

Appendix 4E Preliminary final report

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|-----------------|----------------------|
| Name of entity: | ORICA LIMITED |
|-----------------|----------------------|

| | |
|--------------------------------------|-----------------------|
| ABN or equivalent company reference: | 24 004 145 868 |
|--------------------------------------|-----------------------|

| | | | |
|-----|--|--|---|
| | Financial year ended (‘current period’) | | Financial year ended (‘previous corresponding period’) |
| 1.0 | 30 September 2004 | | 30 September 2003 |

2.0 Results for announcement to the market

| | | | | \$A'M |
|-------|--|-------|---------------------|--|
| 2.1 | Revenues from ordinary activities | up | 14.3% | to 4,734.6 |
| 2.2 a | Profit (loss) from ordinary activities after tax attributable to members | up | 225.5% | to 327.8 |
| 2.2 b | Net profit (loss) for the period attributable to members before individually significant items | up | 20.5% | to 325.6 |
| 2.3 | Net profit (loss) for the period attributable to members | up | 225.5% | to 327.8 |
| 2.4 | Dividends (distributions) | | Amount per security | Franked amount per security at 30% tax |
| | Final dividend - Ordinary | Cents | 45.00 | 21.00 |
| | - Preference | Cents | 2.50 | 1.17 |
| | Interim dividend - Ordinary | Cents | 23.00 | 7.00 |
| | - Preference | Cents | 2.50 | 0.76 |
| | Previous corresponding period | | | |
| | Final dividend - Ordinary | Cents | 34.00 | 6.49 |
| | - Preference | Cents | 2.50 | 0.48 |
| | Interim dividend - Ordinary | Cents | 18.00 | 4.50 |
| | - Preference | Cents | 2.50 | 0.63 |

| | | | |
|-----|---|------------|-----------|
| 2.5 | Record date for determining entitlements to the dividend: | Ordinary | 17-Nov-04 |
| | | Preference | 14-Jan-05 |

2.6 Brief explanation of any of the figures reported above:
 Please refer to the accompanying Orica Limited Profit Report.

3.0 Statement of Financial Performance

For the year ended 30 September:

| | Notes | 2004 \$m | 2003 \$m |
|--|--------------|----------------|----------------|
| Revenue from ordinary activities | (3.1) | 4,734.6 | 4,143.5 |
| Operating expenses | | | |
| Changes in inventories of finished goods and work in progress | | 120.9 | (10.3) |
| Raw materials and consumables used and finished goods purchased for resale | | (2,579.0) | (1,981.2) |
| Employee expenses | | (698.1) | (610.2) |
| Depreciation and amortisation expense | | (170.9) | (175.2) |
| Borrowing costs | | (79.9) | (71.5) |
| Purchased services | | (312.9) | (238.4) |
| Repairs and maintenance | | (116.3) | (98.8) |
| Property, plant & equipment retired/disposed | | (17.2) | (36.4) |
| Outgoing freight | | (203.3) | (167.9) |
| Lease payments - operating leases | | (57.2) | (49.9) |
| Net assets disposed from sales of businesses/controlled entities | | - | (74.0) |
| Write-off of carrying value of Qenos | (3.2) | - | (123.2) |
| Other expenses from ordinary activities including significant items | | (198.1) | (329.3) |
| Share of associates' net profit/(loss) equity accounted | | 11.8 | (4.3) |
| | | (4,300.2) | (3,970.6) |
| Profit from ordinary activities before income tax expense | | 434.4 | 172.9 |
| Income tax expense attributable to profit from ordinary activities | Attachment 1 | (80.9) | (59.3) |
| Profit from ordinary activities after income tax expense | | 353.5 | 113.6 |
| Outside equity interests in (profit) from ordinary activities after income tax | | (25.7) | (12.9) |
| Profit from ordinary activities after income tax relating to members of Orica Limited | | 327.8 | 100.7 |
| Non-owner transactions in equity | | | |
| Net increase in asset revaluation reserve | | - | 36.5 |
| Net decrease in equity due to initial adoption of AASB 1044 Provisions, Contingent Liabilities and Contingent Assets and AASB 1028 Employee Benefits | (9) | - | (4.0) |
| Net exchange differences on translation of financial reports of foreign controlled entities | (9) | (9.1) | (51.8) |
| Total revenues, expenses and valuation adjustments relating to members of the parent entity recognised directly in equity | | (9.1) | (19.3) |
| Total changes in equity other than those resulting from transactions with owners as owners | | 318.7 | 81.4 |
| | | cents | cents |
| Earnings per share | | | |
| Basic earnings per share: | | | |
| Ordinary shares | (14.1) | 119.8 | 36.2 |
| Diluted earnings per share: | | | |
| Ordinary shares | (14.1) | 117.7 | 35.7 |

Notes to the Statement of Financial Performance

| | 2004 \$m | 2003 \$m |
|--|----------------|----------------|
| 3.1 Revenue from ordinary activities | | |
| External sales | 4,610.5 | 3,958.6 |
| Other revenue from operating activities | | |
| Royalty income | 0.3 | 0.9 |
| Interest income: | | |
| associated companies | 2.4 | 2.0 |
| external parties – banks | 5.2 | 8.8 |
| external parties – taxation refund | 12.9 | - |
| Other income | 39.8 | 23.1 |
| Other revenue from outside operating activities | | |
| Sale of businesses/controlled entities | - | 73.0 |
| Sale of property, plant and equipment | 63.5 | 76.1 |
| Proceeds from sale of investments | - | 1.0 |
| Total other revenue | 124.1 | 184.9 |
| Total revenue | 4,734.6 | 4,143.5 |

