ASX RELEASE

9 MAY 2019

IMPROVED OPERATING PERFORMANCE AND MANUFACTURING RELIABILITY DELIVERS STRONGER FIRST HALF RESULT

Melbourne: Orica (ASX: ORI) today announced a Statutory Net Profit After Tax (NPAT) for the six months to 31 March 2019 of $33 million. NPAT of $167 million, before individually significant items, was up 35% on the prior corresponding period.

Orica Managing Director Alberto Calderon said: "This result demonstrates growing momentum in Orica's business driven by stronger operating leverage. Improved operational performance across all regions and businesses, sustainable overhead reductions and improved manufacturing performance, each contributed to significant Earnings Before Interest and Tax (EBIT) uplift in this half.

"In the first half of this year we have delivered higher Ammonium Nitrate (AN) volumes (+3%) and higher sales revenue (+12%) driving 20% EBIT growth."

"Our performance has been supported by contract wins and growing demand from existing customers in our key Australian and Latin American markets, improved performance in our manufacturing operations and fewer unplanned maintenance shutdowns. The commercial environment for Orica's business is also improving as prices firm and the market moves towards supply / demand balance."

Orica continues to make good progress with the commercialisation of innovative blasting solutions that improve mine productivity and lower customer operating costs. The performance of the GroundProbe business exceeds its investment case and is expected to meet its 15% Return on Net Assets target earlier than anticipated.

The rectification works at the Burrup Technical Ammonium Nitrate (TAN) plant are progressing. The statutory result announced today also reflects non-cash adjustments of defective equipment, which is being replaced at the plant, as announced on 29 April 2019. The Burrup plant remains an important part of Orica's domestic supply strategy and holds long term commercial and strategic value to the company. It is expected the plant will be essentially loaded in FY20.

Individually significant items of $191 million ($134 million after tax) for the non-cash write-down of defective Burrup assets and the impairment of IT assets has been recognised in the period.

Capital Management and Dividends

Group gearing at 38.1% provides for a strong balance sheet and the company retains strong liquidity.

The Board has declared an unfranked interim ordinary dividend of 22.0 cents per share payable on 1 July 2019. The dividend represents a payout ratio of 50%. The Board anticipates the full year dividend will be partially franked.

Outlook

Commenting on the full year outlook Mr Calderon said: "The outlook for the full year result remains unchanged from our prior guidance in November 2018 with our earnings weighted approximately 45/55 across the halves. Lower utilisation from the Burrup plant in the second half is expected to be mitigated by accelerated business improvement initiatives.

"Going forward we continue to expect stronger EBIT in the second half of 2019 supported by AN volume growth and firm pricing, further improvement in operating performance and efficiency as well as ongoing growth in Orica's technology and advanced services offerings."

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ABOUT ORICA

Orica (ASX: ORI) is the world's largest provider of commercial explosives and innovative blasting systems to the mining, quarrying, oil and gas and construction markets, a leading supplier of sodium cyanide for gold extraction, and a specialist provider of ground support services in mining and tunnelling.

For more information about Orica, please visit: www.orica.com

Orica Limited

Results for the half year ended 31 March 2019

Stronger first half operating performance

Statutory net profit after tax (NPAT) attributable to the shareholders of Orica for the half year ended 31 March 2019 was $33 million; NPAT before individually significant items[(1)] was $167 million, up 35% on the prior corresponding period (pcp)

Summary

- EBIT[(2)] up 20% on the pcp with strong business performance across all regions and improvement in manufacturing operations
- Ammonium nitrate (AN) volumes up 3% on the pcp at 1.88 million tonnes
- Sales revenue increased by 12% from higher volumes and services, introduction of new technologies, favourable foreign exchange movements and higher input commodity prices
- Individually significant items of $134 million after tax relating to the non-cash write down of Burrup related defective assets and impairment of other assets
- Net operating and investing cash inflows[(3)] of $54 million
- Capital expenditure of $189 million[(4)]
- Net debt[(5)] of $1.8 billion and gearing[(6)] at 38.1%
- Interim dividend of 22.0 cents per share, unfranked, represents payout ratio of 50% of underlying earnings before individually significant items

Group Results

Half Year ended 31 March	2019 A$M	2018 A$M	Change %
Sales revenue	2,828.9	2,532.0	12%
EBITDA[(7)]	436.8	378.9	15%
EBIT	**301.1**	**251.5**	**20%**
Net interest expense	(56.2)	(54.1)	4%
Tax expense	(77.8)	(60.6)	28%
Non-controlling interests	(0.4)	(13.2)	(97%)
NPAT before individually significant items[(1)]	**166.7**	**123.6**	**35%**
Individually significant items after tax	(133.8)	(352.9)	62%
NPAT after individually significant items (statutory)	**32.9**	**(229.3)**	**114%**

Note: numbers in this report are subject to rounding and stated in Australian dollars unless otherwise noted

