Appendix 4D
Half Year Report

Name of entity:	**ORICA LIMITED**
ABN:	**24 004 145 868**

Half year ended ('current period')	Half year ended ('previous corresponding period')
31 March 2019	31 March 2018

Results for announcement to the market

		Change			
		$m	**%**		**$m**
Consolidated revenue from operations	up	296.9	11.7%	to	2,828.9
Profit/(loss) after tax, attributable to shareholders	up	262.2	N/A	to	32.9
Net profit for the period, attributable to shareholders before individually significant items	up	43.1	34.8%	to	166.7

Dividends		**Amount per security**	**Franked amount per security at 30% tax**
Interim dividend - Ordinary	Cents	22.00	0.00
Previous corresponding period Interim dividend - Ordinary	Cents	20.00	0.00

Record date for determining entitlements to the dividend:

	Ordinary Shares	31 May 2019
Payment date of dividend:	Ordinary Shares	1 July 2019

	31 March 2019	30 September 2018	31 March 2018
	Cents	Cents	Cents
Net tangible asset backing per ordinary security	297.0	317.8	307.9

For the profit commentary and any other significant information needed by an investor to make an informed assessment of Orica's results please refer to the accompanying Orica Limited Half Year Results Analyst Presentation.

Contents:

Income Statement

For the period ended 31 March:

	Notes	2019 $m	2018 $m
Sales revenue	(2b)	**2,828.9**	2,532.0
Other income	(2d)	**14.5**	12.4
Expenses			
Raw materials and inventories		**(1,197.5)**	(1,007.8)
Employee benefits expense		**(615.5)**	(584.1)
Depreciation and amortisation expense	(2b)	**(135.7)**	(127.4)
Purchased services		**(160.8)**	(176.9)
Repairs and maintenance		**(109.7)**	(96.7)
Write down of property, plant & equipment	(2e)	**(155.0)**	-
Impairment of intangibles	(2e)	**(36.1)**	(225.4)
Botany environmental provision expense	(2e)	**-**	(114.7)
Outgoing freight		**(138.7)**	(130.0)
Lease payments - operating leases		**(33.7)**	(22.2)
Other expenses		**(166.1)**	(158.6)
Share of net profit of associates accounted for using the equity method		**15.4**	10.8
Total		**(2,733.4)**	(2,633.0)
Profit/(loss) from operations		**110.0**	(88.6)
Net financing costs			
Financial income		**24.1**	26.0
Financial expenses		**(80.3)**	(80.1)
Net financing costs		**(56.2)**	(54.1)
Profit/(loss) before income tax expense		**53.8**	(142.7)
Income tax expense	(8)	**(20.5)**	(74.2)
Net profit/(loss) for the period		**33.3**	(216.9)
Net profit/(loss) for the period attributable to:			
Shareholders of Orica Limited		**32.9**	(229.3)
Non-controlling interests		**0.4**	12.4
Net profit/(loss) for the period		**33.3**	(216.9)
		cents	cents
Earnings/(loss) per share attributable to ordinary shareholders of Orica Limited:			
Basic earnings/(loss) per share	(3)	**8.7**	(60.7)
Diluted earnings/(loss) per share	(3)	**8.6**	(60.7)

The Income Statement is to be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the period ended 31 March:

	2019 $m	2018 $m
Net profit/(loss) for the period	**33.3**	(216.9)
Other comprehensive income		
Items that may be reclassified subsequently to Income Statement:		
Exchange differences on translation of foreign operations		
Exchange gain on translation of foreign operations	**15.5**	112.6
Net loss on hedge of net investments in foreign subsidiaries, net of tax	**(6.7)**	(14.6)
Net exchange differences on translation of foreign operations	**8.8**	98.0
Sundry items:		
Net cash flow hedges	**(0.5)**	9.4
Items that will not be reclassified subsequently to Income Statement:		
Net actuarial (loss)/gain on superannuation commitments, net of tax	**(18.3)**	7.6
Other comprehensive (loss)/income for the period	**(10.0)**	115.0
Total comprehensive income/(loss) for the period	**23.3**	(101.9)
Attributable to:		
Shareholders of Orica Limited	**19.2**	(109.3)
Non-controlling interests	**4.1**	7.4
Total comprehensive income/(loss) for the period	**23.3**	(101.9)

The Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

Balance Sheet

as at:

	Notes	31 March 2019 $m	30 September 2018 $m
Current assets			
Cash and cash equivalents	(9)	**464.5**	514.6
Trade receivables		**680.0**	654.7
Other receivables		**102.8**	93.4
Inventories		**662.7**	626.5
Other assets		**70.4**	71.1
Total current assets		**1,980.4**	1,960.3
Non-current assets			
Other receivables		**88.2**	82.7
Investments accounted for using the equity method	(6)	**222.2**	213.3
Property, plant and equipment		**2,748.2**	2,866.2
Intangible assets		**1,683.2**	1,697.9
Deferred tax assets		**336.3**	268.7
Other assets		**115.5**	75.3
Total non-current assets		**5,193.6**	5,204.1
Total assets		**7,174.0**	7,164.4
Current liabilities			
Trade payables		**882.3**	862.2
Other payables		**303.3**	336.7
Interest bearing liabilities	(9)	**27.5**	158.3
Provisions		**177.3**	193.2
Other liabilities		**114.3**	61.0
Total current liabilities		**1,504.7**	1,611.4
Non-current liabilities			
Other payables		**6.3**	6.1
Interest bearing liabilities	(9)	**2,204.8**	2,004.6
Provisions		**504.4**	485.8
Deferred tax liabilities		**84.0**	74.7
Other liabilities		**-**	13.8
Total non-current liabilities		**2,799.5**	2,585.0
Total liabilities		**4,304.2**	4,196.4
Net assets		**2,869.8**	2,968.0
Equity			
Ordinary shares	(5)	**2,124.8**	2,110.1
Reserves		**(429.7)**	(439.2)
Retained earnings		**1,116.4**	1,232.3
Total equity attributable to ordinary shareholders of Orica Limited		**2,811.5**	2,903.2
Non-controlling interests		**58.3**	64.8
Total equity		**2,869.8**	2,968.0

The Balance Sheet is to be read in conjunction w ith the accompanying notes.

