






2014 Half Year Results
13 May 2014

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Disclaimer

Forward looking statements

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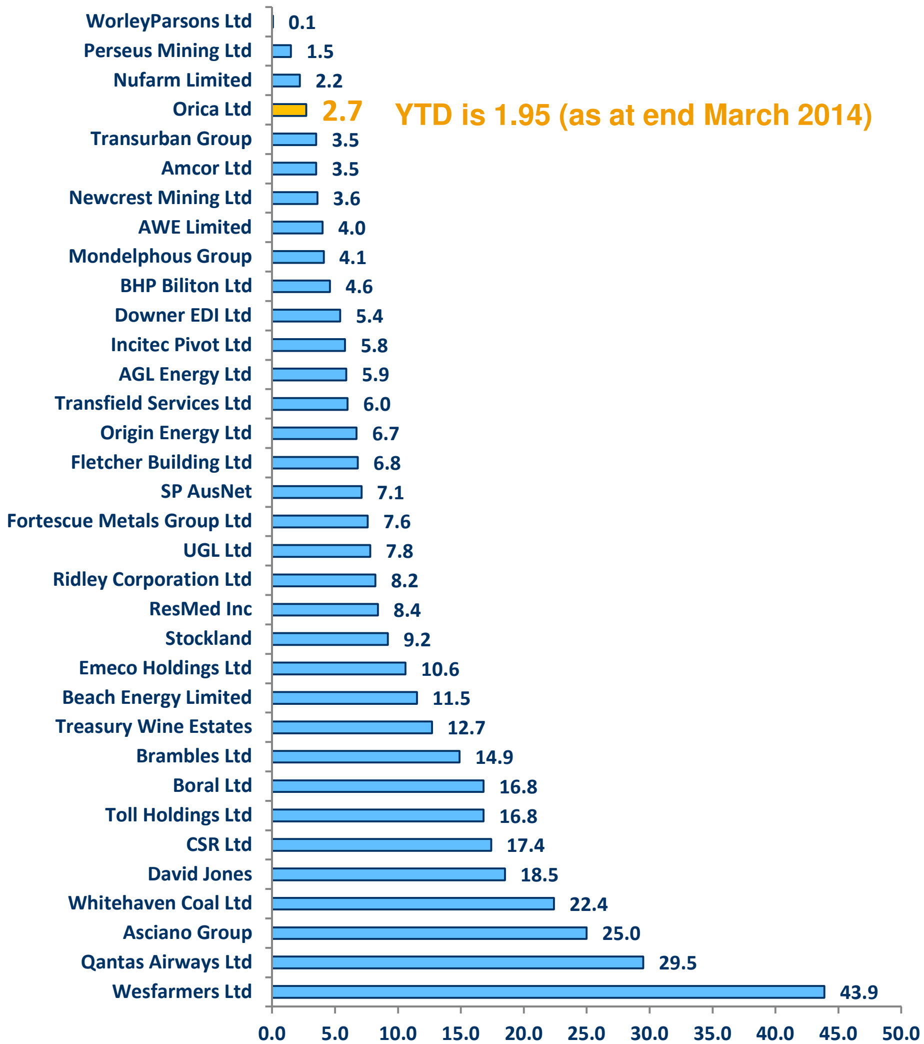
Non-International Financial Reporting Standards (Non-IFRS) information

This presentation makes reference to certain non-IFRS financial information. Management use this information to measure the operating performance of the business and has been presented as this may be useful for investors. This information has not been reviewed by the Group’s auditor. Refer to slide 54 for a reconciliation of IFRS compliant statutory net profit after tax to EBITDA and to slide 55 for the definition and calculation of non-IFRS and key financial information. Forecast information has been estimated on the same measurement basis as actual results.

Safety

2013 Total Recordable Injury Frequency Rate Data (per million hours worked, excludes December Y/E companies)



Source: Citi Research

Environment - Yarwun

- Following stormwater and effluent discharges at the Yarwun site in early 2012, Orica has:
  - Completed 7 major projects to improve stormwater management and removal of legacy waste materials from site
  - Conducted an independent review of the practices and procedures for water management and implemented all recommendations
  - Renegotiated the site Environmental Licence to deliver an outcome that is environmentally responsible and appropriate for the site operations
  - Demonstrated its commitment to being environmentally responsible, open and committed to a collaborative partnership with regulators

Results

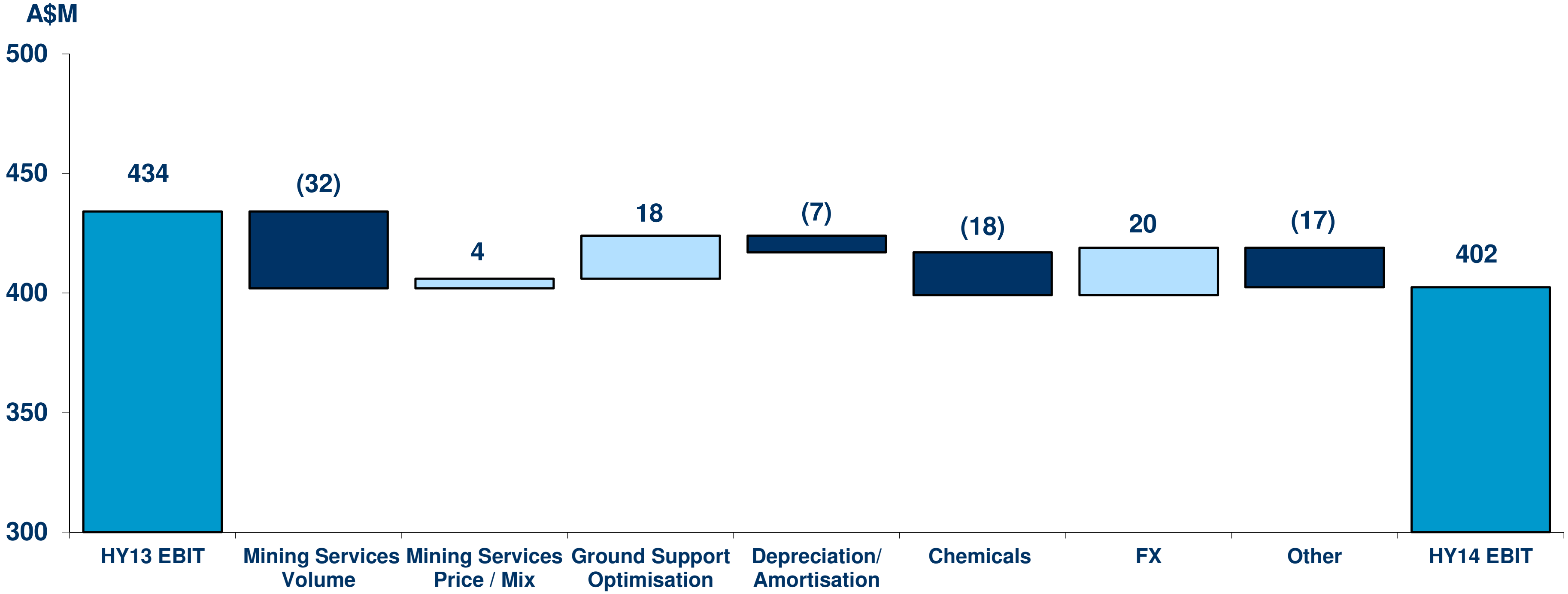
- ✓ Good progress in delivery of strategy
  - ➢ Differentiation of products and services
  - ➢ Capital light approach to business
  - ➢ Growth in new markets - Africa, CIS and Pilbara
- ✓ Improvement in net operating cashflow and gearing
- ✓ Achievement of ground support integration benefits
- X Lower volumes across all Mining Services product groups
- X Reduced contribution from Chemicals business

Group Financial Performance

Half year ended 31 March (A$M)	2014	Restated[1] 2013	%	↕
EBITDA[2]	552.8	570.9	(3)	↓
EBIT[3]	402.4	434.4	(7)	↓
NPAT[4,5]	242.1	262.5	(8)	↓
Net Operating cash flow	312.6	281.9	11	↑
Earnings per share (cents)	66.0	72.4	(9)	↓
Dividends per share (cents)	40.0	39.0	3	↑

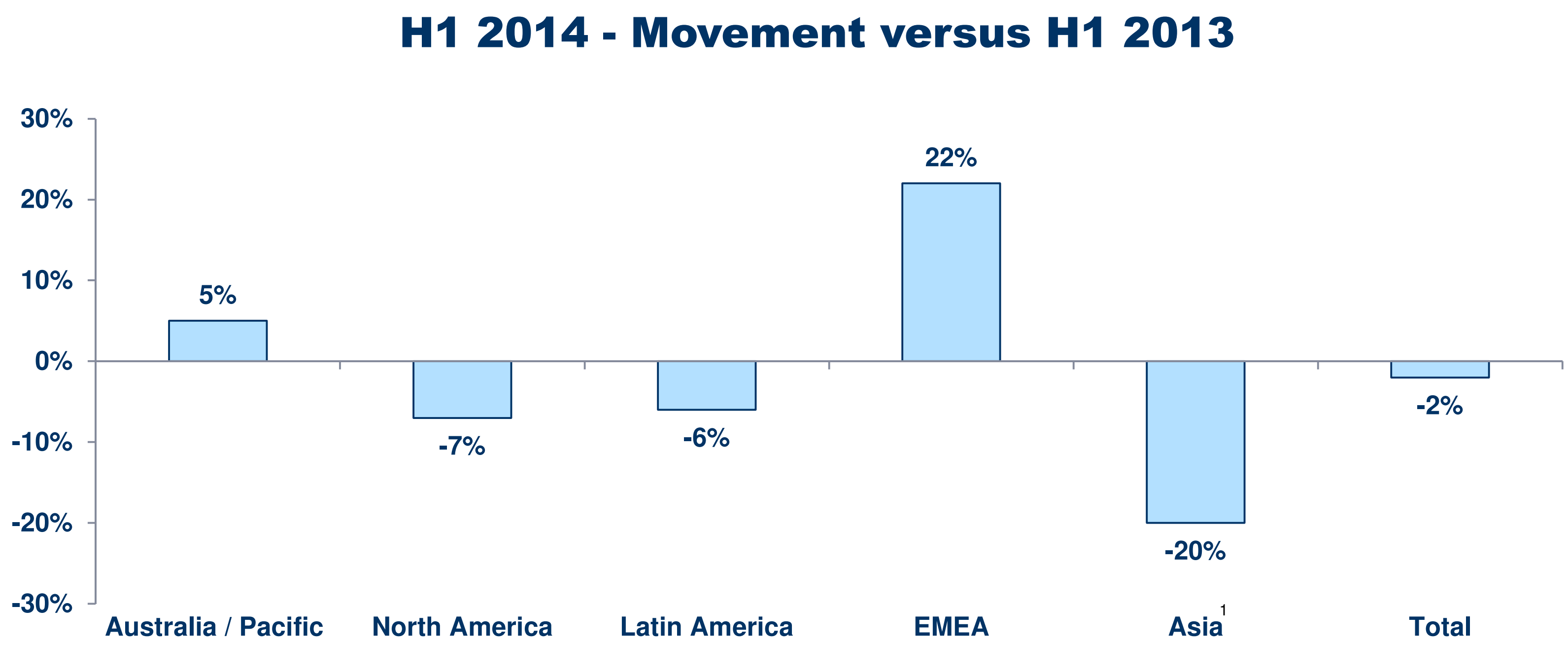
1. 2013 numbers have been restated for new accounting standards. Refer to Appendix 4D Note 17.
2. Earnings before interest and tax plus depreciation and amortisation.
3. Profit from operations as disclosed in the Income Statement within Appendix 4D – Orica Half Year Report.
4. Net profit for the period attributable to shareholders of Orica Limited as disclosed in the Income Statement within Appendix 4D – Orica Half Year Report.
5. Restated NPAT for the full year ended 30 September 2013 was $592.5M