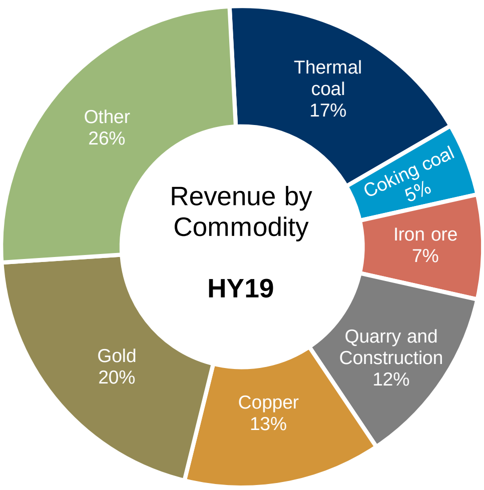
Business Summary

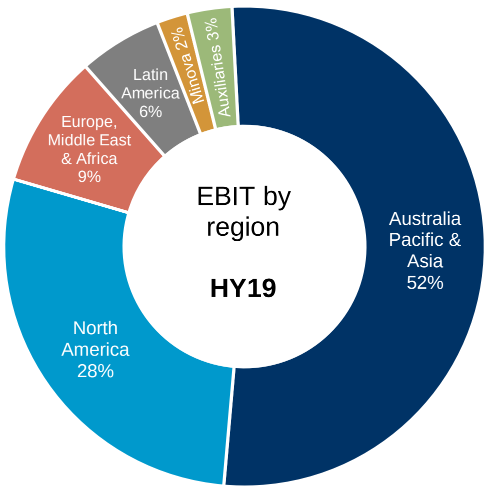
A summary of the performance of the segments for the March 2019 and March 2018 half years is presented below:

Half Year ended 31 March 2019 A$M	AN Tonnes (i) ('000)	Sales Revenue (ii)	EBITDA	EBIT	Capital Expenditure
Australia Pacific & Asia (APA)	773	985.6	235.4	173.6	81.5
North America	560	783.0	115.4	93.6	9.3
Latin America	331	451.0	30.2	18.6	8.2
Europe, Middle East & Africa (EMEA)	216	440.2	43.3	29.8	15.9
Minova	-	291.2	11.2	6.9	2.9
Auxiliaries	2	55.3	14.3	10.0	4.9
Global Support	-	620.8	(13.0)	(31.4)	66.5
Eliminations	-	(798.2)	-	-	-
Orica Group	**1,882**	**2,828.9**	**436.8**	**301.1**	**189.1**

Half Year ended 31 March 2018 A$M	AN Tonnes (i) ('000)	Sales Revenue (ii)	EBITDA	EBIT	Capital Expenditure
Australia Pacific & Asia (APA)	742	895.6	226.6	166.7	40.6
North America	560	688.9	107.5	87.7	12.4
Latin America	301	436.6	30.8	18.6	12.3
Europe, Middle East & Africa (EMEA)	227	391.4	30.8	19.1	14.9
Minova	-	238.8	(0.5)	(4.3)	4.9
Auxiliaries	-	25.9	0.2	(1.2)	1.5
Global Support	-	521.5	(16.5)	(35.1)	41.7
Eliminations	-	(666.7)	-	-	-
Orica Group	**1,830**	**2,532.0**	**378.9**	**251.5**	**128.3**

(i) Includes ammonium nitrate prill and solution as well as bulk and packaged emulsion
(ii) Includes external and inter-segment sales





Note: The above charts exclude Global Support and Eliminations

Review of Operations

Our priority is to ensure employees return home safely every day. Importantly, there were no fatalities in the first half of 2019. Sustaining this performance remains our primary goal and focus for the balance of 2019 and beyond. During the half our approach to safety continued to be centred on the rigorous verification of our Key Controls. We completed more than 4,200 Key Control Verifications during the half. Key Control Verification is a practical way our leaders and employees live and demonstrate our commitment to sustained fatality and serious injury prevention.