Statement of Changes in Equity

For the period ended 31 March:

	Ordinary shares $m	Retained earnings $m	Foreign currency translation reserve $m	Cash flow hedge reserve $m	Other reserves $m	Total $m	Non-controlling interests $m	Total equity $m
2018								
Balance at 1 October 2017	2,068.5	1,459.6	(442.6)	(49.1)	(74.1)	2,962.3	1.2	2,963.5
(Loss)/profit for the period	-	(229.3)	-	-	-	(229.3)	12.4	(216.9)
Other comprehensive income/(loss)	-	7.6	103.0	9.4	-	120.0	(5.0)	115.0
Total comprehensive income/(loss) for the period	-	(221.7)	103.0	9.4	-	(109.3)	7.4	(101.9)
Transactions with owners, recorded directly in equity								
Total changes in contributed equity	23.1	-	-	-	-	23.1	-	23.1
Share-based payments expense	-	-	-	-	7.8	7.8	-	7.8
Dividends/distributions	-	(105.6)	-	-	-	(105.6)	-	(105.6)
Dividends declared/paid to non-controlling interests	-	-	-	-	-	-	(6.0)	(6.0)
Balance at the end of the period	2,091.6	1,132.3	(339.6)	(39.7)	(66.3)	2,778.3	2.6	2,780.9
2019								
Balance at 1 October 2018	**2,110.1**	**1,232.3**	**(280.9)**	**(24.8)**	**(133.5)**	**2,903.2**	**64.8**	**2,968.0**
AASB 9 transitional adjustment	**-**	**(11.0)**	**-**	**-**	**-**	**(11.0)**	**-**	**(11.0)**
Adjusted balance at 1 October 2018	**2,110.1**	**1,221.3**	**(280.9)**	**(24.8)**	**(133.5)**	**2,892.2**	**64.8**	**2,957.0**
Profit for the period	**-**	**32.9**	**-**	**-**	**-**	**32.9**	**0.4**	**33.3**
Other comprehensive income/(loss)	**-**	**(18.3)**	**5.1**	**(0.5)**	**-**	**(13.7)**	**3.7**	**(10.0)**
Total comprehensive income/(loss) for the period	**-**	**14.6**	**5.1**	**(0.5)**	**-**	**19.2**	**4.1**	**23.3**
Transactions with owners, recorded directly in equity								
Total changes in contributed equity	**14.7**	**-**	**-**	**-**	**-**	**14.7**	**-**	**14.7**
Share-based payments expense	**-**	**-**	**-**	**-**	**4.9**	**4.9**	**-**	**4.9**
Dividends/distributions	**-**	**(119.5)**	**-**	**-**	**-**	**(119.5)**	**-**	**(119.5)**
Dividends declared/paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(10.6)**	**(10.6)**
Balance at the end of the period	**2,124.8**	**1,116.4**	**(275.8)**	**(25.3)**	**(128.6)**	**2,811.5**	**58.3**	**2,869.8**

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the period ended 31 March:

	Notes	2019 $m Inflows/ (Outflows)	2018 $m Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		**3,100.9**	2,775.8
Payments to suppliers and employees		**(2,799.8)**	(2,652.3)
Interest received		**23.5**	26.0
Borrowing costs		**(84.3)**	(79.1)
Dividends received		**13.0**	16.0
Other operating revenue received		**8.3**	15.7
Net income taxes paid		**(78.0)**	(73.6)
Net cash flows from operating activities		**183.6**	28.5
Cash flows from investing activities			
Payments for property, plant and equipment		**(130.3)**	(70.6)
Payments for intangibles		**(58.8)**	(57.7)
Payments for investments		**(2.7)**	(13.1)
Payments for purchase of businesses/controlled entities		**(0.9)**	(247.8)
Proceeds from sale of, and other advances in relation to, property, plant and equipment		**63.6**	3.3
Disposal costs from sale of businesses/controlled entities		**(0.3)**	(2.1)
Net cash flows used in investing activities		**(129.4)**	(388.0)
Cash flows from financing activities			
Proceeds from long-term borrowings		**1,734.5**	1,654.6
Repayment of long-term borrowings		**(1,579.5)**	(1,394.5)
Net movement in short term financing		**(151.4)**	(7.4)
Dividends paid - Orica ordinary shares	(4)	**(106.8)**	(86.1)
Dividends paid - non-controlling interests		**(11.2)**	(7.2)
Payments for finance leases		**(0.3)**	(0.6)
Proceeds from issue of ordinary shares		**0.7**	0.6
Net cash (used in)/from financing activities		**(114.0)**	159.4
Net decrease in cash held		**(59.8)**	(200.1)
Cash at the beginning of the period		**511.4**	516.9
Effects of exchange rate changes on cash		**0.9**	10.7
Cash at the end of the period		**452.5**	327.5

Reconciliation of cash

Cash at the end of the period as shown in the statement of cash flows is reconciled to the accompanying notes as follows:

Cash	(9)	**464.5**	327.7
Bank overdraft		**(12.0)**	(0.2)
		452.5	327.5

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.