| | 2004 | | | 2003 | | |
|--|---------------|-------------|------------|----------------|-------------|----------------|
| | Gross \$m | Tax \$m | Net \$m | Gross \$m | Tax \$m | Net \$m |
| 3.2 Individually significant items | | | | | | |
| Profit from ordinary activities includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity: | | | | | | |
| Consolidated | | | | | | |
| Environmental provision - Botany groundwater ⁽¹⁾ | (65.0) | 19.5 | (45.5) | (39.3) | 11.8 | (27.5) |
| Tax and interest refund ⁽²⁾ | 11.7 | 25.0 | 36.7 | - | - | - |
| Write-off of carrying value of Qenos ⁽³⁾ | - | - | - | (123.2) | - | (123.2) |
| Insurance excess and short term funding relating to Qenos Botany plant failure ⁽⁴⁾ | - | - | - | (22.6) | 6.3 | (16.3) |
| Sale of property, plant and equipment ⁽⁵⁾ | 36.8 | 2.0 | 38.8 | 30.3 | 1.5 | 31.8 |
| Restructuring and rationalisation costs: | | | | | | |
| North American Mining Services business ⁽⁶⁾ | (17.8) | 2.3 | (15.5) | - | - | - |
| Initiating Systems business ⁽⁷⁾ | - | - | - | (27.9) | 9.4 | (18.5) |
| Incitec and Pivot businesses ⁽⁸⁾ | - | - | - | (26.0) | 8.2 | (17.8) |
| Write down of carrying value of assets ⁽⁹⁾ | (12.3) | - | (12.3) | - | - | - |
| Individually significant items | (46.6) | 48.8 | 2.2 | (208.7) | 37.2 | (171.5) |
| Outside equity interests in individually significant items | - | - | - | (2.8) | 0.9 | (1.9) |
| Individually significant items attributable to members of Orica | (46.6) | 48.8 | 2.2 | (205.9) | 36.3 | (169.6) |

⁽¹⁾ Increase in environmental provision related to Botany groundwater clean up plan submitted to the NSW Environmental Protection Authority for approval on 31 October 2003. Amounts provided are based on the estimated capital and operating costs to implement the plan as submitted.

⁽²⁾ Tax and interest refund received from the Australian Taxation Office in respect of a sale and leaseback transaction.

⁽³⁾ Write down in the carrying value of investment in Qenos Holdings Pty Ltd.

⁽⁴⁾ Orica Insurance excess and short term funding relating to Qenos Holdings Pty Ltd due to Qenos Botany plant failure following bushfires.

⁽⁵⁾ Profit on the disposal of part of Deer Park site in Melbourne (Australia) and Waitawa site in Auckland (New Zealand) (2003: Ascot Vale and part of Deer Park sites in Melbourne, Australia) forming part of the Corporate surplus property program.

⁽⁶⁾ Costs including provisions and expenses incurred relating to the restructuring of the North American Mining Services business.

⁽⁷⁾ Costs including asset write downs, provisions and expenses incurred relating to the reorganisation of the Initiating Systems business worldwide following the acquisition of DNES in 2002 and the buyout of the minorities of IES in 2003.

⁽⁸⁾ Costs including asset write downs, provisions and expenses incurred relating to the restructuring and reorganisation costs of Incitec and Pivot following the buyout of the minorities of Incitec and the merger of the Fertilisers business with Pivot.

⁽⁹⁾ Asset write downs incurred relating to the restructuring of North America Mining Services.

4.0 Statement of Financial Position

As at:

| | 30 September 2004 \$m | 31 March 2004 \$m | 30 September 2003 \$m |
|---|-----------------------------|-------------------------|-----------------------------|
| Current assets | | | |
| Cash assets | 148.9 | 118.2 | 87.6 |
| Receivables | 754.4 | 647.2 | 567.6 |
| Inventories | 744.7 | 727.5 | 583.1 |
| Other assets | 61.6 | 82.1 | 44.3 |
| Total current assets | 1,709.6 | 1,575.0 | 1,282.6 |
| Non-current assets | | | |
| Receivables | 21.3 | 22.5 | 37.5 |
| Investments accounted for using the equity method | 65.7 | 60.8 | 86.4 |
| Property, plant and equipment | 1,518.0 | 1,449.8 | 1,436.8 |
| Intangible assets | 581.8 | 476.5 | 441.7 |
| Deferred tax assets | 216.8 | 194.6 | 223.6 |
| Other assets | 40.1 | 49.5 | 46.7 |
| Total non-current assets | 2,443.7 | 2,253.7 | 2,272.7 |
| Total assets | 4,153.3 | 3,828.7 | 3,555.3 |
| Current liabilities | | | |
| Payables | 779.7 | 657.6 | 516.3 |
| Interest bearing liabilities | 385.7 | 443.8 | 167.0 |
| Current tax liabilities | 28.2 | 9.2 | 17.7 |
| Provisions | 193.2 | 126.0 | 151.9 |
| Total current liabilities | 1,386.8 | 1,236.6 | 852.9 |
| Non-current liabilities | | | |
| Payables | 14.8 | 17.2 | 15.1 |
| Interest bearing liabilities | 740.5 | 703.5 | 797.6 |
| Deferred tax liabilities | 151.7 | 144.9 | 127.6 |
| Provisions | 221.6 | 191.7 | 181.6 |
| Total non-current liabilities | 1,128.6 | 1,057.3 | 1,121.9 |
| Total liabilities | 2,515.4 | 2,293.9 | 1,974.8 |
| Net assets | 1,637.9 | 1,534.8 | 1,580.5 |
| Equity | | | |
| Parent entity interest | | | |
| Contributed equity | 369.3 | 438.8 | 487.7 |
| Reserves | 108.1 | 91.7 | 117.2 |
| Retained profits | 951.2 | 807.7 | 780.0 |
| Total parent entity interest | 1,428.6 | 1,338.2 | 1,384.9 |
| Outside equity interests in controlled entities | 209.3 | 196.6 | 195.6 |
| Total equity | 1,637.9 | 1,534.8 | 1,580.5 |

