

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 2020 | 31 March 2019 |
|---------------|---------------|

Results for announcement to the market

| | | Change | | | |
|---|------|--------|--------|----|---------|
| | | \$m | % | | \$m |
| Consolidated revenue from operations | up | 51.4 | 1.8% | to | 2,880.3 |
| Profit after tax, attributable to shareholders | up | 132.3 | 402.1% | to | 165.2 |
| Net profit for the period, attributable to shareholders before individually significant items | down | (1.5) | (0.9)% | to | 165.2 |

| Dividends | | Amount per security | Franked amount per security at 30% tax |
|--|-------|---------------------------|---|
| Interim dividend - Ordinary | Cents | 16.50 | 0.00 |
| Previous corresponding period Interim dividend - Ordinary | Cents | 22.00 | 0.00 |

Record date for determining entitlements to the dividend:

Ordinary Shares

29 May 2020

Payment date of dividend:

Ordinary Shares

8 July 2020

| | 31 March 2020 | 30 September 2019 | 31 March 2019 |
|---|------------------|----------------------|------------------|
| | Cents | Cents | Cents |
| Net tangible asset backing per ordinary security | 466.5 | 336.0 | 297.0 |

For the profit commentary and any other significant information needed on Orica's results please refer to the accompanying Orica Limited Half Year Results Analyst Presentation.

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Income Statement

For the period ended 31 March:

| | Notes | Consolidated 2020 \$m | 2019 \$m |
|---|-------|-----------------------------|--------------|
| Sales revenue | (2b) | 2,880.3 | 2,828.9 |
| Other income | (2d) | 11.3 | 14.5 |
| Raw materials and inventories | | (1,197.0) | (1,197.5) |
| Employee benefits expense | | (648.0) | (615.5) |
| Depreciation and amortisation expense | (2b) | (171.1) | (135.7) |
| Purchased services | | (157.7) | (160.8) |
| Repairs and maintenance | | (104.3) | (109.7) |
| Write down of property, plant & equipment | (2e) | - | (155.0) |
| Impairment of intangibles | (2e) | - | (36.1) |
| Outgoing freight | | (155.5) | (138.7) |
| Other expenses | | (167.9) | (199.8) |
| Share of net profit of equity accounted investees | | 18.5 | 15.4 |
| Total | | (2,583.0) | (2,733.4) |
| Profit from operations | | 308.6 | 110.0 |
| Financial income | | 22.8 | 24.1 |
| Financial expenses | | (85.8) | (80.3) |
| Net financing costs | | (63.0) | (56.2) |
| Profit before income tax expense | | 245.6 | 53.8 |
| Income tax expense | (7) | (78.5) | (20.5) |
| Net profit for the period | | 167.1 | 33.3 |
| Net profit for the period attributable to: | | | |
| Shareholders of Orica Limited | | 165.2 | 32.9 |
| Non-controlling interests | | 1.9 | 0.4 |
| Net profit for the period | | 167.1 | 33.3 |
| | | cents | cents |
| Earnings per share attributable to ordinary shareholders of Orica Limited: | | | |
| Basic earnings per share | (3) | 42.9 | 8.7 |
| Diluted earnings per share | (3) | 42.7 | 8.6 |

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

Statement of Comprehensive Income

For the period ended 31 March:

| | Consolidated 2020 \$m | 2019 \$m |
|--|-----------------------------|-------------|
| Net profit for the period | 167.1 | 33.3 |
| Other comprehensive income | | |
| Items that may be reclassified subsequently to Income Statement: | | |
| <i>Exchange differences on translation of foreign operations</i> | | |
| Exchange gain on translation of foreign operations | 233.7 | 15.5 |
| Net loss on hedge of net investments in foreign subsidiaries, net of tax | (63.0) | (6.7) |
| Net exchange differences on translation of foreign operations | 170.7 | 8.8 |
| <i>Sundry items:</i> | | |
| Net gain/(loss) on cash flow hedges, net of tax | 13.4 | (0.5) |
| Items that will not be reclassified subsequently to Income Statement: | | |
| Net actuarial loss on defined benefit obligations, net of tax | (14.4) | (18.3) |
| Other comprehensive income/(loss) for the period | 169.7 | (10.0) |
| Total comprehensive income for the period | 336.8 | 23.3 |
| Attributable to: | | |
| Shareholders of Orica Limited | 331.6 | 19.2 |
| Non-controlling interests | 5.2 | 4.1 |
| Total comprehensive income for the period | 336.8 | 23.3 |