1. Accounting policies

The significant accounting policies adopted in preparing the financial report of Orica Limited ('the Company' or 'Orica') and of its controlled entities (collectively 'the Group') are stated below to assist in a general understanding of this Half Year Financial Report.

(i) Basis of preparation

This general purpose financial report for the half year reporting period ended 31 March 2019 has been prepared in accordance with the requirements of applicable Accounting Standards including: AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and other mandatory professional reporting requirements. It has been prepared on a historical cost basis, except for derivative financial instruments, superannuation commitments and investments in financial assets which have been measured at fair value as per the applicable standards. It is presented in Australian dollars which is the Group's presentation currency. The Group is domiciled in Australia.

It is recommended that the Half Year Financial Report is read in conjunction with the Annual Financial Report of Orica Limited as at 30 September 2018.

The amounts shown have been rounded off, except where otherwise stated, to the nearest tenth of a million dollars, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016.

(ii) Changes in accounting policies

The accounting policies applied by the Group in the Half Year Financial Report are the same as those applied by the Group in its consolidated financial report for the year ended 30 September 2018 except for new and amended standards and interpretations effective from 1 October 2018.

New and amended accounting standards and interpretations adopted

Effective from 1 October 2018 the Group adopted the following new accounting standards.

AASB 15 Revenue from Contracts with Customers

The Group adopted AASB 15 as of 1 October 2018 using the full retrospective approach. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. The adoption of AASB 15 did not have a material impact on the amount or timing of revenue recognised.

The Group's new revenue accounting policy is detailed below:

Revenue is recognised when, or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled. The majority of the Group's operations are conducted under Master Service Agreements which require customers to place orders for goods or services on a periodic basis. The performance obligations are identified at the point that the customer places the order.

Supply of products and provision of services

Revenue is derived from contractual agreements for either:

- the supply of products; or
- the supply of products and the provision of services.

Contracts for the supply of products are one performance obligation; and contracts for the supply of products and services include one or two separate performance obligations depending on whether the customer can benefit from the products independently of the services.

Product revenue is recognised when the goods are delivered to the contracted point of delivery as this is the point at which the customer gains control of the product and the performance obligation is satisfied by the Group.

Service revenue is recognised over time as the customer simultaneously receives and consumes the benefits of the Group's performance. Where products and services are combined into one single performance obligation, revenue will be recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

1. Accounting policies (continued)

Contracts to provide a designated output

The provision of goods and services in contracts that provide a designated quantity of output results in the identification of a single performance obligation to deliver an integrated service to the customer. Revenue from this performance obligation is recognised over time as the customer simultaneously receives and consumes the benefits of the Group's performance.

AASB 15 requires entities to provide disaggregated revenue disclosures in both the interim financial report as well as the annual financial report. For more details refer to note 2(c).

AASB 9 Financial Instruments

The Group adopted AASB 9 as of 1 October 2018. AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Impairment – Financial assets and contract assets

AASB 9 introduces an expected credit loss model for impairment of financial assets whereby losses are recognised as they are expected and not only when they are incurred. As reported in the 2018 Annual Report the Group conducted an assessment of AASB 9's impairment recognition requirements to trade debtors, including both quantitative information from historic credit losses as well as qualitative information on different customer/debtor profiles and segments. The revised methodology for calculation of impairment of trade and other receivables resulted in allowances for doubtful debts increasing by $14.6 million, an increase in deferred tax assets of $3.6 million and a decrease in opening retained earnings of $11.0 million as at 1 October 2018.

Hedge accounting

As a result of the implementation of AASB 9 the Group has ensured that hedge accounting relationships are aligned with the Group's risk management objectives and strategy and have applied a qualitative and forward-looking approach to assessing hedge effectiveness. The Group currently applies hedge accounting for all three hedge types: cash flow hedges, fair value hedges and hedges of net investments in foreign operations. Existing hedge relationships have continued to qualify as continuing hedge relationships following adoption of the new standard. There was no material impact to the Group's financial statements arising from the changes to hedge accounting.

A number of other new standards are effective and have been adopted from 1 October 2018, but they do not have a material impact on the Group's Half Year Financial Report.

Amended accounting standards and interpretations issued but not yet effective

The following new accounting standards have been issued or amended but are not yet effective.

AASB 16 Leases

AASB 16 is applicable for annual reporting periods commencing on or after 1 January 2019. It will be effective for the Group from 1 October 2019. The Group has chosen not to early adopt AASB 16. AASB 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right of use asset and a lease liability representing its obligation to make lease payments. In addition, the nature of expenses related to those leases will now change as AASB 16 replaces the straight-line operating lease expense with a depreciation charge for right of use assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group will apply the modified retrospective approach on transition, whereby prior period comparative financial statements are not restated on the initial date of application, being 1 October 2019.

AASB 16 will have a material impact on the Group's financial statements. The impact on transition will depend on future economic conditions, including the Group's borrowing rate at 1 October 2019, the composition of the Group's lease portfolio at that date, the Group's latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions. The lease liability is expected to be in the range of $190 million to $230 million.

1. Accounting policies (continued)

AASB Interpretation 23 Uncertainty over Income Tax Treatments

AASB Interpretation 23 is applicable for annual reporting periods commencing on or after 1 January 2019. It will be effective for the Group from 1 October 2019. The Group has chosen not to early adopt this interpretation.

This interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 *Income Taxes*. The interpretation does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Group has not yet determined the extent of the impact, if any, of this interpretation.