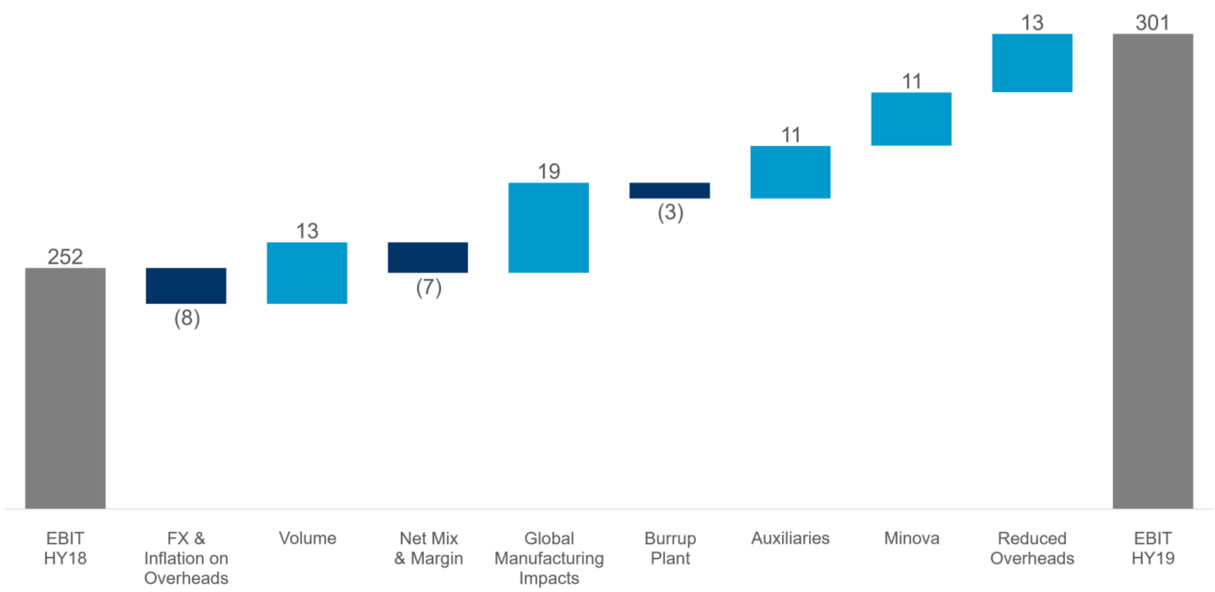
We have continued our focus on raising awareness and improving our understanding of high potential incidents (HPI). The improved HPI reporting culture across Orica represents a significant learning opportunity and has helped to drive transparency around existing and emerging risks; enable trend analysis; highlight hot spots requiring intervention; and allow us to apply the learnings across the organisation.

The total recordable injury frequency rate for the half is 2.85 cases per million hours worked. The analysis on the drivers behind this will see specific actions at targeted sites.

AN volumes were up 3% on the pcp, buoyed by strong demand from coal market customers in Australia and Colombia and increased growth in Peru and the CIS. Sales revenue increased by 12% on the pcp to $2.8 billion from higher volumes and services, introduction of new technologies, favourable foreign exchange movements and higher input commodity prices.

EBIT of $301 million was up 20% on the pcp. This was driven by higher volumes and services, non-repeat of unplanned maintenance shutdowns and associated third-party product costs in the pcp, the favourable impact from business streamlining activities and improved performance from Minova. These benefits were partly offset by lower cyanide margins and the impact of the remaining contract pricing.

A$M



Key items in the above chart:

FX & inflation on overheads
Inflation on fixed cost overheads had an adverse effect of $15 million. FX was predominantly impacted by the Australian dollar depreciating against the US Dollar, favourably impacting earnings by $7 million.

Volume
New business and improved demand from existing customers in Australia Pacific & Asia, Latin America and the CIS, drove an increase in AN volumes of 3%.

Total detonator sales volumes were in line with the pcp. Electronic Blasting Systems (EBS) conversion continues to progress across most regions, with a combined increase of 13%.

Net Mix & Margin
Margin is lower than for the pcp due to the impact of previously disclosed contract pricing and lower margins from cyanide due to regional sales mix. This was partially offset by higher services margins across most regions, particularly in the Pilbara and on the east coast of Australia. The Pilbara region also continues to incur significant sourcing and freight costs as rectification works at the Burrup plant are being completed.

Global Manufacturing
Global Manufacturing's result was higher than the pcp from improved performance across the network, as well as the non-repeat of unplanned maintenance shutdowns and associated third-party product costs in the pcp. This was partly offset by a larger planned turnaround at the Yarwun cyanide plant and disruption of utilities supply at Bontang in Indonesia.

Burrup plant
Orica is continuing to work closely with its joint venture partner, Yara, to resolve technical issues with the plant. A full rectification project plan has been developed and is progressing with all critical replacement equipment currently being manufactured. The shutdown required to replace the heat exchangers, absorption column and drying drums is scheduled to commence in August/September 2019.

The plant will run as much as possible until permanent repairs are completed, expected to be in the first half of the 2020 financial year.

While some production is expected in the second half of the 2019 financial year, it is likely to have a marginal EBIT impact relative to the pcp.

Depreciation and amortisation will commence when the plant has been commissioned and is running reliably on a continuous basis, which is anticipated to be in the 2020 financial year. The plant is expected to be essentially loaded, from the second half of the 2020 financial year.

The negative EBIT impact in 2019 from the Burrup plant represents increased administration overhead costs only, in line with preparing the plant for full operation.