Group EBIT



Lower Mining Services volumes and reduced profit contribution from Chemicals

Explosives Volumes



- ✓ Market share growth in the Pilbara region
- ✓ Strong growth in emerging markets of Africa and CIS
- ✓ Continued improvement across European quarry and construction markets

- X Weaker demand from coal markets in Eastern US
- X Lower volumes in Latin America
- X Weaker demand in Indonesian coal markets

Volume represents ammonium nitrate and emulsion products (bulk and packaged). Refer Supplementary Information to this presentation for detailed volume data by region.
1. Asia is included in "Mining Services Other" as disclosed in note 2 of Appendix 4D.

Explosives Pricing & Product Mix

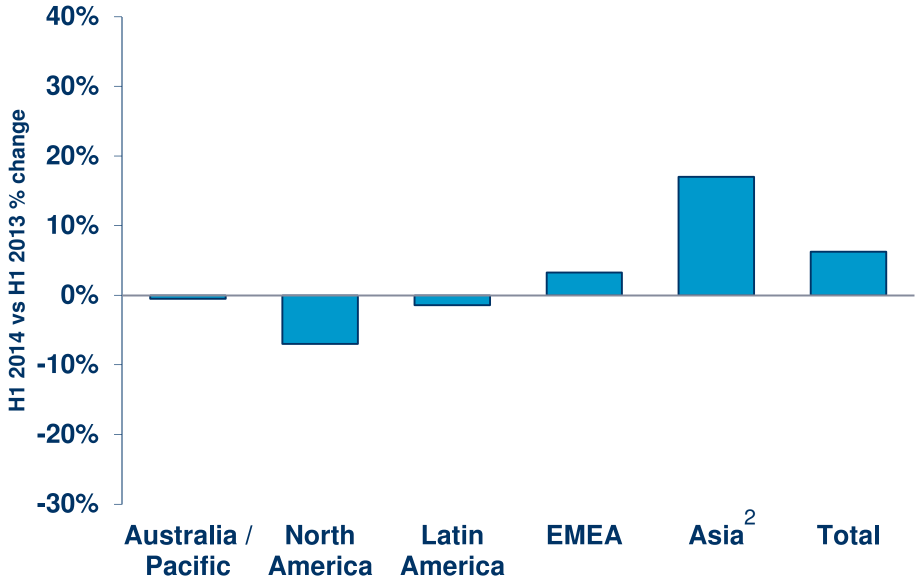
Pricing

- ✓ Modest price increases for bulk explosives in North America and various European countries
- X Pricing pressure in Australia, Latin America and Indonesia

Product Mix

- ✓ Improved contribution from services, particularly in Latin America and EMEA and Asia
- ✓ Significant Rock on Ground (ROG) contract wins in Europe
- ✓ Continued positive shift to emulsions in most regions

Change in Explosives Contribution per Tonne[1]



1. Contribution includes all income and costs directly attributable to the sale of explosives products and services and excludes any allocation of shared support costs which are managed functionally and for the benefit of the entire product portfolio within a region.
2. The contribution for the Asia region includes only contribution from explosives products and services sold in the Asia region and excludes profits generated in the Global Hub relating to North America and Latin America.

Ground Support & Mining Chemicals

Volume

- Weaker demand for ground support products particularly steel with volumes down 11% and resins and powder volumes up 1%
- Sodium cyanide volumes down 17% due to customer destocking

Price

- Pricing pressure in most ground support markets
- Slight decline in sodium cyanide pricing with further pressure expected in H2 2014

Chemicals

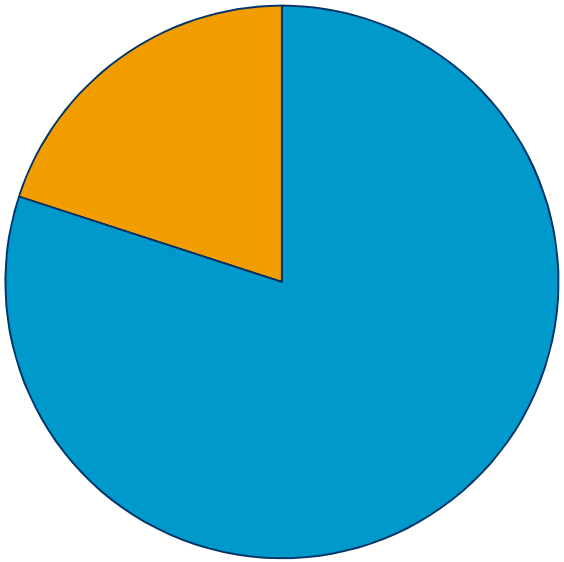
First half earnings of $38.6million

- Represents 8% of group EBIT [1]
- Earnings down 32% on H1 2013
- Strategic review of business expected to be completed during 2014

First half earnings impacted by

- $11m in rationalisation and write off costs in Latin America
- Lower average global caustic soda prices
- Temporary customer shut-downs impacting acid volumes

H1 2014 Chemicals Revenue



1. Excludes corporate centre and other support costs

Investing Activities

Capital Expenditure[1]	Actual HY 2014	Forecast FY 2014
Sustaining	89	195
Customer Facing Contract Capital[2]	32	115
Growth	33	100
Burrup[3]	57	162
Total	211	572

FY14 forecast spend is below the original budget

1. Excludes capitalised interest.
2. Capital expenditure invested for the supply of products and services on a customer site. These assets are generally specified within customer contracts.
3. The total Orica project spend is US$360 million (45% of US$800 million) plus Orica's project entry fee of US$110 million in 2013 to Yara and Apache. In 2015, the Burrup capital spend will be approximately US$80million.

Capital Management

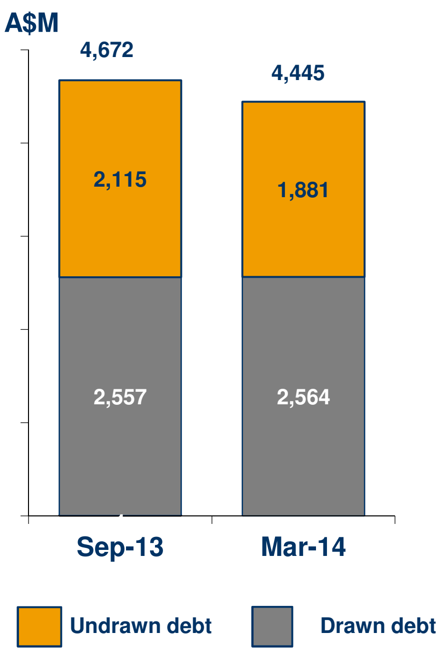
Half year ended 31 March (A$M)	2014	Restated [1] 2013
Net debt (A$M)	2,370	2,562
Net interest expense (A$M)	60	66
Operating cashflow (A$M)	313	282
Trade working capital (A$M)	753	834

Gearing (%)	36.5	43.1
Interest cover (times) [2]	6.7	6.6
Cash conversion (%)	72	58

1. 2013 numbers have been restated for new accounting standards. Refer to Appendix 4D Note 17.
2. EBIT / Net Interest Expense.

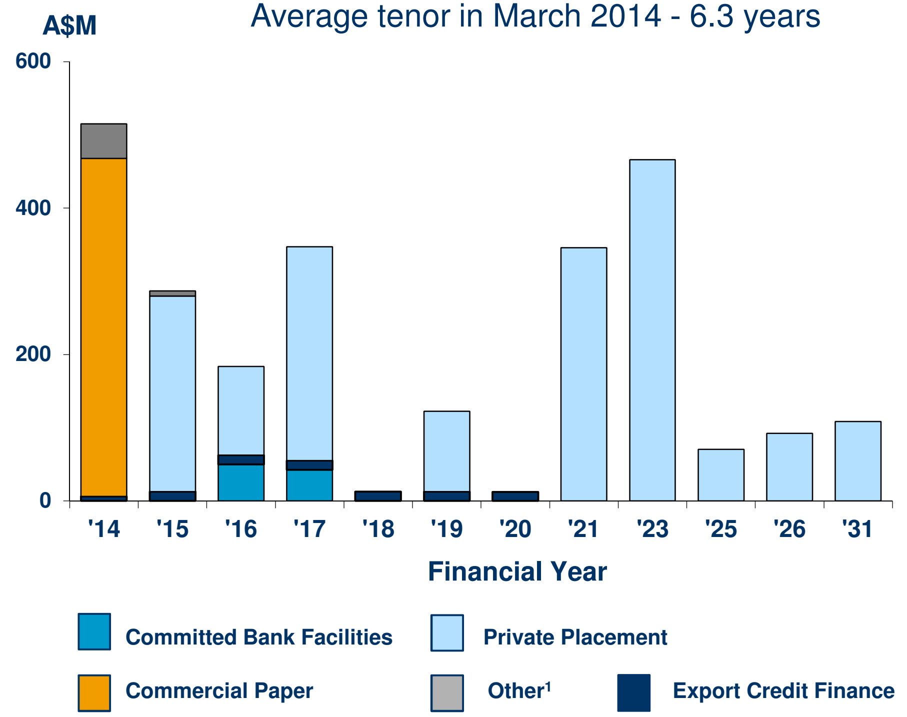
Debt Profile

Facility Headroom



Drawn Debt Maturity Profile

Average tenor in March 2013 - 4.5 years
Average tenor in March 2014 - 6.3 years



Greater funding flexibility with significant headroom and extended maturity profile

1. Includes overdraft, lease liabilities and other borrowings

Environmental Provisions

Key Provisions as at 31 March 2014 (A$M)	
Botany groundwater remediation	60
Botany HCB remediation	35
Botany mercury remediation	11
Other	70
Total environmental provision	176

Environmental Spend (A$M)	Actual HY 2014	Full Year Forecast 2014	2015	2016	2017
Major environmental spend:					
Botany groundwater remediation[1]	5	12	13	13	13
HCB remediation[2]	2	4	3	2	2
Botany mercury remediation	7	11	7	-	-
Other	5	15	34	9	4
Total environmental spend	19	42	57	24	19

1. The provision for Botany groundwater remediation is being maintained at current levels, therefore each year operating costs in the order of $12m to $13m is included in the Income Statement for remediation costs for this project.
2. 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.