2. Segment report

(a) Identification and description of segments

Orica's reportable segments are based on the internal management structure as reported to the Group's Chief Operating Decision Maker (the Group's Managing Director and Chief Executive Officer).

Reportable segments	Products/services
▪ Australia Pacific & Asia ▪ North America ▪ Latin America ▪ Europe, Middle East & Africa	Manufacture and supply of commercial explosives and blasting systems including technical services and solutions to the mining and infrastructure markets, and supply of mining chemicals including sodium cyanide for gold extraction.
▪ Minova	Minova is a provider of chemical and mechanical earth control products, adhesives and ground support solutions for the underground mining, construction, tunnelling and civil engineering industries.
▪ Auxiliaries	Manufacture and supply of advanced hardware and software solutions to the mining industry and specialist consultation for blasting and rock engineering, vibration control and surveys.
▪ Global Support	Corporate and support costs which cannot otherwise be allocated to other segments on a reasonable basis, operation of legacy environmental sites and non-operating assets.

2. Segment report (continued)

(b) Reportable segments 2019 $m	Australia Pacific & Asia	North America	Latin America	Europe, Middle East & Africa	Minova	Auxiliaries	Global Support	Eliminations	Consolidated
Revenue									
External sales	963.3	679.7	419.2	422.4	289.4	54.9	-	-	2,828.9
Inter-segment sales	22.3	103.3	31.8	17.8	1.8	0.4	620.8	(798.2)	-
Total sales revenue	985.6	783.0	451.0	440.2	291.2	55.3	620.8	(798.2)	2,828.9
Other income (refer to note 2d)[1]	6.9	1.2	1.8	1.8	-	0.4	2.4	-	14.5
Total revenue and other income	992.5	784.2	452.8	442.0	291.2	55.7	623.2	(798.2)	2,843.4
Results before individually significant items									
Profit/(loss) before financing costs and income tax	173.6	93.6	18.6	29.8	6.9	10.0	(31.4)	-	301.1
Financial income									24.1
Financial expenses									(80.3)
Profit before income tax expense									244.9
Income tax expense									(77.8)
Profit after income tax expense									167.1
Less: Profit attributable to non-controlling interests									(0.4)
Profit after income tax expense before individually significant items attributable to shareholders of Orica Limited									166.7
Individually significant items (refer to note 2e)									
Gross individually significant items	(155.0)	-	-	-	-	-	(36.1)	-	(191.1)
Tax on individually significant items	46.5	-	-	-	-	-	10.8	-	57.3
Net individually significant items attributable to non-controlling interests									-
Individually significant items attributable to shareholders of Orica									(133.8)
Profit for the period attributable to shareholders of Orica Limited									32.9
Segment assets	3,047.1	986.1	535.9	685.9	215.7	240.6	1,462.7	-	7,174.0
Segment liabilities	558.8	204.8	182.7	227.5	79.0	39.5	3,011.9	-	4,304.2
Investments accounted for using the equity method	7.1	191.0	9.6	1.3	-	-	13.2	-	222.2
Acquisitions of PPE and intangibles	74.6	9.4	8.6	17.9	3.0	4.6	64.0	-	182.1
Impairment of PPE	-	-	-	-	-	-	-	-	-
Impairment of intangibles	-	-	-	-	-	-	36.1	-	36.1
Impairment of inventories	0.6	0.8	1.6	-	2.8	-	4.3	-	10.1
Impairment of trade receivables	2.0	-	0.5	0.1	0.6	0.2	0.4	-	3.8
Depreciation and amortisation	61.8	21.8	11.6	13.5	4.3	4.3	18.4	-	135.7
Non-cash expenses: share based payments	1.2	0.9	0.7	0.9	0.1	-	2.2	-	6.0
Share of net profit of associates accounted for using the equity method	0.4	13.2	1.4	0.4	-	-	-	-	15.4

(1) Includes foreign currency gains/(losses) in various reportable segments.

2. Segment report (continued)

(b)

Reportable segments 2018 $m	Australia Pacific & Asia	North America	Latin America	Europe, Middle East & Africa	Minova	Auxiliaries	Global Support	Eliminations	Consolidated
Revenue									
External sales	871.3	603.7	406.2	382.9	236.9	25.9	5.1	-	2,532.0
Inter-segment sales	24.3	85.2	30.4	8.5	1.9	-	516.4	(666.7)	-
Total sales revenue	895.6	688.9	436.6	391.4	238.8	25.9	521.5	(666.7)	2,532.0
Other income (refer to note 2d)[(1)]	2.4	2.0	(0.5)	1.4	0.3	0.4	6.4	-	12.4
Total revenue and other income	898.0	690.9	436.1	392.8	239.1	26.3	527.9	(666.7)	2,544.4
Results before individually significant items									
Profit/(loss) before financing costs and income tax	166.7	87.7	18.6	19.1	(4.3)	(1.2)	(35.1)	-	251.5
Financial income									26.0
Financial expenses									(80.1)
Profit before income tax expense									197.4
Income tax expense									(60.6)
Profit after income tax expense									136.8
Less: Profit attributable to non-controlling interests									(13.2)
Profit after income tax expense before individually significant items attributable to shareholders of Orica Limited									123.6
Individually significant items (refer to note 2e)									
Gross individually significant items	(114.7)	-	-	-	(204.2)	-	(21.2)	-	(340.1)
Tax on individually significant items	34.4	(55.0)	-	-	0.6	-	6.4	-	(13.6)
Net individually significant items attributable to non-controlling interests									(0.8)
Individually significant items attributable to shareholders of Orica									(352.9)
Loss for the period attributable to shareholders of Orica Limited									(229.3)
Segment assets	3,013.4	929.1	579.6	699.7	219.6	222.0	1,254.5	-	6,917.9
Segment liabilities	441.4	201.1	173.3	208.8	59.9	27.9	3,024.6	-	4,137.0
Investments accounted for using the equity method	7.0	172.0	6.1	1.2	-	-	10.6	-	196.9
Acquisitions of PPE and intangibles	46.7	12.2	12.3	14.5	5.0	1.5	59.3	-	151.5
Impairment of PPE	-	-	-	-	-	-	6.7	-	6.7
Impairment of intangibles	-	-	-	-	197.0	-	14.5	-	211.5
Impairment of inventories	0.1	0.5	1.3	0.5	2.5	-	1.4	-	6.3
Impairment of trade receivables	0.1	-	-	2.9	0.2	-	-	-	3.2
Depreciation and amortisation	59.9	19.8	12.2	11.7	3.8	1.4	18.6	-	127.4
Non-cash expenses: share based payments	1.4	1.2	0.8	1.3	0.5	-	2.6	-	7.8
Share of net profit of associates accounted for using the equity method	(0.1)	10.0	1.2	(0.3)	-	-	-	-	10.8