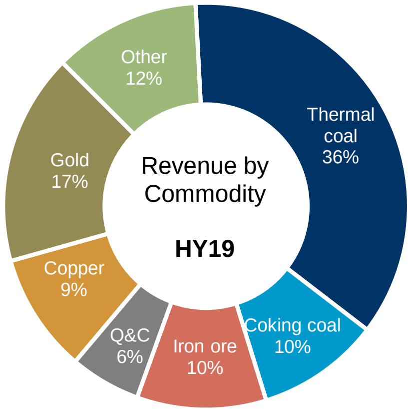
Auxiliaries
GroundProbe accounts for a large portion of the EBIT generated by the Auxiliaries group. GroundProbe remains on track to deliver the 10% RONA target in the first full year of ownership.

Minova
The positive performance in the last quarter of the 2018 financial year has carried into the first half of the 2019 financial year. Minova has continued to drive revenue growth from new sectors and across expanded products and services, predominantly in the Americas and Australia Pacific, as well as benefitting from overhead reductions put in place in the last quarter of the 2018 financial year.

Reduced Overheads
This includes the benefit from reduced people costs following the restructuring activities that took place during the second half of the 2018 financial year.

Australia Pacific & Asia

Half Year ended 31 March	2019 A$M	2018 A$M	Change %
Total AN & Emulsion Volumes	773	742	*4%*
Emulsion as a % of total volumes	*60%*	*62%*	*(2 pts)*
Total sales revenue	985.6	895.6	*10%*
EBITDA	235.4	226.6	*4%*
EBIT	173.6	166.7	*4%*



Commodity exposure

Thermal coal remains the most significant commodity for the region. Activity in the coal and iron ore markets remain strong as demand for high quality commodities continues, while the gold market has been buoyed by stable prices.

Performance drivers

Volume

Explosives volumes were up on the pcp despite weather impacts on the east coast of Australia. Growth was underpinned by new business in the Pilbara and strong demand from existing customers in the north surface coal segment in Australia.

Detonator volumes were slightly down from the pcp, with lower conventional detonator sales in the Philippines due to temporary permitting issues. This was partly offset by higher EBS volumes from increased demand and customer conversion, particularly in Indonesia.

Cyanide volumes were ahead of the pcp, benefitting from higher sales to existing customers and a spot sale to a customer in the Pacific, albeit at lower margins.

EBIT

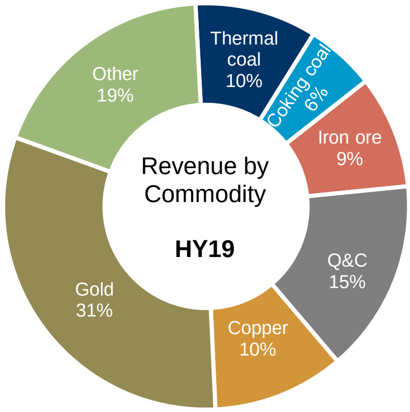
EBIT has improved from the pcp, benefitting from higher uptake of services including further Bulkmaster™7 adoption, improved manufacturing reliability from the non-repeat of unplanned maintenance shutdowns and associated third-party product costs as well as increased contribution from Indonesia. This has been partly offset by previously disclosed contract pricing.

Outlook

Volumes are expected to strengthen in the second half due to higher demand in Australia, in line with normal seasonality. The region will continue to benefit from improved manufacturing performance and non-repeat from the first half Yarwun cyanide turnaround and disruptions at Bontang. Growth in EBS products is expected to continue with new advanced product and services contracts to take effect in the second half of 2019.

North America

Half Year ended 31 March	2019 A$M	2018 A$M	Change %
Total AN & Emulsion Volumes	560	560	-
Emulsion as a % of total volumes	*49%*	*46%*	3 pts
Total sales revenue	783.0	688.9	*14%*
EBITDA	115.4	107.5	*7%*
EBIT	93.6	87.7	*7%*



Commodity exposure

Demand in the gold market in North America improved on the pcp from growth in Canada and continued strong demand in the USA. There was lower activity in the Q&C market due to unfavourable weather conditions and tightening in the skilled labour market, while demand from copper was lower due to production issues at a number of mines. Demand for thermal coal remains stable, while iron ore improved in the US and Canada, aided by firmer prices.

Performance drivers

Volume

Explosives volumes were in line with the pcp, with higher sales in Canada, being offset by lower volumes in Mexico due to mine plan changes at a key customer site.

Detonator volumes were slightly above the pcp, with EBS detonator sales growth predominantly in Canada and Mexico due to strong customer conversion to more advanced products.

Sales of cyanide commenced in Mexico in the first half of the 2019 financial year and will continue into the second half. This improved EBIT, albeit at lower margins.

EBIT

EBIT across the region benefitted from improved manufacturing performance at Carseland and Brownsburg, higher services activity in the USA and improved emulsion and EBS conversion in Canada.

Income from associates increased as our major joint venture partners' results were buoyed by improved sales given favourable customer conditions compared to the pcp.