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

Balance Sheet

as at:

| | Notes | Consolidated | |
|--|-------|-------------------------|-----------------------------|
| | | 31 March 2020 \$m | 30 September 2019 \$m |
| Current assets | | | |
| Cash and cash equivalents | (8) | 1,164.5 | 412.6 |
| Trade receivables | | 735.8 | 681.6 |
| Other receivables | | 118.5 | 84.2 |
| Inventories | | 667.5 | 587.5 |
| Other assets | | 255.4 | 69.9 |
| Total current assets | | 2,941.7 | 1,835.8 |
| Non-current assets | | | |
| Other receivables | | 51.7 | 63.0 |
| Equity accounted investees | (6) | 326.2 | 301.3 |
| Property, plant and equipment | | 3,342.8 | 2,899.6 |
| Intangible assets | | 1,792.7 | 1,689.6 |
| Deferred tax assets | | 301.1 | 317.2 |
| Other assets | | 172.4 | 187.5 |
| Total non-current assets | | 5,986.9 | 5,458.2 |
| Total assets | | 8,928.6 | 7,294.0 |
| Current liabilities | | | |
| Trade payables | | 819.2 | 863.2 |
| Other payables | | 337.9 | 412.6 |
| Interest bearing liabilities | (8) | 636.2 | 60.9 |
| Provisions | | 181.1 | 193.1 |
| Other liabilities | | 109.8 | 104.8 |
| Total current liabilities | | 2,084.2 | 1,634.6 |
| Non-current liabilities | | | |
| Other payables | | 7.6 | 7.1 |
| Interest bearing liabilities | (8) | 2,431.2 | 1,972.3 |
| Provisions | | 625.0 | 586.2 |
| Deferred tax liabilities | | 39.6 | 68.4 |
| Total non-current liabilities | | 3,103.4 | 2,634.0 |
| Total liabilities | | 5,187.6 | 4,268.6 |
| Net assets | | 3,741.0 | 3,025.4 |
| Equity | | | |
| Ordinary shares | (5) | 2,656.4 | 2,138.0 |
| Reserves | | (177.5) | (363.5) |
| Retained earnings | | 1,206.1 | 1,193.7 |
| Total equity attributable to ordinary shareholders of Orica Limited | | 3,685.0 | 2,968.2 |
| Non-controlling interests | | 56.0 | 57.2 |
| Total equity | | 3,741.0 | 3,025.4 |

The Balance Sheet is to be read in conjunction with 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 |
|--|---------------------------|-----------------------------|--|--------------------------------------|--------------------------|----------------|---|---------------------|
| 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 | - | - | - | - | 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 |
| 2020 | | | | | | | | |
| Balance at 1 October 2019 | 2,138.0 | 1,193.7 | (225.3) | (16.0) | (122.2) | 2,968.2 | 57.2 | 3,025.4 |
| AASB 16 transitional adjustment | - | (2.6) | - | - | - | (2.6) | - | (2.6) |
| IFRIC 23 transitional adjustment | - | (10.2) | - | - | - | (10.2) | - | (10.2) |
| Adjusted balance at 1 October 2019 | 2,138.0 | 1,180.9 | (225.3) | (16.0) | (122.2) | 2,955.4 | 57.2 | 3,012.6 |
| Profit for the period | - | 165.2 | - | - | - | 165.2 | 1.9 | 167.1 |
| Other comprehensive income/(loss) | - | (14.4) | 167.4 | 13.4 | - | 166.4 | 3.3 | 169.7 |
| Total comprehensive income for the period | - | 150.8 | 167.4 | 13.4 | - | 331.6 | 5.2 | 336.8 |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| Total changes in contributed equity | 518.4 | - | - | - | - | 518.4 | - | 518.4 |
| Share-based payments | - | - | - | - | 5.2 | 5.2 | - | 5.2 |
| Dividends/distributions | - | (125.6) | - | - | - | (125.6) | - | (125.6) |
| Dividends declared/paid to non-controlling interests | - | - | - | - | - | - | (6.4) | (6.4) |
| Balance at the end of the period | 2,656.4 | 1,206.1 | (57.9) | (2.6) | (117.0) | 3,685.0 | 56.0 | 3,741.0 |

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:

| | Consolidated | |
|---|--------------------------------|--------------------------------|
| | 2020 | 2019 |
| | \$m | \$m |
| | Inflows/ (Outflows) | Inflows/ (Outflows) |
| Notes | | |
| Cash flows from operating activities | | |
| Receipts from customers | 3,126.1 | 3,100.9 |
| Payments to suppliers and employees | (2,910.6) | (2,799.8) |
| Interest received | 22.9 | 23.5 |
| Borrowing costs | (80.6) | (84.3) |
| Dividends received | 14.5 | 13.0 |
| Other operating revenue received | 8.8 | 8.3 |
| Net income taxes paid | (73.4) | (78.0) |
| Net cash flows from operating activities | 107.7 | 183.6 |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (199.8) | (130.3) |
| Payments for intangibles | (78.1) | (58.8) |
| Payments for investments | - | (2.7) |
| Payments for purchase of businesses/controlled entities | - | (0.9) |
| Proceeds from sale of, and other advances in relation to, property, plant and equipment | 6.3 | 63.6 |
| Proceeds from sale of investments | 9.2 | - |
| Disposal costs from sale of businesses/controlled entities | - | (0.3) |
| Net cash flows used in investing activities | (262.4) | (129.4) |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 1,807.5 | 1,734.5 |
| Repayment of borrowings | (1,262.7) | (1,730.9) |
| Dividends paid - Orica ordinary shares (4) | (116.7) | (106.8) |
| Dividends paid - non-controlling interests | (6.7) | (11.2) |
| Principal portion of lease payments | (30.7) | (0.3) |
| Proceeds from issue of ordinary shares, net of costs | 507.0 | 0.7 |
| Net cash from/(used in) financing activities | 897.7 | (114.0) |
| Net increase/(decrease) in cash held | 743.0 | (59.8) |
| Cash at the beginning of the period | 404.2 | 511.4 |
| Effects of exchange rate changes on cash | 14.0 | 0.9 |
| Cash at the end of the period | 1,161.2 | 452.5 |
| 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 (8) | 1,164.5 | 464.5 |
| Bank overdraft | (3.3) | (12.0) |
| | 1,161.2 | 452.5 |

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 2020 has been prepared in accordance with the requirements of 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.