[(1)] Includes foreign currency gains/(losses) in various reportable segments.

2. Segment report (continued)

	Consolidated 2019 $m	Consolidated 2018 $m
(c) Disaggregation of revenue (by commodity/industry)		
Gold	**568.9**	490.1
Thermal Coal	**493.8**	450.0
Copper	**374.8**	357.3
Quarry and Construction	**342.1**	316.2
Minova	**289.4**	236.9
Iron Ore	**198.0**	168.1
Coking Coal	**138.2**	126.7
Auxiliaries	**54.9**	25.9
Other	**368.8**	360.8
Total disaggregated revenue	**2,828.9**	2,532.0

	Consolidated 2019 $m	Consolidated 2018 $m
(d) Other income		
Other income	**8.3**	15.7
Net foreign currency gains/(losses)	**2.7**	(3.9)
Net profit on sale of property, plant and equipment	**3.5**	0.6
Total other income	**14.5**	12.4

	2019 Gross $m	2019 Tax $m	2019 Net $m	2018 Gross $m	2018 Tax $m	2018 Net $m
(e) Individually significant items						
Profit after income tax includes the following individually significant items:						
Write down of property, plant & equipment [(1)]	**(155.0)**	**46.5**	**(108.5)**	-	-	-
Impairment of other assets [(1)]	**(36.1)**	**10.8**	**(25.3)**	(21.2)	6.4	(14.8)
Impairment of Minova business	**-**	**-**	**-**	(204.2)	0.6	(203.6)
Botany environmental provision expense	**-**	**-**	**-**	(114.7)	34.4	(80.3)
Write down of US deferred tax assets	**-**	**-**	**-**	-	(55.0)	(55.0)
Individually significant items	**(191.1)**	**57.3**	**(133.8)**	(340.1)	(13.6)	(353.7)
Non-controlling interests in individually significant items	**-**	**-**	**-**	0.8	-	0.8
Individually significant items attributable to shareholders of Orica	**(191.1)**	**57.3**	**(133.8)**	(339.3)	(13.6)	(352.9)

(1) Refer to note 11

(f) Geographical segments

The presentation of geographical revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue 2019 $m	Revenue 2018 $m	Non-current assets [(1)] 2019 $m	Non-current assets [(1)] 2018 $m
Australia	**747.4**	675.1	**2,588.9**	2,609.3
United States of America	**446.7**	341.2	**343.7**	309.6
Other [(2)]	**1,634.8**	1,515.7	**1,826.1**	1,818.4
Consolidated	**2,828.9**	2,532.0	**4,758.7**	4,737.3

(1) Excluding: financial derivatives (included within other assets and other liabilities), deferred tax assets and post-employment benefit assets.

(2) Other than Australia and United States of America, sales to other countries are individually less than 10% of the Group's total revenues.

3. Earnings per share (EPS)

	Consolidated 2019 $m	2018 $m
(a) As reported in the Income Statement		
Net profit/(loss) for the period from continuing operations	**33.3**	(216.9)
Less: Net profit for the period attributable to non-controlling interests	**(0.4)**	(12.4)
Total	**32.9**	(229.3)

	Number of shares	
Weighted average number of shares used in the calculation:		
Number for basic earnings per share	**379,673,707**	377,738,885
Number for diluted earnings per share	**381,118,344**	380,875,521

	Cents per share	Cents per share
Total attributable to ordinary shareholders of Orica Limited		
Basic earnings/(loss) per share	**8.7**	(60.7)
Diluted earnings/(loss) per share	**8.6**	(60.7)

(b) Adjusted for individually significant items	Consolidated 2019 $m	2018 $m
Reconciliation of earnings used in the calculation of EPS adjusted for individually significant items attributable to ordinary shareholders of Orica Limited		
Earnings/(loss) used in calculation of basic EPS attributable to ordinary shareholders of Orica Limited	**32.9**	(229.3)
Adjusted for individually significant items (refer to note 2 (e))	**133.8**	352.9
Earnings used in calculation of EPS attributable to ordinary shareholders of Orica Limited	**166.7**	123.6

	Cents per share	Cents per share
Total attributable to ordinary shareholders of Orica Limited before individually significant items		
Basic earnings per share (1)	**43.9**	32.7
Diluted earnings per share (1)	**43.7**	32.5

(1) Earnings per share before individually significant items is a non-IFRS measure. Management excludes individually significant items from the calculation in order to enhance the comparability from period-to-period and provide our investors with further clarity in order to assess the underlying performance of our operations.