Burrup Ammonium Nitrate Project

- 330ktpa capacity AN plant on the Burrup Peninsula, Western Australia, in joint venture with Yara and Apache (Orica share: 45%).
- Unique project and capital structure
  - $110M entry fee
  - 45% of project capital
  - 100% marketing rights for all AN
- Provides access into the growing North West Australian iron ore market (geographic & commodity diversification).
- Onsite construction 46% complete, module fabrication 80% complete and overall project 76% complete.
- Project on schedule for commissioning mid to late 2015, with nameplate production rates expected by end of 2016.

Apatit Emulsion Plant - Russia

- Contract for provision of products and advanced blasting services over 10 years
- Operations comprise 3 open cut and 2 underground mines
- Construction of 40ktpa emulsion plant & 8 Mobile Manufacturing Units
- Capital cost of $USD 25M (including mobile equipment)
- Progress to date
  - Site preparation and foundations completed
  - Process building and garage complete
  - Major tanks installed
- Completion scheduled for December 2014

Integration of Ground Support

- Global volumes in H1 – steel down 11% and resins and powders up 1%
- Achieved an uplift of $18M – integration benefits of $12M and the avoidance of $6M of integration costs from H1 2013. A further $11-13 million of integration and optimisation benefits are expected in H2
- Headcount reductions have been delivered across all regions, with $9 million delivered to date
- The rationalisation of the US manufacturing plants was implemented in H1. 3 eastern steel plants have been consolidated into 1

North American AN Agreement

- Entered 10 year agreement with CF Industries Inc to supply up to 800,000 tonnes for North American operations
  - Commencing in January 2017 with an option for Orica to extend for further 5 years until end 2031
- AN sourced from Yazoo city facility in Mississippi

Cost Implications

- Maintain an equivalent cost base across its AN supplier network compared to current cost profile
- Future contract prices based on the lower of:
  - 1) Combination of inflation and gas price movements (with gas the minor component) or
  - 2) CF's market prices for explosive products

East Coast Australia Gas Supply

- The total annual gas requirement for Kooragang Island and Yarwun is 17.5PJ
- Annual gas requirements for east coast from 2014 – 2016 are covered by current agreements
- Orica’s forward-looking Australian east coast gas supply strategy now provides for total natural gas supply at competitive pricing until 2029
- An additional 7.5PJ per annum continues onto 2036

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Esso / BHPB Gas Supply Agreement	14 PJ per annum			potential extension									
Strike Energy Gas Agreement[1]	7.5 PJ per annum			17.5 PJ per annum									
Total	21.5 PJ per annum			17.5 PJ per annum									

1. Prospective supply of up to 250PJ of gas through to the end of 2036

Delivery of Strategy

Leverage New Operating Model

- Removal of functional duplication
- Cost control and efficiencies
- Supply chain and manufacturing excellence

Disciplined Capital Allocation

- Capital light approach to manufacturing
- Disciplined approach to project management
- Minimise working capital needs

Value in Use

- Advanced blasting techniques
- Integrated service solutions
- Differentiated and innovative products

Helping Customers

Five pathways that help improve customer performance

1. Data for optimisation (collection and modelling)
2. Noise, vibration and fume mitigation
3. Underground high speed development
4. Soft rock recovery
5. Hard rock fragmentation

Orica is the only company that has leading systems in all five pathways

Cost and Productivity Initiatives

External Environment

- Subdued mining markets
- Requirement to enhance our approach on margins and cost discipline

Initial Outcomes

- Optimisation of ground support operations
- KI enterprise bargaining agreement
- Functional structure in place
- Manufacturing excellence
- Head count reductions 1,000
- Focus on services and product differentiation
- ‘capital light’ strategy implemented

Reviews Underway

- Optimisation of geographic footprint
- Procurement value delivery program
- Company wide cost review
- North American Initiating System plant optimisation
- Removing duplicated functional support in the regions

Focus Areas

- Procurement
  - Supply chain efficiency
  - Reduce input costs
  - Mitigating risk
- Cost Review
  - Manufacturing
  - Mining Services
  - Chemicals
  - Central overheads

- More efficient and effective organisation
- Improved returns and earnings profile
- Benefits and costs to be detailed at full year results in November

2014 Outlook

Group net profit after tax before individually material items in 2014 is expected to be in line with, or exceed, the restated FY2013 NPAT of $592.5M influenced by the following assumptions:

Expectations for Mining Services in H2 FY 2014

- Improved volumes, versus H2 FY 2013, in most markets;
- Current pricing pressure to continue; and
- Challenging ground support markets

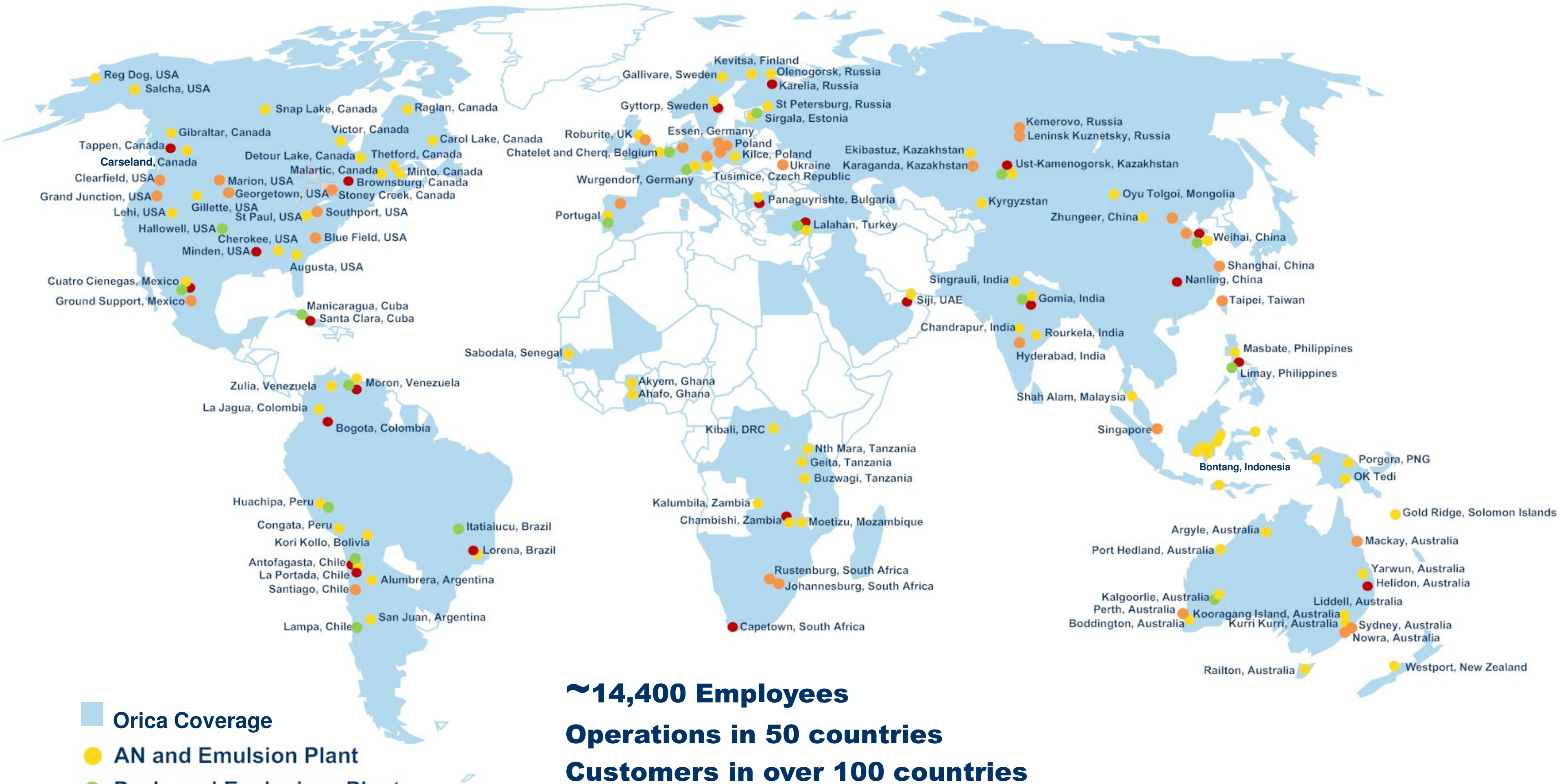
Expectations for Chemicals in H2 FY 2014

- Volume improvements in sectors of the General Chemicals market with the resolution of customer operational issues; and
- Watercare and caustic soda contributions to remain flat

The expected uplift in explosives volumes in H2 FY 2014 will be the most influential factor in the full year results following a 2% volume decline pcp in H1 FY2014.

Supplementary Information

Where We Are



Orica Coverage
AN and Emulsion Plant
Packaged Explosives Plant
Initiating Systems Plant
Ground Support Plant

~14,400 Employees

Operations in 50 countries

Customers in over 100 countries

What We Are

1. World’s largest provider of commercial explosives to mining and infrastructure markets with 28% global market share.

2. Largest supplier of chemical products to mining, water treatment and other industrial, food and cosmetics markets in Australia and New Zealand and a growing presence in Latin America.

