

## ASX Announcement

### Orica Appoints Interim Managing Director and Chief Executive Officer

Orica Ltd (ASX:ORI) today announced the appointment of Alberto Calderon as Interim Managing Director and Chief Executive Officer, effective immediately.

Mr Calderon has served as a Non-Executive Director on the Orica Board since August 2013 and has broad executive experience in the global resources sector. His most recent executive role was Group Executive and Chief Executive Aluminium, Nickel and Corporate Development, BHP Billiton.

Orica Chairman Russell Caplan said: "The Board is pleased that Mr Calderon has agreed to step into the role of Interim Managing Director and CEO. He is a global resources executive of high standing who has the skills and experience required to oversee the ongoing implementation of Orica's strategy."

Mr Calderon said: "The importance of ensuring stability and operational continuity at Orica has been at the forefront of my discussions with the Board. The ongoing implementation of our strategy will be my priority while the Board continues the process of selecting a permanent CEO."

The appointment follows the previously announced plans for the departure of current Managing Director and CEO Ian Smith.

Both the Board and Mr Smith have agreed that in the interests of minimising further distractions and enabling Orica to move on, Mr Smith will leave the company immediately. The Board will continue the process of conducting an international search to select a permanent Managing Director and CEO.

Orica confirms that Mr Smith will be paid his contractual entitlements arising from the termination of his employment with the Group. In addition to his statutory entitlements to accrued leave, he will receive a payment of \$2.5 million, comprising a severance payment equal in value to 6 months of his fixed remuneration and a payment in lieu of the 6 month notice period provided for under his contract.

Mr Smith will receive no other payments in connection with the end of his employment. In particular, Mr Smith will forego all of his entitlements under Orica's relevant short and long term incentive plans.

Mr Calderon's remuneration whilst performing the role of Interim Managing Director and Chief Executive Officer will be \$185,000 per month together with statutory entitlements. Mr Calderon will not be entitled to any incentive payments.

## 2015 Outlook

An investor briefing scheduled for today, 23 March 2015, has been postponed. The company provides the following information to the market.

Global markets remain volatile and uncertain and FY15 profit guidance continues to be difficult to provide in these circumstances.

Key assumptions provided to the market in November 2014 remain relevant:

- Global explosives volumes forecast to be in the range 3.8 – 4.0 million tonnes, with explosives volumes down in Australia and higher volumes in the Americas
- Explosives pricing pressure is expected to continue, particularly in Australia
- Sodium cyanide volumes are expected to improve although pricing pressure remains
- Operating costs are anticipated to reduce as a result of the transformation program with pre-tax benefits of \$140-170M and implementation costs of \$100 – 120M in 2015

With completion of the sale of the Chemicals business on 28 February 2015 there will be a five-month contribution to FY15 earnings.

As previously announced Orica is conducting an on-market share buy-back program of up to \$400 million over the next 12 months aimed at delivering improved returns to shareholders.

The company will provide a further update to the market at its Half Year Results presentation on 12 May 2015.

## Alberto Calderon CV Summary

2011 – 2013; Group Executive and Chief Executive Aluminium, Nickel and Corporate Development, BHP Billiton.

2007 – 2011; BHP Billiton Chief Commercial Officer

1999 – 2006; CEO of Colombian coal and oil companies, Cerrejon Coal and Ecopetro.

## 23 March 2015

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