4. Dividends and distributions

	Consolidated 2019 $m	2018 $m
Dividends paid or declared in respect of the half year ended 31 March were:		
Ordinary shares		
final dividend of 28.0 cents per share, unfranked, paid 8 December 2017		105.6
final dividend of 31.5 cents per share, unfranked, paid 7 December 2018	**119.5**	
Dividends paid in cash or satisfied by the issue of shares under the Dividend Reinvestment Plan (DRP) during the half year were as follows:		
paid in cash	**106.8**	86.1
DRP - satisfied by issue of shares	**12.7**	19.5

Subsequent events
Since the end of the half year, the directors declared the following dividend:
Interim dividend on ordinary shares of 22.0 cents per share, unfranked, payable 1 July 2019.

The DRP continues to be available to eligible shareholders. For the interim dividend, shares will be allocated based on the arithmetic average of the daily volume weighted average market price of all shares sold through a normal trade on the ASX for a period of 7 days from 5 to 14 June 2019 inclusive. The last date for receipt of election notices for participation in the interim dividend under the DRP is Monday 3 June 2019. Shares issued pursuant to the DRP will rank equal to all other ordinary shares. No discount applies to the DRP.

Conduit foreign income (CFI) component:

Interim dividend:				Interim dividend:			
Current period	-	Ordinary	22.0 cents	Previous period	-	Ordinary	20.0 cents

5. Contributed equity

Movements in issued and fully paid shares of Orica since 1 October 2017 were as follows:

Details	Date	Number of shares	Issue price $	$m
Ordinary shares				
Opening balance of shares issued	1 Oct 17	377,039,027		2,068.5
Shares issued under the Orica DRP	8 Dec 17	1,117,317	17.42	19.5
Deferred shares issued to settle Short-Term Incentive		-		3.0
Shares issued under the Orica GEESP plan (1)		-		0.6
Balance at the end of the period	31 Mar 18	378,156,344		2,091.6
Balance at the end of year	30 Sep 18	379,214,789		2,110.1
Shares issued under the Orica DRP	7 Dec 18	726,287	17.48	12.7
Deferred shares issued to settle Short-Term Incentive		-		1.3
Shares issued under the Orica GEESP plan (1)		-		0.7
Balance at the end of the period	**31 Mar 19**	**379,941,076**		**2,124.8**

(1) Shares issued under the Orica General Employee Exempt Share Plan.

5. Contributed equity (continued)

Rights over unissued shares:

Vesting date	Balance 30 Sep 17	Issued during the period	Exercised during the period	Lapsed during the period	Balance 31 Mar 18
30 Nov 20	-	1,751,427	-	(46,407)	1,705,020
30 Nov 19	96,649	-	-	-	96,649
30 Nov 19	1,659,139	-	-	(83,416)	1,575,723
30 Nov 18	1,928,189	-	-	(58,130)	1,870,059
30 Nov 18	146,681	-	-	(6,667)	140,014
30 Nov 17	1,036,602	-	-	(1,036,602)	-
Various	70,934	25,000	(40,501)	-	55,433
Total	4,938,194	1,776,427	(40,501)	(1,231,222)	5,442,898

Rights over unissued shares:

Vesting date	Balance 30 Sep 18	**Issued during the period**	**Exercised during the period**	**Lapsed during the period**	**Balance 31 Mar 19**
30 Nov 21	-	**1,934,501**	**-**	**(8,569)**	**1,925,932**
30 Nov 20	117,150	**-**	**-**	**(1,691)**	**115,459**
30 Nov 20	1,623,852	**-**	**-**	**(26,036)**	**1,597,816**
30 Nov 19	93,028	**-**	**-**	**(3,139)**	**89,889**
30 Nov 19	1,510,610	**-**	**-**	**(11,196)**	**1,499,414**
30 Nov 18	140,014	**-**	**(33,498)**	**(106,516)**	**-**
30 Nov 18	1,815,125	**-**	**(386,587)**	**(1,428,538)**	**-**
Various	84,653	**11,117**	**(28,121)**	**-**	**67,649**
Total	5,384,432	**1,945,618**	**(448,206)**	**(1,585,685)**	**5,296,159**

6. Investments accounted for using the equity method

The table below shows the material investments (based on carrying values). All other investments are included in Other.

		Ownership		Consolidated Carrying amount	
Name	**Principal activity**	**2019 %**	2018 %	**Mar 2019 $m**	Sep 2018 $m
Southwest Energy LLC [(1)]	Sale of explosives	**50.0**	50.0	**115.6**	112.8
Nelson Brothers, LLC [(1)]	Manufacture and sale of explosives	**50.0**	50.0	**41.3**	39.8
Nelson Brothers Mining Services LLC [(1)]	Sale of explosives	**50.0**	50.0	**33.6**	34.2
DataCloud International Inc. [(1)] [(3)]	Software development and technology	**12.6**	11.4	**11.8**	9.2
Orica Mining Services Pilbara Pty Ltd [(2)]	Sale of explosives	**50.0**	50.0	**6.8**	6.4
Other	Various			**13.1**	10.9
				222.2	213.3

[(1)] Entities are incorporated in USA.
[(2)] Entity is incorporated in Australia.
[(3)] Increase in ownership on 4 December 2018.

All have balance dates of 30 September except DataCloud International Inc. which has a balance date of 31 December.

7. Businesses acquired

Consolidated – 2019

The Group has not acquired any businesses or entities in the period to 31 March 2019.