3. Global leader in providing ground support in mining & tunneling.

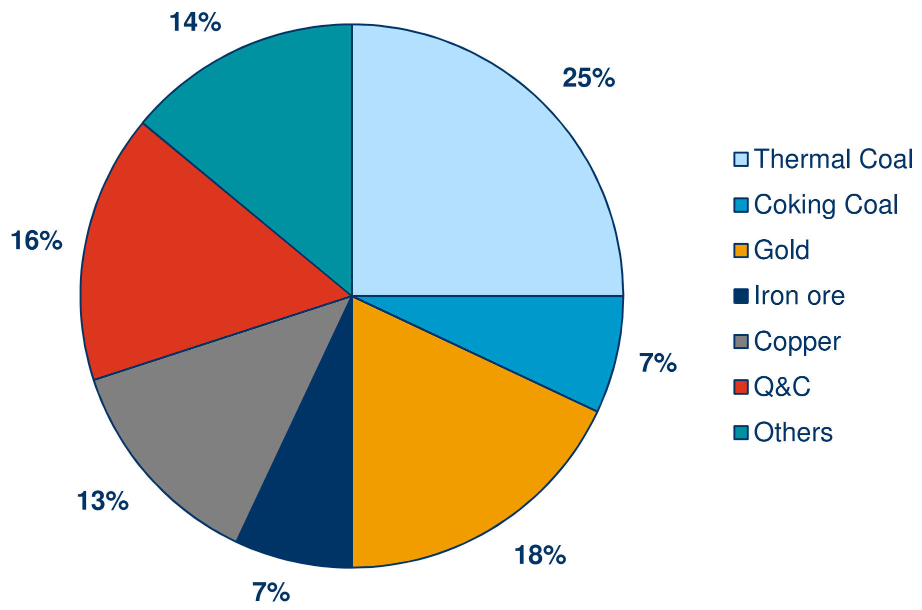
4. Leading global supplier of cyanide for use in gold extraction.

5. ASX listed with market capitalization in the Top 50.

Geographic & Commodity Diversity

- 92% of Group EBIT[1] is generated from Mining Services
- Broad mining exposure – from coal and iron ore to base and precious metals and diamonds
- Wide geographic spread
- Commodity and geographic diversity reduces earnings volatility

H1 2014 Mining Services Revenue by Commodity



1. Excludes corporate centre and other support costs

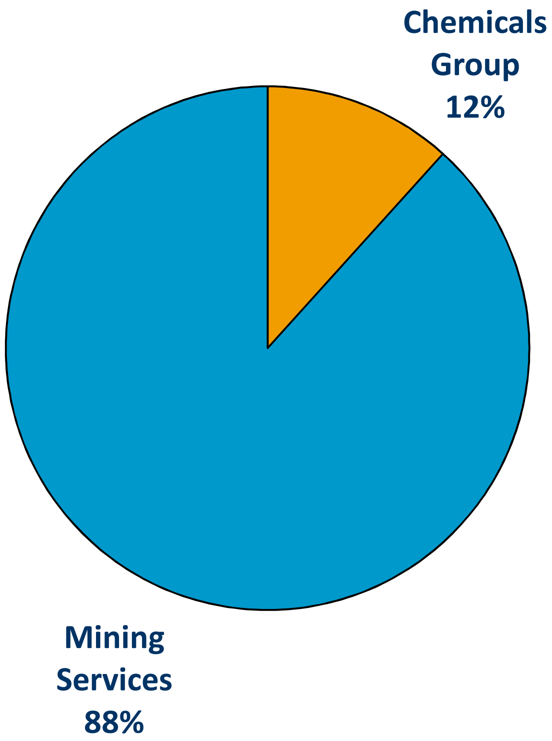
H1 2014 Explosives Volumes

'000 Tonnes	H1 2014 Volumes AN[1]	Emulsion Products[2]	Total	Variance – H1 2014 vs H1 2013 Volumes AN[1]	Emulsion Products[2]	Total
Australia/ Pacific	176	402	578	32%	(4%)	5%
North America	415	192	607	(10%)	1%	(7%)
Latin America	118	204	322	(12%)	(3%)	(6%)
EMEA	40	160	200	8%	26%	22%
Asia[3]	85	63	148	(27%)	(9%)	(20%)
Total	**834**	**1,021**	**1,855**	**(5%)**	**1%**	**(2%)**

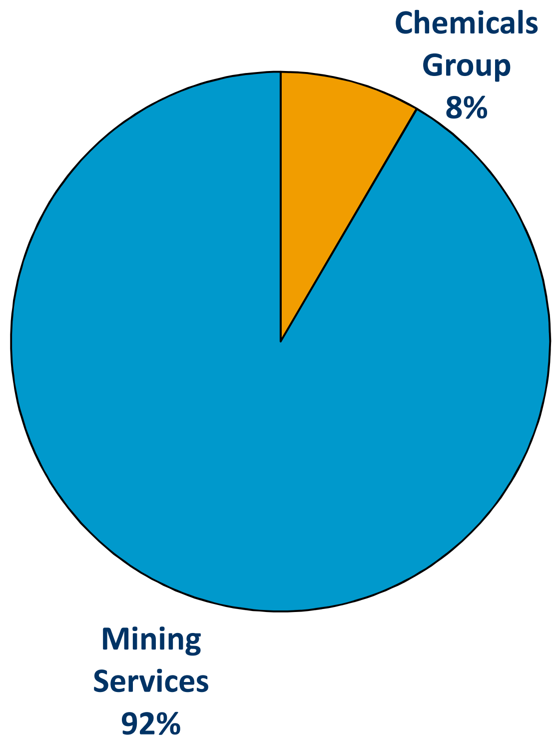
1. AN includes prill and solution sold externally.
2. Emulsion products include bulk emulsion and packaged emulsion.
3. Asia is included in "Mining Services Other" as disclosed in note 2 within the Appendix 4D.

EBIT Contribution by Business[1]

