



Orica Limited
ABN 24 004 145 868

ASX Announcement

ORICA TO PURSUE A SEPARATION OF CHEMICALS DIVISION

Orica Limited ("Orica") has completed a strategic review of its Chemicals business ("Chemicals"). As a result of this review, the Board of Orica intends to pursue the separation of the Chemicals business, either by demerger or sale.

Orica's two businesses, Mining Services and Chemicals, are both market leaders in their respective industries and each business is exposed to different end markets, industry drivers and competitive dynamics. A separation of the businesses would allow Orica to focus on its core Mining Services activities and capitalise on its global leadership positions in commercial explosives, ground support and sodium cyanide.

Orica Chemicals is a leading supplier of chemical products to the mining, water treatment and other industrial, food and cosmetics markets in Australia, New Zealand with a growing presence in Asia and Latin America. Its annual revenue is approximately \$1.2 billion. A demerger would create a separate ASX listing for the Chemicals business. It is expected that Orica Chemicals would benefit from the freedom to develop its own corporate strategy, capital structure and financial policies appropriate for the business as a separately listed entity.

Orica has received a number of unsolicited enquiries from third parties expressing non-binding preliminary interest to acquire the Chemicals business. Whilst demerger is currently the preferred approach, Orica will consider any alternatives that are in the interests of shareholders.

Orica will give a further update on the proposed separation at its full year results announcement on 19 November 2014.

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