Accounting standards permit a measurement period of up to one year during which acquisition accounting can be finalised following the acquisition date. The Group have finalised acquisition accounting on the GroundProbe acquisition which occurred on 15 December 2018, resulting in an adjustment to the deferred tax liability and a corresponding reduction in goodwill.

	$m
Goodwill as at 1 October 2018	**116.4**
Adjusted deferred tax liability	**(6.3)**
Goodwill as at 31 March 2019	**110.1**

Consolidated – 2018

2018	Yara Pilbara Nitrates Pty Ltd $m	GroundProbe Group $m	Total $m
Consideration			
cash paid	42.6	210.6	253.2
net cash acquired	(1.9)	(2.7)	(4.6)
Outflow of cash	40.7	207.9	248.6
deferred settlement	0.8	-	0.8
Total consideration	41.5	207.9	249.4
Fair value of net assets of businesses/controlled entities acquired			
trade and other receivables	1.5	19.7	21.2
inventories	0.3	7.5	7.8
property, plant and equipment	46.0	8.6	54.6
intangibles	0.1	66.3	66.4
other assets	0.6	3.8	4.4
payables and interest bearing liabilities	(1.5)	(4.5)	(6.0)
provision for employee entitlements	-	(2.3)	(2.3)
provision for decommissioning	(2.1)	-	(2.1)
other provisions	(3.4)	(7.6)	(11.0)
Goodwill on acquisition	-	116.4	116.4

The Group acquired the following businesses and entities (100% unless stated otherwise):

- Yara Pilbara Nitrates Pty Ltd, on 18 December 2017, Orica acquired an additional 5% shareholding
- GP Holdco Pty Ltd and its Companies (GroundProbe Group) on 15 January 2018.

The unaudited information at the time of acquisition was compiled by Orica management based on financial information available to Orica during due diligence and assuming no material transactions between Orica and the acquired businesses.

Goodwill on the purchase of the GroundProbe Group is attributable mainly to the skills and technical talent of the acquired business' work forces and the synergies expected to be achieved from integrating this business. None of the goodwill recognised is expected to be deductible for income tax purposes.

8. Taxation

	Consolidated 2019 $m	2018 $m
a) Income tax expense recognised in the Income Statement		
Current tax expense		
Current period	**60.0**	40.5
Deferred tax	**(46.1)**	(26.9)
Write down of US deferred tax assets	**-**	55.0
Under provided in prior years	**6.6**	5.6
Total income tax expense in income statement	**20.5**	74.2
b) Reconciliation of income tax expense to prima facie tax payable		
Income tax expense/(benefit) attributable to profit before individually significant items		
Profit from operations before individually significant items	**244.9**	197.4
Prima facie income tax expense calculated at 30% on profit	**73.5**	59.2
Tax effect of items which (decrease)/increase tax expense:		
variation in tax rates of foreign controlled entities	**(11.7)**	(11.3)
tax under provided in prior years	**6.6**	5.6
non allowable share based payments	**1.8**	2.3
non allowable interest deductions	**7.6**	3.8
non creditable withholding taxes	**3.7**	5.1
utilisation of unbooked prior year tax losses	**(7.2)**	(8.2)
other	**3.5**	4.1
Income tax expense attributable to profit before individually significant items	**77.8**	60.6
Income tax expense attributable to individually significant items		
Loss from individually significant items	**(191.1)**	(340.1)
Prima facie income tax expense calculated at 30% on individually significant items	**(57.3)**	(102.0)
Tax effect of items which increase tax expense:		
impairment of Minova business	**-**	60.6
write down of US deferred tax assets	**-**	55.0
Income tax expense attributable to loss on individually significant items	**(57.3)**	13.6
Income tax expense reported in the Income Statement	**20.5**	74.2

9. Financial instruments

(a) Standby arrangements and credit facilities

Reconciliation of net debt:

	Mar 2019 $m	Sep 2018 $m
Current interest bearing liabilities	**27.5**	158.3
Non-current interest bearing liabilities	**2,204.8**	2,004.6
Less cash and cash equivalents	**(464.5)**	(514.6)
Net debt	**1,767.8**	1,648.3

Credit facilities:		
Unsecured bank overdraft facilities available	**100.3**	99.1
Amount of facilities undrawn	**88.3**	99.1
Committed standby and loan facilities available	**3,454.6**	3,544.9
Amount of facilities unused	**1,229.5**	1,382.6

The bank overdrafts are payable on demand and are subject to an annual review. The maturity dates of the committed standby and loan facilities range from 27 May 2020 to 25 October 2030 (Sep 2018: 7 October 2018 to 25 October 2030).

(b) Fair value hierarchy

Valuation of financial assets and liabilities (included within other on Balance Sheet)

The carrying value of derivatives equals their fair values. They are defined as Level 2 under AASB 7 *Financial Instruments: Disclosures.* The inputs are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices). There has been no movement between levels since September 2018.

Valuation techniques include, where applicable, reference to prices quoted in active markets, discounted cash flow analysis, fair value of recent arm's length transactions involving the same instruments or other instruments that are substantially the same, and option pricing models. Changes in default probabilities are included in the valuation of derivatives through the use of credit and debit valuation adjustments.

The fair value of forward exchange contracts are calculated by reference to forward exchange market rates for contracts within similar maturity profiles at the time of valuation.

The fair values of cross currency interest rate swaps and interest rate swaps and other financial liabilities measured at fair value are determined using valuation techniques which utilise data from observable markets. Assumptions are based on market conditions existing at each balance date. The fair value is calculated as the present value of the estimated future cash flows using an appropriate market based yield curve, which is independently derived and representative of Orica's cost of borrowings.