H1 2013

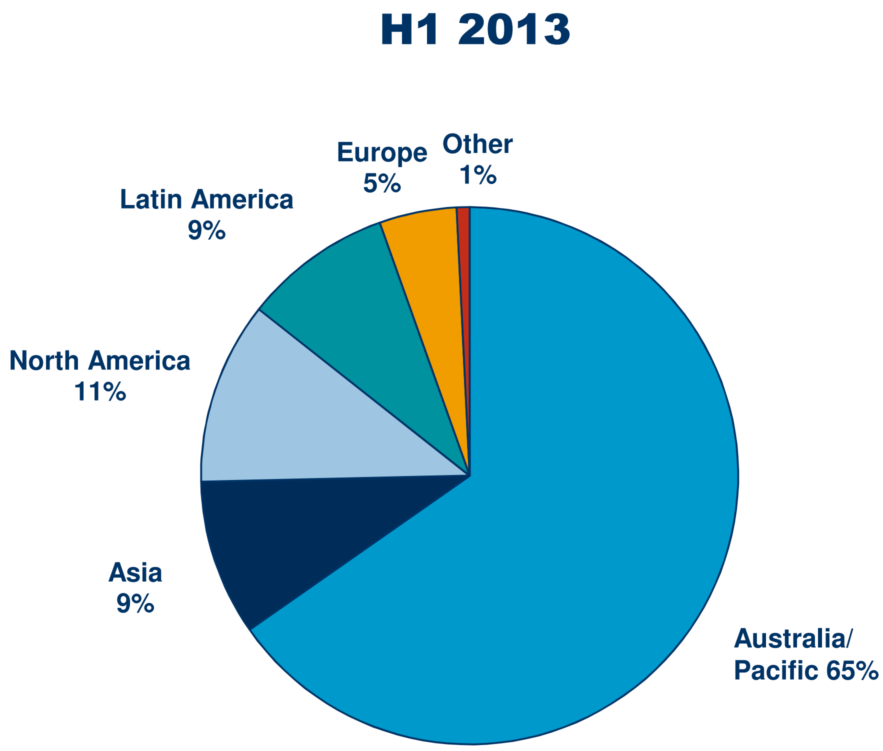


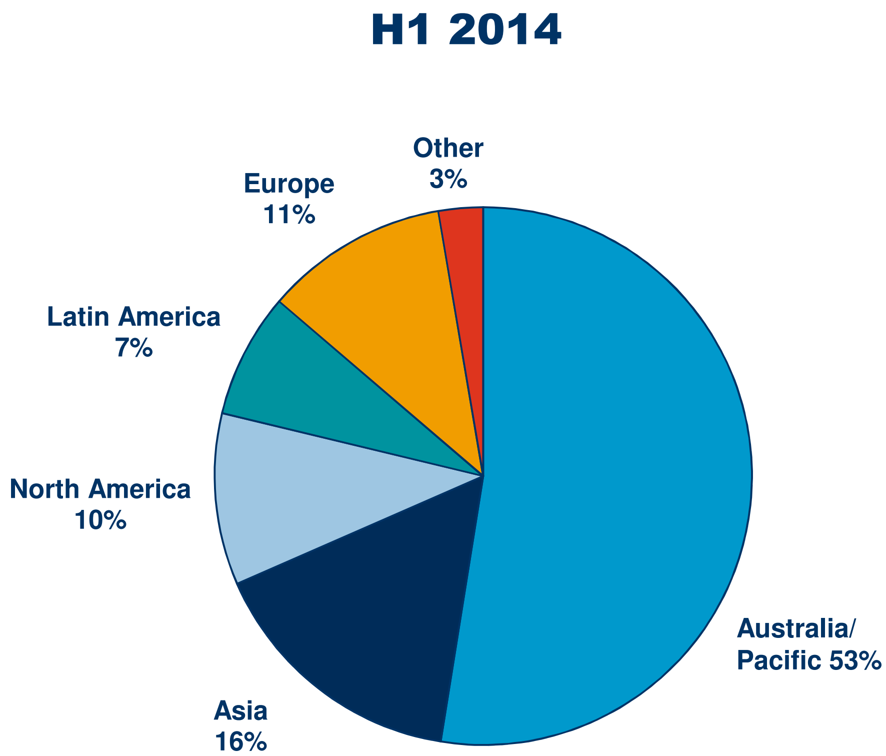
H1 2014



1. Excludes corporate centre and other support costs

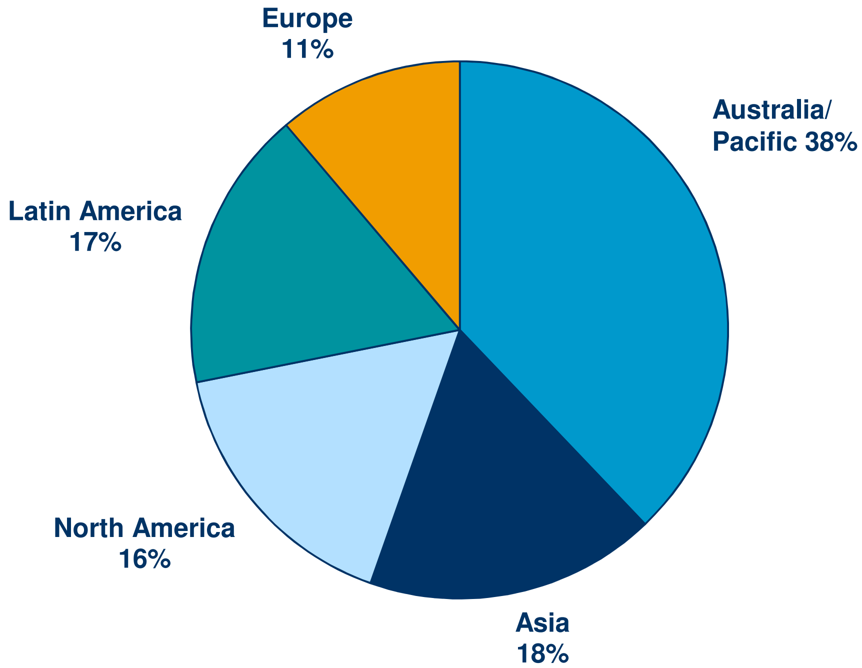
EBIT Contribution by Geography



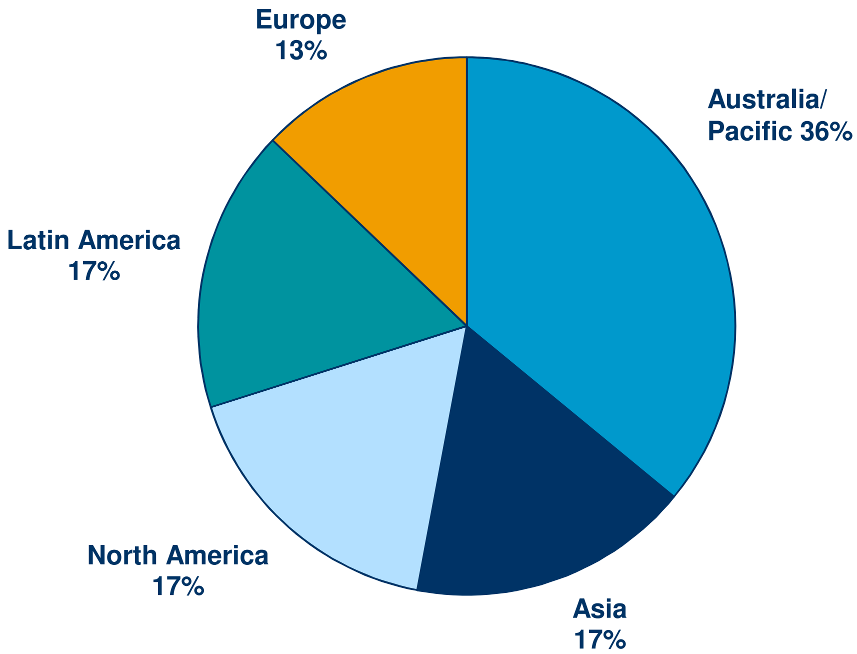


Gross Sales by Geography

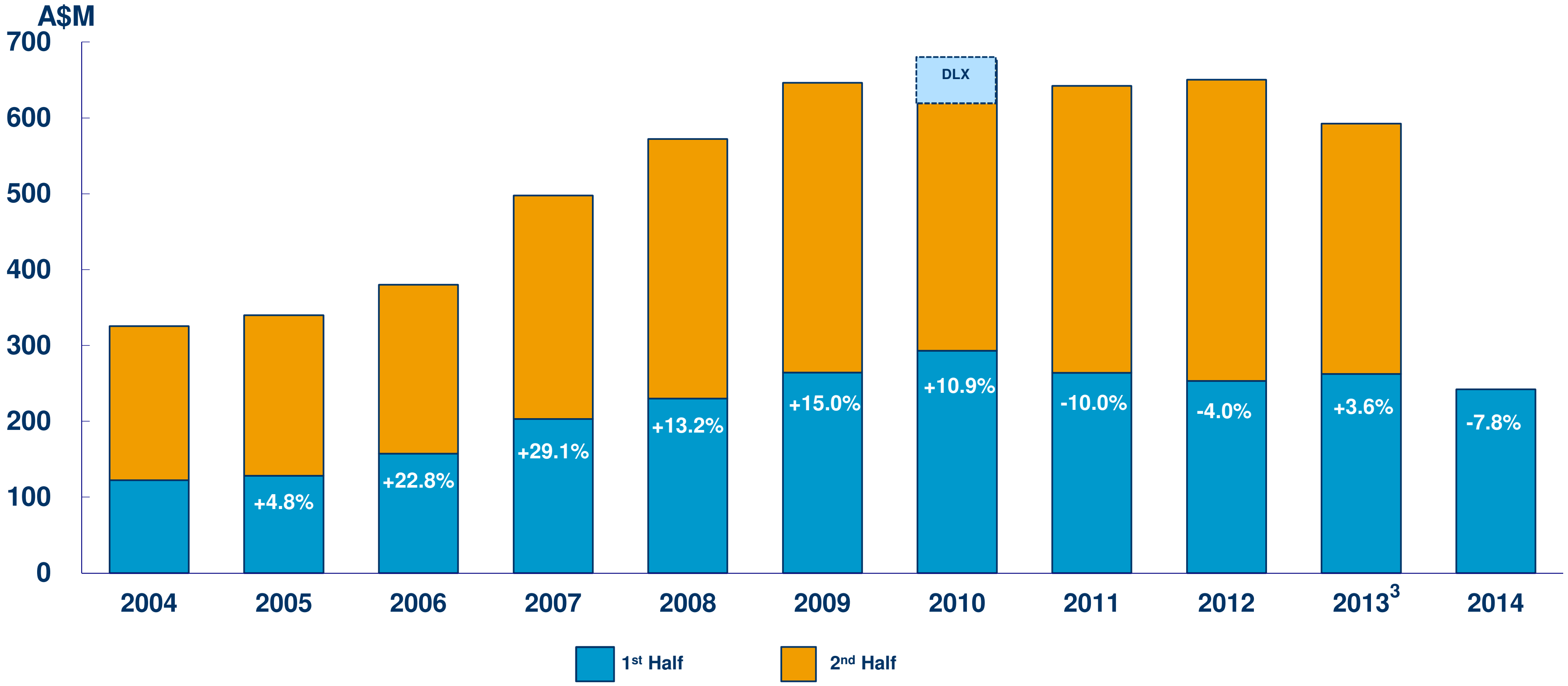
H1 2013



H1 2014



Net Profit After Tax[1, 2]

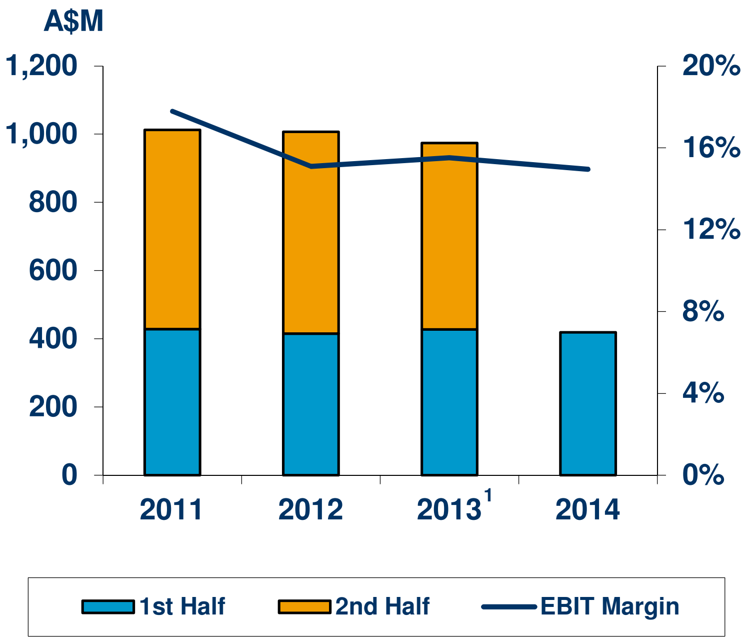


Compound average growth rate from FY2004 to FY2013 is 7.1%

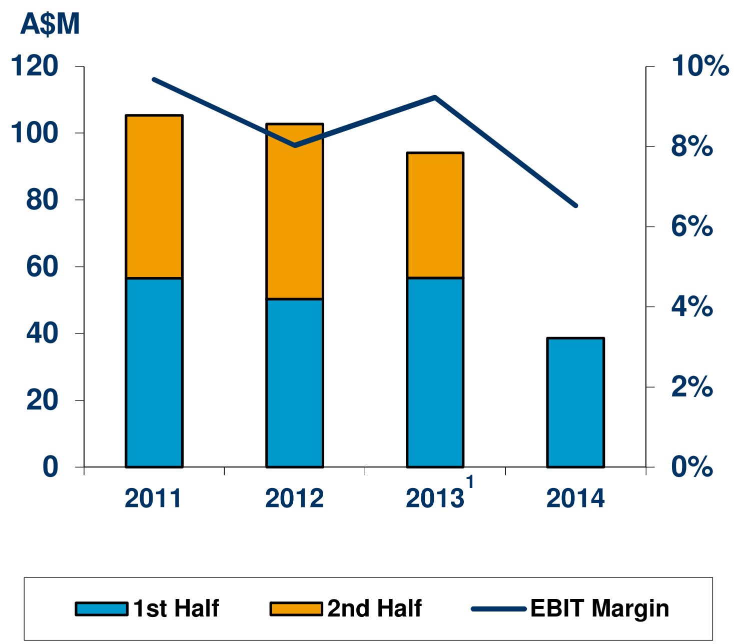
1. Net profit for the period attributable to shareholders of Orica Limited as disclosed in the Income Statement within Appendix 4D – Orica Half Year Report.
2. Includes DuluxGroup (demerged July 2010).
3. 2013 numbers have been restated for new accounting standards. Refer to Appendix 4D. Note 17.

EBIT by Business

Mining Services



Chemicals



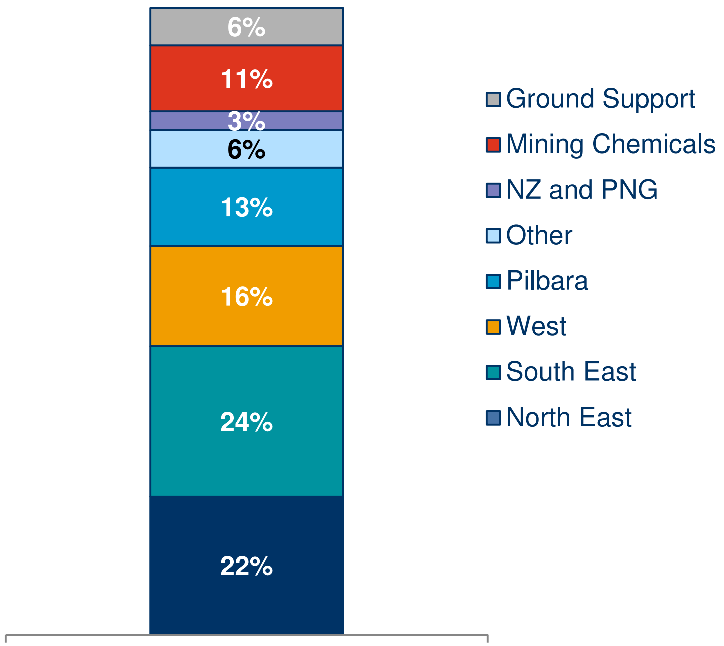
1. 2013 numbers have been restated for new accounting standards. Refer to Appendix 4D. Note 17.