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 2019.

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 2019 except for new and amended standards and interpretations effective from 1 October 2019.

New and amended accounting standards and interpretations adopted

Effective from 1 October 2019 the Group adopted the following new accounting standards.

AASB 16 Leases

The Group adopted AASB 16 as of 1 October 2019.

The Group applied the modified retrospective approach under which the right of use asset on transition equalled the lease liability adjusted by the amount of any prepaid or accrued lease payments. For existing finance leases, the carrying amounts before transition represented the 30 September 2019 values assigned to the right of use asset and lease liability.

The Group used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied the exemption not to recognise right of use assets and liabilities for low-value leases and leases with less than 12 months of lease term as at 1 October 2019. Costs for these leases will continue to be expensed to the income statement.
- Relied on its onerous lease assessment under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* immediately before initial application as an alternative to an impairment review.
- Excluded initial direct costs from measuring the right of use assets at the date of initial application.
- Used hindsight when determining the lease term of the contract where it contains options to extend or terminate the lease.

The impact on transition to AASB 16 on the Group's 1 October 2019 balance sheet was an increase in lease liabilities (included in Interest Bearing Liabilities) of \$253.7 million, an increase in right of use assets (included in Property, Plant and Equipment) of \$250.1 million, net adjustments to deferred tax assets of \$1.0 million, and a charge of \$2.6 million to retained earnings.

The carrying value of the Group's right of use assets at 31 March 2020 is \$272.9 million. During the period, depreciation of right of use assets of \$33.4 million was expensed, and \$6.0 million interest was recorded in net financing costs.

The weighted average incremental borrowing rate applied to the Group's lease liabilities recognised on the balance sheet at 1 October 2019 was 4.5%.

1. Accounting policies (continued)

The below table shows the movement between the estimated liability as at 30 September 2019 and the liability recognised on 1 October 2019:

| | 1 October 2019 \$m |
|--|--------------------------|
| Operating lease commitments at 30 September 2019 as disclosed in the Group's financial statements under AASB 117 | 249.9 |
| Adjusted for: | |
| Present value discounting of lease liabilities | (52.1) |
| Short-term leases | (20.0) |
| Extension and termination options reasonably certain to be exercised | 49.0 |
| Contracts reassessed as lease agreements under AASB 16 | 26.9 |
| Present value of existing finance leases at 30 September 2019 | 0.4 |
| Lease liabilities recognised at 1 October 2019 under AASB 16 | 254.1 |

The Group's activities as a lessor are not material and hence there was no significant impact on the financial statements on adoption of AASB 16.

The Group's new leases accounting policy applied from 1 October 2019 is detailed below:

The leases recognised by the Group under AASB 16 predominantly relate to property leases including offices and storage as well as plant & equipment leases including vehicles and rail cars.

The Group recognises all lease liabilities and corresponding right of use assets, with the exception of short-term (12 months or less) and low value leases, on the balance sheet. Lease liabilities are recorded at the present value of fixed payments, variable lease payments that depend on an index or rate, amounts payable under residual value guarantees and extension options expected to be exercised. Where a lease contains an extension option which the Group can exercise without negotiation, lease payments for the extension period are included in the liability if the Group is reasonably certain that it will exercise the option. Variable lease payments not dependent on an index or rate are excluded from the liability. Lease payments are discounted at the incremental borrowing rate of the lessee, unless the rate implicit in the lease can be readily determined. The right of use asset at initial recognition reflects the lease liability adjusted for any lease payments made before the commencement date plus any make good obligations and initial direct costs incurred.

Lease liabilities are remeasured when there is a change in future lease payments resulting from a change in an index or rate, or a change in the assessed lease term. A corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount has been reduced to zero.

The Group applied judgement to determine the incremental borrowing rates as well as the lease term for some lease contracts that include extension or termination options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

The Group recognises depreciation of the right of use assets and interest on the lease liabilities in the income statement over the lease term. Repayments of lease liabilities are separated into a principal portion (presented within financing activities) and interest portion (presented within operating activities) in the cash flow statement.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The Group adopted IFRIC 23 as of 1 October 2019. IFRIC 23 changes the method of calculating provisions for uncertain tax positions.

The Group previously recognised provisions based on the most likely amount of the liability, if any, for each separate uncertain tax position. This new interpretation requires a probability weighted average approach to be taken in situations where there is a wide range of possible outcomes. For tax issues with a binary outcome, the most likely amount method remains in use.