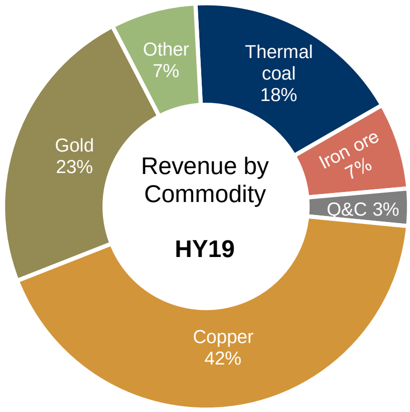
Overheads were down on the pcp due to the flow through benefit of initiatives undertaken in the second half of 2018.

Outlook

Volumes and EBIT are expected to grow despite the ongoing competitive pressure on pricing due to the oversupply of AN. Services growth and a continued focus on technology offerings will continue to drive EBIT growth.

Latin America

Half Year ended 31 March	2019 A$M	2018 A$M	Change %
Total AN & Emulsion Volumes	331	301	*10%*
Emulsion as a % of total volumes	*67%*	*71%*	*(4 pts)*
Total sales revenue	451.0	436.6	*3%*
EBITDA	30.2	30.8	*(2%)*
EBIT	18.6	18.6	-



Commodity exposure

Copper remains the most significant commodity for the region with demand steady from the pcp. Activity in the gold market declined slightly, caused by mine plan changes with a cyanide customer in Peru. In contrast, the thermal coal market was higher from increased demand in Colombia.

Performance drivers

Volume

Explosives volumes were up on the pcp, underpinned by strong growth in Colombia and Peru. Volumes in Colombia were buoyed by higher demand and non-repeat of unfavourable weather conditions in the pcp, while higher consumption in Peru was driven by increased copper customer activity. These increases more than offset the volume decline in Chile from a partial contract loss in the second half of the 2018 financial year.

Detonator volumes were down on the pcp, with lower demand in Chile partly offset by higher sales in Colombia.

Cyanide volumes were down on the pcp due to mine plan changes at a customer site in Peru.

EBIT

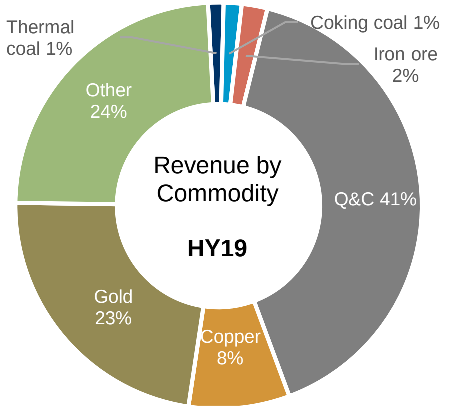
EBIT was in line with the pcp despite the partial contract loss in Chile and continued competitive pricing pressure on explosives. Business performance has recovered earlier than expected with stronger demand in Colombia and Peru. Furthermore, overheads were down on the pcp due to the flow through benefit of initiatives undertaken in the second half of 2018.

Outlook

Benefits from new service and cyanide contracts as well as further cost control will continue to underpin recovery in the region.

Europe, Middle East & Africa

Half Year ended 31 March	2019 A$M	2018 A$M	Change %
Total AN & Emulsion Volumes	216	227	*(5%)*
Emulsion as a % of total volumes	*91%*	92%	*(1 pt)*
Total sales revenue	440.2	391.4	*12%*
EBITDA	43.3	30.8	*41%*
EBIT	29.8	19.1	*56%*



Commodity exposure

Sales into the Q&C markets were strong and ahead of the pcp, underpinned by growth from a new customer in the Middle East, while activity in the gold market increased from higher demand in Africa and Russia. Other revenue includes diversified sales across numerous geographies and markets including phosphate, natural gas, nickel and zinc.

Performance drivers

Volume

Explosives volumes were below the pcp due to lower activity in Turkey from the continued political and economic uncertainty. This was partly offset by higher demand in the CIS, growth in the Middle East and higher sales in Africa.

Detonator volumes were up on the pcp, with higher demand across most of the region. EBS volumes were ahead of the pcp as conversion continues to progress with higher market penetration in Africa and the Nordics.

Cyanide volumes were slightly above the pcp with higher demand from customers in Africa.

EBIT

EBIT improved on the pcp, underpinned by growth in the CIS from new and existing rock on ground customers, higher detonator sales across most of the region, services growth from new projects in the Middle East and sustainable overhead cost reduction benefits. Manufacturing performance improved as Gyttorp progresses with its recovery from the explosion in May 2017.

Outlook

Momentum from the first half is expected to continue. Growth will be underpinned by higher volumes across the region and a focus on EBS conversion and new technology offerings. 2019 second half EBIT expected to be similar to pcp.

Auxiliaries

Half Year ended 31 March	2019 A$M	2018 A$M	Change %
EBIT	10.0	(1.2)	*>100%*

Performance drivers

The Auxiliaries segment includes GroundProbe™ and Nitro Consult AB (Nitro Consult) businesses.

GroundProbe™'s earnings are ahead of the investment case assumptions. EBIT performance was aided by higher demand for services and radars as well as the non-repeat of acquisition costs in the pcp.

