

ASX Announcement**2009 AGM – Chairman’s Address**

Ladies and Gentlemen, this year your company has continued its record profit growth in the face of challenging market conditions. We have an excellent result.

Many of our businesses achieved record results and you will hear more about that shortly from Managing Director Graeme Liebelt.

2009 marks the eighth consecutive year of profit growth and to have achieved double digit profit growth in global financial crisis market conditions reinforces confidence in a well established strategy - and it clearly demonstrates the calibre and financial discipline of the Orica team around the world.

These two factors worked together to deliver increased shareholder value. 2009 earnings per share before individually material items increased 3 per cent over the 2008 full year to 174.6 cents. This is the eighth consecutive year of EPS growth.

The annual dividend per ordinary share increased for 2009 by 3 cents on the previous year to 97 cents, franked at 35%.

The Orica business has been shaped over time into what is largely a portfolio of mining services businesses, all leaders in their chosen markets. Their exposed to the volume of activity taking place and have relatively low exposure to the vagaries of commodity price fluctuations.

The global financial crisis has provided a stern test of our strategy, but I am pleased to report that the business performance has been resilient even in the face of significant economic downturn.

That is not to say that we have been immune from the effects of the global financial crisis. There has been a great deal of what I would call ‘self help’ in this year’s result.

It has required some tough decisions by our management team in terms of restructuring and looking for efficiencies wherever possible and there have been excellent achievements in terms of management of costs and productivity. Cash generation by the business this year is particularly impressive, and even more than usually important in these times of general financial market uncertainty.

An important further step in strategy is the Board's intention, at the right time, to demerge the consumer products business, now known as the DuluxGroup.

Although the separation which was ready to go last year has been deferred due to uncertainty in financial markets, the strategic rationale behind the decision remains sound and we intend to proceed with it when market stability returns. The DuluxGroup is a very different business to the remainder of the Orica portfolio. It is a domestic market leader with privileged brand assets and exceptional technology. The true worth of the business is probably not adequately reflected in our share price while it remains a relatively minor part of the larger Orica.

Also relevant is the different focus for investors in DuluxGroup and the rest of Orica. Mainstream Orica is a relatively high growth international business, providing sophisticated consumables to mining and infrastructure markets worldwide. It is of great interest to international investors. DuluxGroup is a market leader in Australia and New Zealand with a significant domestic profile and a capacity to generate franked dividends. It is of particular interest to Australian investors.

On separation, we would expect some adjustment in the share register as different investors realign their holdings; but we are confident in an overall increase in value.

However, until DuluxGroup is established as a stand alone business able to fully pursue its own growth path, it continues to make an excellent contribution to the Orica portfolio. Its performance this year has again been outstanding, reflecting its brand strength and continued investment in innovation, marketing and channel development.

It has achieved record results and increased market share despite declining markets impacted by deteriorating consumer confidence.

Perhaps the toughest conditions this year were felt by the newest addition to Orica, the Minova businesses. Minova itself and the more recently acquired Excel which has been integrated into Minova is the only business not to have achieved earnings growth but this masks an overall very good performance in the face of severe declines in infrastructure activity around the world and US thermal coal markets.

The business made significant gains in the second half and is an important addition to the Orica portfolio.

Minova is a complementary and adjacent business to Orica Mining Services, it has exciting growth prospects. It is already achieved significant penetration of the Chinese market with strong volume and sales growth reflecting the ever increasing focus on safe mining practices in that country as well as its massive infrastructure programs.

Already established in North America and Europe, Minova is now looking to South America where it will be able to benefit from the strong presence and established networks of the Mining Services business there. We are beginning to see some very promising collaboration between these two businesses an example being in India, where Minova is taking advantage of the connections developed by Mining Services into the tunnelling market.

The addition of what is now the Minova business was the most recent significant change in the Orica business portfolio following some quite active years of acquisition and divestment. Today we remain in a period of consolidation. Our current focus is on the successful integration of a number of smaller acquisitions around the world, and in particular on the plentiful organic growth opportunities available within our already established businesses. We of course remain alert to M&A opportunities that may arise in the aftermath of the financial crisis.

The most significant current investment is the development of the 300,000 tonne per annum ammonium nitrate plant in Bontang, Indonesia. With a total project cost of up to US\$550 million we are making very good progress towards the expected 2011 commissioning of the plant.

Latin America is a key growth market where we aim to extend our penetration and geographic reach through investment in ammonium nitrate capacity.

We presently contemplate a plant in Peru, which was recently granted state significance by the relevant regulatory authority, an important step in the planning process.

Closer to home, we have significant brownfield projects planned. Initially for ammonia and later for ammonium nitrate at Kooragang Island in New South Wales.

The Mining Chemicals business achieved record profits this year with sales up more than 10 per cent due largely to continuing strong demand for sodium cyanide by the global gold mines.

We see good, long term growth in this market, and feasibility work has commenced on increasing the capacity of our sodium cyanide plant at Yarwun in Queensland to meet ongoing demand.

These growth plans are capital intensive and are underpinned by the flexibility provided by a prudently managed balance sheet and strong cash flow. The board remains committed to a BBB+ rating. Shareholders might recall the timely and significant recent equity raisings which have made this possible while still funding growth initiatives.

During the year the company successfully refinanced its debt facilities and received great support in financial markets. Secured at respectable pricing, the average term of expiring facilities was increased to approximately three years. Our current gearing level is in the low 20's.

The end of this AGM marks my retirement from the Orica Board, after 12 years as a board member, including the past eight as Chairman.

It has been an eventful and, at times, tumultuous period which has seen Orica progress from a recently freed local subsidiary of the UK parent company ICI, to a world beating global company in its own right. The size, shape and focus of the company have changed markedly over that time and there have been some significant challenges to overcome. I'm very proud of what has been achieved and feel privileged to have been a part of it.

Today you continue to have a great company, showing year on year improvement.

It is a company that is not just getting bigger but getting better. I have great confidence in Peter Duncan, a valued colleague on the board for some time, and with a wealth of experience behind him, to guide the next growth phase.

Orica today is a portfolio of businesses that are each leaders in markets where demand for its products and services will steadily grow. They each have world class assets, that includes talented teams of people with a tight commercial focus who are rewarded for delivering superior results.

These teams are guided by a culture that is evident in their commitment to take care of each other and the communities within which Orica operates. Whether it be fundraising for local charities, volunteering to clean-up local waterways or finding safer ways to carry out their work, a desire to do zero harm to people and the environment traverses the geographic and cultural boundaries of Orica's global workforce.

In closing I would like to thank those Orica employees around the world for their contribution to another successful year, and you as shareholders for your continued support.

Now to tell you more about what has driven that success, I'll now hand over to Graeme Liebelt.

Thank you.

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