Mining Services

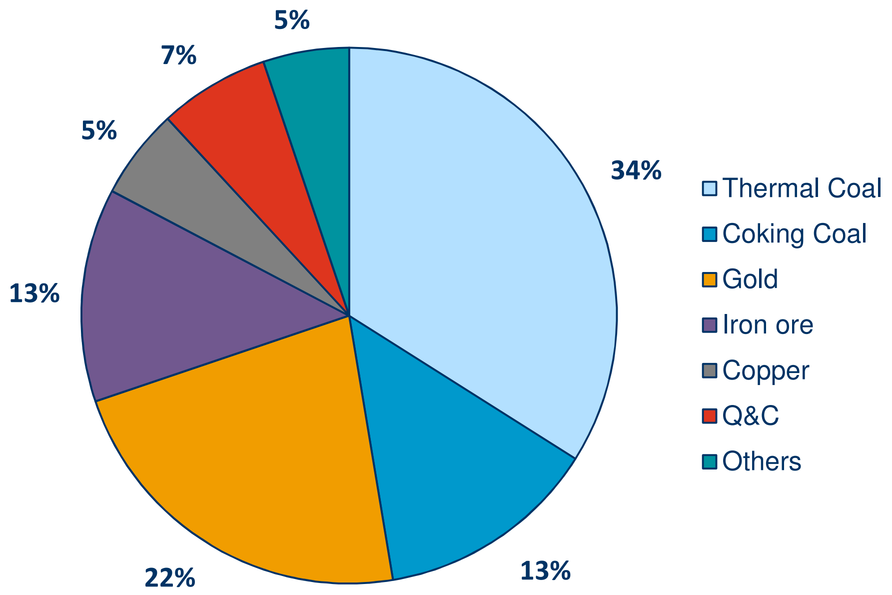
Half year ended 31 March (A$M)	2014	Restated 2013	%	⇕
Sales	2,801.7	2,754.9	2	↑
EBITDA	550.2	545.6	1	↑
EBITDA margin (%)	19.6%	19.8%	(1)	↓
EBIT	418.9	427.3	(2)	↓
EBIT margin (%)	15.0%	15.5%	(3)	↓

Mining Services Australia Pacific

Regional Revenue H1 2014



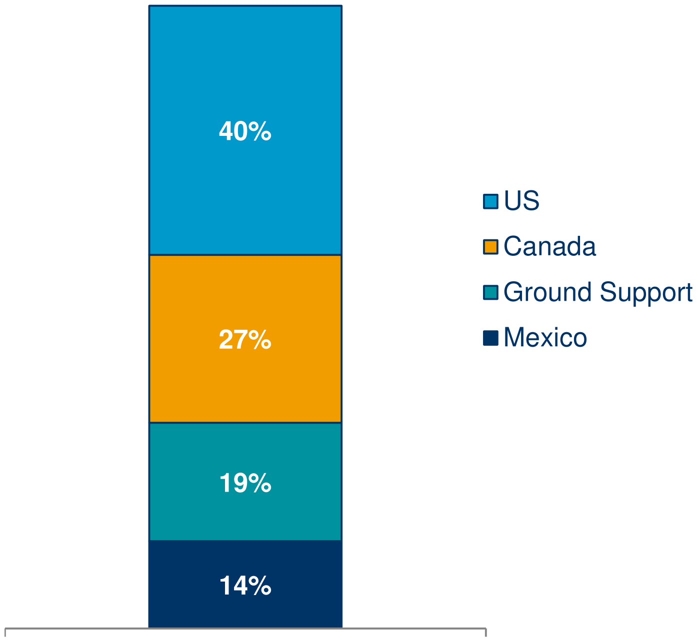
Revenue by Commodity H1 2014



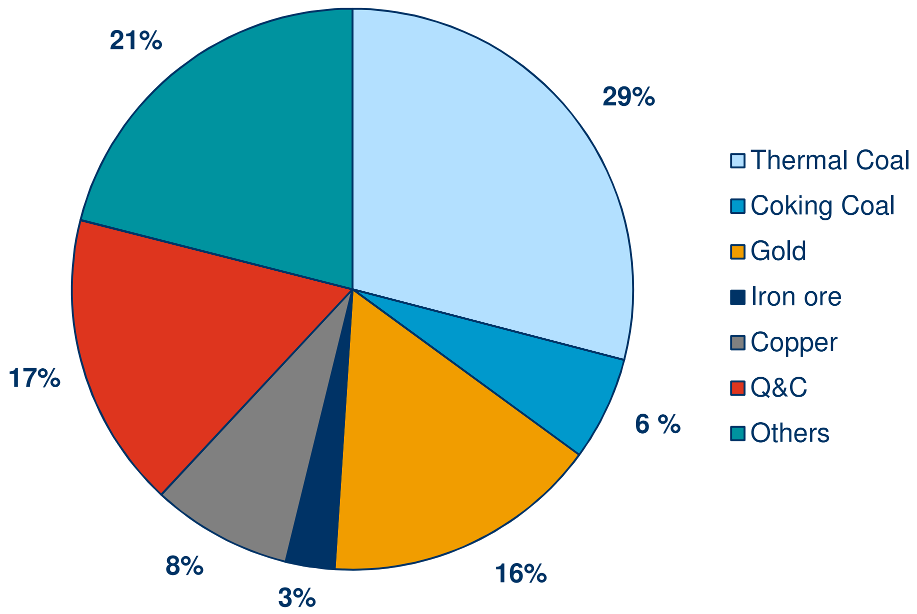
Revenue is based on external revenue
Mining Chemicals includes sales to Australia, Africa and Asia consistent with segment reporting