The Group concluded that there is an opening retained earnings adjustment of \$10.2 million required on transition for the increase to the provision for uncertain tax positions.

Several other new standards are effective and have been adopted from 1 October 2019, but they do not have a material impact on the Group's Half Year Financial Report.

1. Accounting policies (continued)

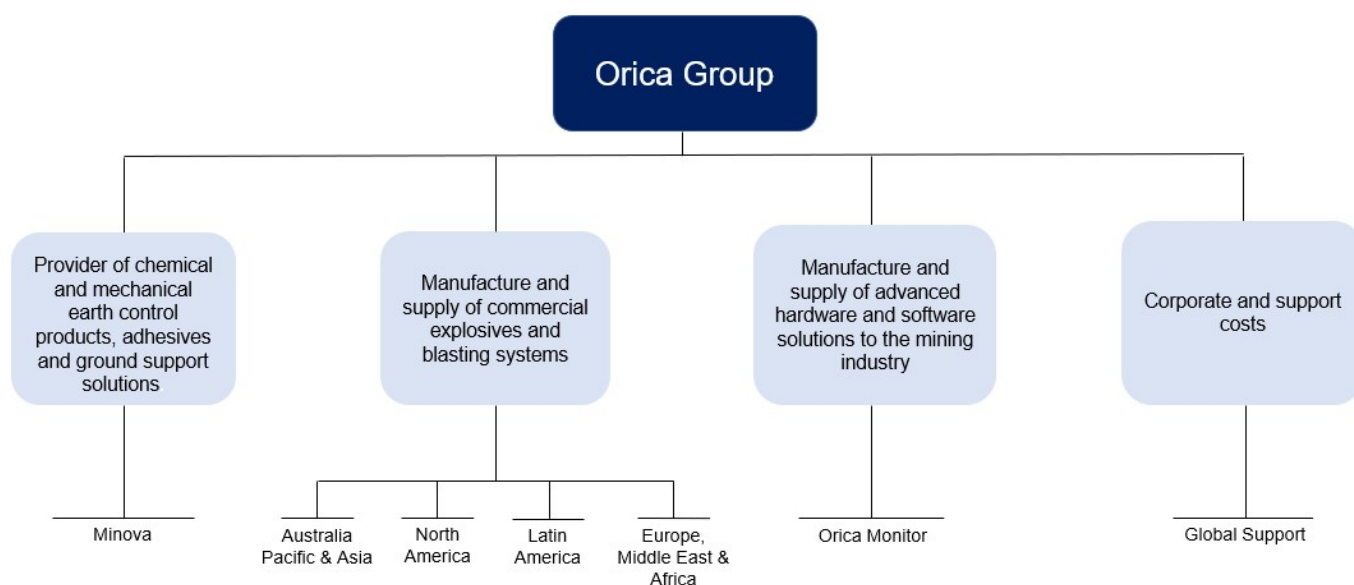
New and amended accounting standards and interpretations issued but not yet effective

There are no new standards or interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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).



Condensed notes to the consolidated Half Year Financial Report

2. Segment report (continued)

| (b) Reportable segments 2020 \$m | Australia Pacific & Asia | North America | Latin America | Europe, Middle East & Africa | Minova | Orica Monitor | Global Support | Eliminations | Consolidated |
|--|-----------------------------|---------------|---------------|---------------------------------|--------|---------------|----------------|--------------|--------------|
| Revenue | | | | | | | | | |
| External sales | 985.1 | 679.1 | 432.4 | 471.2 | 260.6 | 51.9 | - | - | 2,880.3 |
| Inter-segment sales | 72.5 | 121.9 | 23.4 | 18.8 | 2.4 | - | 474.0 | (713.0) | - |
| Total sales revenue | 1,057.6 | 801.0 | 455.8 | 490.0 | 263.0 | 51.9 | 474.0 | (713.0) | 2,880.3 |
| Other income (refer to note 2d) ⁽¹⁾ | 4.6 | 4.9 | 4.6 | (1.8) | (0.2) | (1.1) | 0.3 | - | 11.3 |
| Total revenue and other income | 1,062.2 | 805.9 | 460.4 | 488.2 | 262.8 | 50.8 | 474.3 | (713.0) | 2,891.6 |
| Results before individually significant items | | | | | | | | | |
| Profit/(loss) before financing costs and income tax | 169.5 | 95.2 | 21.6 | 32.4 | 11.1 | 9.4 | (30.6) | - | 308.6 |
| Financial income | | | | | | | | | 22.8 |
| Financial expenses | | | | | | | | | (85.8) |
| Profit before income tax expense | | | | | | | | | 245.6 |
| Income tax expense | | | | | | | | | (78.5) |
| Profit after income tax expense | | | | | | | | | 167.1 |
| Less: Profit attributable to non-controlling interests | | | | | | | | | (1.9) |
| Profit after income tax expense before individually significant items attributable to shareholders of Orica Limited | | | | | | | | | 165.2 |
| Individually significant items (refer to note 2e) | | | | | | | | | |
| Gross individually significant items | - | - | - | - | - | - | - | - | - |
| Tax on individually significant items | - | - | - | - | - | - | - | - | - |
| Net individually significant items attributable to non-controlling interests | | | | | | | | | - |
| Individually significant items attributable to shareholders of Orica Limited | | | | | | | | | - |
| Profit for the period attributable to shareholders of Orica Limited | | | | | | | | | 165.2 |
| Segment assets | 3,382.7 | 1,158.4 | 539.3 | 809.8 | 225.3 | 252.2 | 2,560.9 | - | 8,928.6 |
| Segment liabilities | 723.1 | 326.2 | 166.5 | 290.4 | 78.5 | 51.6 | 3,551.3 | - | 5,187.6 |
| Investments accounted for using the equity method | 74.6 | 220.6 | 13.8 | 2.4 | - | - | 14.8 | - | 326.2 |
| Acquisitions of PPE and intangibles (excluding right of use assets) | 121.1 | 24.5 | 10.1 | 15.3 | 5.8 | 7.2 | 90.7 | - | 274.7 |
| Write down of PPE | - | - | - | - | - | - | - | - | - |
| Impairment of intangibles | - | - | - | - | - | - | - | - | - |
| Impairment of inventories | 0.5 | 0.3 | 1.9 | 1.0 | 0.6 | - | - | - | 4.3 |
| Impairment of trade receivables | 1.6 | 0.4 | 1.9 | 1.5 | 0.1 | 0.2 | 2.2 | - | 7.9 |
| Depreciation and amortisation | 73.9 | 35.1 | 12.9 | 17.0 | 5.8 | 6.2 | 20.2 | - | 171.1 |
| Non-cash expenses: share based payments | 2.0 | 1.4 | 1.0 | 1.4 | 0.4 | 0.1 | 2.6 | - | 8.9 |
| Share of net profit/(loss) of equity accounted investees | 1.2 | 16.2 | 1.1 | 0.6 | - | - | (0.6) | - | 18.5 |

