Acquisition of Marplex Group

18 August 2004

TRANSACTION SUMMARY

- Orica to acquire Marplex group of companies
- Acquisition price : A$44M
- Effective date : 1 September 2004

MARPLEX

HISTORY

- Marplex is a leading compounder and distributor of high end engineering polymers, representing several large overseas principals in the Australian market
- Marplex has a reputation for delivering a superior range of polymer materials and services to many industries
- Main products uses include:
  - Automotive
  - Appliances/Whitegoods
  - Electrical components
  - Fluid engineering
  - Building products
  - Telecommunications/electronics
- Excellent innovation and technology

BUSINESS OUTLINE

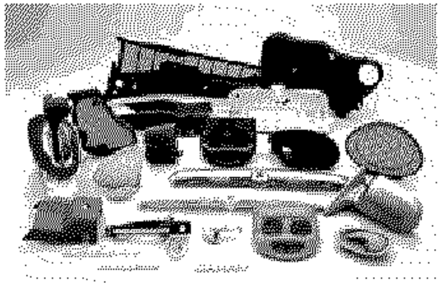
- Headquarters in Melbourne with offices in all Australian mainland capital cities and New Zealand
- Employs ~ 80 people
- Technical Centre and Operations facilities located at Noble Park (Victoria)

FINANCIAL DIMENSIONS

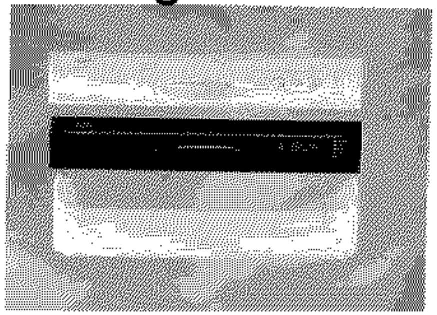
- Sales - circa A$65M
- EBIT - circa A$5M - A$6M
- Net Assets - circa A$24M
  - Trade working capital $16M
  - Property, plant & equipment $9M
  - Other net liabilities $1M

MARPLEX - PRODUCT APPLICATIONS

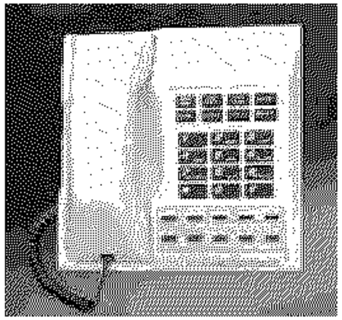
Automotive



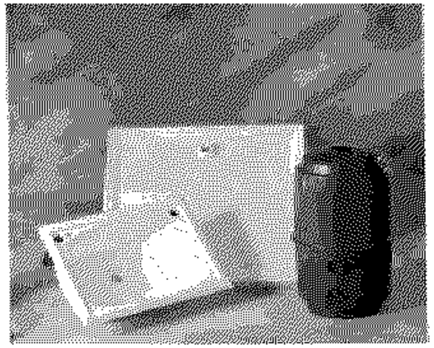
Whitegoods



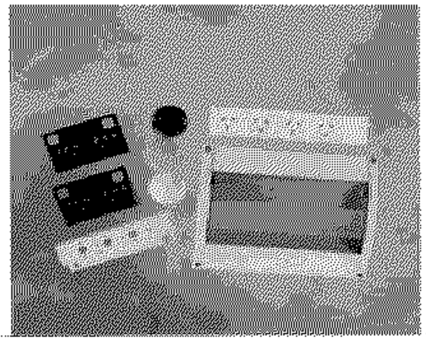
Telecommunications



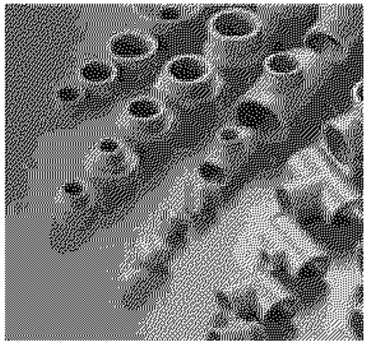
Building Products



Electrical Components



Fluid Engineering



For the past 35 years Marplex has established an excellent reputation in these markets

Global Technology, Local development,
Excellent Technical and Customer Service

WHY THE ACQUISITION MAKES SENSE FOR CHEMNET

- Logical fit into Chemnet through its Polymer and additives distribution channel

- Enhances customer offering making Chemnet Australia's only integrated supplier of the full range of speciality engineering polymer products
  – Existing capability - Polyethylene, Polypropylene and PVC
  – Marplex capability - Nylon, Polycarbonate and other speciality polymers

- Excellent fit from a customer perspective

- Chemnet has a proven strategy of successfully adding value to basic commodity distribution

- Marplex acquisition aligns with Chemnet "bolt on" acquisition strategy

WHY THE ACQUISITION MAKES SENSE FOR ORICA

- Acquisition satisfies our strategic principles
  - market leadership
  - growing only value adding business which have "earned the right to grow"
  - related growth - building on our best businesses

- Chemnet:
  - exceeds Orica performance measures
  - track record of year on year earnings growth
  - further enhances current Polymer & Additives distribution segment

WHY THE ACQUISITION MAKES SENSE FOR ORICA

Financial

- EPS positive (in first full year)
- Transaction meets IRR and RONA targets
- Opportunity for operational efficiencies going forward
- Low risk value creation