GroundProbe™ is on track to deliver a 10% RONA in the 2019 financial year, being the first full year of ownership. Going forward, GroundProbe™ is expected to deliver ~15% RONA within the next 2 years, earlier than anticipated.

Minova

Half Year ended 31 March	2019 A$M	2018 A$M	Change %
Steel products ('000 tonnes)	78.4	72.8	8%
Resins & Powders ('000 tonnes)	58.6	61.9	(5%)
Total sales revenue	291.2	238.8	*22%*
EBITDA	11.2	(0.5)	*>100%*
EBIT	6.9	(4.3)	*>100%*

Performance drivers

Significant progress has been made with initiatives undertaken to increase revenues; improve margins and production efficiency; and reduce overheads.

EBIT is ahead of the pcp due to higher revenues, lower fixed manufacturing costs from plant rationalisation and sustainable overhead reduction. Revenues have materially increased in the USA, Canada, Australia and India due to a combination of increased market share, higher demand from existing customers and increased injection chemical sales.

First half EBIT run rate is expected to continue in the second half.

Global Support

Half Year ended 31 March	2019 A$M	2018 A$M	Change %
EBIT	(31.4)	(35.1)	*11%*

Global Support EBIT was favourable to the pcp, due to lower people costs following the restructuring activities that took place during the second half of the 2018 financial year as well as lower costs associated with ongoing business improvement activities.

Net interest expense

Statutory net interest expense of $56 million was higher than the pcp, as a result of higher net debt levels in the period.

Half Year ended 31 March	2019 A$M	2018 A$M	Change %
Net interest expense	56.2	54.1	*(4%)*

Tax expense

An effective tax rate of 31.8% (pcp: 30.7%) was higher due an increase in non-allowable interest deductions and lower utilisation of unbooked prior year losses. This was partially offset by a decrease in non-creditable withholding taxes compared to pcp. The higher effective tax rate is in line with expectations.

Group Cash Flow

Half Year ended 31 March	2019 A$M	2018 A$M	Variance A$M
Net Operating cash flows	183.6	28.5	155.1
Net Investing cash flows	(129.4)	(388.0)	258.6
Net Operating and Investing cash flows[(3)]	**54.2**	**(359.5)**	**413.7**
Dividends – Orica Limited	(106.8)	(86.1)	(20.7)
Dividends – non-controlling interest shareholders	(11.2)	(7.2)	(4.0)
Adjusted net cash flows	**(63.8)**	**(452.8)**	**389.0**
Movement in borrowings and other net financing cash flows[(8)]	4.0	252.7	(248.7)
Net cash flows[(9)]	**(59.8)**	**(200.1)**	**140.3**

Performance highlights

The Group delivered net operating and investing cash inflows of $54 million.

Net Operating cash flows

Net cash generated from operating activities was underpinned by stronger earnings partly offset by an increase in working capital.

Net Investing cash flows

Net investing cash outflows comprised capital expenditure of $189 million including continued spend on the new SAP system as implementation ramps up, spend on manufacturing plants and investment in the global Mobile Manufacturing Unit (MMU™) fleet.

Net investing cash flows in the pcp included the purchase of GroundProbe.

Debt Management and Liquidity

	31 Mar 2019 A$M	30 Sep 2018 A$M	Variance A$M
Interest bearing liabilities	2,232.3	2,162.9	69.4
Less: Cash and cash equivalents	464.5	514.6	(50.1)
Net Debt[5]	1,767.8	1,648.3	119.5
Gearing %[6]	38.1%	35.7%	2.4pts

Interest bearing liabilities of $2,232 million comprise $1,864 million of US Private Placements and $368 million of committed and other bank facilities. The average duration of drawn debt is 4.8 years (2018: 5.0 years).