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

Condensed notes to the consolidated Half Year Financial Report

2. Segment report (continued)

| | Australia Pacific & Asia | North America | Latin America | Europe, Middle East & Africa | Minova | Orica Monitor | Global Support | Eliminations | Consolidated |
|--|-----------------------------|---------------|---------------|---------------------------------|--------|---------------|----------------|--------------|--------------|
| (b) Reportable segments | | | | | | | | | |
| 2019 | | | | | | | | | |
| \$m | | | | | | | | | |
| Revenue | | | | | | | | | |
| External sales | 973.9 | 679.7 | 419.2 | 422.4 | 289.4 | 44.3 | - | - | 2,828.9 |
| Inter-segment sales | 21.2 | 103.3 | 31.8 | 17.8 | 1.8 | 0.4 | 620.8 | (797.1) | - |
| Total sales revenue | 995.1 | 783.0 | 451.0 | 440.2 | 291.2 | 44.7 | 620.8 | (797.1) | 2,828.9 |
| Other income (refer to note 2d) ⁽¹⁾ | 7.0 | 1.2 | 1.8 | 1.8 | - | 0.3 | 2.4 | - | 14.5 |
| Total revenue and other income | 1,002.1 | 784.2 | 452.8 | 442.0 | 291.2 | 45.0 | 623.2 | (797.1) | 2,843.4 |
| Results before individually significant items | | | | | | | | | |
| Profit/(loss) before financing costs and income tax | 174.3 | 93.6 | 18.6 | 29.8 | 6.9 | 9.3 | (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 Limited | | | | | | | | | (133.8) |
| Profit for the period attributable to shareholders of Orica Limited | | | | | | | | | 32.9 |
| Segment assets | 3,023.7 | 986.1 | 535.9 | 685.9 | 215.7 | 226.6 | 1,500.1 | - | 7,174.0 |
| Segment liabilities | 570.0 | 204.8 | 182.7 | 227.4 | 79.0 | 37.5 | 3,002.8 | - | 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 |
| Write down of PPE | 155.0 | - | - | - | - | - | - | - | 155.0 |
| 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 | 2.1 | - | 0.5 | 0.1 | 0.6 | 0.1 | 0.4 | - | 3.8 |
| Depreciation and amortisation | 62.0 | 21.8 | 11.6 | 13.5 | 4.3 | 4.1 | 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/(loss) of equity accounted investees | 0.4 | 13.2 | 1.4 | 0.4 | - | - | - | - | 15.4 |