5.0. Statement of Cash Flows

For the year ended 30 September 2004

| | 2004 \$m Inflows/ (Outflows) | 2003 \$m Inflows/ (Outflows) |
|---|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | |
| Receipts from customers | 4,987.7 | 4,471.6 |
| Payments to suppliers and employees | (4,348.7) | (3,877.5) |
| Interest received | 20.2 | 8.9 |
| Borrowing costs | (78.5) | (72.1) |
| Dividends received | 12.0 | 8.4 |
| Royalties and other operating revenue received | 40.1 | 23.7 |
| Net income taxes paid | (44.9) | (62.6) |
| Net cash flows from operating activities | 587.9 | 500.4 |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (198.9) | (119.7) |
| Payments for purchase of investments | (0.3) | (0.1) |
| Payments for purchase of businesses/controlled entities | (253.9) | (415.7) |
| Proceeds from sale of property, plant and equipment | 72.0 | 76.1 |
| Proceeds from sale of investments | - | 1.0 |
| Proceeds from sale of businesses/controlled entities | - | 73.0 |
| Net cash flows (used in) investing activities | (381.1) | (385.4) |
| Cash flows from financing activities | | |
| Proceeds from long term borrowings | 279.5 | 154.6 |
| Repayment of long term borrowings | (300.8) | (4.2) |
| Net movement in short term financing | 163.7 | (120.1) |
| Principal repayments under finance leases | - | (0.2) |
| Proceeds from issue of shares | 9.1 | 10.3 |
| Payments for buy-back of shares | (127.5) | (49.2) |
| Proceeds from issue of shares to outside equity interests | - | 1.9 |
| Dividends paid - Orica shareholders | (156.6) | (115.1) |
| Dividends paid - outside equity interests | (11.0) | (44.4) |
| Net cash flows (used in) financing activities | (143.6) | (166.4) |
| Net increase/(decrease) in cash held | 63.2 | (51.4) |
| Cash at the beginning of the financial period | 85.1 | 143.2 |
| Effects of exchange rate changes on cash | (1.0) | (6.7) |
| Cash at the end of the financial period | 147.3 | 85.1 |
| Reconciliation of cash | | |
| Cash at the end of the period as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows: | | |
| Cash | 148.9 | 87.6 |
| Bank overdraft | (1.6) | (2.5) |
| | 147.3 | 85.1 |

6.0 The results of segments that are significant to an understanding of the business as a whole.

Reports for business

The consolidated entity's operations have been divided into six segments comprising Mining Services, Fertilisers, Consumer Products, Chemicals, Other Operations and Corporate and Support Services.

The consolidated entity's policy is to transfer products internally at negotiated commercial prices. Revenue includes royalties and proceeds on sale of property, plant and equipment.

Reports for business and geographical segments

The major products and services from which the above segments derive revenue are:

| Defined business areas | Products/services |
|--------------------------------|--|
| Mining Services | Manufacture and supply of explosives and mining services, initiating systems and blasting technology to the mining, quarrying, construction and exploration industries. |
| Fertilisers | Manufacture, import and supply of a broad range of fertilisers including nitrogen, phosphate and other fertilisers for the agricultural industry. |
| Consumer Products | Manufacture and supply of paints and other surface coatings to the decorative and technical markets and a range of home handyman, car care and garden care products. |
| Chemicals | Manufacture and supply of a broad range of industrial and specialty chemicals including chlorine, sodium hypochlorite, caustic soda, PVC resins, customised vinyl compounds, and chemicals for household, food and personal care products, and sodium cyanide to the gold mining industry. |
| Other Operations | Manufacture and supply of polyethylene and polypropylene, synthetic rubber and specialty plastics (provided through Qenos Holdings Pty Ltd), other minor activities and discontinued and divested businesses. |
| Corporate and Support Services | Non-operating assets, corporate costs, financial items (such as interest and foreign currency gain/losses on borrowings) and proceeds on sale of businesses. |

Segment report (continued)

