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Orica Limited  
ABN 24 004 145 868

## **ASX Announcement**

### **ORICA REJECTS PROPOSAL**

Orica Limited ("Orica") announced today that it has rejected a non-binding and indicative proposal from a consortium (comprising Bain Capital Partners, Blackstone Capital Partners, Pacific Equity Partners and Morgan Stanley Principal Investments ("Consortium")) offering to acquire Orica for a cash consideration of A\$32.00 per share by way of a scheme of arrangement. The proposal was subject to due diligence and a number of other conditions.

The Chairman of Orica, Mr Don Mercer, commented, "The Board of Orica has carefully considered the Consortium's proposal and believes that it significantly undervalues Orica and its growth prospects."

"As disclosed in its 2006 Annual Report, Orica's total shareholder returns over the five previous years have been more than 500%, substantially out-performing the S&P / ASX 200 accumulation index. Orica has been through a substantial portfolio transition over that time, including the recent Dyno Nobel and Minova acquisitions, and the divestment of various non-core businesses such as interests in Incitec Pivot, Qenos and Adhesives & Resins."

"Integration of recent acquisitions is progressing well, with synergies flowing through in line with or ahead of plan. Looking forward, Orica continues to see opportunities to grow the business and improve productivity, and will continue an active focus on portfolio and balance sheet management."

Orica remains confident in guidance previously provided to the market in relation to its 2007 financial results.

Orica has been advised by UBS and Mallesons Stephen Jaques.

18 April 2007

Investor Queries:

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- **Web site:** [www.orica.com](http://www.orica.com)