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

2. Segment report (continued)

| | Consolidated 2020 \$m | 2019 \$m |
|--|-----------------------------|----------------|
| (c) Disaggregation of revenue (by commodity/industry) | | |
| Gold | 557.6 | 568.9 |
| Thermal Coal | 474.5 | 493.8 |
| Copper | 450.5 | 374.8 |
| Quarry and Construction | 343.9 | 342.1 |
| Minova | 260.6 | 289.4 |
| Iron Ore | 216.4 | 198.0 |
| Coking Coal | 148.2 | 138.2 |
| Orica Monitor | 51.9 | 44.3 |
| Other | 376.7 | 379.4 |
| Total disaggregated revenue | 2,880.3 | 2,828.9 |

| | Consolidated 2020 \$m | 2019 \$m |
|---|-----------------------------|-------------|
| (d) Other income | | |
| Other income | 8.9 | 8.3 |
| Net foreign currency (losses)/gains | (2.6) | 2.7 |
| Profit from sale of investments/businesses | 4.2 | - |
| Net profit on sale of property, plant and equipment | 0.8 | 3.5 |
| Total other income | 11.3 | 14.5 |

| | Consolidated 2020 | | | Consolidated 2019 | | |
|---|----------------------|------------|------------|----------------------|-------------|----------------|
| | Gross \$m | Tax \$m | Net \$m | Gross \$m | Tax \$m | Net \$m |
| (e) Individually significant items | | | | | | |
| Profit after income tax includes the following individually significant items: | | | | | | |
| 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) |

(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 | | Non-current assets ⁽¹⁾ | |
|--------------------------|----------------|----------------|-----------------------------------|----------------|
| | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Australia | 784.0 | 747.4 | 2,969.4 | 2,588.9 |
| United States of America | 402.6 | 446.7 | 461.2 | 343.7 |
| Canada | 288.1 | 277.7 | 308.4 | 293.2 |
| Other ⁽²⁾ | 1,405.6 | 1,357.1 | 1,788.2 | 1,532.9 |
| Consolidated | 2,880.3 | 2,828.9 | 5,527.2 | 4,758.7 |

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

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

3. Earnings per share (EPS)

| | Consolidated 2020 \$m | 2019 \$m |
|---|-----------------------------|-------------|
| (a) As reported in the Income Statement | | |
| Net profit for the period from continuing operations | 167.1 | 33.3 |
| Less: Net profit for the period attributable to non-controlling interests | (1.9) | (0.4) |
| Total | 165.2 | 32.9 |

| | Number of shares | |
|---|------------------|-------------|
| Weighted average number of shares used in the calculation: | | |
| Number for basic earnings per share | 385,492,428 | 379,673,707 |
| Number for diluted earnings per share | 387,335,859 | 381,118,344 |

| | Cents per share | Cents per share |
|---|--------------------|--------------------|
| Total attributable to ordinary shareholders of Orica Limited | | |
| Basic earnings per share | 42.9 | 8.7 |
| Diluted earnings per share | 42.7 | 8.6 |

| | Consolidated 2020 \$m | 2019 \$m |
|---|-----------------------------|-------------|
| (b) Adjusted for individually significant items | | |
| Reconciliation of earnings used in the calculation of EPS adjusted for individually significant items attributable to ordinary shareholders of Orica Limited | | |
| Earnings used in calculation of basic EPS attributable to ordinary shareholders of Orica Limited | 165.2 | 32.9 |
| Adjusted for individually significant items (refer to note 2 (e)) | - | 133.8 |
| Earnings used in calculation of EPS attributable to ordinary shareholders of Orica Limited | 165.2 | 166.7 |

| | Cents per share | Cents per share |
|---|--------------------|--------------------|
| Total attributable to ordinary shareholders of Orica Limited before individually significant items | | |
| Basic earnings per share ⁽¹⁾ | 42.9 | 43.9 |
| Diluted earnings per share ⁽¹⁾ | 42.7 | 43.7 |

⁽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

| | 2020 \$m | 2019 \$m |
|---|--------------|-------------|
| Dividends paid or declared in respect of the half year ended 31 March were: | | |
| Ordinary shares | | |
| final dividend of 31.5 cents per share, unfranked, paid 7 December 2018 | | 119.5 |
| final dividend of 33.0 cents per share, 15.2% franked at 30%, paid 13 December 2019 | 125.6 | |
| 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 | 116.7 | 106.8 |
| satisfied by issue of shares | 8.9 | 12.7 |

Subsequent events

Since the end of the half year, the directors declared the following dividend:

Interim dividend on ordinary shares of 16.5 cents per share, unfranked, payable 8 July 2020.

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 3 to 12 June 2020 inclusive. The last date for receipt of election notices for participation in the interim dividend under the DRP is Monday 1 June 2020. 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 | 16.5 cents | Previous period - Ordinary | 22.0 cents |

5. Contributed equity

Movements in issued and fully paid shares of Orica since 1 October 2018 were as follows:

| Details | Date | Number of shares | Issue price \$ | \$m |
|---|------------------|---------------------|-------------------|----------------|
| Ordinary shares | | | | |
| Opening balance of shares issued | 1-Oct-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 |
| Balance at the end of year | 30-Sep-19 | 380,576,621 | | 2,138.0 |
| Shares issued under the Orica DRP | 13-Dec-19 | 376,806 | 23.62 | 8.9 |
| Shares issued under Institutional Share Placement, net of costs | 25-Feb-20 | 23,596,036 | 21.19 | 489.0 |
| Shares issued under Share Purchase Plan | 24-Mar-20 | 1,085,837 | 15.93 | 17.3 |
| Deferred shares issued to settle Short-Term Incentive | | | | 2.5 |
| Shares issued under the Orica GEESP plan ⁽¹⁾ | | | | 0.7 |
| Balance at the end of the period | 31-Mar-20 | 405,635,300 | | 2,656.4 |

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

During the period, the Group completed an institutional share placement and a share purchase plan raising \$506.3 million net of transaction costs. These proceeds were used to fund the Group's acquisition of Exsa SA (refer note 11) with the remaining funds to provide greater balance sheet flexibility to support investment in Orica's core capital initiatives and growth engines.