| Primary reporting Business segments | Mining Services | Fertilisers | Consumer Products | Chemicals | Other Operations | Corporate & Support Services | Eliminations | Consolidated |
|--|--------------------|-------------|----------------------|-----------|---------------------|------------------------------------|--------------|--------------|
| 2004 | | | | | | | | |
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Revenue | | | | | | | | |
| External sales | 1,704.0 | 1,107.1 | 772.3 | 1,027.1 | - | - | - | 4,610.5 |
| Inter-segment sales | 30.3 | 28.5 | 0.1 | 35.5 | - | - | (94.4) | - |
| Total sales revenue | 1,734.3 | 1,135.6 | 772.4 | 1,062.6 | - | - | (94.4) | 4,610.5 |
| Other revenue | 38.4 | 3.4 | 4.3 | 18.4 | 0.6 | 59.0 | - | 124.1 |
| Total revenue | 1,772.7 | 1,139.0 | 776.7 | 1,081.0 | 0.6 | 59.0 | (94.4) | 4,734.6 |
| Results | | | | | | | | |
| Profit from ordinary activities before significant items and income tax expense | 270.1 | 104.0 | 99.8 | 113.5 | - | (106.4) | - | 481.0 |
| Individually significant items | (30.1) | - | - | (65.0) | - | 48.5 | - | (46.6) |
| Segment results post significant items | 240.0 | 104.0 | 99.8 | 48.5 | - | (57.9) | - | 434.4 |
| Income tax expense | | | | | | | | (80.9) |
| Profit from ordinary activities after income tax expense | | | | | | | | 353.5 |
| Outside equity interests in (profit)/loss from ordinary activities after income tax | | | | | | | | (25.7) |
| Net profit from ordinary activities after income tax expense relating to members of Orica Limited | | | | | | | | 327.8 |
| Segment assets | 1,585.3 | 943.5 | 397.2 | 989.1 | 52.9 | 185.3 | - | 4,153.3 |
| Segment liabilities | 551.3 | 315.6 | 160.4 | 337.5 | 4.6 | 1,146.0 | - | 2,515.4 |
| Investment in equity method associates included in segment assets | 60.4 | - | 0.6 | 3.0 | - | 1.7 | - | 65.7 |
| Capital expenditure | 124.7 | 30.8 | 11.6 | 30.6 | - | 5.7 | - | 203.4 |
| Depreciation and amortisation | 76.9 | 41.8 | 19.3 | 30.0 | - | 2.9 | - | 170.9 |
| Non-cash expenses other than depreciation and amortisation | 12.3 | - | - | - | - | - | - | 12.3 |
| Share of associates net profit equity accounted | 11.7 | - | - | 0.1 | - | - | - | 11.8 |
| 2003 | | | | | | | | |
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Revenue | | | | | | | | |
| External sales | 1,637.5 | 750.4 | 657.5 | 880.4 | 32.8 | - | - | 3,958.6 |
| Inter-segment sales | 25.1 | 9.9 | 0.1 | 42.6 | 0.2 | - | (77.9) | - |
| Total sales revenue | 1,662.6 | 760.3 | 657.6 | 923.0 | 33.0 | - | (77.9) | 3,958.6 |
| Other revenue | 33.7 | 7.7 | 6.5 | 13.0 | 72.7 | 51.3 | - | 184.9 |
| Total revenue | 1,696.3 | 768.0 | 664.1 | 936.0 | 105.7 | 51.3 | (77.9) | 4,143.5 |
| Results | | | | | | | | |
| Profit from ordinary activities before significant items and income tax expense | 247.4 | 42.8 | 89.1 | 106.6 | (13.5) | (90.8) | - | 381.6 |
| Individually significant items | (27.9) | (26.0) | - | (39.3) | (145.8) | 30.3 | - | (208.7) |
| Segment results post significant items | 219.5 | 16.8 | 89.1 | 67.3 | (159.3) | (60.5) | - | 172.9 |
| Income tax expense | | | | | | | | (59.3) |
| Profit from ordinary activities after income tax expense | | | | | | | | 113.6 |
| Outside equity interests in (profit)/loss from ordinary activities after income tax | | | | | | | | (12.9) |
| Net profit from ordinary activities after income tax expense relating to members of Orica Limited | | | | | | | | 100.7 |
| Segment assets | 1,438.5 | 899.7 | 318.0 | 717.1 | 65.8 | 116.2 | - | 3,555.3 |
| Segment liabilities | 413.1 | 258.9 | 115.3 | 217.7 | 13.6 | 956.2 | - | 1,974.8 |
| Investment in equity method associates included in segment assets | 85.6 | - | - | - | - | 0.8 | - | 86.4 |
| Capital expenditure | 68.7 | 22.0 | 6.1 | 18.3 | 0.5 | 1.4 | - | 117.0 |
| Depreciation and amortisation | 92.8 | 33.9 | 17.1 | 27.9 | 0.7 | 2.8 | - | 175.2 |
| Non-cash expenses other than depreciation and amortisation | - | 7.2 | - | - | 123.2 | - | - | 130.4 |
| Share of associates net (loss)/profit equity accounted | 8.5 | - | - | - | (12.8) | - | - | (4.3) |

Segment report (continued)

| Secondary reporting Geographical segments | Australia | New Zealand | Americas | Other | Eliminations | Consolidated |
|--|------------|----------------|------------|------------|--------------|--------------|
| 2004 | \$m | \$m | \$m | \$m | \$m | \$m |
| Revenue | | | | | | |
| External sales | 2,935.7 | 416.6 | 830.0 | 428.2 | - | 4,610.5 |
| Inter-segment sales | 67.0 | 15.2 | 13.6 | 35.9 | (131.7) | - |
| Total sales revenue | 3,002.7 | 431.8 | 843.6 | 464.1 | (131.7) | 4,610.5 |
| Other revenue | 79.0 | 15.1 | 23.9 | 6.1 | - | 124.1 |
| Total revenue | 3,081.7 | 446.9 | 867.5 | 470.2 | (131.7) | 4,734.6 |
| Results | | | | | | |
| Profit from ordinary activities before significant items and income tax expense | 273.6 | 55.7 | 86.9 | 64.8 | - | 481.0 |
| Individually significant items | (26.8) | 10.3 | (30.1) | - | - | (46.6) |
| Segment results post significant items | 246.8 | 66.0 | 56.8 | 64.8 | - | 434.4 |
| Income tax expense | | | | | | (80.9) |
| Profit from ordinary activities after income tax expense | | | | | | 353.5 |
| Outside equity interests in (profit)/loss from ordinary activities after income tax | | | | | | (25.7) |
| Net profit from ordinary activities after income tax expense relating to members of Orica Limited | | | | | | 327.8 |
| Segment assets | 2,835.2 | 244.5 | 707.9 | 365.7 | - | 4,153.3 |
| Segment liabilities | 1,901.9 | 106.5 | 347.2 | 159.8 | - | 2,515.4 |
| Investment in equity method associates included in segment assets | 5.2 | - | 55.0 | 5.5 | - | 65.7 |
| Capital expenditure | 143.0 | 11.8 | 30.8 | 17.8 | - | 203.4 |
| Depreciation and amortisation | 122.0 | 7.6 | 25.8 | 15.5 | - | 170.9 |
| Non cash expenses other than depreciation and amortisation | | | 12.3 | | - | 12.3 |
| Share of associates net profit equity accounted | - | - | 10.6 | 1.2 | - | 11.8 |
| 2003 | \$m | \$m | \$m | \$m | \$m | \$m |
| Revenue | | | | | | |
| External sales | 2,383.6 | 390.4 | 857.3 | 327.3 | - | 3,958.6 |
| Inter-segment sales | 62.6 | 13.1 | 7.4 | 18.5 | (101.6) | - |
| Total sales revenue | 2,446.2 | 403.5 | 864.7 | 345.8 | (101.6) | 3,958.6 |
| Other revenue | 149.1 | 4.7 | 27.5 | 3.6 | - | 184.9 |
| Total revenue | 2,595.3 | 408.2 | 892.2 | 349.4 | (101.6) | 4,143.5 |
| Results | | | | | | |
| Profit from ordinary activities before significant items and income tax expense | 202.9 | 46.6 | 80.5 | 51.6 | - | 381.6 |
| Individually significant items | (191.7) | - | (13.6) | (3.4) | - | (208.7) |
| Segment results post significant items | 11.2 | 46.6 | 66.9 | 48.2 | - | 172.9 |
| Income tax expense | | | | | | (59.3) |
| Profit from ordinary activities after income tax expense | | | | | | 113.6 |
| Outside equity interests in (profit)/loss from ordinary activities after income tax | | | | | | (12.9) |
| Net profit from ordinary activities after income tax expense relating to members of Orica Limited | | | | | | 100.7 |
| Segment assets | 2,439.2 | 194.8 | 660.3 | 261.0 | - | 3,555.3 |
| Segment liabilities | 1,501.0 | 52.2 | 323.7 | 97.9 | - | 1,974.8 |
| Investment in equity method associates included in segment assets | 0.8 | - | 53.4 | 32.2 | - | 86.4 |
| Capital expenditure | 67.5 | 7.1 | 23.8 | 18.6 | - | 117.0 |
| Depreciation and amortisation | 117.2 | 7.9 | 34.9 | 15.2 | - | 175.2 |
| Non-cash expenses other than depreciation and amortisation | 130.4 | - | - | - | - | 130.4 |
| Share of associates net (loss)/profit equity accounted | (12.8) | - | 5.4 | 3.1 | - | (4.3) |