Mining Services North America

Regional Revenue H1 2014



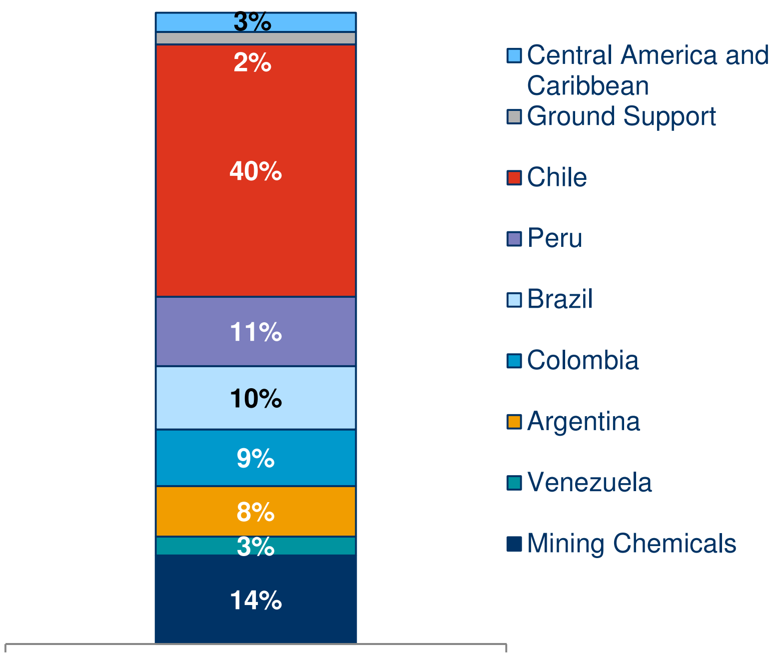
Revenue by Commodity H1 2014



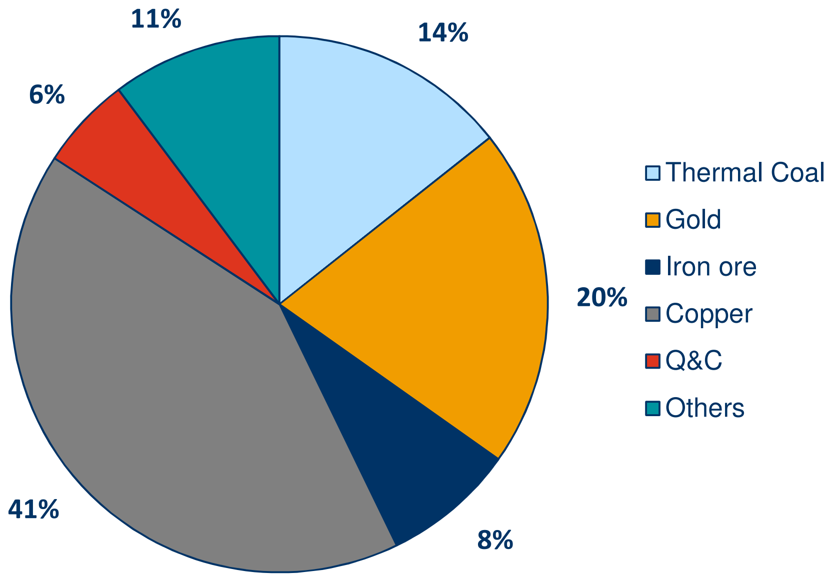
Revenue is based on external revenue

Mining Services Latin America

Regional Revenue H1 2014



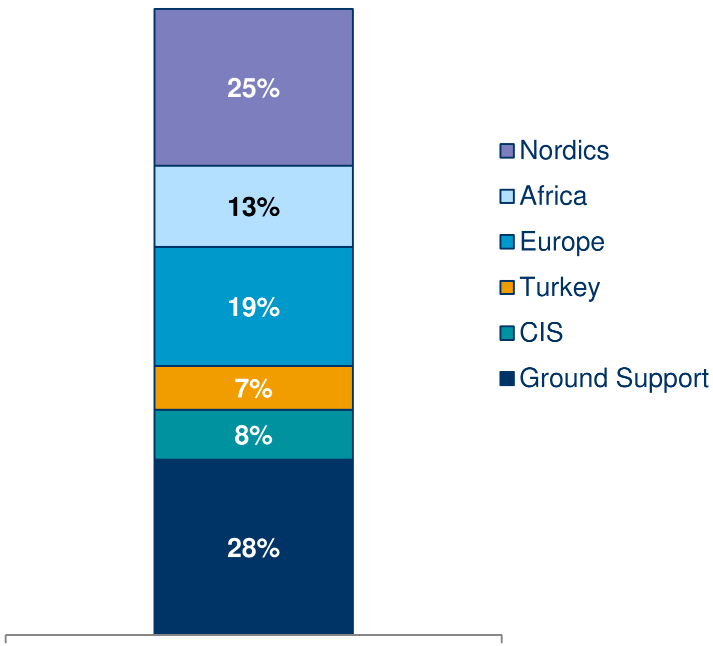
Revenue by Commodity H1 2014



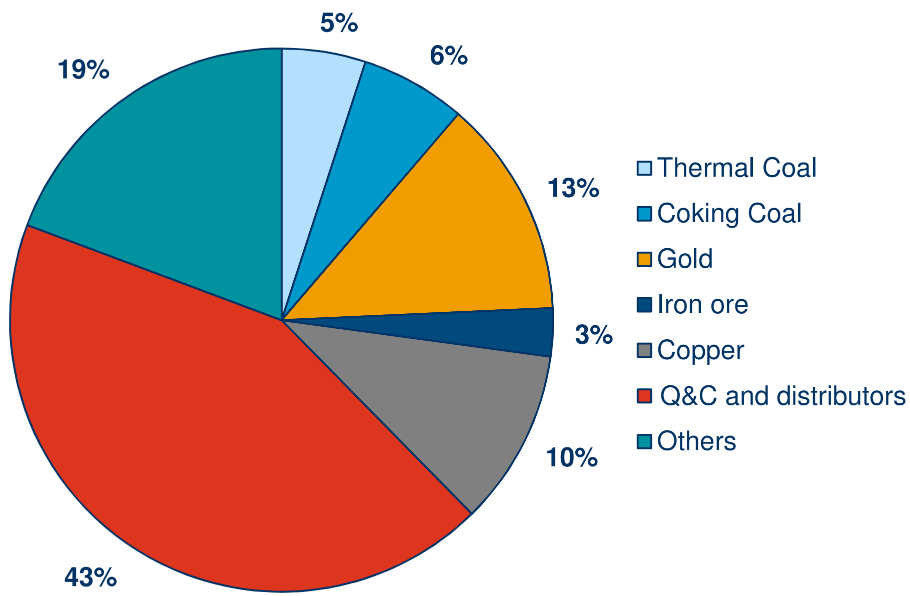
Revenue is based on external revenue

Mining Services EMEA

Regional Revenue H1 2014



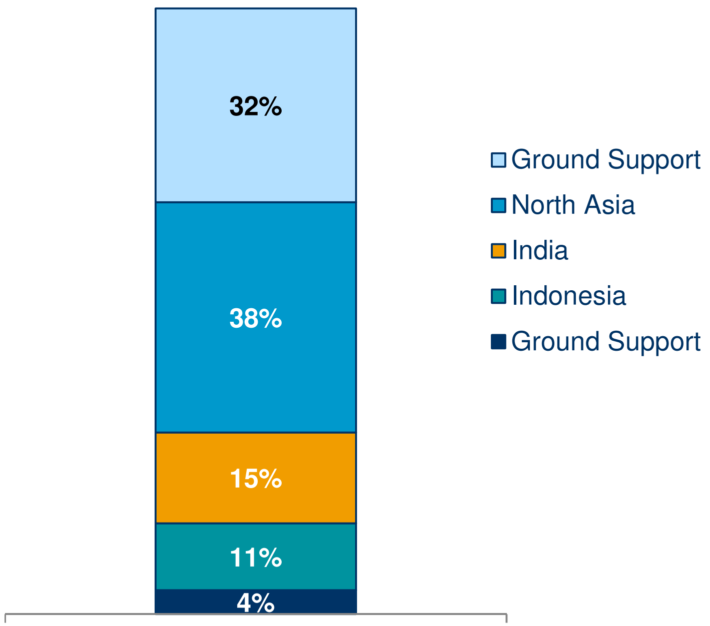
Revenue by Commodity H1 2014



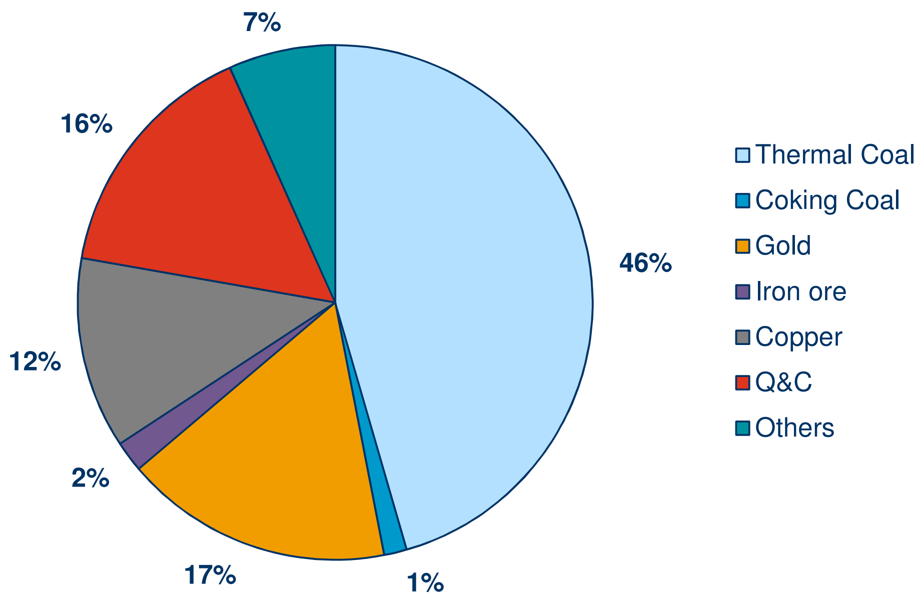
Revenue is based on external revenue
Mining Chemicals sales for Africa are included in the Australia Pacific segment, consistent with segment reporting

Mining Services Asia

Regional Revenue H1 2014



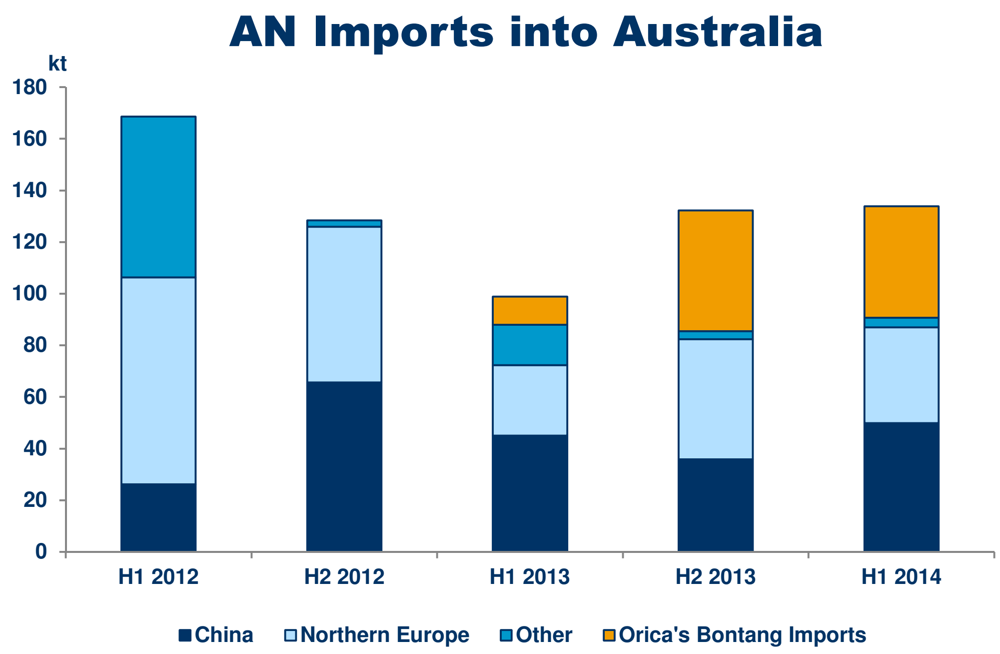
Revenue by Commodity H1 2014



Revenue is based on external revenue
Mining Chemicals sales for Asia are included in the Australia Pacific segment, consistent with segment reporting

AN Imports into Australia

- Australian demand for AN in 2013 was approximately 1.9 million tonnes
- Imports have remained steady over last 18 months after excluding Orica's Bontang imports