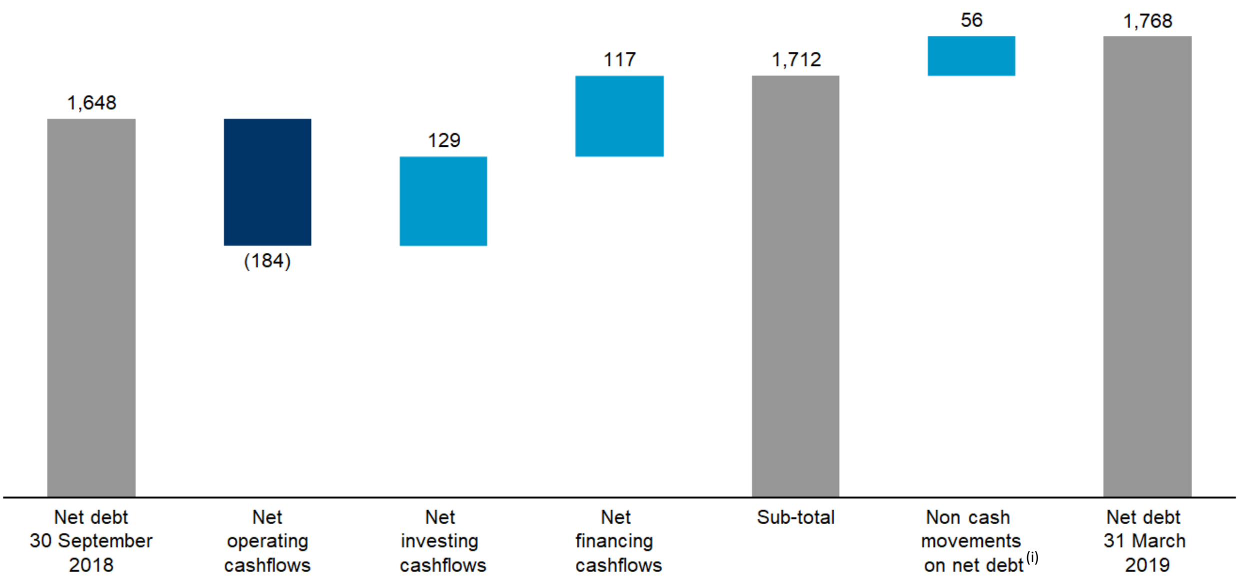
Undrawn committed bank facilities of $1,230 million, with total committed debt facilities of $3,455 million provides for a strong liquidity position.

In March 2019, committed bank facilities totalling $715 million were refinanced with existing lenders. This involved a refinancing of 2019 commitments totalling $340 million and a pre-financing of 2020 commitments totalling $375 million, effecting a desired extension in the committed financing facilities.

Gearing is at 38.1% and since September 2018, has increased by 2.4 percentage points, largely due to the timing of capital commitments, movement in exchange rates and the impact to shareholders' equity resulting from the $134 million non-cash significant item. The Group has revised the target gearing range from 35-45%, to 30-40%. This move better aligns with key credit metrics against which the Group monitors performance. The gearing ratio may move outside of this range for relatively short periods of time after major acquisitions or other significant transactions.

The chart below illustrates the movement in net debt from September 2018.

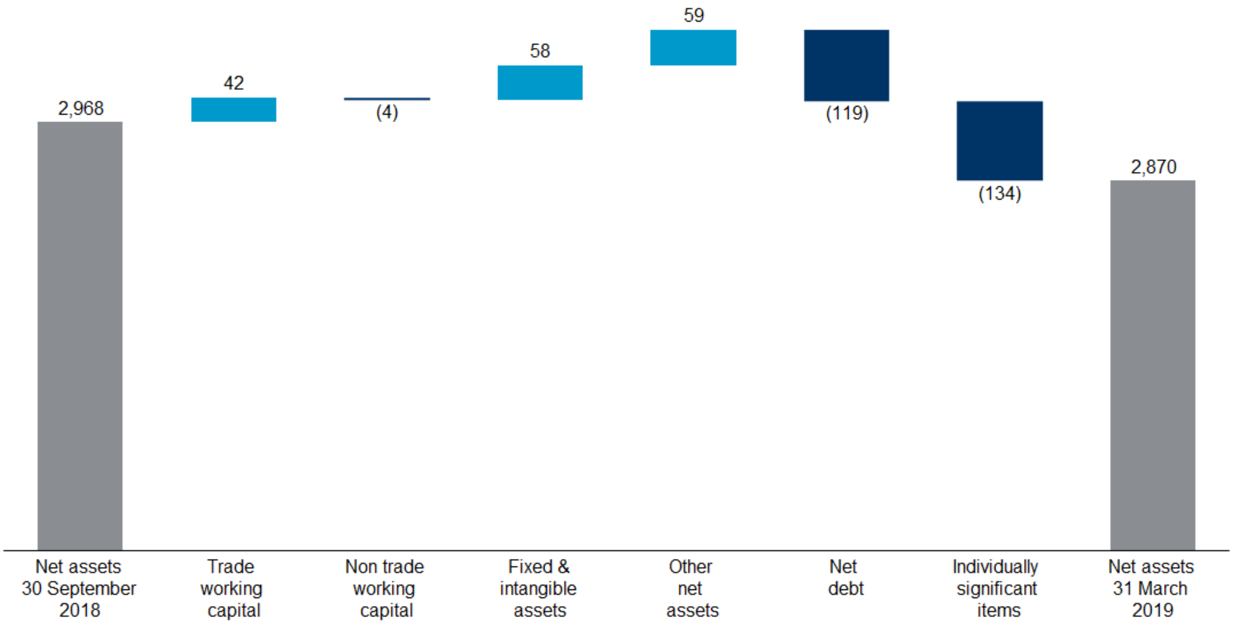
Movement in Net Debt (A$M)



(i) Non-cash movements on Net Debt comprise foreign exchange translation

Group Balance Sheet

Movement in Net Assets (A$M)



Performance highlights

Trade working capital[(10)] has increased by $42 million from September 2018, largely due to higher inventories and debtors on the back of increased sales activity and inventory stocks required to support customers in the Pilbara.

