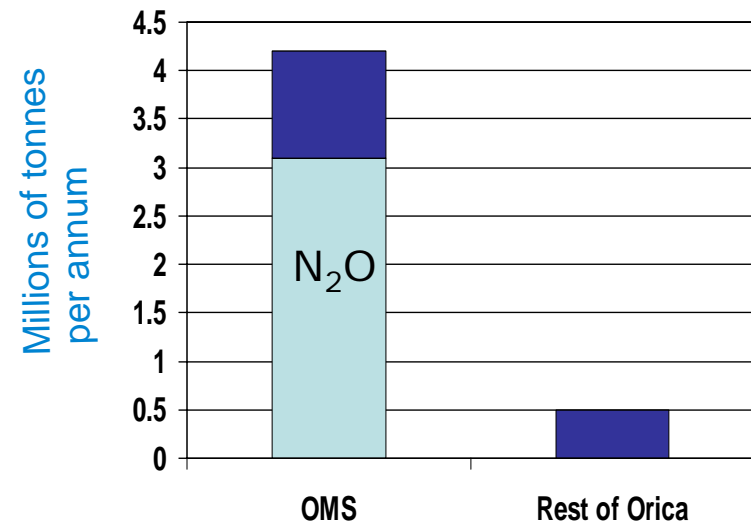
- Clearing and reclamation work in progress
- Cost likely to be US\$400M plus
- Progressing to plan



Greenhouse gas - abatement opportunity



Orica CO₂ Equivalent Emissions



- OMS has identified technology to reduce N₂O emissions by factor of ~70%
- These technologies are being progressively implemented



Conclusion:

- ✓ **The only truly global player**
- ✓ **Continuing to pursue core strategy**
- ✓ **Leading industry in innovation and technology**
- ✓ **Quality team; proven track record**
- ✓ **Serving a robust and growing sector**
- ✓ **Delivering sustainable value**



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