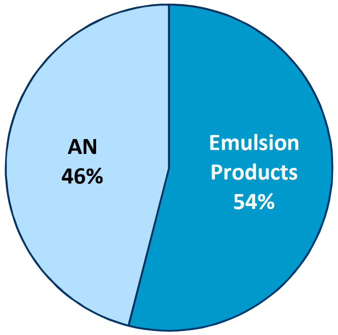


Source: ABS * The halfs are consistent with Orica's financial year

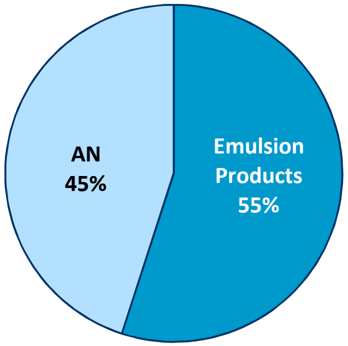
Revenue by Category Type

Mining Services Sales Revenue A$M

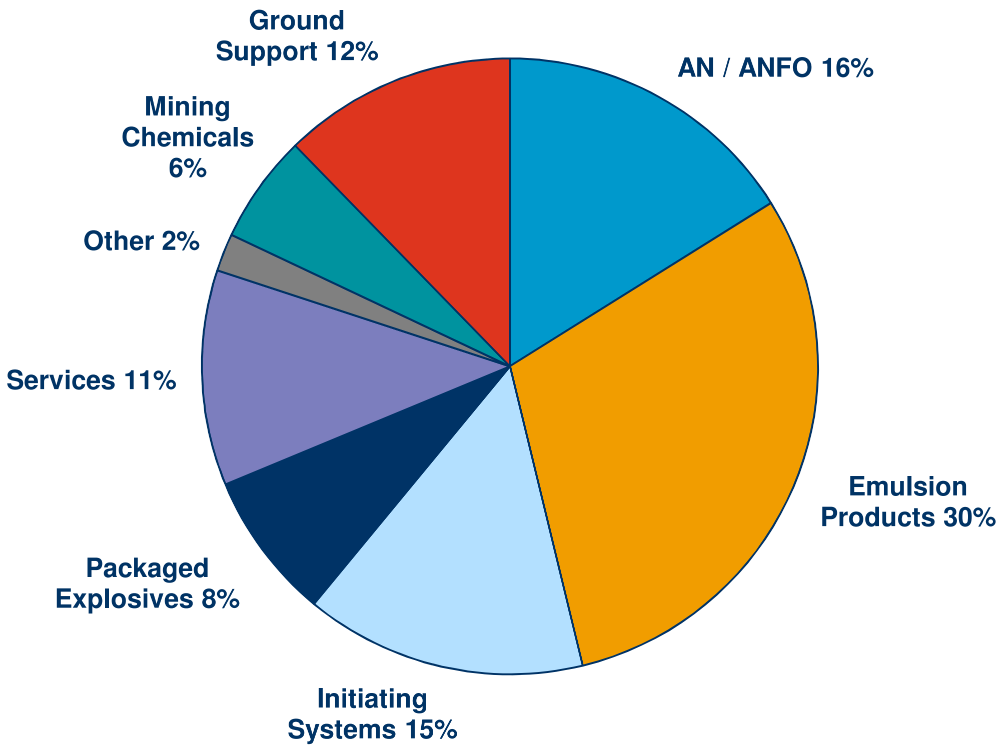
H1 2013



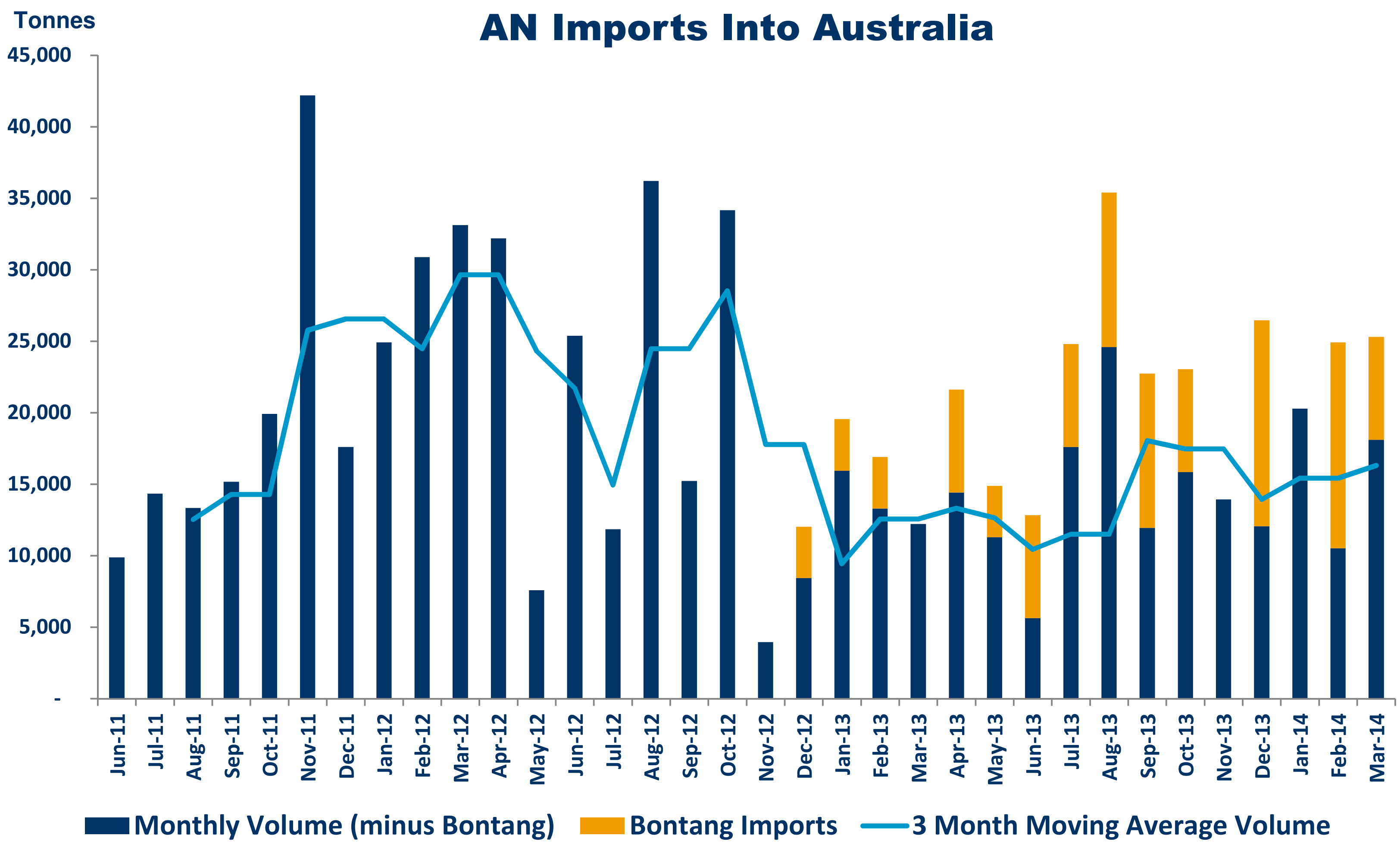
H1 2014



H1 2014



Total AN Imports Into Australia



Source: ABS

Chemicals

Half year ended 31 March (A$M)	2014	Restated 2013	%	↕
Sales	591.4	613.8	(4)	↓
EBITDA	53.8	71.5	(25)	↓
EBITDA margin (%)	9.1%	11.7%	(22)	↓
EBIT	38.6	56.6	(32)	↓
EBIT margin (%)	6.5%	9.2%	(29)	↓

Cash Conversion

Half year ended 31 March (A$M)	2014	Restated 2013
EBITDA	552.8	570.9
TWC movement	(54.7)	(113.5)
Sustaining capital[1]	(99.4)	(125.1)
Cash conversion	398.7	332.3
Cash conversion %[2]	72.1%	58.2%

1. Includes a component of customer facing contract capital to the extent that it is classified as sustaining capital.
2. Cash Conversion/EBITDA

Net Interest Expense

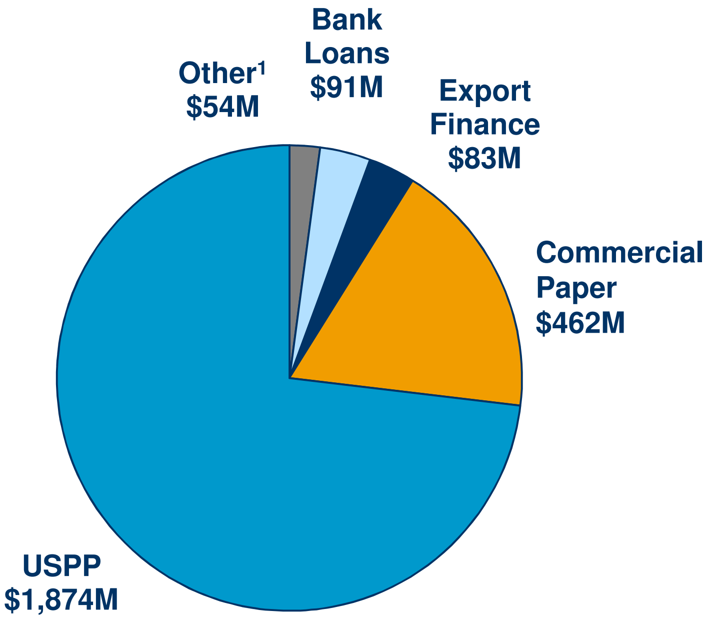
Half year ended 31 March (A$M)	2014	Restated 2013	$	⇕
Net interest expense	60.2	66.2	(6.0)	↓
Comprising:				
Interest on net debt	72.1	71.8	0.3	↑
Add: Unwinding of discount on provisions	0.9	2.7	(1.8)	↓
Add: Major external finance leases	0.2	0.2	-	
Less: Capitalised interest	(13.0)	(8.5)	(4.5)	↑

Interest Cover

Half year ended 31 March (A$M)	2014	Restated 2013	$	↕
Financial income	17.5	19.4	(3.3)	↓
Financial expense[1]	(77.7)	(85.6)	9.3	↓
Net financing costs	(60.2)	(66.2)	6.0	↓
EBIT	402.4	434.4	(32.0)	↓
Interest cover (times)	6.7	6.6	0.1	↑

1. Financial expense in 2014 includes the impact of $13.0M of capitalised borrowing costs (2013: $8.5M).

Debt Profile



Debt Maturity Profile (as at 31 March 2014)			
A$M	Drawn	Undrawn	Total
< 1 year	522	376	898
1 – 2 years	463	1,180	1,643
2 – 5 years	483	325	808
> 5 years	1,096	-	1,096
Total	**2,564**	**1,881**	**4,445[1]**

Average maturity on drawn debt is 6.3 years
Investment grade rating BBB

1. Includes overdrafts, lease liabilities and other borrowings.

Non IFRS Reconciliation

Half year ended 31 March (A$M)	2014	Restated 2013	%	⇕
Statutory profit after tax	242.1	262.5	(8)	↓
Adjust for the following:				
Net financing costs	60.2	66.2	(9)	
Income tax expense	87.4	96.6	(10)	
Non-controlling interests	12.7	9.1	40	
EBIT	**402.4**	**434.4**	**(7)**	↓
Depreciation and amortisation	150.4	136.5	10	
EBITDA	**552.8**	**570.9**	**(3)**	↓

Disclosures and Definitions

Term	Definition
Statutory profit after tax	Net profit for the period attributable to shareholders of Orica Limited as disclosed in the Income Statement within Appendix 4D – Orica Half Year Report.
EBIT	Profit from operations as disclosed in the Income Statement within Appendix 4D – Orica Half Year Report.
EBITDA	EBIT plus depreciation and amortisation
EBIT margin	EBIT / Sales
EBITDA margin	EBITDA / Sales
Return on shareholders funds %	Profit after income tax expense before individually material items attributable to shareholders of Orica Limited / (Average of opening Orica shareholders equity + closing Orica shareholders equity)
TWC movement	September (opening) trade working capital (TWC) less March (closing) TWC (excluding TWC acquired and disposed of during the 6-month period).
Rolling TWC to Rolling sales %	Rolling 12-month average trade working capital / 12-month total sales.
Contribution per tonne	Contribution includes all income and costs directly attributable to the sale of explosives products and services and excludes any allocation of shared support costs which are managed functionally and for the benefit of the entire product portfolio within a region.
Capital expenditure:	
Expansion	Capital expenditure that results in earnings growth through either cost savings or increased revenue
Sustaining	Other capital expenditure
	Total expansion and sustaining expenditure reconcile to total payments for property plant and equipment and intangibles as disclosed in the Statement of Cash flows within Appendix 4D – Orica Half Year Report.
Interest cover	EBIT / net interest expenses
Cash conversion	EBITDA add/less movement in TWC less Sustaining capital expenditure
Cash conversion %	Cash conversion / EBITDA
Net debt	Interest bearing liabilities less cash and cash equivalents
Gearing %	Net debt / (net debt plus equity)