7.0 Details of individual and total dividends.

| | 2004 \$m | 2003 \$m |
|--|-------------|-------------|
| Dividends | | |
| Dividends paid or declared in respect of the year ended 30 September were: | | |
| Ordinary | | |
| interim dividend of 18 cents per share, 25% franked at 30%, paid 17 Jul 2003 | - | 49.9 |
| interim dividend of 23 cents per share, 30.4% franked at 30%, paid 15 Jul 2004 | 62.1 | - |
| final dividend of 34 cents per share, 19.1% franked at 30%, paid 10 Dec 2003 | 94.4 | - |
| Preference | | |
| interim dividend of 2.5 cents per share, 25% franked at 30%, paid 31 Jul 2003 | - | 0.05 |
| interim dividend of 2.5 cents per share, 30.4% franked at 30%, paid 30 Jul 2004 | 0.05 | - |
| final dividend of 2.5 cents per share, 19.1% franked at 30%, paid 31 Jan 2004 | - | 0.05 |
| final dividend of 2.5 cents per share, 46.7% franked at 30% | 0.05 | - |
| Redeemable Preference ⁽¹⁾ | | |
| quarterly dividend at 5.36% per annum, per share, unfranked, paid 27 November 2003 | 0.7 | - |
| quarterly dividend at 5.36% per annum, per share, unfranked, paid 27 February 2004 | 0.7 | - |
| quarterly dividend at 5.36% per annum, per share, unfranked, paid 27 May 2004 | 0.7 | - |
| quarterly dividend at 5.36% per annum, per share, unfranked, paid 27 August 2004 | 0.7 | - |
| Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the year were as follows: | | |
| paid in cash | 124.3 | 105.1 |
| satisfied by issue of shares | - | 15.8 |
| Dividends satisfied by the purchase of shares on market for dividend reinvestment plan | 32.3 | 10.0 |

Subsequent events

Since the end of the financial year, the directors declared the following dividends:

Ordinary

final dividend of 45 cents per share, 46.7% franked at 30%, payable 8 Dec 2004

The financial effect of the final ordinary dividend has not been brought to account in the financial statements for the year ended 30 September 2004 and will be recognised in subsequent financial reports.

(1) Dividends on these shares have been charged to the Statements of Financial Performance as borrowing costs because the shares are classified as liabilities.

(2) During the year, the Company bought 2,329,741 (2003 917,337) shares on market to satisfy shareholders' Dividend Reinvestment Plan (DRP) requirements and the transaction costs have been charged directly against contributed equity.

Amount per security of foreign source dividend:

| Final dividend: | | Cents | Interim dividend: | | Cents |
|-----------------|--------------|-------|-------------------|--------------|-------------|
| Current year | - Ordinary | 18 | Current year | - Ordinary | Nil |
| Current year | - Preference | 1 | Current year | - Preference | Nil |
| Previous year | - Ordinary | Nil | Previous year | - Ordinary | 13.50 cents |
| Previous year | - Preference | Nil | Previous year | - Preference | 1.88 cents |

8.0 Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

The dividend or distribution plans shown below are in operation.

A dividend reinvestment plan for ordinary securities and a share acquisition scheme have operated since 30 April 1998. No discount will be applied for shares acquired under both plans for the time being.

| | | |
|---|------------|-----------|
| The last date(s) for receipt of election notices for the dividend or distribution plans | Ordinary | 17-Nov-04 |
| | Preference | 14-Jan-05 |

9.0 A statement of reserves and retained earnings showing movements.

| | 2004 \$m | 2003 \$m |
|---|----------------|----------------|
| Reserves and retained profits | | |
| (a) Reserves | | |
| Realisation and revaluation of assets | 75.6 | 75.6 |
| General and other | 157.0 | 157.0 |
| Foreign currency translation | (124.5) | (115.4) |
| | 108.1 | 117.2 |
| Movement in reserves during the period | | |
| Realisation and revaluation of assets | | |
| Balance at beginning of period | 75.6 | 39.1 |
| Increase in revaluation reserve | - | 36.5 |
| Balance at end of period | 75.6 | 75.6 |
| General and other | | |
| Balance at beginning of period | 157.0 | 157.0 |
| Balance at end of period | 157.0 | 157.0 |
| Foreign currency translation | | |
| Balance at beginning of period | (115.4) | (63.6) |
| Translation of overseas controlled entities at the end of the period | (9.1) | (51.8) |
| Balance at end of period | (124.5) | (115.4) |
| (b) Retained profits | | |
| Retained profits at the beginning of the period | 780.0 | 733.3 |
| Net increase in equity due to initial adoption of AASB 1028 <i>Employee Benefits</i> and AASB 1044 <i>Provisions, Contingent Liabilities and Contingent Assets</i> | - | 76.9 |
| Operating profit after income tax attributable to members of Orica | 327.8 | 100.7 |
| Dividends: | | |
| Preference – declared/paid | (0.1) | (0.1) |
| Ordinary – interim paid | (62.1) | (49.9) |
| Ordinary – final declared/paid | (94.4) | (80.9) |
| Retained profits at the end of the period | 951.2 | 780.0 |
| Net increase in equity due to initial adoption of AASB 1028 <i>Employee Benefits</i> and AASB 1044 <i>Provisions, Contingent Liabilities and Contingent Assets</i> | | |
| Employee entitlements | - | (1.0) |
| Onerous contracts | - | (3.0) |
| As per statements of financial performance | - | (4.0) |
| Provision for final dividends | - | 80.9 |
| | - | 76.9 |