Fixed & Intangible assets increased by $58 million from September 2018. Capital expenditure during the period of $189 million was partly offset by depreciation and amortisation expense.

Other net assets increased by $59 million from September 2018, impacted by the revaluation of financial instruments and foreign exchange.

Dividend

The Board has declared an unfranked interim ordinary dividend of 22.0 cents per share. The dividend represents a payout ratio(11) of 50%.

The dividend is payable to shareholders on 1 July 2019 and shareholders registered as at the close of business on 31 May 2019 will be eligible for the interim dividend. It is anticipated that dividends in the near future will be franked at a rate of no more than 20%.

Enhanced Tax Transparency Reporting

Australian Tax Transparency – Tax Return Data for 2018

Information relating to Orica's Australian operations is provided in the table below.

	2018 A$M	**2017 A$M**
Total income (i)	2,534	1,999
Taxable income (ii)	61	108
Statutory tax rate (iii)	30%	30%
Tax liability	18	32
Offset reductions (iv)	(18)	(26)
Tax payable	**-**	**6**

(i) Total Australian income (includes sales, dividends, interest income etc.) before all expenses (for example, interest, employee costs, depreciation)
(ii) Taxable income after allowing for all deductible expenses and tax exempt income
(iii) Australian Statutory tax rate
(iv) Includes offset reductions of $18 million (2017: $26 million) relating to franking credits, foreign income tax and research and development.

Individually significant items

	Gross A$M	Tax A$M	Net A$M
Write down of property, plant and equipment	(155.0)	46.5	(108.5)
Impairment of other assets	(36.1)	10.8	(25.3)
Individually significant items	**(191.1)**	**57.3**	**(133.8)**
Non-controlling interests in individually significant items	-	-	-
Individually significant items attributable to shareholders of Orica	**(191.1)**	**57.3**	**(133.8)**

Write down of property, plant and equipment

Rectification works at the Technical Ammonium Nitrate plant (TAN plant) on the Burrup Peninsula are progressing in line with the announced plan. 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 $155.0 million.

Impairment of other 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.

Further information on these items is included in note 11 within Appendix 4D – Half Year Report.

Outlook

2019 financial year

The outlook for the full year result remains unchanged from our prior guidance in November 2018 with our earnings weighted approximately 45/55 across the halves. Lower utilisation from the Burrup plant in the second half is expected to be mitigated by accelerated business improvement initiatives.

2020 financial year outlook

Stronger EBIT run rate from the second half of the 2019 financial year is expected to continue into the 2020 financial year based on the following assumptions:

- AN volume growth supported by commodity growth and mine plan outlook
- AN pricing expected to remain firm
- Improved reliability and operating efficiency across the manufacturing network
- Further benefit of technology product adoption and continued services uptake
- Burrup plant rectification works expected to be completed in the first half of 2020 as previously indicated
- No material changes to market, economic or regulatory environments

Looking beyond

Positive momentum is expected to continue, with solid demand and supply dynamics and further operating leverage benefits.

Footnotes

The following footnotes apply to this results announcement:

(1) Equivalent to profit after income tax expense before individually significant items attributable to shareholders of Orica Limited disclosed in Note 2(b) within Appendix 4D – Half Year Report

(2) Equivalent to profit/(loss) before financing costs and income tax in Note 2(b) within Appendix 4D – Half Year Report

(3) Equivalent to net cash flows from operating activities and net cash flows used in investing activities as disclosed in the Statement of Cash Flows within Appendix 4D – Half Year Report

(4) Comprises total payments for property, plant and equipment and intangibles as disclosed in the Statement of Cash Flows within Appendix 4D – Half Year Report

(5) Total interest-bearing liabilities less cash and cash equivalents as disclosed in note 9 within Appendix 4D – Half Year Report

(6) Net debt / (net debt + total equity)

(7) EBIT before individually significant items plus depreciation and amortisation expense

(8) Equivalent to net cash used in financing activities (as disclosed in the Statement of Cash Flows within Appendix 4D – Half Year Report) excluding Dividends paid to Orica ordinary shareholders and non-controlling interests

(9) Equivalent to net (decrease) / increase in cash held disclosed in the Statement of Cash Flows within Appendix 4D – Half Year Report

(10) Comprises inventories, trade receivables and trade payables disclosed in the Balance Sheet within Appendix 4D – Half Year Report

(11) Dividend amount / NPAT before individually significant items

Forward-looking statements

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Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

Past performance is no guarantee of future performance.

Non-International Financial Reporting Standards (Non-IFRS) information

This report makes reference to certain non-IFRS financial information. This information is used by management to measure the operating performance of the business and has been presented as this may be useful for investors. This information has not been reviewed by the Group's auditor. The 2019 Half Year Results presentation includes non-IFRS reconciliations. Forecast information has been estimated on the same measurement basis as actual results.

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