5. Contributed equity (continued)

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 |

Rights over unissued shares:

| Vesting date | Balance 30 Sep 19 | Issued during the period | Exercised during the period | Lapsed during the period | Balance 31 Mar 20 |
|--------------|-------------------|--------------------------|-----------------------------|--------------------------|-------------------|
| 30 Nov 22 | - | 1,447,406 | - | (40,637) | 1,406,769 |
| 30 Nov 21 | 122,489 | - | - | - | 122,489 |
| 30 Nov 21 | 1,802,745 | - | - | (133,408) | 1,669,337 |
| 30 Nov 20 | 113,434 | - | - | (13,515) | 99,919 |
| 30 Nov 20 | 1,493,535 | - | - | (140,022) | 1,353,513 |
| 30 Nov 19 | 76,920 | - | (65,770) | (11,150) | - |
| 30 Nov 19 | 1,459,541 | - | (1,063,647) | (395,894) | - |
| Various | 152,090 | - | (25,549) | - | 126,541 |
| Total | 5,220,754 | 1,447,406 | (1,154,966) | (734,626) | 4,778,568 |

6. Equity accounted investees

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

| Name | Principal activity | Balance date | Ownership | | Profit/(loss) for the period | | Consolidated Carrying amount | |
|--|-------------------------------------|--------------|-----------|----------|------------------------------|-------------|------------------------------|--------------|
| | | | Mar 2020 | Sep 2019 | Mar 2020 | Mar 2019 | Mar 2020 | Sep 2019 |
| | | | % | % | \$m | \$m | \$m | \$m |
| DataCloud International Inc. ⁽¹⁾ | Software development and technology | 31-Dec | 12.6 | 12.6 | (0.6) | - | 13.4 | 14.0 |
| Nelson Brothers, LLC ⁽¹⁾ | Manufacture and sale of explosives | 30-Sep | 50.0 | 50.0 | 1.9 | 4.4 | 44.0 | 40.8 |
| Nelson Brothers Mining Services LLC ⁽¹⁾ | Sale of explosives | 30-Sep | 50.0 | 50.0 | 5.6 | 2.1 | 40.1 | 37.1 |
| Orica Mining Services Pilbara Pty Ltd ⁽²⁾ | Sale of explosives | 30-Sep | 50.0 | 50.0 | 0.1 | 0.4 | 7.0 | 6.9 |
| Poly Orica Management Co., Ltd ⁽³⁾ | Manufacture and sale of explosives | 31-Dec | 49.0 | 49.0 | 1.1 | - | 67.6 | 66.6 |
| Southwest Energy LLC ⁽¹⁾ | Sale of explosives | 30-Sep | 50.0 | 50.0 | 8.5 | 6.7 | 135.9 | 120.5 |
| Other | Various | | | | 1.9 | 1.8 | 18.2 | 15.4 |
| | | | | | 18.5 | 15.4 | 326.2 | 301.3 |

⁽¹⁾ Entities are incorporated in USA.

⁽²⁾ Entity is incorporated in Australia.

⁽³⁾ Entity is incorporated in China.

7. Taxation

| | Consolidated | |
|--|---------------------|-------------|
| | 2020 | 2019 |
| | \$m | \$m |
| a) Income tax expense recognised in the Income Statement | | |
| Current tax expense | | |
| Current period | 48.4 | 60.0 |
| Deferred tax | 22.5 | (46.1) |
| Under provided in prior years | 7.6 | 6.6 |
| Total income tax expense in income statement | 78.5 | 20.5 |
| b) Reconciliation of income tax expense to prima facie tax payable | | |
| Income tax expense attributable to profit before individually significant items | | |
| Profit from operations before individually significant items | 245.6 | 244.9 |
| Prima facie income tax expense calculated at 30% on profit | 73.7 | 73.5 |
| Tax effect of items which (decrease)/increase tax expense: | | |
| variation in tax rates of foreign controlled entities | (7.6) | (11.7) |
| tax under provided in prior years | 7.6 | 6.6 |
| non allow able share based payments | 2.6 | 1.8 |
| non allow able interest deductions | 8.7 | 7.6 |
| non creditable withholding taxes | 1.4 | 3.7 |
| utilisation of unbooked prior year tax losses | - | (7.2) |
| recognition of previously unbooked temporary differences | (12.2) | - |
| other | 4.3 | 3.5 |
| Income tax expense attributable to profit before individually significant items | 78.5 | 77.8 |
| Income tax expense attributable to individually significant items | | |
| Loss from individually significant items | - | (191.1) |
| Prima facie income tax expense calculated at 30% on individually significant items | - | (57.3) |
| Income tax expense attributable to loss on individually significant items | - | (57.3) |
| Income tax expense reported in the Income Statement | 78.5 | 20.5 |