10.0 Net tangible assets per security with the comparative figure for the previous corresponding period.

| | Current period | Previous corresponding period |
|--|----------------|-------------------------------|
| | Cents | Cents |
| Net tangible asset backing per ordinary security | 313 | 339 |

11.1 Details of entities over which control has been gained during the period.

| | |
|---|--|
| Name of entity (or group of entities) | Assets of Yates, Indian Explosives Limited, Bronson & Jacobs Limited, Marplex Limited |
| The date of the gain of control | Yates: 31 October 2003 Indian Explosives Limited: 7 November 2003 Bronson & Jacobs Limited: 1 June 2004 Marplex Limited: 1 September 2004 |
| Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was acquired | Yates: \$2.1m Indian Explosives: \$3.6m Bronson & Jacobs Limited: \$2.3m Marplex Limited: \$0.3m |
| Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period | - |

11.2 Loss of control of entities having material effect.

| | |
|---|-----|
| Name of entity (or group of entities) | N/A |
| The date of the loss of control | - |
| Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period to the date of loss of control | - |
| Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) while controlled during for the whole of the previous corresponding period | - |

12.0 Details of associates and joint ventures.

The economic entity has an interest in the following entities:

| Name of entity | Percentage of ownership interest held at end of period or date of disposal | | Contribution to net profit (loss) | |
|--|--|-------------------------------|-----------------------------------|-------------------------------------|
| | Current period | Previous corresponding period | Current period \$A'M | Previous corresponding period \$A'M |
| Equity accounted associates and joint venture entities | | | | |
| Genos Holdings Pty Limited | 50% | 50% | - | (12.8) |
| Nelson Brothers, LLC | 50% | 50% | } 10.1 | } 5.3 |
| Nelson Brothers Mining Services, LLC | 27.7% | 27.7% | | |
| Emirates Explosives LLC | 49% | 49% | | |
| Pigment Manufacturers of Australia Limited | 50% | 50% | } Individually not material | } Individually not material |
| BXL Bulk Explosives Limited | 50% | 50% | | |
| Northwest Energetic Services, LLC | 33.3% | 33.3% | } In aggregate | } In aggregate |
| Indian Explosives Limited ⁽¹⁾ | 0% | 49% | | |
| Botany Industrial Park Pty Limited | 50% | 50% | } 1.7 | } 3.2 |
| Geneva Nitrogen LLC | 50% | 50% | | |
| Sprewa Sprengmittel GmbH | 24% | 24% | | |
| MSW-Chemie GmbH | 31.5% | 31.5% | | |
| Troisdorf GmbH | 50% | 50% | | |
| Wurgendorf GmbH | 50% | 50% | | |
| Pinegro Products Pty Ltd (Acquired 31 October 2003) | 50% | - | | |
| Orica Camel Coatings Ltd (Acquired 31 October 2003) | 50% | - | | |
| Australian Plantations Pty Ltd (Acquired 1 June 2004) | 50% | - | | |
| Bronjac (Thailand) Company Ltd (Acquired 1 June 2004) | 49% | - | | |
| Bronson & Jacobs International Co. Ltd (Acquired 1 June 2004) | 49% | - | | |
| Tasmania Lanceolata Plantation (Acquired 1 June 2004) | 50% | - | | |
| Exor Explosives Limited | 50% | 50% | | |
| PIIK Limited Partnership | 49% | 49% | | |
| Total | | | 11.8 | (4.3) |
| Other material interests | N/A | N/A | 0.0 | 0.0 |
| Total | | | 11.8 | (4.3) |

⁽¹⁾ On 7 November 2003, Orica acquired the remaining 51% of shares in Indian Explosives Limited.

13.0 Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Please refer to the accompanying Orica Limited Profit Report.

14.0 A commentary on the results for the period.

Please refer to the accompanying Orica Limited Profit Report.

14.1 The earnings per security and the nature of any dilution aspects.

| | 2004 | 2003 |
|--|--------------------|--------------------|
| | Cents per share | Cents per share |
| Earnings per share (EPS) | | |
| Basic earnings per share | | |
| including significant items | 119.8 | 36.2 |
| excluding significant items | 119.0 | 97.2 |
| Diluted earnings per share | | |
| including significant items | 117.7 | 35.7 |
| excluding significant items | 116.9 | 95.9 |
| | Number | Number |
| Weighted average number of shares used as the denominator: | | |
| Number for basic earnings per share | 273,490,268 | 277,909,496 |
| Effect of Executive Shares Options on issue | 4,742,347 | 3,220,884 |
| Effect of Award Rights on issue | 260,603 | 521,667 |
| Number for diluted earnings per share | 278,493,218 | 281,652,047 |
| | \$m | \$m |
| Reconciliation of earnings used in the calculation of basic and diluted earnings per share: | | |
| Including individually significant items | | |
| Profit from ordinary activities after income tax expense | 353.5 | 113.6 |
| Less outside equity interests | (25.7) | (12.9) |
| Less preference share dividends appropriated | (0.1) | (0.1) |
| Earnings used in calculation of EPS including individually significant items | 327.7 | 100.6 |
| Reconciliation of earnings used in the calculation of basic and diluted earnings per share: | | |
| Excluding individually significant items | | |
| Profit from ordinary activities after income tax expense | 353.5 | 113.6 |
| Less outside equity interests | (25.7) | (12.9) |
| Less preference share dividends appropriated | (0.1) | (0.1) |
| Add individually significant items after income tax and outside equity interests | (2.2) | 169.6 |
| Earnings used in calculation of EPS excluding individually significant items | 325.5 | 270.2 |