10. Critical accounting judgements and estimates

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at the year ended 30 September 2018.

11. Individually significant items

(a) Write down of property, plant and equipment

The Group owns a 50% interest of Yara Pilbara Nitrates Pty Ltd (YPN), with the remaining shares being held by subsidiaries in the Yara International ASA group. YPN owns and will operate a 330,000 tonnes per annum industrial grade technical ammonium nitrate plant (TAN plant) on the Burrup Peninsula (Western Australia, Australia). For accounting purposes YPN is a joint operation and Orica recognises its share of any jointly held or incurred assets, liabilities, revenues and expenses in the consolidated financial statements.

Rectification works at the TAN plant are progressing in line with expectations. As these rectification and capital works have progressed over the last 6 months, the Group has identified a number of assets that are considered to be defective and require replacement. In connection with this, the Group has recognised a write down charge of $155 million.

YPN has previously received a Performance Bond payment from Tecnicas Reunidas (TR) who were engaged to develop the plant. Part of the Performance Bond was called to cover the rectification costs. Given the ongoing arbitration, the amount received in respect of the Performance Bond has not been recognised as income and is included in Other Liabilities (current) pending resolution of the dispute.

(b) Impairment of IT assets

As part of the transition to the new SAP operating system, Orica identified $36.1 million of IT assets that were no longer being utilised by the business.

12. Contingent liabilities

There have been no significant developments with respect to the contingent liabilities, primarily relating to environmental and taxation matters, disclosed in the Annual Report for the year ended 30 September 2018. Updates to specific individual contingent liabilities are set out below:

Taxation

(i) Brazilian Tax Action

The Brazilian Taxation Authority (BTA) is claiming unpaid taxes, interest and penalties of approximately $40 million for the 1997 financial year relating to an alleged understatement of income based on an audit of production records. Orica believes the auditor has misread those production records. ICI plc, the vendor of the business to Orica, has been notified to preserve Orica's rights under the tax indemnity obtained upon acquisition of the business which provides indemnity for amounts exceeding certain limits. The BTA has been granted a bank guarantee of up to approximately $40 million.

(ii) Australian Tax Audit

As a result of an income tax audit covering the 2010 to 2011 years, the Australian Taxation Office (ATO) has challenged Orica's tax returns in relation to thin capitalisation valuations of land and buildings and intellectual property resulting in a denial of interest deductions. Assessments for 2010 to 2015 amounting to approximately $48 million have been received from the ATO. Interest and penalties for this period have been assessed by the ATO at approximately $25 million. Orica believes that the valuations are in accordance with the tax law and has lodged objections against the assessments.

(iii) Ghana Tax Audit

As a result of tax audits covering the 2011 to 2016 years, the Ghana tax authority has issued assessments including interest and penalties of approximately $13 million in relation to Value Added Tax (VAT) documentation. Orica believes that the required documentation is available and is disputing this assessment.

13. Events subsequent to balance date

On 8 May 2019, the directors declared an interim dividend of 22.0 cents per ordinary share payable on 1 July 2019. The financial effect of this dividend is not included in the financial statements for the period ended 31 March 2019 and will be recognised in the 30 September 2019 financial statements.

The directors have not become aware of any other significant matter or circumstance that has arisen since 31 March 2019, that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in this report.

Orica Limited and its Controlled Entities
Directors' Declaration on the Financial Report set out on pages 3 to 21

In accordance with a resolution of the Directors of Orica Limited, we state that:

In the Directors' opinion:

(a) the financial statements and notes, set out on pages 3 to 21, are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position of the Group as at 31 March 2019 and of its performance for the half year ended on that date; and

  (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

M W Broomhead
Chairman

A Calderon
Managing Director and Chief Executive Officer

Dated at Melbourne this 8th day of May 2019.

Orica Limited and its Controlled Entities

Directors' Report

The directors of Orica Limited (Orica) present the consolidated financial report in the form of Appendix 4D of the Australian Stock Exchange (ASX) Listing Rules, for the period ended 31 March 2019 and the auditor's review report thereon.

Directors

The directors of the Company during or since the end of the half year are:

M W Broomhead, Chairman

A Calderon, Managing Director and Chief Executive Officer

M N Brenner

I D Cockerill

Lim C O

D W Gibson

K A Moses

G T Tilbrook

S F Boon (appointed 6 May 2019)

K Gray is Company Secretary of Orica.

Review and results of operations

A review of the operations of the Group during the period and of the results of those operations is contained in the accompanying Orica Limited Half Year Results Analyst Presentation.

Events subsequent to balance date

The directors have not become aware of any significant matter or circumstance (other than referred to in note 13) that has arisen since 31 March 2019, that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in this report.

Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 24.

Rounding

The amounts shown in this report and in the financial statements have been rounded off, except where otherwise stated, to the nearest tenth of a million dollars, the Company being in a class specified in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016.

Signed on behalf of the board in accordance with a resolution of the Directors of Orica Limited.

M W Broomhead
Chairman

A Calderon
Managing Director and Chief Executive Officer

Dated at Melbourne this 8th day of May 2019.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Orica Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Orica Limited for the half-year ended 31 March 2019 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Penny Stragalinos
Partner
Melbourne, Australia
8 May 2019

KPMG

Independent Auditor's Review Report

To the shareholders of Orica Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Orica Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Orica Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 March 2019 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated balance sheet as at 31 March 2019;
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises Orica Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 March 2019 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Orica Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

KPMG

Penny Stragalinos

Partner

Melbourne

8 May 2019