8. Financial instruments**(a) Standby arrangements and credit facilities**

Reconciliation of net debt:

| | Consolidated | |
|--------------------------------|---------------------|-------------|
| | Mar | Sep |
| | 2020 | 2019 |
| | \$m | \$m |
| Current borrowings | 558.6 | 60.6 |
| Current lease liability | 77.6 | 0.3 |
| Non-current borrowings | 2,226.9 | 1,972.2 |
| Non-current lease liability | 204.3 | 0.1 |
| Less cash and cash equivalents | (1,164.5) | (412.6) |
| Net debt | 1,902.9 | 1,620.6 |

Credit facilities:

| | | |
|---|----------------|---------|
| Unsecured bank overdraft facilities available | 107.6 | 99.9 |
| Amount of facilities undrawn | 104.3 | 91.5 |
| Committed standby and loan facilities available | 3,984.6 | 3,562.9 |
| Amount of facilities unused | 1,197.9 | 1,534.4 |

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 2019: 27 May 2020 to 25 October 2030).

(b) Fair value hierarchy*Valuation of financial assets and liabilities*

Certain of the Group's assets and liabilities are measured at fair value. Fair value is calculated using a variety of techniques depending on the type of financial instrument. 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 cash, cash equivalents and non-interest bearing financial assets and liabilities approximates their carrying value due to their short maturity.

Derivative financial instruments, which are included in 'Other' on the balance sheet, are carried at fair value:

- Cross currency interest rate swap and interest rate swap fair values 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.
- Forward foreign exchange contract fair values are calculated by reference to forward exchange market rates for contracts within similar maturity profiles at the time of valuation.

The valuation methods used to determine fair value of our derivative financial instruments (2020: \$329.2 million net, 2019: \$158.9 million net) 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). During the half-year ended 31 March 2020, there were no changes in valuation techniques for recurring fair value measurements of our financial instruments.

9. 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 2019 with the exception of those relating to AASB16 *Leases* which was adopted as of 1 October 2019 (refer note 1).

COVID-19

The COVID-19 outbreak presents strategic, operational and commercial uncertainties for the Group. The situation is changing rapidly and there are increased uncertainties around the duration, scale and impact of the outbreak on the economy, mining industry and Orica. Orica is taking various measures to mitigate the impact of COVID-19 on its operations, considering implications for employees, suppliers, partners and customers.

COVID-19 did not have a material impact on the financial position of the Group as at 31 March 2020, however if economic impacts in key regions and restrictions on the movement of people and product are prolonged, there may be adverse implications for profitability, the carrying values of non-current assets and the recoverability of receivables.

10. 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 2019.

11. Events subsequent to balance date

On 19 February 2020, the Group announced it had signed an agreement to acquire Peruvian Explosives Manufacturer, Exsa S.A., for \$302 million. The initial phase of the transaction encompassing 83.5% of the shares completed on 30 April 2020. The effect of this acquisition is not included in the financial statements for the period ended 31 March 2020 and will be recognised in the 30 September 2020 financial statements. The Group is currently in the process of assessing the initial acquisition accounting for the business combination which is incomplete at the date of this report.

On 7 May 2020, the directors declared an interim dividend of 16.5 cents per ordinary share payable on 8 July 2020. The financial effect of this dividend is not included in the financial statements for the period ended 31 March 2020 and will be recognised in the 30 September 2020 financial statements.

The directors have not become aware of any other significant matter or circumstance that has arisen since 31 March 2020, 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 19

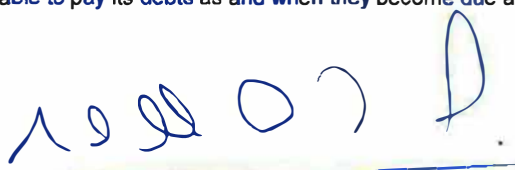
In accordance with a resolution of the Directors of Orica Limited, we state that:

In the Directors' opinion:

- (a) the financial statements and notes, set out on pages 3 to 19, 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 2020 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian 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 7th day of May 2020.

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 2020 and the auditor's review report thereon.

Directors

The directors of the Company during the period and up to the date of this report are:

M W Broomhead, Chairman

A Calderon, Managing Director and Chief Executive Officer

M N Brenner

Boon S F

Lim C O (resigned 31 October 2019)

D W Gibson

K A Moses

G T Tilbrook

J Beevers (appointed 1 February 2020)

On 1 March 2020, E O'Connor and K Anderson Llewellyn were each appointed as Company Secretary of Orica Limited. This position was previously held by K Gray.

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 as referred to in note 11) that has arisen since 31 March 2020, 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.

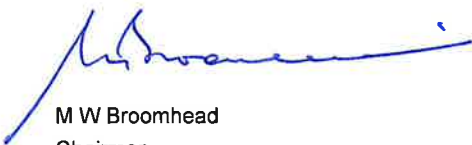
Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 22.

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 7th day of May 2020.



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 2020 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

7 May 2020



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 2020 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 2020;
- 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 11 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
- 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 2020 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 Stragalinis

Partner

Melbourne

7 May 2020