14.2.1 Returns to shareholders including distributions and buy-backs.

| | 2004 \$m | 2003 \$m |
|---|--------------|--------------|
| Contributed equity | | |
| Issued and fully paid: | | |
| Cumulative non-redeemable 5% preference shares - 2,000,000 (2003 2,000,000) | 2.0 | 2.0 |
| Ordinary shares - 270,057,893 (2003 277,612,490) | 367.3 | 485.7 |
| | 369.3 | 487.7 |

Contributed equity (continued)

| Details | Date | Number of shares | Issue price \$ | \$m |
|--|------------------|---------------------|-------------------|--------------|
| Opening balance of shares issued | 1 Oct 02 | 279,088,039 | | 505.2 |
| Shares issued under the executive incentive scheme ⁽¹⁾ | 20 Dec 02 | 360,000 | 10.09 | 3.6 |
| Shares issued under the dividend reinvestment plan | 16 Dec 02 | 1,535,408 | 10.32 | 15.8 |
| Shares issued under the share acquisition plan ⁽²⁾ | 6 & 14 Feb 03 | 244,924 | 0.00 | 0.0 |
| Shares issued under the Orica executive option plan ⁽²⁾ | | 821,100 | 8.31 | 6.8 |
| Shares issued under the Orica executive option plan | | 409,200 | 8.57 | 3.5 |
| Share buy-back ⁽³⁾ | | (4,846,181) | 10.16 | (49.2) |
| Balance | 30 Sep 03 | 277,612,490 | | 485.7 |
| Shares issued under the share acquisition plan ⁽⁴⁾ | | 226,784 | 0.00 | 0.0 |
| Shares issued under the Orica executive option plan ⁽⁴⁾ | | 743,300 | 5.72 | 4.2 |
| Shares issued under the Orica executive option plan ⁽⁴⁾ | | 377,640 | 8.31 | 3.1 |
| Shares issued under the Orica executive option plan ⁽⁴⁾ | | 205,900 | 8.57 | 1.8 |
| Share buy-back ⁽⁵⁾ | | (9,108,221) | 14.00 | (127.5) |
| Balance | 30 Sep 04 | 270,057,893 | | 367.3 |

⁽¹⁾ In addition, 91,100 shares were purchased on market under the executive incentive scheme.

⁽²⁾ The options and award rights have been exercised at various times during the year. The weighted average of the fair value of shares issued was \$9.93.

⁽³⁾ Shares bought back and cancelled over a period from Dec 2002 to Jan 2003.

⁽⁴⁾ The options and award rights have been exercised at various times during the year. The weighted average of the fair value of shares issued was \$13.73.

⁽⁵⁾ Shares bought back and cancelled over a period from Nov 2003 to May 2004.

Options over unissued shares:

| Exercisable between | Balance 30 Sep 02 | Issued/ | | | Balance 30 Sep 03 | Issued/ | | | Balance 30 Sep 04 |
|------------------------------------|----------------------|------------------------------|-----------------------------|--------------------------|----------------------|------------------------------|-----------------------------|--------------------------|----------------------|
| | | Reinstated During Year | Exercised During Year | Lapsed During Year | | Reinstated During Year | Exercised During Year | Lapsed During Year | |
| 01 Jan 02 31 Dec 08 | 795,000 | 25,000 | (409,200) | - | 410,800 | - | (205,900) | (204,900) | - |
| 01 Jan 03 31 Dec 09 | 1,315,000 | 8,500 | (821,100) | - | 502,400 | - | (377,640) | (62,880) | 61,880 |
| 01 Jan 04 31 Dec 10 | 959,000 | - | - | (6,800) | 952,200 | 140,800 | (743,300) | (134,000) | 215,700 |
| 31 Dec 04 31 Dec 06 | 1,175,000 | - | - | - | 1,175,000 | - | - | (59,000) | 1,116,000 |
| 31 Oct 05 31 Oct 07 ⁽¹⁾ | 8,807,526 | - | - | (388,943) | 8,418,583 | - | - | (926,516) | 7,492,067 |
| 31 Oct 05 31 Oct 07 ⁽¹⁾ | 59,013 | - | - | (18,837) | 40,176 | - | - | - | 40,176 |
| 31 Oct 05 31 Oct 07 ⁽¹⁾ | 32,509 | - | - | - | 32,509 | - | - | - | 32,509 |
| 31 Oct 05 31 Oct 07 ⁽¹⁾ | - | 115,421 | - | - | 115,421 | - | - | - | 115,421 |
| 31 Oct 05 32 Oct 07 ⁽¹⁾ | - | 20,000 | - | - | 20,000 | - | - | - | 20,000 |
| 31 Oct 05 33 Oct 07 ⁽¹⁾ | - | 84,576 | - | - | 84,576 | - | - | - | 84,576 |
| 10 Nov 05 34 Oct 07 ⁽¹⁾ | - | - | - | - | - | 27,507 | - | - | 27,507 |
| 10 Nov 06 35 Oct 07 ⁽¹⁾ | - | - | - | - | - | 21,045 | - | - | 21,045 |
| Total | 13,143,048 | 253,497 | (1,230,300) | (414,580) | 11,751,665 | 189,352 | (1,326,840) | (1,387,296) | 9,226,881 |

⁽¹⁾ Exercisable one third on 31 October 2005, one third on 31 October 2006 and one third on 31 October 2007.

14.2.1

Returns to shareholders including distributions and buy-backs (continued).

Award Rights over unissued shares:

| Exercisable between | Balance | Issued/ Reinstated | Exercised | Lapsed | Balance | Issued/ Reinstated | Exercised | Lapsed | Balance |
|---------------------|----------------|-----------------------|------------------|-----------------|----------------|-----------------------|------------------|-----------------|----------------|
| | 30 Sep 02 | During Year | During Year | During Year | 30 Sep 03 | During Year | During Year | During Year | 30 Sep 04 |
| 31 Dec 01 31 Dec 03 | 167,000 | 3,000 | (105,400) | (23,180) | 41,420 | - | (23,760) | (17,660) | - |
| 31 Dec 02 31 Dec 04 | 168,200 | 4,100 | (139,524) | (6,376) | 26,400 | - | (26,224) | (176) | - |
| 31 Dec 03 31 Dec 05 | 168,600 | - | - | (5,600) | 163,000 | 18,600 | (176,800) | (4,800) | - |
| 31 Dec 04 31 Dec 06 | 210,000 | - | - | (21,200) | 188,800 | - | - | (16,600) | 172,200 |
| | 713,800 | 7,100 | (244,924) | (56,356) | 419,620 | 18,600 | (226,784) | (39,236) | 172,200 |

14.2.2 Returns to shareholders including distributions and buy-backs.

| | 2004 \$m | 2003 \$m |
|---|----------------|----------------|
| Total equity reconciliation | | |
| Total equity at the beginning of the period | 1,580.5 | 1,494.1 |
| Total changes recognised in the statements of financial performance | 318.7 | 81.4 |
| Transactions with owners as owners | | |
| Dividends provided for or paid | (156.6) | (50.0) |
| Contribution of equity | (118.4) | (19.5) |
| Total changes in outside equity interests | 13.7 | 74.5 |
| Total equity at the end of the period | 1,637.9 | 1,580.5 |

14.3 Significant features and discussion of trends of operating performance.

Please refer to the accompanying Orica Limited Profit Report.

14.4 Events subsequent to balance date.

On 13 October 2004, Orica Limited received a notice of amended assessment from the Australian Taxation Office ("ATO") for \$210.3 million (primary tax of \$95.3 million, penalties of \$23.8 million and interest of \$91.2 million). The amended assessment relates to the sale of the pharmaceuticals business to Zeneca bv in September 1998.

On 13 October 2004, Orica announced increased financial commitment to the Botany Groundwater Project, involving an additional environmental provision of \$46 million (after tax) for the the remediation of groundwater contaminated by pollutants from historical operations discontinued several years ago and the construction of a Groundwater Recycling plant for \$38 million. The additional environmental provision is treated as a significant item in the financial statements for the year ended 30 September 2004.

On 29 October 2004, Orica announced the extension of the existing contract for the Company's Managing Director and Chief Executive Officer, Mr Malcolm Broomhead for an additional two years until September 2008. A condition of the Managing Director's contract extension is shareholder approval to allow early repayment and release of a portion of the shares held under his existing share loan. Shareholder approval will be sought at the Company's Annual General Meeting in December. This would enable Mr Broomhead to access 500,000 shares in December 2004 held under his existing share loan established in 2001 and to access a further 500,000 shares in September 2005.

Since the end of the financial year, the directors declared a final dividend of 45 cents per share payable on 8 December 2004. The financial effect of this dividend is not included in the financial statements for the year ended 30 September 2004 and will be recognised in the 2005 financial statements.

On 3 November 2004, the Company announced an on-market buy-back of up to \$250 million of its share capital.

The Directors have not become aware of any other significant matter or circumstance that has arisen since 30 September 2004, that has affected or may affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent years, which has not been covered in this report.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

It is anticipated that dividends will be partly franked at a rate not greater than 50%.

Compliance statement

This report is based on audited accounts

The entity has a formally constituted audit committee.

Sign here : Date.....
(Director/Company Secretary)

Print name:

Attachment 1

| | 2004 | 2003 |
|---|---------------|---------------|
| | \$m | \$m |
| Income tax expense | | |
| The amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating profit. The differences are reconciled as follows: | | |
| Income tax expense attributable to operating profit before significant items | | |
| Prima facie income tax expense calculated at 30% | | |
| on profit from ordinary activities before significant items | 144.3 | 114.5 |
| Tax effect of permanent differences which (reduce)/increase tax expense: | | |
| variation in tax rates of foreign controlled entities | 1.8 | (0.3) |
| tax under/(over) provided in prior years | 1.0 | (2.4) |
| prior year tax losses recognised | (11.1) | (8.1) |
| non-allowable goodwill amortisation | 8.8 | 4.7 |
| non-taxable profit on sale of property, plant and equipment | (3.1) | (1.8) |
| other foreign deductions | (18.7) | (13.4) |
| sundry items | 6.7 | 3.3 |
| Income tax expense attributable to operating profit before significant items | 129.7 | 96.5 |
| Income tax expense attributable to significant items | | |
| Prima facie income tax expense/(benefit) calculated at 30% | | |
| on (loss)/profit from significant items | (14.0) | (62.6) |
| Tax effect of permanent differences which (reduce)/increase tax expense: | | |
| individually significant items – non-allowable North America restructuring costs | 3.4 | - |
| individually significant items – non-allowable write down of Qenos | - | 36.9 |
| individually significant items – non-allowable write down of assets | 3.7 | - |
| individually significant items – non-taxable profit on disposal of property under the Corporate surplus property program | (13.0) | (10.5) |
| individually significant items – tax refund on sale and leaseback transaction | (28.5) | - |
| individually significant items – other | - | (1.5) |
| sundry items | (0.4) | 0.5 |
| Income tax (benefit)/expense attributable to operating (profit)/loss from significant items | (48.8) | (37.2) |
| Income tax expense attributable to operating profit | 80.9 | 59.3 |
| Income tax expense comprises: | | |
| provision for income tax | 50.0 | 16.1 |
| deferred income tax | 24.1 | 19.0 |
| future income tax benefit | 6.8 | 24.2 |
| | 80.9 | 59.3 |